

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

September 14, 2015  
6:00 p.m.

Conference Room 1E-113  
Bellevue, Washington

PRESENT: Mayor Balducci, Deputy Mayor Wallace<sup>1</sup>, and Councilmembers Chelminiak, Robertson, Robinson and Stokes

ABSENT: Councilmember Lee

1. Executive Session

The meeting was called to order at 6:10 p.m., with Mayor Balducci presiding. There was no Executive Session.

2. Approval of Agenda

→ Councilmember Stokes moved to approve the agenda, and Councilmember Robertson seconded the motion.

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

3. Oral Communications

- (a) Don Marsh, EE, said it is a misconception that power outages will occur if Puget Sound Energy's Energize Eastside project is not built. He said PSE indicates that a problem could occur based on four specific circumstances. Mr. Marsh said that, even if all four happened at once, power outages would not occur because PSE would activate a corrective action plan. He said PSE is asking customers to pay nearly \$1 billion over the next few decades to avoid an outage scenario that will probably never occur. He said industry standards do not require infrastructure investments to avoid this low probability event.

Mayor Balducci thanked Mr. Marsh for sending his comments to the Council in advance. She indicated to the City Manager that she hopes all information received by the Council and City staff will be processed as part of the Environmental Impact Statement (EIS) review.

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<sup>1</sup> Deputy Mayor Wallace joined the meeting at 6:21 p.m.

- (b) Bill Hirt recalled that he first appeared before the Council six years ago when bus rapid transit (BRT) was not considered as an alternative to East Link light rail. He said BRT has 10 times more capacity than light rail, could be completed 10 years sooner, and would be 1/10<sup>th</sup> of the cost. He expressed concern that light rail on I-90 will cause traffic gridlock. He said noise from the trains will be disruptive to Bellevue for more than 18 hours per day. He expressed concern that Sound Transit will be closing the South Bellevue Park and Ride in six months for the duration of light rail construction and has not developed an alternate plan to accommodate transit users. Mr. Hirt submitted his comments in writing.
- (c) Jean Magladry and a group of BR-MO (BelRed-Medical Office) district property owners came forward to reiterate their ongoing request for an increase in the allowed floor-area ratio (FAR). She noted the new Aegis facility and the need for more elderly care services and housing. She said the area represents an ideal opportunity to provide more of this type of facility. She said property owners have been seeking this change for nearly three years.
- (d) Charles Voelker thanked the Council for its previous discussions about the BR-MO district. He said the area is not redeveloping and property owners have been told by the Planning Commission that the issue is in process with the City and will go before the Commission in approximately one year. He said the Factoria Aegis project contains more units due to the higher FAR. He observed that the City is losing opportunities for more affordable housing by not increasing the FAR. He said the low housing supply drives up rental rates.

[Deputy Mayor Wallace arrived at 6:21 p.m.]

- (e) Charlotte Weigel concurred with the previous two speakers. With regard to Aegis, she believes the BelRed project would have been larger and more impressive if there were not the FAR restrictions. She noted the importance of facilitating redevelopment in the BelRed area between the Spring District and the Downtown, especially if the Council wants to see the type of development it has wanted based on past discussions.
- (f) Alex Zimmerman, President of StandUP-America, said he has been requesting monthly public question and answer sessions with the City Manager for a few years. He is surprised that 130,000 residents of Bellevue are not interested in this type of communication. He alleged that the Council is corrupt and the City Manager is a crook. He asked everyone to stand up for America and to stop what he considers to be fascism.
- (g) Norm Hansen, Bridle Trails, spoke to the Comprehensive Plan Update. He said Bridle Trails residents are interested in electrical and telecom infrastructure. They would like to work with the City to develop specific regulations in the Land Use Code. He said there are many changes evolving in the energy industry and Bellevue could be a leader in implementation.

- (h) Jens Nedrud, Puget Sound Energy, provided an update on the Energize Eastside project to upgrade the electrical system on the Eastside. He said the system has not been upgraded since the 1960s and demand continues to grow. He said certain points communicated by a previous speaker were incorrect. He said PSE plans its system to be compliant with federally mandated reliability standards. PSE cannot currently maintain those standards and has corrective action plans in place to implement during extreme winter and summer conditions. However, those plans are not suitable for long-term operations and will result in forced outages by 2017-2018 if the Energize Eastside project is not completed. Mr. Nedrud said the risk for power outages on the Eastside exists with or without PSE sending power to Canada. He said five studies point to a transmission deficiency in the system.

Mayor Balducci said she hopes all of this information will come together in the EIS and provide a factual basis for decisions.

#### 4. Study Session

- (a) Council Business and New Initiatives

Mayor Balducci said Councilmember Lee asked the Council to excuse his absence tonight.

→ Deputy Mayor Wallace moved to excuse Councilmember Lee's absence, and Councilmember Stokes seconded the motion.

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

- (1) Management Brief regarding Sound Transit Board Approval of Sound Transit Phase 3 (ST3) Priority Project List

Mayor Balducci recalled her previous request that staff bring back a list of projects to be considered for the Sound Transit 3 (ST3) package Priority Project List.

Transportation Director Dave Berg said Nancy LaCombe, Project Manager, will be the contact with Sound Transit going forward with regard to the ST3 package. He noted a list in the meeting packet of all regional ST3 candidate projects.

Ms. LaCombe presented the project list approved by the Sound Transit Board on August 27. She highlighted eight Bellevue priorities included in the list: 1) East Link light rail transit to Redmond; 2) working with other agencies toward the full implementation of I-405 bus rapid transit (BRT) from SeaTac to Lynnwood; 3) implementing system access improvements (Access Fund Program, without specific projects), including a NE 8<sup>th</sup> Street elevated non-motorized crossing; 4) providing a high level of transit service connecting Eastside cities (project for Sound Transit Express bus service included); and 5) implementing a highly integrated system (no specific project but staff will continue to monitor ST3 in this regard).

Mayor Balducci thanked Bellevue, Redmond and Issaquah staff for their extensive work to create a map of a highly integrated system. The cities are advocating for this plan with the Sound Transit Board.

Continuing, Ms. LaCombe said the remaining Bellevue priorities on the ST3 priority project list are: 6) a project to consider high-capacity transit along the Eastside Rail Corridor, 7) the Bellevue College Collector, and 8) support for transit-oriented development (TOD) consistent with local plans.

Ms. LaCombe said the next steps are a Sound Transit Board workshop this fall, ongoing project evaluation and analysis through winter 2015-2016, the development of a draft System Plan through spring 2016, and the development of a final System Plan by summer 2016 for the November ballot.

Mayor Balducci pointed out that certain improvements can be separated from other projects. For example, if the potential light rail project between Totem Lake and Issaquah is never completed, certain elements could be completed separately (e.g., improvements in transit access to Bellevue College). She said there has been discussion about obtaining funding in ST3 for an over-crossing at NE 8<sup>th</sup> Street to access the Hospital/Wilburton Station. She said King County Metro and Sound Transit staff are trying to find a way to fund that as part of ST2.

Responding to Councilmember Chelminiak, Mr. Berg said the City is waiting for signal equipment to be delivered by October before the NE 4<sup>th</sup> Street extension will be able to open.

With regard to the I-405 bus project, Mr. Chelminiak questioned the status of the I-405 Record of Decision (ROD). Mr. Berg said the ROD might be updated if projects change. The NE 6<sup>th</sup> Street extension was not part of the I-405 Master Plan and will undergo a separate environmental review process.

Councilmember Robinson thanked Mayor Balducci for continuously advocating for Bellevue's best interests. With regard to high-capacity transit between Kirkland and Bellevue, she wondered how that might impact the ability to have a trail and bike system on that corridor.

Mayor Balducci said the County is just beginning its master planning process for the 40-mile Eastside Rail Corridor. Bellevue is on record as stating it would like to see trail uses as well as additional transportation. She said one potential ST3 project is the study of light rail from Issaquah to Downtown Kirkland via Downtown Bellevue. There is also an item for BRT from Downtown Bellevue to Downtown Kirkland. Ms. Balducci noted that, although light rail and BRT have been discussed, the City should not be committed to specific modes at this time. She suggested that the study explore the best high-capacity method to connect Kirkland and Bellevue. Mayor Balducci observed that both Kirkland and Bellevue are interested in providing pedestrian-bike facilities.

Responding to Councilmember Robinson, Mayor Balducci said staff from Metro, Bellevue and Sound Transit have been working together to determine a way to extend the Cross Kirkland

Corridor, Kirkland's section of the Eastside Rail Corridor, into Bellevue.

Deputy Mayor Wallace referred the Council to the Eastside Transportation Partnership (ETP) letter included in the Council's desk packet. He recalled the original Sound Transit subarea policy of using revenues raised in a subarea for projects within that subarea. ETP includes representatives from every municipality in the East Subarea.

Mr. Wallace observed that the ST3 list is not organized by subarea. The East Subarea includes the light rail connection to Redmond and possibly to Kirkland and Issaquah. Projects identified for Seattle include light rail from downtown to Ballard, from Ballard to the University District, from downtown to West Seattle, from downtown to White Center, and a new tunnel to connect Ballard to West Seattle. He said the estimated cost of the downtown-to-Ballard segment is \$3.6 billion.

Deputy Mayor Wallace said Sound Transit quoted a cost of \$15 billion to the state legislature for the entire ST3 package. He said he later found out that the \$15 billion covers a specific time period and the total package cost will be much higher. Mr. Wallace observed that, if one segment exceeds \$3 billion, the Seattle Subarea will quickly spend its money.

Mr. Wallace expressed concern that Eastside Subarea dollars will be used for Seattle projects. He suggested that an effective Eastside alternative could be to put more money into bus service hours to enhance mobility sooner and to provide better connections between the suburban cities.

Mr. Wallace said it is extremely important to continue to focus on subarea equity. Mayor Balducci concurred.

Councilmember Stokes said he believes there has been progress in taking a broader regional approach to Sound Transit services. He agreed with the importance of addressing subarea equity in the ST3 package.

(b) Issaquah Assumption of Water and Sewer Utilities in South Cove/Greenwood Point

City Manager Brad Miyake said the South Cove and Greenwood Point neighborhoods in Issaquah have been served by Bellevue Utilities since the City assumed a number of water and sewer districts in the 1970s. Issaquah annexed the two areas in 2006. Bellevue and Issaquah signed a 2014 Interlocal Agreement to work toward assumption of the utilities, and Issaquah is now ready to provide services to South Cove and Greenwood Point beginning in 2017.

Nav Ota, Utilities Director, said staff will be seeking Council direction and action in October adopting a resolution to sign the Assumption Agreement with the City of Issaquah and to approve Amendment No. 1 to the Water Facilities Agreement (Wheeling Agreement). She said Issaquah will need to use a small portion of Bellevue's system to transfer water to their jurisdiction.

Ms. Otal said the service area to be assumed by Issaquah is a small portion of Bellevue's customer base. There are approximately 1,000 accounts representing 1.4 percent of the Bellevue system's usage. Bellevue will experience an annual revenue loss of \$1,494,000 with the assumption. However, this is offset by cost savings related to wholesale expenses as well as state and local taxes, leaving a net annual income loss of \$562,000.

Ms. Otal said no staffing reductions are proposed related to the assumption. The Utilities Department has been anticipating this action and staff time will be redirected to other priority work including managing a work backlog, handling CIP (Capital Investment Program) requests for watermain shutdowns, and responding to new development requests. Under the Wheeling Agreement, Issaquah will pay Bellevue \$7,318 per year to use Bellevue's water system.

Ms. Otal said CIP improvements associated with the assumption are master water meter installation financed by Issaquah. Bellevue and Issaquah will share in the cost of pressure and fire flow improvements (approximately \$250,000) which benefit both cities. The assumption involves the transfer of \$256,944 from the Utilities R&R Fund to Issaquah. This amount represents the proportional replacement value of water and sewer assets and the timing of replacement activities. The average Bellevue residential water and sewer bill will increase \$0.72 per month related to this assumption.

Ms. Otal said next steps are to request Council action on the assumption in October. The Issaquah City Council took action in August and will take the matter to the Boundary Review Board this fall. Issaquah will conduct a public process through 2016 with the transition of services anticipated for January 2017. Ms. Otal said Issaquah will implement enhancements to its billing system to allow online payments before the assumption occurs. Bellevue customers are currently able to pay online and want to continue to receive that level of service.

Responding to Deputy Mayor Wallace, Ms. Otal confirmed that water will be "wheeled" through Bellevue to Issaquah. She said the agreement includes maintenance costs for all cities/parties of the Wheeling Agreement.

Mayor Balducci thanked staff for the update. Ms. Otal said staff will be back in late September or early October for Council action.

#### (c) Environmental Stewardship Initiative (ESI) Update

City Manager Miyake recalled that the 2013-2018 Environmental Stewardship Initiative (ESI) Strategic Plan was previously prepared and shared with the Council, which requested regular updates on the implementation of the plan.

Planning Director Dan Stroh said the presentation includes discussion of the regional Green Business Recognition Program. He noted that staff would like to bring a related Interlocal Agreement back for future Council action.

Paul Andersson, ESI Program Administrator, described the Green Business Recognition Program which addresses waste reduction and recycling, water conservation, energy usage, packaged

resource conservation services, and stormwater and wastewater pollution prevention. The objective is to streamline access to information through a partnership of local government and utilities. The program leverages the EnviroStars brand which was established approximately 20 years in King County. There are currently 880 EnviroStars-certified businesses working on a coordinated marketing campaign, with an annual cost to Bellevue of \$5,000.

Mr. Andersson said the related memorandum of agreement (MOA) is in the Council documents library. He said it has taken some time to organize the partners and coordinate their interests. The EnviroStars Regional Green Business Program will leverage resources to increase access and efficiency in delivering green business services, achieve greater environmental outcomes at a lower cost, and reduce business operating and utility costs. Mr. Andersson said staff will be seeking Council approval of a Resolution to authorize signing the MOA.

Councilmember Robinson expressed support for joining the MOA. Responding to Ms. Robinson, Mr. Andersson said the \$5,000 cost is split between the ESI program and the Utilities Solid Waste Department.

Deputy Mayor Wallace said he would like to read the MOA document. Responding to Mayor Balducci, Mr. Andersson said there has been extensive legal review of the MOA by all involved parties, including Bellevue's legal staff.

Mayor Balducci asked staff to provide a link to the Council document library for all Councilmembers. Councilmember Robertson suggested that the MOA be included in the online agenda packet of the meeting in which Council action is scheduled. Councilmember Stokes expressed general support for signing the MOA, with the condition that he would like to review it.

Mayor Balducci suggested that staff prepare the resolution authorizing the MOA for the next Consent Calendar. If any Councilmember is not prepared to take action next week, it will be removed.

Continuing, Mr. Andersson provided an update on the Solarize Bellevue program. The goal for 2015 is 50 new systems, and 19 new systems are under contract to date. A system was donated to the Boys and Girls Clubs of Bellevue last year, and a \$25,000 system donation was provided to the KidsQuest Children's Museum this year.

Mr. Andersson introduced Heather Mulligan, Green Power Program Manager with Puget Sound Energy (PSE). She described the Bellevue Green Power Challenge which had a goal of adding 250 new Green Power customers by October 31 in exchange for a \$40,000 grant for solar equipment at Crossroads International Park.

Ms. Mulligan said the Bellevue community has exceeded its goal. A stretch goal has been added offering \$100 for new customers above the 250 goal, up to a total of \$10,000.

Mr. Andersson said the solar system at Crossroads Park will be installed on the building that houses the restrooms and electricity meter. The meter feeds the two electric vehicle charging

stations in the parking lot as well as the water spray park and summer festivals. Mr. Andersson suggested installing an interpretive sign at the charging stations. He believes this is the first solar-powered electric vehicle charging station in Bellevue. Mayor Balducci suggested installing an interpretive sign at the entrance to the spray park.

Mr. Andersson said the Solarize Bellevue contractor (A&R Solar) donated the \$25,000 system to KidsQuest Museum. In addition, for every five systems that come under contract beyond 25 customers, A&R Solar is donating \$2,000 to a local nonprofit organization.

Mr. Andersson described an opportunity for the City to purchase green power at the cost of approximately one percent of the City's total annual energy expenditure (\$28,700). Many Bellevue businesses are participating in PSE's Green Power program. He said a budget proposal during the last budget cycle was not approved. However, staff is considering presenting a proposal for the next Mid-Biennium Budget.

Councilmember Robertson referred to the meeting agenda memo and questioned how purchasing energy credits results in reducing the City's municipal emissions.

Ms. Mulligan said the renewable energy credits, sometimes referred to as certificates, are a way to put a value on the renewable attributes of a megawatt hour or renewable energy generation. The credits are a tradeable commodity. When a renewable energy project is built (e.g., solar, wind, bio-gas), that project is not only going to the bank with a pro forma that states what they will receive for power, but it will also show what they will receive for the environmental attribute portion. Those two power components allow companies to obtain the financing to build a project. The owner of the credit or certificate is the owner of the rights to claim the renewable energy benefit from that megawatt hour of generation.

Ms. Mulligan said Puget Sound Energy owns three wind farms in Eastern Washington, which helps PSE meet its renewable portfolio standard. Every time a megawatt hour of generation is created at one of those wind farms, PSE retires a renewable energy certificate. Any surplus credits not needed by PSE for compliance with the standard can be returned to the market and someone else can claim those benefits by purchasing them.

Ms. Robertson questioned how the City reduces its greenhouse gas emissions by purchasing renewable energy credits, unless Bellevue is directly drawing power from the wind farm or other source. Ms. Mulligan said that, what a customer is doing by purchasing renewable energy credits is helping to ensure that renewable energy is entering the system.

Responding to Mayor Balducci, Councilmember Chelminiak said the purchase of renewable credits, which might be more expensive, allows alternative energy facilities (e.g., wind farm) to be built and operated. The megawatts from the wind farm enter the system and, while they do not come back to Bellevue, there is a benefit to the region by using renewable energy sources.

Councilmember Robertson stated that it sounds like paying more for energy allows PSE to invest in renewable energy. However, she is concerned about what this does to utility rates over time and the potential impacts of reducing the use of coal energy.



Councilmember Robertson indicated that, before she could vote on a budget proposal, she would need a better understanding of the mechanism and how it would impact Bellevue customers' utility rates. If rates increase to contribute toward renewable energy, what is the environmental benefit in proportion to the increased costs?

Mayor Balducci said Bellevue sets a goal for greenhouse gas emission reductions. In evaluating a future budget proposal, it is important to make sure there is a clear understanding of what the City is buying and the related benefits, cost impacts, and policy implications.

Councilmember Stokes observed that participating in the program benefits the overall regional system.

Councilmember Robinson said Bellevue's K4C (King County Cities Climate Collaboration) ratings are higher in every area except for its energy source. This is due to Puget Sound Energy's use of coal as one of its energy sources. She questioned whether buying renewable energy credits would change the City's K4C rating. Mr. Andersson said he was not familiar with the official ratings of the K4C initiative. However, the purchase of green power would add to Bellevue's environmental efforts.

Moving on, Mr. Andersson said the City received a \$30,000 grant from the King Conservation District to move forward with a community education campaign related to residential energy savings for the purposes of competing for the Georgetown University Energy Prize. The City also started the Eastside Energy Corps Project involving high school students who work on energy-related projects. Mr. Andersson introduced Pranay Mittal, a junior at Interlake High School and Eastside Energy Corps lead strategist.

Pranay described his experience with the Eastside Energy Corps over the summer through volunteer work with Mr. Andersson. He learned a great deal about energy and related software from the program, and it gave him the opportunity for public speaking and conference planning. He said he was encouraged by Mr. Andersson to draft an opinion piece, which was published in *The Bellevue Reporter*.

Mayor Balducci noted that Pranay is benefiting the community with his energy, intelligence, and skills.

Moving on, Mr. Andersson provided an update on the LED streetlight replacement program. A total of 4,040 bulbs will be replaced and the project is more than 50 percent completed. He said the average daily cost of LED streetlights is 80 percent of the former cost.

Mr. Andersson described the Bellevue Urban Smart pilot program and K4C activities. The K4C subcommittee on the Scope 5 Greenhouse Gas Monitoring System is expanding the use of its software from Bellevue to five K4C agencies through a cost-sharing arrangement. The system software tracks cities' carbon footprints and environmental key performance indicators.

Councilmember Robertson recalled a presentation approximately 18 months ago regarding the State Energy Code, which is based on a more southern climate. At that time, there were comments that modification of the Code based on this area's climate would be more effective at reducing energy usage. She suggested that the City follow up to determine the ability to influence the Code. Mr. Andersson said the City does have staff representation on the K4C Regional Code Collaboration subcommittee. He said the Code updates occur on a three-year cycle. Ms. Robertson asked staff to follow up by taking the issue to the K4C subcommittee.

Councilmember Chelminiak thanked staff for their work in this area. Mr. Andersson said another development in this field is the living building challenge model ordinance.

Mr. Andersson highlighted Environmental Element policies adopted in the recent Comprehensive Plan Update.

Mayor Balducci recalled that Councilmember Robinson mentioned a letter the previous week that Bellevue is being asked to sign. The letter is to the Washington Utilities and Transportation Commission (UTC) and comments on coal-fired energy facilities owned by PSE. Ms. Balducci said the Council did not receive a copy of the letter until earlier in the day, and she recommends against signing the letter.

Mr. Andersson acknowledged that the City has not typically interacted with the WUTC in this way. He said staff recommends not signing the letter.

Mayor Balducci observed that it is important for the City to support the increased usage of renewable energy sources and to reduce greenhouse gas emissions. However, the Council needs to have a better understanding of the impacts related to changes in energy sources. Mayor Balducci asked staff to let the Council know when and how it would be best to have a discussion of these issues.

Deputy Mayor Wallace concurred about not signing letter. He referred to a bill that passed in the Senate during the past state legislative session but failed in the House. The bill would have allowed the use of some of the money from the Green Energy Initiative that is currently going to windmills to be applied as incentives for energy conservation in Bellevue and other urban areas. He said it failed on partisan lines and he is not sure why. He requested staff's input about whether it makes sense for Bellevue to put the issue on next year's legislative agenda.

Mr. Andersson said there is a K4C elected officials summit on October 15 and one of the key topics for discussion will be clean energy infrastructure.

At 8:05 p.m., Mayor Balducci declared a brief break. The meeting resumed at 8:20 p.m.

(d) Proposed Work Program for PCD and DSD Initiatives with Land Use Code Amendments

Planning Director Dan Stroh said this is a continuation of staff's presentation on August 3. The purpose on August 3 was to present a 12-month proposal including as many Council priorities as

possible, given the available resources. Mr. Stroh reviewed the key activities during a typical planning initiative process.

Mr. Stroh referred to the matrix for Council discussion: Proposed Work Program Focus for Mid-2015 to Mid-2016, Items Related to Code Amendments. The list includes Initiated Items (PCD Planning Initiatives and DSD Items from Land Use Code Docket) as well as items not yet initiated but proposed for inclusion in work program and items not proposed for the work program within the next 12 months.

Mr. Stroh referred the Council to the agenda memo in the meeting packet which summarizes the major Council themes from the August 3 discussion. With regard to resource availability, Mr. Stroh said some workload capacity has opened up with the completion of the Comprehensive Plan Update. However, he suggested preserving capacity in the work program for emerging and unanticipated opportunities that arise. He said adding more staff would not necessarily solve the challenge. He noted that available capacity refers not only to staff but to the capacity of Boards, Commission, Council, and the public to engage in numerous initiatives and planning efforts.

Mayor Balducci observed that it is important to keep the end goal in mind. For the purposes of the evening's discussion, she suggested focusing on the work program as proposed in the matrix and making revisions as necessary. The Council concurred with that suggestion.

Continuing, Mr. Stroh recalled that, during the August 3 discussion, the Council asked staff to develop options for four items: Old Bellevue parking, Comprehensive Downtown Parking study, BelRed Plan review, and development of the housing strategy.

Councilmember Robertson observed that some items are listed on both Attachment A and Attachment B, while others appear only on one of the lists.

Mike Brennan, Director of the Development Services Department (DSD), said items on Attachment B, Land Use Code Docket, are underway. Attachment A lists projects for which planning must occur before they are ready for Code amendments.

Ms. Robertson noted that the item to address the Council's quasi-judicial role is on the Land Use Code Docket but it is not on the planning list. She questioned the sequencing of work on both lists. Mr. Brennan said all items on the Docket [Attachment B] are Land Use Code amendments that have been initiated by the Council. He confirmed that the quasi-judicial role item will be worked on by staff even though it is not listed in the Attachment A work program. He noted that the Docket attempts to anticipate the level of community involvement and staff time for each item.

In further response to Councilmember Robertson, Mr. Brennan said the items on Attachment B (Docket) are generally in priority order. However, smaller items that can be completed more quickly will likely be moved up in priority as time allows.

Mayor Balducci highlighted, as an example, that Attachment A [Work Program] lists roosters and peafowl as not proposed for the work program within the next 12 months. However, the

Docket lists the item as one that will be worked in as time allows.

Mr. Brennan clarified that the items listed on the front page of the Docket are likely to extend throughout the next year. Responding to Mayor Balducci, Mr. Stroh said the Council quasi-judicial role item is on the Docket but not on the Planning and Community Development (PCD) Work Program because it is a Code matter to be handled by the Development Services Department (DSD) but does not require work by PCD.

In further response to the Mayor, Mr. Stroh said PCD and DSD staff intended to coordinate the two list of work items. He clarified that PCD manages major planning initiatives that set the future direction for the City. Mr. Brennan said DSD is the implementation arm of Land Use Code amendments based on plans, policies, and vision statements. Mr. Stroh noted that there is overlap, however, in the sequence of the work.

Councilmember Robertson said it is difficult to comment on items from two different lists. She said it would be helpful to have a consolidated list of joint DSD and PCD projects.

Mayor Balducci suggested discussing the Work Program. Ms. Robertson acknowledged that the Docket items have already been established as priorities by the Council, while decisions have not been made on all of the Work Program planning initiatives.

Councilmember Robertson noted that marijuana regulations have been adopted. Responding to Ms. Robertson, Mr. Brennan said the State deadline for the Critical Areas Update is late summer 2016. He said there is a small cell wireless/broadband connectivity item on the Docket which is aligned with the Council's priority of expanding broadband into the community. He said it is a narrow proposal related to small cells on City facilities that is moving forward with the Information Technology Department.

Mr. Brennan said the Wireless Communication Facilities (WCF) Code review is a separate and larger work item that will involve extensive research, analysis, and public outreach.

Continuing, Ms. Robertson said the pipeline safety amendment item listed on the Docket is not reflected in the Work Program. She believes this should be a higher priority, given that the City is in the process of updating the oil pipeline franchise as well as undergoing environmental review for a major transmission line project that could potentially locate along the pipeline corridor.

Mr. Brennan said staff will follow Council direction. However, he noted that the regulations governing pipelines are primarily federal and state laws. The City has the jurisdiction to regulate what is happening on land near the pipeline but does not regulate installation of the pipeline or activities within the pipeline corridor. He acknowledged that there is a benefit to notifying pipeline companies and property owners about adjacent development and projects. He said another option is to change the types of land uses allowed near the pipeline to lower risks.

Mr. Brennan said the franchise agreement discussion is coming to the Council in October. Environmental review for Puget Sound Energy's Energize Eastside project will focus on impacts

within the project's corridor.

Councilmember Robertson suggested it would be beneficial to ensure that the City's regulations are protective of the public's safety before permits are processed.

Mayor Balducci indicated she was starting a list of the Council's suggested revisions, with the first being to make the pipeline safety amendment a higher priority.

Continuing, Councilmember Robertson said she would like to make the BelRed Plan Update a higher priority. She suggested that subarea planning could be slowed somewhat because the Council needs to prioritize the order of the subarea work, which will involve staff's analysis to inform the Council. Ms. Robertson acknowledged that the housing strategy is important to the Council. However, she would be comfortable waiting to see how new policies, including the multifamily tax exemption (MFTE), are implemented before addressing a broader strategy.

Councilmember Robertson observed that certain work items in the BelRed corridor (i.e., transit-oriented development, Sound Transit maintenance facility, and BelRed Plan review) are split and should be studied and considered together.

Mayor Balducci listed the three suggested revisions so far: 1) identify the pipeline safety amendment as a higher priority, 2) make the BelRed review a higher priority, and 3) slow down subarea review and development of the housing strategy.

Councilmember Stokes opined that the housing strategy should be a higher priority. His understanding is that this would involve the development of an implementation strategy for existing plans and policies.

Mr. Stokes suggested the Council should discuss the items not proposed for the Work Program over the next 12 months. He questioned whether the Council actually wants to wait to address the BR-MO (BelRed-Medical Office) district, Grand Connection, and Downtown Parking study.

Mr. Stokes questioned the factors affecting the City's capacity to complete work items. He said he is willing to consider increased staffing if that is an issue. He observed that the Council's function is to identify its priorities and to ask staff to provide information on what it would take to complete a project.

Mr. Stokes suggested that the BR-MO floor-area ratio (FAR) issue could be addressed relatively quickly. He expressed concern that certain planning initiatives extend over several years. He would like to move forward with work on the Civic Center Plan and Grand Connection. He believes that the housing strategy and neighborhood subarea planning are important as well. He expressed concern that processes take so long and, in some cases, opportunities are missed. Mr. Stokes said he generally supports the priority list as presented.

Mayor Balducci summarized what she heard, which is to retain the Work Program as presented, while also finding a way to move the BR-MO work into the nearer-term work plan.

Councilmember Robinson said it is important to keep the housing strategy at the forefront. She noted her work with the older population and commented on the high demand for senior housing options.

Councilmember Robinson said she would like to move the BR-MO item, and BelRed issues in general, to a higher priority ranking. She concurred with Councilmember Stokes about the willingness to consider more staff to complete more projects.

Councilmember Chelminiak said Wilburton planning and implementation should be a higher priority. With the City investing in transportation projects in the Wilburton area, it makes sense to focus on the overall plan established a number of years ago to facilitate redevelopment. He sees this as the next large vision implementation, which also involves the Grand Connection.

Mr. Chelminiak said other key priorities from the Council Vision and the Comprehensive Plan Update are housing and neighborhoods. He would like to see the Eastgate/I-90 Plan move forward, which includes a housing component to potentially serve Bellevue College students.

With regard to the BelRed Plan, Mr. Chelminiak recalled that there was never a requirement for a five-year update of the Plan. However, there was an idea for a five-year review of the Plan and BelRed development. When the plan was adopted in 2009, light rail was anticipated along 112<sup>th</sup> Avenue NE. He recalled the original interest in new housing in the BelRed corridor, which was partly the basis of the Spring District development agreement.

With regard to the BR-MO issue, Councilmember Chelminiak said the vision for the area was never close to a 2 FAR or 4 FAR. He said a lower level of development was deliberately envisioned. He questioned whether the property owners' request would require a Comprehensive Plan Amendment (CPA).

Mr. Stroh said the BR-MO district (80 acres) is a significant portion of the BelRed subarea. The area represented by property owners requesting the FAR change is approximately 16 acres. It is possible that a CPA would be required to increase the FAR from 1 to 2, and it would likely require a supplemental SEPA (State Environmental Policy Act) review due primarily to traffic impacts and growth in that area.

Councilmember Chelminiak opined that the BR-MO item is a large project and not merely a small scope planning project. He said a CPA would need to demonstrate changed circumstances, and there is no requirement to build senior housing. He said the traffic impacts could adversely affect the hospitals and emergency access. He believes the BR-MO issue is more complicated than it appears on the surface. He agrees with giving it consideration. Mr. Chelminiak said he would like information on the status of BelRed properties outside of the light rail station nodes.

Councilmember Chelminiak observed that the proposed Work Program is consistent with the Council Vision, but it is difficult to prioritize the many competing projects and needs.

Mayor Balducci recapped what she heard, which was a request by Mr. Chelminiak for an update on land uses in the BelRed corridor. Mr. Chelminiak acknowledged that most of the corridor is

outside of the nodes, and the nodes are where most of the changes in use occur. He would like information on whether the uses identified inside the nodes have precluded the rental of space. Responding to the Mayor, Councilmember Chelminiak confirmed that he would like a factual snapshot of the area in the form of a report to the Council.

Deputy Mayor Wallace said his review of the list led him to consider how items could be grouped together. He identified the areas as the Downtown, Wilburton, and BelRed, which are all along the light rail alignment. With the significant investments to be made in those areas, he suggests putting the appropriate planning and infrastructure in place to leverage those investments.

Mr. Wallace said the top priority for him is the Downtown Livability Study, which has been around for a long time and can deliver the most growth in jobs and housing to achieve growth targets at the least cost. The infrastructure is already in place and the implementation of Downtown Livability items will maximize the benefits of light rail in terms of supporting job and housing growth.

Mr. Wallace said items linked to the Downtown Livability initiative are the Civic Center Plan, green building, and the downtown southern boundary. He suggested that housing should be a separate discussion. He said he does not see how the Downtown Livability work can be implemented without addressing overall Downtown parking. Another related item is the Grand Connection. He suggested this should involve planning and/or economic development analyses to study the elements involved in connecting Meydenbauer Bay to the freeway. Other Downtown elements are completing the Downtown Park, developing Meydenbauer Bay Park, working with PACCAR to improve the Pedestrian Corridor, light rail stations, and the property recently acquired next to City Hall. Mr. Wallace said light rail station area planning for the East Main and Downtown stations are also key Downtown components.

Deputy Mayor Wallace spoke to the need for a robust Downtown Livability Plan that allows private developers to plan for their own projects in a way that will leverage future growth supported by light rail and numerous other Downtown elements.

Mr. Wallace concurred with Councilmember Chelminiak about the need to address Wilburton area planning and development. He said this is a large area of land with relatively few property owners that presents significant opportunities for redevelopment.

Moving on, Mr. Wallace said there was a commitment in 2009 to conduct a five-year review of the BelRed Plan. He observed that property owners in the BR-MO district have reasonable concerns. He suggested community outreach in the BelRed area to assess conditions and to determine whether there might be relatively easy Code modifications that would strengthen development and redevelopment. He observed that a solution to allow girls volleyball in a warehouse in the BR-MO district should be a simple fix and one that the City should have completed a long time ago.

In looking at light rail in the BelRed corridor within the context of the next development cycle, Mr. Wallace noted the need to review incentives to determine whether the cost of development is

justified. He said stormwater requirements significantly add to development costs.

Deputy Mayor Wallace suggested scoping the issues and needs of the BelRed corridor over the next year in order to develop and execute a realistic plan. He further suggested that transit-oriented development (TOD), Sound Transit's operations and maintenance satellite facility (OMSF), and the 130<sup>th</sup> Station should be included in the BelRed review.

Mr. Wallace noted the complexity of housing issues and wondered whether those could be addressed separately with Downtown Livability implementation. He observed that a broader community review is likely more appropriate. Issues include defining affordability, identifying housing objectives, and addressing temporary shelters.

Mr. Wallace listed his next priorities as the Eastgate/I-90 Plan, environmental topics (i.e., Critical Areas Ordinance, Low Impact Development principles, and the Shoreline Management Plan), and additional items that have not yet been discussed.

Deputy Mayor Wallace encouraged the Council, staff, and the community to embrace the unified concept of Downtown, Wilburton and BelRed. He would like to execute a broad vision over the next couple of years to continue to foster the growth needed to support significant infrastructure investments.

Responding to Mayor Balducci, Mr. Brennan said work on green building incentives is programmed for later 2016.

Mr. Wallace reiterated that the Downtown Livability items he identified are the Civic Center Plan, green building, Downtown southern boundary, housing, parking, Grand Connection and light rail station area planning. Mr. Stroh said the Downtown boundary work is underway.

Mayor Balducci highlighted Mr. Wallace's suggestion to move Civic Center planning, the Downtown parking study, and the Grand Connection to be higher priorities in the proposed Work Program. Ms. Balducci said station area planning is underway.

Ms. Balducci observed that housing could be addressed by subarea or neighborhood. Mr. Wallace opined that it would make sense to study housing while looking at other elements of the Downtown and Wilburton.

Mayor Balducci said she heard the Deputy Mayor say that he would like to see some level of five-year review of the BelRed Plan to include a snapshot of the status quo and gathering input from the community. The objective would be to create a realistic plan for stimulating and supporting redevelopment.

Responding to Ms. Balducci, staff confirmed that TOD and OMSF regulations are in process to comply with the East Link Memorandum of Understanding between the City and Sound Transit.

In further response, Mr. Brennan said temporary encampment regulations are not anticipated to require significant work. He said most of the conditions required by the end of the year are



already in the Land Use Code. He said staff can come back to Council to provide more information on the details of the Consent Decree and staff's work to date. Mr. Brennan confirmed that any Code changes needed will be completed by the end of the year.

Responding to the Mayor, Mr. Stroh confirmed that the Eastgate/I-90 Plan work is underway.

Councilmember Stokes said he liked the way Deputy Mayor Wallace grouped the priorities. He noted the Council's ongoing strong support for BelRed, Eastgate/I-90, and Downtown Livability work. Mr. Stokes said light rail and other Downtown projects are important to everyone in Bellevue and the vitality of the community. However, it is also important to initiate subarea planning. Mr. Stokes suggested establishing a task force or stakeholders group to start working on the housing strategy.

Mayor Balducci said there have been many good ideas and she hopes the City can accomplish them. The Work Program's items related to commercial development contribute to overall quality of life, a high level of City services, and protecting single-family areas. She encourages moving forward with subarea plan updates, which also provide the opportunity for addressing housing needs.

Ms. Balducci suggested focusing on areas in which the City has the most to gain or to lose, which includes the Wilburton area. She would like to address the BR-MO issue and to explore what opportunities might potentially be missed in the BelRed area.

Responding to the Mayor, Mr. Brennan said staff can complete a scoping effort of the pipeline safety amendment and report back to the Council. Mayor Balducci noted Council support for that item.

Mayor Balducci said there have been a number of suggestions about how to proceed with BelRed Plan review ranging from a broader review as envisioned in 2009 to conducting community outreach and scoping potential future work. Councilmember Chelminiak suggested calling it a BelRed Analysis to identify potential Land Use Code changes, study the BR-MO issue, and to address other issues that might arise from the analysis.

Councilmember Robertson said she would like staff to conduct outreach to BelRed property owners and stakeholders and to bring that input back to the Council with staff's analysis. Ms. Robertson suggested initiating the analysis this year, conducting outreach early next year, and returning to the Council with a report by mid-second quarter 2016. Mr. Stroh said staff will need to consider the project elements but he believes that sounds like a reasonable schedule. Mayor Balducci noted Council support for this approach.

Mayor Balducci questioned the Council's interest in a comprehensive Downtown parking study.

Deputy Mayor Wallace suggested examining existing parking requirements in the Zoning Code for the Downtown and evaluating whether those are still appropriate, given that they were developed in the 1980s. He said every project involves a traffic study and the determination of parking requirements. Mr. Wallace questioned whether it would be possible to give the Director

the discretion to allow that number of parking stalls.

Mr. Stroh said parking is complicated and controversial with significant economic and travel behavior components. He said past efforts by the Transportation Department to address Downtown parking quickly revealed how divisive and complicated the issues can be. Mr. Stroh said it might be possible to approach it by looking at process improvements. However, the policy issues are significant.

Mayor Balducci observed that it should not be prioritized, for the next 12 months, above items that have been on the Work Program for some time. Mr. Wallace concurred.

Moving on, Mayor Balducci said staff has proposed splitting the Grand Connection work into three portions: East, West and Central. She said Deputy Mayor Wallace has spoken in favor of initiating planning for the full project as part of other Downtown work. Responding to Ms. Balducci, Mr. Stroh said the work should ideally be integrated with Wilburton area planning. He said it might be possible to address the section from Meydenbauer Bay into the Downtown with a lesser level of detail. The approach could involve a broader look at the overall project, followed by a more detailed look at Wilburton and the I-405 crossing.

Responding to Deputy Mayor Wallace, Mr. Stroh agreed that Economic Development staff should be involved in the planning effort.

Councilmember Chelminiak said he is optimistic about the potential opportunities related to extending the Grand Connection across I-405. He said this ties into both the Civic Center project and Wilburton planning.

Deputy Mayor Wallace said it would be helpful to break out parts of the Grand Connection project to determine what it would take to complete each component.

Mayor Balducci stated her understanding of the proposed approach, which is to focus the more detailed work on the east end of the Grand Connection and to conduct a broader analysis of the central and west portions at this time. She said the Pedestrian Corridor through the Downtown core should be a jewel in the middle of the city.

Responding to Mayor Balducci, Mr. Stroh said housing in the Wilburton area could be addressed in terms of how it relates to a broader citywide housing strategy.

In further response to Ms. Balducci, Mr. Stroh said the Wilburton Special Opportunity Area study is envisioned to extend from NE 8<sup>th</sup> Street to potentially Main Street. The purpose is to review the vision for the area. The 2007 planning effort focused on changing from General Commercial (GC) to Community Business (CB) uses. Staff's thought now is that the vision is broader due to the potential opportunities between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE. Mr. Stroh said there is a housing element. However, the issue would be how that fits into a broader citywide strategy.

Deputy Mayor Wallace said he would like to see coordinated planning for the overall Wilburton and BelRed area. He suggested that station area planning should be part of this work as well.

Mayor Balducci reiterated Mr. Wallace's interest in a comprehensive planning approach to the Wilburton and BelRed areas.

Ms. Balducci summarized that it would be helpful to the Council in the future to be able to see one overall work plan integrating the planning and Land Use Code items. She noted the Council's interest in addressing projects by geographic area to coordinate development and infrastructure. She recalled Councilmember Stokes' suggestion to create a housing task force.

Responding to Councilmember Chelminiak, Mr. Stroh said the Civic Center refers to City Hall, the City Hall Plaza, adjacent former Metro parcel, Pedestrian Corridor, Meydenbauer Convention Center, and the Grand Connection.

Mayor Balducci said the former Metro parcel will be used for light rail construction staging over the next five years.

Councilmember Robertson questioned whether the Civic Center will be covered as part of light rail station area planning.

- At 9:58 p.m., Deputy Mayor Wallace moved to extend the meeting to 10:10 p.m. Councilmember Robertson seconded the motion.
- The motion carried by a vote of 6-0.

Deputy Mayor Wallace suggested the City needs to consider future plans for the former Metro site in order to talk about the Grand Connection across the freeway and the light rail station plans (Downtown and Wilburton/Hospital District).

Chris Salomone, Director of Planning and Community Development (PCD), concurred that all of this work will need to be considered and coordinated together.

Mayor Balducci noted a general Council consensus regarding the Work Program as modified.

Deputy Mayor Wallace commended the Mayor for how she led the Council through this discussion. He said he looks forward to seeing the updated Work Program and suggested that Microsoft Project would provide a good format for the plan.

Mayor Balducci recalled the Council's past discussion about the Old Bellevue Parking Code. Councilmember Robinson recommended that the Council direct staff to create option A-3, which is option A-1 with the parking exemptions extended to the three buildings for which an error in parking requirements occurred.

Mayor Balducci recalled that option A-1 indicates that the parking exemptions would continue to apply only for pre-1998 buildings, as stated in the Code. She said Ms. Robinson is suggesting

extending the exemption for (i.e., grandfathering) the three buildings that inadvertently received the exemptions. Mayor Balducci asked staff to prepare an Ordinance for Council consideration.

5. Council Discussion of Upcoming Items: None.

6. Continued Oral Communications: None.

At 10:05 p.m., Mayor Balducci declared the meeting adjourned.

Kyle Stannert  
Acting City Clerk

/kaw