

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

February 16, 2016
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak, and Councilmembers Lee, Robertson, and Slatter

ABSENT: Councilmembers Robinson and Wallace

1. Call to Order

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

2. Roll Call, Flag Salute

All Councilmembers except Councilmember Robinson and Councilmember Wallace were present. Councilmember Slatter led the flag salute.

3. Approval of Agenda

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

→ The motion to approve the agenda carried by a vote of 5-0.

4. Communications: Written and Oral

- (a) Mark Williamson, a consultant for Puget Sound Energy (PSE), commented on the federal requirements that support PSE's planning to ensure that the electrical system is robust and reliable. Federal rules require that utilities plan to meet their foreseeable load under a wide variety of circumstances, including equipment outages and higher than usual loads. He said alternatives to the Energize Eastside project proposed by certain members of the public do not meet federal requirements for providing sufficient infrastructure.
- (b) Keri Pravitz, Community Projects Manager, PSE, spoke regarding the conservation component of Alternative 2 in the Energize Eastside Draft Environmental Impact Statement (DEIS) and PSE's commitment to energy efficiency and conservation. She said

Alternative 2 assumes that PSE's ambitious conservation program could be accelerated and expanded for the Eastside, and the DEIS acknowledges that this is an aggressive goal. Ms. Pravitz said the DEIS states that PSE's level of conservation is higher than other nearby utilities and that the additional energy efficiency reflected in Alternative 2 would be triple the amount estimated by PSE. Ms. Pravitz said Alternative 1 presented in the DEIS allows PSE to meet its federal requirements for providing reliable power. This project alternative includes an upgraded transmission line, new transformer, and a continued focus on meeting PSE's aggressive conservation goals.

- (c) Alex Zimmerman reiterated his ongoing request for public question and answer sessions with the City Manager. He is surprised that other Bellevue residents do not support this request.
- (d) Marty Nizlek, representing the Washington Sensible Shorelines Association, described residents' ongoing concerns, since 2000, about persistent high lake levels on Lake Sammamish. While the U.S. Corps of Engineers approved King County's trial planting of vegetation in the flood channel, it warned the County that flooding could result from inadequate maintenance. Mr. Nizlek said King County is planning the Willowmoor restoration project in the floodway at Marymoor Park to address lake levels. However, it could potentially make matters worse. He encouraged the City to work with the County Flood Control District as it considers the design of the project. Mr. Nizlek submitted his comments in writing, as well as additional information.

Deputy Mayor Chelminiak noted that Bellevue's representative on the King County Council serves on the capital review group for the Flood Control District. The City Council is working with her to provide input on the Willowmoor project.

- (e) Kevin Wu expressed concern about the retail marijuana store anticipated to open in the Factoria area near Newport High School. He said drug use is common among high school juniors and seniors, and he is concerned about the negative influence of a retail marijuana store.
- (f) Carolyn Norton, Administrative Director of St. Luke's Lutheran Church, thanked the Council for addressing the need for affordable housing and for its ongoing support of the ARCH (A Regional Coalition for Housing) Trust Fund. She said ARCH's work with Imagine Housing has successfully provided affordable housing options on the Eastside. She encouraged the Council to authorize the use of the Trust Fund to move forward with the housing project at St. Luke's Lutheran Church.
- (g) Judy Gowdy, a Board Member for Imagine Housing, thanked the City for its ongoing support of the ARCH Trust Fund. She said Imagine Housing has been able to create 13 communities on the Eastside, including three in Bellevue. She asked the Council to authorize funding support for Imagine Housing's pending projects in Kirkland (permanent housing for 91 senior adults) and Bellevue (65 units for families and individuals).

- (h) Betsi Hummer said she was elected to the East Bellevue Community Council in 2014 but was speaking as a private citizen. She recalled that the Lake Hills neighborhood was annexed by Bellevue in 1969 with the condition to establish the community council and to grant it jurisdiction over certain land use decisions. She noted the recent court ruling supporting the EBCC's disapproval of the Puget Sound Energy land use conditional use permit (CUP) for its Lake Hills transmission line project. She thanked the City Council for its support of the EBCC to appeal the separate court decision that the EBCC lacked jurisdiction over the shoreline CUP (SCUP). Ms. Hummer noted her interest in preserving the park-like character of 148th Avenue. She requested Council approval of the EBCC's request for necessary expenses to move forward with the appeal on the SCUP decision.
- (i) Steve Fricke expressed support for the East Bellevue Community Council's request for additional funding to cover necessary expenses related to litigation [Agenda Item 11(a)].
- (j) Wendy Tyner thanked the City for its ongoing support of the Wintergrass Music Festival. The festival provides numerous performances and educational opportunities for children and adults. The festival has sold 2,240 hotel rooms, and approximately 15,000 individuals will visit from 32 states and six countries. She said 300 students, as well as Grammy-award-winning and other artists, are participating in this year's festival which runs from February 25 through February 28.
- (k) Brayden Olson described the Marketplace Initiative, which proposes the continuation of the Washington State Jobs Act of 2014. The proposal provides equity crowdfunding that is accessible and legal for all Washington residents. Mr. Olson said the greater Seattle area ranks in the top five regions in the world for startup talents and in the top three regions for startup experience. He said this area does not have sufficient active investors to support its emerging startup community. More than half of the funding for startup businesses comes from outside of Washington state.
- (l) Nameata Lamba, a University of Washington student, expressed her interest in becoming an entrepreneur. She said that only 0.002 percent of traditional venture funding goes to women of color. She requested the public's support of funding for entrepreneurs.

5. Reports of Community Council, Boards and Commissions

Bill Capron, Chair of the East Bellevue Community Council, spoke in favor of Resolution No. 9071 [Agenda Item 11(a)]. He requested support of the EBCC's request for the additional funding of necessary expenses to address three matters: 1) appeal of the court decision denying the EBCC's jurisdiction over shoreline conditional use permit (SCUP) decisions, 2) defense against the appeal of Puget Sound Energy regarding the court's decision supporting the EBCC's disapproval of the Lake Hills transmission line project, and 3) appeal of the State Department of Ecology's approval of the City's shoreline CUP. He said that both the Community Council and the City are interested in a final court ruling regarding the EBCC's jurisdiction over shoreline CUP applications. Mr. Capron noted that he would have preferred to avoid litigation and its use of tax dollars.

6. Report of the City Manager

- (a) Supporting Bellevue's Startups and Entrepreneurs
[Study Session Agenda Item 2(a)]

City Manager Brad Miyake said the City's initiative to support business startups and entrepreneurs is one of three main programs established by the Office of Economic Development in 2015. He thanked Councilmember Robinson for her support and strong interest in the Bellevue startup community.

James Henderson, Economic Development Director, said the City's NextGeneration Bellevue initiative is focused on identifying ways to foster the development of an entrepreneurial and startup culture in Bellevue.

Jesse Canedo, Economic Development Manager, said the NextGeneration Bellevue program had an active year in 2015. The City of Redmond and the City of Bellevue hired a Small Business Development Center advisor to spend time in each City Hall on a regular basis. Bellevue's partnership with ImpactHub Bellevue created work space for its current 140 members and fostered the creation of 73 new businesses in 2015.

Mr. Henderson said that meeting with local businesses is a key component of the City's economic development strategy. To better understand how to support startups, the City looked at the possibility of publicly supporting equity crowdfunding tools for startups. With the assistance of research by a consultant, the City found that equity crowdfunding as a tool for startup financing is not currently needed. In talking with companies, the City learned that startups need more resources (e.g., mentoring, peer-to-peer networking) that will create a stronger environment for a variety of startup businesses, beyond the traditional technology startups.

Chris Salomone, Director of Planning and Community Development, said staff is not foreclosing crowdfunding as a possible future option for assisting startups.

Mr. Henderson said staff recommends, based on the recent analysis, expanding educational and peer-to-peer resources for startups to enable them to become sustainable over the long term. Staff recommends working with startups to help them become globally conscious and investment ready. Globally conscious companies are those that begin to look at ways to export a product/service or to attract foreign investment. Typically, companies that are more globally oriented at the outset are more resistant to economic downturns and are considered investment ready. Mr. Henderson said the City wants to provide access to networking events, mentors, and investors to help startups launch successful businesses.

Mr. Henderson described the Startup 425 program, which provides a startup support structure that better reflects the Eastside startup community and its needs. Partners include the City of Kirkland, OneRedmond, Seattle-King County Economic Development Council, and the Greater Seattle Trade and Development Alliance.

Mr. Canedo said Startup 425 is a regionally focused initiative that will establish an Entrepreneur Center to assist startup companies for long-term success. Initially housed at ImpactHub Bellevue, the Center will provide access to free and low-cost services for all startups from diverse backgrounds. Programs include Launch, a startup certification program for first-time entrepreneurs, and Pit Stop, specialized technical assistance to existing companies. The new Global Bootcamp program will help local and international later-stage startups to become globally connected and competitive through peer-to-peer education, a focus on the interactive media sector, and building connections with Europe.

Mr. Henderson said funds are available for the initial funding of the Entrepreneur Center, Global Bootcamp, and program web site. Staff anticipates looking for opportunities to fund this initiative through the operating budget in the future. Mr. Henderson said the City believes partners from other jurisdictions will be able to provide financial assistance and/or in-kind support as well.

Responding to Councilmember Slatter, Mr. Canedo said e-Commerce is anticipated to be a component of the Startup 425 initiative. Ms. Slatter questioned how the program will measure success. Mr. Henderson said staff will develop performance metrics to measure the success of the program. Initial metrics might include how many startups participate in the programs and how many seek technical assistance. However, he said it will be beneficial to monitor the companies over the next several years to evaluate success and to incorporate feedback from those who have gone through the program.

Councilmember Lee thanked the City Manager for recognizing Councilmember Robinson's efforts in advocating for a strong startup program. He commended staff's work and encouraged a focus on fostering minority-owned businesses. He said he would like to hear more about input and feedback from a diverse population.

Mayor Stokes thanked staff for their work. He said the proposed initiative provides a strong foundation, and he expressed support for continued partnerships with other jurisdictions and entities. He thanked the City for partnering with the GeekWire event and said he was pleased to welcome the participants. Mr. Stokes said it is important to know that companies place a high priority on affordable housing. He said he has heard positive comments about the City's new economic development staff and their outreach and work in the community.

(b) Diversity Initiative and Public Contracting

City Manager Miyake noted the management brief in the Council's desk packet regarding the Diversity Initiative and the City's public contracting policies. He said a number of Councilmembers have been contacted by small businesses, including minority-owned and women-owned businesses, who are concerned that the City could do a better job of awarding contracts to a diversity of vendors. Mr. Miyake said staff is reviewing the City's current practices in awarding contracts in order to identify barriers that might exist in awarding contracts to minority-owned and women-owned businesses. Staff will return to the Council during the first half of this year to provide an update.

Councilmember Lee said he and Councilmember Slatter met with a small group of minority-owned contractors who expressed an interest in conducting more business with the City. Mr. Lee said he is pleased that staff is addressing this topic.

Councilmember Slatter thanked the City Manager and staff for reviewing the City's contracting policies. She said the meeting with minority-owned contractors identified a range of opinions from sharing specific cases to offering broader input.

7. Council Business and New Initiatives

Councilmember Lee wished everyone a Happy Chinese New Year and noted that this is the Year of the Monkey.

8. Consent Calendar

Deputy Mayor Chelminiak highlighted items on the Consent Calendar including the receipt of a \$1.75 million increase in grant funds from the Washington State Recreation and Conservation Office for parks projects. There is agreement on ARCH (A Regional Coalition for Housing) funding of \$70,000 for the Imagine Housing Athene low-income senior development in Totem Lake and \$50,000 for the 30 Bellevue project at St. Luke's Lutheran Church. The calendar approves the appointment of Mayor Stokes as a Board Member for the Cascade Water Alliance, and the appointment of Councilmember Slatter as the alternate. The calendar approves renewal of the franchise agreement with the Olympic Pipe Line Company as well.

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

→ The motion to approve the Consent Calendar carried by a vote of 5-0, and the following items were approved:

(a) Council Meeting Minutes

Minutes of January 25, 2016 Extended Study Session

Minutes of February 1, 2016 Study Session

Minutes of February 1, 2016 Regular Session

(b) Motion to approve payment of claims and payroll for the period January 1, 2016 through January 31, 2016.

(c) Ordinance No. 6274 amending the Parks 2016 Capital Investment Program budget to: (1) recognize \$1.75 million in increased grant funds from the Washington State Recreation and Conservation Office (RCO); and (2) transfer \$221,000 in available Parks Levy Funds from the Bellevue Botanical Garden to the Bellevue Youth Theatre project.

(d) Resolution No. 9065 authorizing the City Manager to enter into an agreement for the Imagine Housing Totem Lake low-income senior apartments in the amount of

\$70,000, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.

- (e) Resolution No. 9066 approving the ARCH (A Regional Coalition for Housing) 2016 Administrative Budget and Work Program as recommended by the ARCH Executive Board.
- (f) Resolution No. 9067 authorizing execution of a Professional Services Agreement with S&B Incorporated, for the SCADA MTU Subsystem Upgrade in an amount not to exceed \$210,000.
- (g) Resolution No. 9068 granting authority to the Finance Director to approve annual purchase orders limits for various small items not stocked by City departments for an amount not to exceed the estimated value listed in Attachment A to this Resolution.
- (h) Ordinance No. 6275 providing a 10 year Petroleum Products Franchise Agreement between the City of Bellevue and Olympic Pipe Line Company (OPLC).
- (i) Resolution No. 9069 appointing Councilmembers to the Cascade Water Alliance Board to serve as Bellevue's Board Member and Alternate Board Member representatives.
- (j) Resolution No. 9070 authorizing the City Manager to enter into an agreement for Imagine Housing 30Bellevue low-income apartments at St. Luke's in the amount of \$50,000, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board

Councilmember Lee said he wanted to pull Agenda Item 8(h) from the Consent Calendar. Mayor Stokes noted the rule that Councilmembers submit requests to pull items by noon on Monday. He suggested that Mr. Lee hold his comments until later.

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

- (a) Resolution No. 9071: Request from East Bellevue Community Council (EBCC) for Council determination that its "necessary expenses" include additional funding to pay for appellate legal counsel to pursue appeal of trial court ruling that community councils lack statutory jurisdiction to take action on shoreline conditional use permits and defend against appeal upholding the EBCC's disapproval of a Conditional Use Permit. Additionally, the request seeks funding for an appeal of the Shoreline Conditional Use Permit approved by the

Department of Ecology for this transmission line project. The EBCC has already filed this appeal and seeks funding to continue with proceedings before the State Shoreline Hearings Board.

City Manager Miyake recalled that a request for additional funding to support necessary expenses related to legal counsel was received by the East Bellevue Community Council (EBCC) on February 3. During the February 8 meeting, the Council directed the City Attorney to finalize a recommendation with the intent of taking action tonight.

City Attorney Lori Riordan said EBCC Chair Bill Capron summarized the history of the litigation with Puget Sound Energy (PSE) earlier in the meeting. Ms. Riordan said she prepared two resolutions for the Council's consideration. She was working with legal counsel for both the EBCC and PSE until shortly before tonight's meeting, with the hope of resolving one of the matters. However, that was unsuccessful.

Ms. Riordan said the first resolution addresses: 1) the litigation in the Court of Appeals related to the ruling on the conditional use permit (CUP) upholding the EBCC's disapproval of the Lake Hills transmission line project, and 2) the EBCC's appeal of the ruling on its jurisdiction over the shoreline conditional use permit (SCUP) and the court's denial of a stay for the EBCC.

Ms. Riordan recalled that, in November, the City Council expressed support for pursuing an appellate court ruling regarding the EBCC's shoreline jurisdiction over the shoreline CUP. The EBCC is in need of additional funding for the necessary expenses related to that appeal and to the appeal of PSE responding to the court's ruling in favor of the EBCC on the land use conditional use permit.

Ms. Riordan said the EBCC requested an additional \$15,000. She noted that she left the dollar amounts blank in the draft Resolution No. 9071 because she was hoping to resolve the matter in only one resolution. The resolution acknowledges that the parties have agreed that it would be worthwhile to attempt a mediation. Ms. Riordan suggested that the Council consider authorizing additional funding beyond the EBCC's request to support the mediation effort, perhaps in the amount of \$10,000. The result is a total of \$25,000 in additional funding beyond the original \$15,000 contract.

→ Deputy Mayor Chelminiak moved to approve Resolution No. 9071 with the figure of \$25,000 inserted in the title, in the Whereas clause on page 2, and in Section 2 of the paragraph "Now therefore be it resolved." Councilmember Robertson seconded the motion.

Ms. Riordan clarified that, if the Council is approving the full request, the amount in the title should be \$40,000.

As a friendly amendment, Deputy Mayor Chelminiak and Councilmember Robertson approved revising the motion to indicate \$40,000 in the title.

Councilmember Robertson said the resolution does not specify that \$10,000 is intended for mediation and efforts toward a settlement between the parties and \$15,000 is intended to address

the Court of Appeals Land Use Petition Act (LUPA) litigation as well as the litigation related to the EBCC's jurisdiction over Shorelines Conditional Use Permits.

Responding to Mayor Stokes, City Attorney Riordan clarified the dollar amounts to be reflected in the resolution. The title on the first page will state \$40,000. The Whereas clause on page 2 will refer to \$25,000, and Section 2 on page 3 will refer to the total of \$40,000.

Responding to Councilmember Robertson, Ms. Riordan suggested not to segregate the \$10,000 amount in the resolution because the EBCC's legal counsel has not had the opportunity to provide her cost estimate for legal fees.

→ The motion to approve Resolution No. 9071, as amended and clarified on the floor, carried by a vote of 5-0.

- (b) Resolution No. 9072 finding that costs related to an appeal brought by the East Bellevue Community Council currently pending before the Washington state Shoreline Hearings Board are necessary expenses of the Community Council and shall be budgeted and paid by the City in an amount not to exceed \$30,000.

Ms. Riordan said proposed Resolution No. 9072 addresses the pending appeal before the State Shoreline Hearings Board, which was described earlier by EBCC Chair Capron. The EBCC originally requested \$30,000 to handle this matter. However, she did not provide a dollar amount in the proposed resolution because she was hoping that some of the costs could be avoided by postponing the hearing date until the court rules on the EBCC's shoreline jurisdiction. Given the mid-March hearing date and discussions with the EBCC's legal counsel, Ms. Riordan said she anticipates that \$30,000 will be needed.

→ Deputy Mayor Chelminiak moved to approve Resolution No. 9072 reflecting the dollar amount of \$30,000 throughout the legislation. Councilmember Lee seconded the motion.

Councilmember Robertson said it is appropriate to approve the funding request to cover necessary expenses related to legal counsel. She encouraged the City, Puget Sound Energy, and the EBCC to work to defer the State Shoreline Hearings Board hearing in the hopes of avoiding the use of the full dollar amount.

Deputy Mayor Chelminiak said he wished the dollar amounts would have been provided in the resolutions in advance. He said the concept among some members of the public that the City Council is going to deny the EBCC funding in order to preserve the City Council's decision on the project is false. He said the City Council has an obligation to fund a reasonable amount of attorney's fees for this matter and is eager for a decision to resolve the issues, regardless of the outcome.

→ The motion to approve Resolution No. 9072 carried by a vote of 5-0.

12. Unfinished Business

Councilmember Lee recalled previous Council discussion about scheduling public meetings with parties interested in issues related to the Olympic Pipe Line Company franchise agreement.

City Manager Miyake said staff has reached out to a number of individuals and is waiting to hear back from them to set up meetings.

13. Continued Oral Communications

East Bellevue Community Council Chair Bill Capron thanked the Council for its approval of additional funding to cover the EBCC's necessary expenses. He said he appreciated Deputy Mayor Chelminiak's comments reassuring the EBCC and the public that the City understands its obligation to provide the funding. As a separate issue, Mr. Capron referred to the earlier discussion about diversity and City contracting and said he would like to see the City give preference not only to all groups, but especially to local contractors. For example, he would like the City to find a local contractor (i.e., within King County) to provide alarm monitoring, which he believes would provide better service to the community.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 9:40 p.m., Mayor Stokes declared the meeting adjourned.

Kyle Stannert
Acting City Clerk

/kaw