

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

December 14, 2015  
8:00 p.m.

Council Chamber  
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:06 p.m., with Mayor Balducci presiding.

2. Roll Call, Flag Salute

All Councilmembers were present. Councilmember Robinson led the flag salute.

(a) Swearing in of Councilmembers for Position Nos. 1, 3, 5, and 7

Mayor Balducci introduced Judge Brian Gain, King County Superior Court, to conduct the swearing in of Councilmembers John Chelminiak, Jennifer Robertson, Vandana Slatter, and John Stokes.

3. Approval of Agenda

→ Deputy Mayor Wallace moved to approve the agenda, amended to switch the order of Agenda Items 7(a) and 7(b). Councilmember Robertson seconded the motion.

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

4. Communications: Written and Oral

(a) Deputy Mayor Wallace read a proclamation commending and expressing appreciation for Mayor Balducci's service as Councilmember, Deputy Mayor, and Mayor. The proclamation listed her many contributions including advocacy for her Lake Hills neighborhood and the redevelopment of its shopping centers, involvement in the Wrap Around Services Program, and leadership in regional transportation forums and many City projects and initiatives.

- (b) Councilmember Lee said Mayor Balducci exemplifies what Bellevue is about. He noted his strong working relationship with Ms. Balducci to drive common goals, including increasing the City's focus on recognizing and supporting the community's cultural diversity. He looks forward to continuing to work with Ms. Balducci as an ally and supporter in her new role on the King County Council.
- (c) Councilmember Chelminiak said he and Mayor Balducci were elected to the Council at the same time. He said it has been a pleasure to work with her on topics ranging from shopping carts to light rail. He commended Ms. Balducci's compassion for individuals and ability to remain level-headed through difficult issues.
- (d) Councilmember Robertson said she first worked with Mayor Balducci when Ms. Balducci was the Council liaison to the Light Rail Best Practices Committee, which Ms. Robertson co-chaired. Ms. Robertson said she looks forward to continuing to work with Ms. Balducci in her new role on the King County Council.
- (e) Councilmember Stokes said that he and Ms. Balducci have worked together for some time, beginning with education issues. He has appreciated her guidance, support, and friendship over the years. He commended her toughness, empathy, and ability to sit down and work through difficult issues and different viewpoints. He has been proud of Ms. Balducci's work as Mayor and looks forward to her continued contributions to the region.
- (f) Councilmember Robinson said she appreciates Mayor Balducci's strong and effective leadership, moral compass, intellect, and compassion. She said Bellevue is fortunate that Ms. Balducci will continue her work at the regional level.
- (g) Deputy Mayor Wallace said the phrase "iron sharpens iron" comes to mind. He said it has been an interesting six years. In working more closely together over the past two years, Mr. Wallace said he has learned more about himself and become a more effective leader. He has learned a great deal about working collaboratively and resolving issues from Ms. Balducci's example. He noted that they often disagreed on issues but were able to find common ground and move forward. Mr. Wallace said Mayor Balducci's leadership helped the Council to resolve problems and present a united front despite individual differences. He observed that City staff has been able to effectively implement policies and programs due to the concrete mission provided by the Council. He looks forward to continuing to work with Ms. Balducci as she joins the King County Council.
- (h) Paul Bell, representing Bellevue College's Associated Student Government, recalled the first time he testified before the City Council on housing issues. He said the Mayor has inspired him, welcomed students into the City's processes, and been a true friend to Bellevue College students. He read and presented a proclamation from the students in recognition of her service on the City Council.
- (i) Grant Degginger thanked Mayor Balducci for her 12 years of service on the Council, noting that he worked with her for eight of those years. He said Ms. Balducci joined the Council with a lot of energy and new ideas and became a strong leader. He said Ms.

Balducci brings passion to her work and has helped to make Bellevue a better place to live. Mr. Degginger commended her ability to collaborate and resolve problems. He said Mayor Balducci has become an effective regional leader as well and he looks forward to her continued service.

- (j) Don Marsh, representing the Coalition of Eastside Neighborhoods for Sensible Energy (CENSE), expressed his sincere gratitude for Mayor Balducci's fair treatment of residents.
- (k) Connie Marshall, former Councilmember and Mayor, congratulated Brad Miyake on becoming the City Manager and commended Vandana Slatter for her successful campaign. Mrs. Marshall recalled getting to know Mayor Balducci and ultimately encouraging her to run for the City Council. She commended Ms. Balducci's intellect, compassion, authenticity, humility, and leadership. Mrs. Marshall noted that Ms. Balducci is the third woman to serve as Bellevue's Mayor. She looks forward to Ms. Balducci's continued service and leadership in the region.
- (l) Jim Harja, Ms. Balducci's husband, congratulated the Mayor on her 12 years of service and positive impact on the community.
- (m) Brad Miyake, City Manager, read a note on behalf of the City's Leadership Team, thanking the Mayor for representing citizens and the City so well. The note commended her ability to understand an issue from all sides including the Council's, staff's, and citizens' perspectives. Mr. Miyake said Ms. Balducci's leadership fostered an environment of listening, true collaboration, and moving forward for the benefit of the community. He thanked Ms. Balducci for her forgiving nature, sense of humor, and continued approach toward partnership. Mr. Miyake congratulated Ms. Balducci on the next phase of her career.
- (n) Mayor Balducci highlighted a number of the Council's and City's accomplishments over the years including City Hall and its 911 Call Center, consistently high satisfaction ratings from citizens, Lake Hills Shopping Center redevelopment, Subarea Plan updates (i.e., BelRed, Downtown, Wilburton, Crossroads and Eastgate), mega-home regulations, Bridle Trails neighborhood tree preservation, major transportation projects and related federal grants, light rail planning, parks (i.e., Lewis Creek, Robinswood, Newport Hills, Surrey Downs, Bridle Trails, Hidden Valley), pedestrian-bicycle improvements, new Bellevue Youth Theatre facility (partnership with Bellevue Youth Theatre Foundation), new Bellevue Botanical Garden Visitor Center (partnership with the Bellevue Botanical Garden Society), and the Mercer Slough Environmental Education Center (partnership with Pacific Science Center).

Ms. Balducci thanked her colleagues on the Council as well as former Councilmembers Connie Marshall, Phil Noble, Grant Degginger, and Mike Creighton. Mayor Balducci thanked Deputy Mayor Wallace for their work together over the past two years. She thanked City Manager Miyake, the Leadership Team, and all City employees for their hard work, dedication, customer service ethic, and ongoing striving for excellence.

Mayor Balducci thanked her husband and son for their support and for their input and ideas over the years. She observed that Bellevue's quality of life is so high due to the effective balance of a healthy economy, desirable neighborhoods, strong education system, and extensive parks/natural environment.

At 8:50 p.m., Mayor Balducci declared a break. The meeting resumed at 9:09 p.m.

- (o) Dwayne Clark, CEO for Aegis Living, said the company is moving its corporate headquarters to Bellevue in 2016. He said Aegis Living is seeking help on a zoning issue for a building to be built north of Overlake Hospital. The development was originally planned as studio units. However, senior adults are becoming increasingly interested in larger units and building amenities. Mr. Clark said they hope to model the Bellevue project after their successful project in Seattle at Madison Street and 23<sup>rd</sup> Avenue. He said Aegis Living is requesting an upzone of the parcel to increase the FAR (floor area ratio) and provide more housing units.
- (p) Walter Braun, Vice President of Development for Aegis Living, presented a draft ordinance that would allow an increased FAR in the BR-MO (BelRed-Medical Office) zone and provide funds for affordable housing. He said Bellevue is underserved by senior housing, and a higher FAR would enable larger units and building amenities in the Aegis of Overlake project. He cautioned against missing out on this opportunity to provide needed senior housing units.
- (q) Nancy Rogers, a land use attorney representing Aegis Living, asked the Council to introduce an amendment to the Land Use Code to increase the FAR in the BR-MO district. She acknowledged that Land Use Code amendments are typically first reviewed by the Planning Commission. However, there is a City process that authorizes the City Council to initiate the amendment. Ms. Rogers highlighted elements of the draft ordinance referenced by Mr. Braun. She said this does not address the FAR increase requested by other property owners in the BR-MO district. However, Aegis Living is supportive of that request as well. Ms. Rogers said the ordinance submitted tonight is targeted to assisted living uses in the BR-MO zone.

Responding to Mayor Balducci, City Manager Miyake said staff will get back to the Council with additional information on options for responding to the request.

Deputy Mayor Wallace questioned whether the change in FAR could be achieved through a development agreement. Ms. Rogers said a true development agreement is not allowed to modify the Land Use Code and can only add items beyond the Code.

Mr. Wallace observed that there are clearly changed circumstances in the BelRed area. He expressed support for discussion and consideration of the request.

Responding to Councilmember Robinson, Ms. Rogers said Aegis Living proposes an affordable housing fee in lieu. Ms. Rogers said the company studied that option. However, the development

provides amenities and services in addition to the housing units, which is not conducive to providing affordable units.

Councilmember Robinson indicated to the City Manager that she would like a future Council discussion of the options for providing affordable housing within the Aegis development. Mr. Miyake said staff would bring that item forward in January.

- (r) Jeff Stroebel, a Downtown resident and head of the Open Window School on Cougar Mountain, thanked Mayor Balducci for her role in making Bellevue a wonderful place to live. He asked the Council to consider adjusting the grandfathering of transportation impact fee rates to 150 days instead of using the median processing time as the standard. He said the school has had an application in process since July 9 for a minor administrative amendment to a conditional use permit (CUP). Despite the good faith efforts of the school and the City, Mr. Stroebel said the permit process is beyond the statutory 120 days. He said the 2016 impact fees represent a 67-percent increase of \$13,000 for the school's project.
  - (s) Dan Koch, Director of Electric Operations at Puget Sound Energy (PSE), provided a year-end update on the Energize Eastside project. He said the project is consistent with the City's Comprehensive Plan, and the need for the project has been affirmed through a number of studies. Mr. Koch said PSE studied a number of alternatives for the project, and their report analyzes in detail why many alternatives would not meet the demand. He said PSE continues working to refine the project design, including looking for ways to shorten the pole height. He said PSE understands that neighborhood character and visual impacts are important to the community.
  - (t) Gary Swofford, a Redmond resident, said he worked for Puget Sound Power and Light/Puget Sound Energy for 38 years and retired as Chief Operating Officer. He said it is important for the Council to understand that the Energize Eastside project is not about energy generation but about the transmission of available capacity. He said no one should be surprised about the need for increased electrical capacity on the Eastside given the significant growth over the past 20 years. He said the project is a transmission line upgrade with lesser environmental impacts than other options.
- 5. Reports of Community Council, Boards and Commissions: None.
  - 6. Report of the City Manager: None.
  - 7. Council Business and New Initiatives
    - (b) Determining procedure for election of Mayor and Deputy Mayor at the Council's January 4 Meeting

City Clerk Kyle Stannert said state law provides that the Council elect a Mayor and Deputy Mayor at the first official meeting in even-numbered years. State law does not prescribe the method for selecting the Mayor and Deputy Mayor except to indicate that a secret ballot is not

allowed.

Mr. Stannert noted the two options outlined in the meeting packet. Option 1, in which the list of all nominees is voted by paper ballot, is the method used by the Council two years ago. Option 2 follows Robert's Rules of Order and nominees are voted individually in the order in which the nominations were made. Votes may be taken by voice, raising the right hand, roll call, or paper ballot. With either option, the Temporary Chair will open the meeting and call for nominations before taking a Council vote.

Mr. Stannert said a two-thirds vote is required to select Option 1 because it is a departure from Robert's Rules of Order. Under that method, if there is no majority vote or a tie from the list of nominees, the Temporary Chair or Mayor will reopen nominations.

→ Deputy Mayor Wallace moved to use Option 1 for the selection of Mayor and Deputy Mayor during the first meeting in January. Councilmember Chelminiak seconded the motion.

Mr. Chelminiak said Option 1 is the process used by the Council two years ago.

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

(a) Selection of Temporary Chair for January 4, 2016 Council Meeting

Councilmember Robinson nominated Councilmember Stokes to serve as Temporary Chair for the January 4, 2016 meeting.

Councilmember Robertson nominated Deputy Mayor Wallace to serve as Temporary Chair.

Deputy Mayor Wallace nominated the City Clerk to serve as Temporary Chair.

Councilmember Stokes was selected to serve as Temporary Chair for the January 4, 2016 meeting by a vote of 7-0.

## 8. Consent Calendar

→ Deputy Mayor Wallace moved to approve the Consent Calendar, and Councilmember Robinson seconded the motion.

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

(a) Motion to approve payment of claims and payroll for the period November 1, 2015 through November 30, 2015.

- (b) Resolution No. 9037 authorizing execution of a 5-year professional services contract with Tri-Med Ambulance to provide Basic Life Support (BLS) non-emergency patient transport services.
- (c) Resolution No. 9038 authorizing execution of an Interlocal Agreement with the City of Mercer Island (Mercer Island) for Marine Patrol Services on Lake Washington.
- (d) Motion to award Bid No. 15094 for AC Water Main Replacement 2015 – Phase 3 to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$2,342,595.37 (CIP Plan No.W-16).
- (e) Resolution No. 9039 authorizing the execution of a Professional Services Agreement with KPFF Consulting Engineers in the amount of \$1,075,197 to develop initial design to construct an inside high occupancy vehicle (HOV) lane and outside sidewalk or shoulder on southbound Bellevue Way SE between the “Y” intersection of 112th Avenue SE and Bellevue Way on the north end, and the main entrance to the South Bellevue Park and Ride on the south end (CIP Plan No. PW-R-184).
- (f) Resolution No. 9040 authorizing execution of a MOU with International Firefighters Local 1604 regarding pay parity for Fire staff promoting from Lieutenant/MSO (Medical Services Officer) to Suppression Captain.
- (g) Resolution No. 9041 authorizing execution of a General Services contract with Badgley’s Landscape LLC for landscaping services at various streetscape sites for an initial two-year term in an amount not to exceed \$83,497.50 with the option to renew for an additional two years in an amount not to exceed \$83,497.50 plus any State-mandated prevailing wage increase and/or City-approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year.
- (h) Resolution No. 9042 authorizing execution of a General Services contract with Canber Corps for landscaping services at various streetscape sites for an initial two-year term in an amount not to exceed \$284,262.50 with the option to renew for an additional two years in an amount not to exceed \$284,262.50 plus any State-mandated prevailing wage increase and/or City-approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year.
- (i) Resolution No. 9043 authorizing execution of a successor labor agreement by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing DSD Inspectors and Plans Examiner Employees (Union) for the contract period January 1, 2015 through December 31,

2018.

- (j) Resolution No. 9044 authorizing execution of a successor labor agreement by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing Utilities, Parks & Community Services, Civic Services, and Transportation bargaining unit members (Union) for the contract period January 1, 2015 through December 31, 2018.
- (k) Resolution No. 9045 authorizing the execution of an agreement with Navia Benefit Solutions, Inc. for an additional two years of flexible spending account and Section 125 plan services and new COBRA administration services for 2016 and 2017.

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

- (a) Ordinance No. 6266 adopting the Transportation Impact Fee Rate Schedule to reflect updated Institute of Traffic Engineers (ITE) trip generation factors and Puget Sound Regional Council (PSRC) trip length factors, to be effective on January 1, 2016; establishing a fixed three percent indexing factor to be applied annually to the rate schedule beginning on January 1, 2017; applying (i.e. grandfathering) the current impact fee rate schedule to those applicants whose completed building permit applications have been under review for longer than the median review time as of December 31, 2015; and, repealing Ordinance No. 5872. City Manager Miyake recalled previous Council discussion regarding the Vision Zero initiative.

City Manager Brad Miyake recalled that, on December 7, the Council directed staff to prepare alternatives for consideration in adopting the 2016 Transportation Impact Fee Rate Schedule.

Transportation Director Dave Berg said there was a Council consensus on December 7 to incorporate the Institute of Traffic Engineers (ITE) updated trip generation factors and the Puget Sound Regional Council (PSRC) 2014 travel survey information for the trip length factor into the 2016 impact fee rates. Ordinance No. 6266 also includes a three-percent annual rate increase beginning in 2017.

Mr. Berg recalled Council discussion about whether the impact fee base rate should stay at \$5,000, as adopted in 2009, or be adjusted to match the funding reflected in the capital budget. Version B of the ordinance adjusts the impact fee base rate to \$4,703.

Mr. Berg said the Council discussed options for grandfathering the 2015 impact fee rates for certain projects. At that time, the discussion was only about building permit applications. He



noted an additional version of the ordinance that would capture other types of permit applications as well.

Mike Brennan, Director of the Development Services Department (DSD), said Versions C and D of the ordinance provided in the desk packet apply to both building permits and other development-related permits.

Mr. Brennan noted Mr. Stroebel's comments during earlier oral communications about the Open Window School application to amend a conditional use permit (CUP) that would not require a building permit. The permit would allow expansion of the school's enrollment. Mr. Brennan said there are relatively few applications currently in the system. This limited data makes it somewhat challenging to apply the standard of median review time for the purpose of grandfathering the 2015 rates.

Mr. Brennan said the current ordinance allows the Director to consider unique circumstances to ensure that the ordinance is applied fairly. He said it is possible that an administrative solution would satisfy the Council's intent to reasonably allow applicants to complete their application in 2016 under 2015 impact fee rates. He said the Open Window School case would need further analysis before making a determination.

Responding to Mayor Balducci, Mr. Brennan confirmed that Version C of the ordinance reflects the \$5,000 base rate and Version D reflects the \$4,703 base rate. Both versions incorporate the median review time standard for the grandfathering of impact fees.

Responding to Councilmember Robertson, Mr. Brennan referenced Land Use Code 22.16 for the provision that grants authority to the Director to consider unusual circumstances for specific developments and to adjust the otherwise applicable impact fee to ensure fairness. Ms. Robertson encouraged the Director to address the Open Window School request.

Councilmember Stokes said Version D of the ordinance accomplishes the financial goals related to impact fees, while staying well below the maximum fee that could be charged. He supports administrative discretion for the Director in addressing the Open Window School application and impact fees.

→ Councilmember Stokes moved to approve Ordinance No. 6266, version D. Deputy Mayor Wallace seconded the motion.

Responding to Councilmember Lee, staff clarified that Version D of the ordinance reflects the lower impact fee base rate.

Councilmember Chelminiak said he would not support the motion. He spoke in favor of moving forward with the base rate of \$5,000 that was set in 2009. He said it is not good policy to adjust the rate to the capital budget. He noted the existing \$140 million in transportation project debt and said that future transportation funding will have to come from new taxes or new debt issuance.

Mr. Chelminiak encouraged the DSD Director to exercise his discretion with regard to the Open Window School application. Deputy Mayor Wallace concurred.

Deputy Mayor Wallace said the \$4,703 impact fee base rate is consistent with the \$5,000 base rate set in 2009, given the updated trip generation and trip length factors used in the fee calculations. He said the impact fees, while lower than the maximum allowed, do impose a hardship on development.

→ The motion carried by a vote of 6-1, with Councilmember Chelminiak opposed.

12. Unfinished Business

- (a) Staff Report and Recommendation regarding Performing Arts Center Eastside (PACE) Tateuchi Center Funding Request

City Manager Miyake said staff is seeking Council direction regarding finalizing the term sheet and negotiating the funding agreement with Performing Arts Center Eastside (PACE).

Mayor Balducci recalled that the Council previously directed staff to initiate discussions with the Tateuchi Center Board regarding the \$20 million pledge. Staff has developed, and provided in the meeting packet, a set of principles to guide the negotiation of the funding agreement.

City Attorney Lori Riordan said staff determined that the term sheet meets the requirements of the Council-approved resolution on this matter. Staff is seeking approval to negotiate the funding agreement.

→ Deputy Mayor Wallace moved to direct staff to proceed with the Performing Arts Center Eastside (PACE) term sheet and negotiations as proposed in the Council packet. Councilmember Stokes seconded the motion.

Councilmember Stokes said he is pleased with the progress on this work item.

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

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

Mayor Balducci welcomed newly elected Councilmember Vandana Slatter.

At 9:58 p.m., Mayor Balducci declared the meeting adjourned and wished everyone Happy Holidays.

Kyle Stannert  
Acting City Clerk

/kaw