

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

February 21, 2017
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak¹, and Councilmembers Lee, Robertson, Robinson, and Wallace²

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:08 p.m., with Mayor Stokes presiding.

2. Roll Call, Flag Salute

All Councilmembers except Deputy Mayor Chelminiak and Councilmember Wallace were present. Mayor Stokes noted that Mr. Chelminiak and Mr. Wallace would be joining the meeting remotely by telephone. Councilmember Robinson led the flag salute.

(a) Commendation for Calvin Wang

Mayor Stokes said the Council wanted to recognize Calvin Wang, an Environmental Services Commission member who passed away in late 2016. Mr. Stokes noted that Mr. Wang's wife and family were not able to attend.

Councilmember Lee read the commendation recognizing Mr. Wang for his career in civil engineering in both the private and public sector, and his service to the community of Bellevue.

Nav Ota, Utilities Director, accepted the commendation and said she would pass it on to Mr. Wang's family. She said the Utilities Department and the ratepayers were well served by Commissioner Wang, and she expressed appreciation for his service. Ms. Ota read a letter from Mr. Wang's wife, which described Mr. Wang's love for Bellevue and the Pacific Northwest. She said he volunteered as a driver for Senior Services and as an interpreter for the Homelink transportation services. He was active in the King County Library Chinese book club and

¹ Deputy Mayor Chelminiak joined the meeting remotely via telephone at 8:14 p.m., and signed off at 10:30 p.m.

² Councilmember Wallace joined the meeting remotely via telephone at 8:43 p.m., and signed off at approximately 9:45 p.m. following Item 7(b).

enjoyed traveling with his wife and family. Mrs. Wang's letter thanked the Council for the recognition.

Mayor Stokes said he enjoyed working with Mr. Wang when he served as the Council liaison to the Environmental Services Commission for two years.

3. Approval of Agenda

Councilmember Robertson noted the large audience interested in the East Bellevue Community Council item, and suggested moving Agenda Item 11(b) to Item 7(b).

→ Councilmember Robertson moved to approve the agenda, amended to move Agenda Item 11(b) to 7(b). Councilmember Lee seconded the motion.

→ The motion carried by a vote of 4-0.

4. Communications: Written and Oral

- (a) Steve Fricke spoke regarding Resolution No. 9235 and urged the Council to support the East Bellevue Community Council's request for necessary expenses. He said the State Supreme Court should have an opportunity to determine whether to accept the case. He said he was advocating for the process and not for a particular side of the issue. He said the request is for \$7,000. He noted his email to the Council on the topic.
- (b) Barbara Benson, representing the Board of the Lake Hills Neighborhood Association, asked the Council to provide funding for the EBCC to pursue its case to the Washington Supreme Court. She commented on the value of the EBCC in representing the residents of the area. She expressed concern about the loss of trees related to Puget Sound Energy's Lake Hills transmission line project alternative.
- (c) Betsi Hummer urged the Council to approve funding for the EBCC's legal counsel as necessary expenses. She would like the EBCC to have the opportunity to petition the State Supreme Court for review of the PSE transmission line case. She said the City Council granted the EBCC's earlier requests for funding for legal services as necessary expenses for the EBCC. She recalled that the Superior Court judge ruled in the EBCC's favor, but that decision was overturned by the Court of Appeals. She requested funding to complete the legal process.
- (d) Vicky Clarke, East King County Policy Manager, Cascade Bicycle Club, thanked the City for its support of multimodal transportation infrastructure, including for bicyclists and pedestrians. She thanked the Council for placing the neighborhood transportation levy before the voters last fall, and she looks forward to the continued development of bike facilities in Bellevue.
- (e) Cynthia Vautier shared information from her conversation with a director of a homeless shelter in Michigan that serves 10 counties. She said the Housing First model's objective

is to help stabilize and move individuals to permanent housing as soon as feasible. Case managers work with each individual who is placed in the supportive apartment housing. Ms. Vautier noted that the Housing First model allows residents to ingest contraband because the focus of the program is on appropriate behavior. She said the program works because the case worker lives or works on site and there is peer pressure to earn each other's respect. She said the model involves police cooperation focused on behavioral issues versus illegal substance abuse. Ms. Vautier said the program in Michigan experienced 100 emergency 911 calls over a year related to its temporary homeless shelter. When the program shifted to the Housing First model with apartment housing, there were three 911 calls the following year. Ms. Vautier said the geographical separation of emergency housing from permanent housing is the key to success. She submitted her comments in writing.

- (f) Gordon Wilson expressed support for the proposed homeless shelter in the Eastgate area. He said homelessness cannot be wished away, and the cost of housing continues to increase. He said Congregations for the Homeless is a well managed organization with a strong track record that receives generous volunteer support from the faith communities. He said the organization understands the need for hope and dignity in supporting the homeless. Mr. Wilson said the Eastgate location is ideal due to the grade separation from residential areas and the proximity to services, transit, and Bellevue College.
- (g) Anoulka Pangney said she is from France and has been living on the Eastside for approximately five years. She began volunteering with Congregations for the Homeless approximately one year ago. She discovered a great organization and learned that her previous stereotypes of the homeless were wrong. She said the shelters help all types and ages of people, including those suffering from illnesses. She said the emergency shelter and day center have been operating for several years. However, there is a need for permanent housing to help people transition out of homelessness. She said the task to end homelessness is everyone's responsibility.
- (h) Sterling Bentsen said he has heard comments in favor of and opposed to the proposed Eastgate homeless shelter. With regard to concerns raised by the community, Mr. Bentsen said that any of our neighbors could be drug addicts, alcoholics, criminals, mentally ill, and sex offenders. Shelter housing provides the stability needed for individuals to maintain jobs, reconnect with their families, and become productive with their lives. He said he wishes the term "low-barrier" had not been used with regard to the Eastgate shelter because all of the types of individuals who trigger concerns are already in our community. He encouraged everyone to work together to help the homeless. Mr. Bentsen submitted his comments in writing.
- (i) Andy Wappler, Puget Sound Energy, noted the company's commitment to providing reliable energy for the safety, health, and economic vitality of the community. He said the first public meeting related to the Lake Hills transmission line project was held in November 2007. The need for the project was affirmed by the City's 2012 electrical reliability study and by the Hearing Examiner's decision in 2014. The project corrects a key weakness in the electric system serving more than 12,000 homes and businesses in

the Crossroads, Robinswood, Lake Hills, Eastgate, and Phantom Lake neighborhoods. He said the transmission line connects two substations that each currently have only one power line. There is no backup power in an emergency. Mr. Wappler said no other area in Bellevue faces that risk. The Lake Hills transmission line corrects the problem by creating a second power source for the Phantom Lake and Lake Hills substations. He said PSE has been in Bellevue since the 1950s and the company shares a commitment to the quality of life. He said PSE will provide nearly \$900,000 to plant trees and vegetation upon the completion of the project. He said PSE is committed to moving forward after 10 years of discussion, planning, and public outreach.

- (j) Don Marsh, President of the Coalition of Eastside Neighborhoods for Sensible Energy (CENSE), said he and dozens of Bellevue residents were in attendance in an effort to save 300 trees along two urban boulevards. He said PSE states that the Lake Hills transmission line is the only way to improve electrical reliability. Mr. Marsh said the City's independent consultant, Exponent, completed a study in 2012, which suggested a less expensive solution that would provide better reliability than PSE's proposal and would not harm trees. Mr. Marsh asked the City to engage an independent expert to evaluate the feasibility of Exponent's solution.
- (k) Court Olson said he has lived in the area just described by Mr. Wappler for 29 years, and he has never experienced a lack of reliable power. He noted he is an engineer, and he conducted his own analysis based on population projections that suggest an increased future demand for electrical power. However, given the area's energy conservation and the efficiency measures planned by PSE, Mr. Olson said the net effect for the next 20 years is a flat demand for power. Noting environmental concerns, Mr. Olson urged PSE and the City to reconsider the need for the added transmission lines. He noted the need to preserve the trees.

5. Reports of Community Council, Boards and Commissions

East Bellevue Community Council Chair Bill Capron apologized to his constituents that, when he joined the EBCC, he did not have the experience or background on the Lake Hills transmission line project. He said the EBCC has never opposed the looping of the stations for electrical reliability. However, the EBCC opposes the proposed alignment and is concerned about the loss of trees. He said the route chosen by Puget Sound Energy is 50-percent longer than a direct route.

Mr. Capron said the project does not complete the loop. The Hearing Examiner determined that the project cannot complete an eight-block segment on SE 16th Street because double poles would not be allowed. Mr. Capron said that, if the loop cannot be completed, there is no purpose in building the project. He said he does not understand why PSE will not consider other routes.

Mr. Capron recapped that the EBCC denied the project, King County Superior Court ruled in the EBCC's favor, and the Court of Appeals overturned that decision. He said the Council should not determine the outcome of the case instead of the Washington Supreme Court. As EBCC

Chair, Mr. Capron said he hopes the City Council will grant the request for funding for continued legal services to appeal to the Washington Supreme Court.

6. Report of the City Manager: None.

7. Council Business and New Initiatives

(a) Update of Council Selection Process

Mayor Stokes said the Council interviewed eight candidates the previous week to fill the vacant Council position. Noting that two Councilmembers were participating remotely this evening, he said the Council needs additional time for discussion and a decision upon their return.

Kyle Stannert, City Clerk, noted that a representative of the Wintergrass festival had requested time to speak.

Wendy Tyner highlighted the performance and educational activities planned for the Wintergrass Music Festival. She said the festival was able to expand its education programs this year, due in part to additional funding from the City. She thanked the City for its support and noted that 280 volunteers and others are working now to set up the weekend festival. This year's festival theme is Bach to Bluegrass. Mayor Stokes encouraged everyone to attend the festival. Ms. Tyner noted that children may attend free of charge.

(b) Resolution No. 9235 finding that costs related to a petition for review to the Washington Supreme Court seeking to appeal the decision by Division I of the Washington Court of Appeals in an action brought by Puget Sound Energy are not necessary expenses of the East Bellevue Community Council.
[Moved from Agenda Item 11(b)]

Deputy City Manager McCommon said the Council provided previous direction to staff to prepare a resolution denying the East Bellevue Community Council's request for necessary expenses related to a petition for review to the Washington Supreme Court. The EBCC is seeking to appeal the decision of the Court of Appeals in an action brought by Puget Sound Energy (PSE) related to the Lake Hills transmission line project. An alternate version of the resolution is provided in the Council's desk packet that approves the request for necessary expenses.

Mayor Stokes asked staff to provide background information on the project and the public process. City Clerk Kyle Stannert confirmed that Deputy Mayor Chelminiak and Councilmember Wallace were connected to the meeting via telephone.

Carol Helland, Land Use Director, described the lengthy planning and permitting history of the Lake Hills transmission line project to connect the Phantom Lake and Lake Hills electrical substations. Bellevue's role in the planning dates back to 1993, when the City adopted its first Comprehensive Plan under the Growth Management Act. At that time, the Utilities Element of the plan incorporated Puget Sound Energy's system plan for reference. The missing link of a

115kV transmission line between the two substations was in the plan. In 2006, the PSE system plan was updated and the need for the transmission line project was reaffirmed. The area experienced a severe winter storm that year and many Bellevue residents were without power for up to a week.

In 2007, following the storm, the Utilities Element was amended and a map was adopted that identified the future transmission line between the Lake Hills and Phantom Lake substations. Permitting expectations were outlined in the Comprehensive Plan, and the Land Use Code was updated to include permitting requirements for any new electrical transmission facility.

Ms. Helland said that, over the course of 15 years of planning, the Comprehensive Plan and code amendments were subject to public outreach including study sessions and at least one public hearing before the Planning Commission each time an amendment was brought forward. Each Comprehensive Plan and code amendment was adopted by the City Council and approved by the East Bellevue Community Council. She noted that, beginning in 2004, the City hired independent, third party review of the PSE plan. Exponent reviewed the documents for PSE's substation plan in 2004, 2007, and 2012.

Ms. Helland said the permitting phase has been in process for approximately 10 years. Before PSE applied for the conditional use permit (CUP), it held community forums over the course of four years to discuss the Phantom Lake to Lake Hills transmission line project. Public meetings were held in 2007, 2009, 2010, and 2011. Approximately 14,000 invitations were mailed to affected property owners to participate in discussions regarding the project siting and alignment and the project design. Ms. Helland said PSE documented all of those discussions, as required under the Land Use Code.

The public input provided to PSE and the City was incorporated into PSE's CUP application. The application was submitted in December 2011. The City Council held a required public hearing in 2012. Three public hearings were held before the East Bellevue Community Council between 2012 and 2013. A second public meeting was held by the City in 2013 to share information related to the environmental review undertaken for the project.

Ms. Helland said that, in 2014, the City's Development Services Department issued the required determination under the State Environmental Policy Act (SEPA), including critical area permits and a recommendation to approve the CUP. Those actions were published in the City's weekly permit bulletin and mailed to property owners within 500 feet of the final alignment, as well as to more than 100 individuals who had participated throughout the project planning and were parties of record. The decision was eligible for appeal to the Hearing Examiner, but no appeals were filed.

In 2014, the Hearing Examiner held a public hearing on the project and ultimately recommended to Council that the CUP and Shoreline conditional use permit be approved. Ms. Helland said the hearing occurred on a Thursday evening. In 2015, the CUP and Shoreline CUP were addressed by the City Council for final approval. No appeals had been filed on any of the projects or any of the permits from the seven-year process up to that point. All of the public meetings were noticed

to the public through direct mailings and the weekly permit bulletin, and all of the meetings were well attended.

Ms. Helland said that, at the time the City Council took action, the Whereas clauses in the ordinance documented that the project was found in compliance with all of the procedural and substantive requirements of the Land Use Code, and that SEPA requirements had been met. More than 100 individuals were notified of the Council's action. Following City Council action, the East Bellevue Community Council has 60 days to take action on the Council's approval. The EBCC disapproved the project.

Mayor Stokes said the City Council is interested in providing the best decision for the entire community. He said electrical power is needed in the Lake Hills area and should be provided in a rational way and in a manner that protects the environment, adds trees, and mitigates impacts.

Mr. Stokes thanked the EBCC and the public for their comments. He asked the Council to consider the resolutions before them.

Responding to Councilmember Robertson, City Clerk Kyle Stannert confirmed that an alternate resolution approving the necessary expenses request was provided in the Council's desk packet. Mr. Stannert said it would be acceptable to refer to that version as Resolution No. 9235-A, and he advised that the motion language clearly state whether the intent is to approve or disapprove the funding request.

Councilmember Robertson recalled her comments the previous week in favor of allowing the funding for the petition for review to the State Supreme Court.

Deputy Mayor Chelminiak suggested placing a motion on the table before Council comments.

Councilmember Robinson said the staff was asked to draft an alternate resolution to approve the East Bellevue Community Council's request for funding for its appeal to the State Supreme Court.

→ Councilmember Robinson moved to approve Resolution No. 9235-A in the desk packet, finding that costs related to a petition for review to the Washington Supreme Court seeking to appeal the decision by Division 1 of the Washington Court of Appeals in an action brought by Puget Sound Energy are necessary expenses of the East Bellevue Community Council, and shall be budgeted and paid by the City in an amount not to exceed \$27,000. Councilmember Robertson seconded the motion.

Councilmember Robinson said it is not known whether the petition for review and potential State Supreme Court consideration would or would not succeed. She spoke in favor of funding the request and allowing the matter to go through the full legal process.

Councilmember Robertson expressed support for the motion. She said there have been three administrative rulings and two court rulings on the matter. One of the court rulings was in favor of the EBCC and the appeal ruled in favor of PSE. Ms. Robertson said that every decision is

based on the same record that initially went before the Hearing Examiner. No new information has or will be introduced. Ms. Robertson opined that the City owes it to the public to support seeking the petition for review. She said it is a relatively small amount of money, and she would like to have a final decision by the courts.

Councilmember Lee complimented PSE for its diligent public process for many years. He expressed support for the motion, noting that the City Council approved previous requests from the EBCC to cover necessary expenses. He would like to see the full legal process completed. He noted public input regarding an alternative suggested by the Exponent report a number of years ago. The Council cannot predict the outcome of a Supreme Court review. However, Mr. Lee feels it is the responsibility of the Council to fund the request. He would like staff to evaluate the other alternatives. Mr. Lee said the funding request is an investment the City is able to make at this time.

Deputy Mayor Chelminiak, speaking remotely via speakerphone, noted that he heard all of the public comments earlier in the meeting. He said he would oppose the motion. He said there are no alternatives for the Council to consider. He noted that the Council received an email over the weekend from Deputy City Manager Kate Berens which summarized the same comments made by Don Marsh during tonight's meeting. Mr. Chelminiak said it is clear in the Exponent report that the concept of looping does not solve the electrical issue. Looping might improve some aspect of reliability for some parts of the system. However, the basic failure of the electrical system is that the Lake Hills substation has only one 115kV line.

Mr. Chelminiak said Exponent suggests that the City have three 115kV lines at all of Bellevue's substations. He recalled that, during the 2006 winter storm, 18 customers of PSE and Seattle City Light died by trying to heat their homes with charcoal. He said this is a critical public safety and health issue. He reiterated that the looping system is not sufficient, and a second 115kV line is needed to harden the substation.

Deputy Mayor Chelminiak said he recently read that the North American electrical grid is the largest machine in the world, and it is also among the most vulnerable. He does not have a problem seeing the case go to the Washington Supreme Court. However, he does not want to approve funding for what he anticipates will be a waste of money.

Referring to comments by Steve Fricke during the earlier oral communications, Mr. Chelminiak opined that Judge Downing made a ruling based on process. The Court of Appeals based its decision on the law. Mr. Chelminiak suggested that this case might trigger a change in state law that will eliminate the two community councils in Washington.

Responding to Councilmember Wallace, Ms. Helland said seven options were originally studied for the transmission line. Ms. Helland said there were multiple meetings with surrounding property owners and a number of criteria were taken into account when looking at the alternative siting analysis. That conversation engaged directors of all of the City's operational departments. The criteria evaluated were infrastructure impacts, park impacts (including vegetation loss and visual access), the number of residential homes directly affected by the potential of transmission lines, the number of commercial versus residential properties affected by the alignment, the

orientation of the properties along the route, financial impacts to residents required to provide a private service connection upgrade if the route followed a street where the undergrounding of distribution lines would be necessary, a preference for locating the line in non-residential land use districts, and opportunities for mitigation. Ms. Helland said all of the options had impacts.

Responding to Mr. Wallace, Ms. Helland said staff identified the route that would have the least impacts based on the criteria noted above, and then worked to minimize the impacts of that alignment. Mitigation addressed the design and orientation of the power poles, and the City imposed a fee in lieu under the State Environmental Policy Act (SEPA) of \$856,000 for tree replacement. The money can be spent only on soil, irrigation, and plant material. Ms. Helland said the conditions are intended to be better upon the completion of the project. The replacement trees will be appropriately scaled to be below the power lines in order to avoid harsh pruning techniques.

Mr. Wallace noted comments from individuals about options identified by Exponent and other parties. Responding to Mr. Wallace, Deputy City Attorney Bob Hyde said it is not within the City's purview to require PSE to do a different type of project. Mr. Hyde said that, if the EBCC were to win a Supreme Court appeal, the City Council cannot tell PSE to do something other than its current project. The City cannot require a different voltage and has limited options with regard to mitigation if PSE submitted a new application. In further response to Mr. Wallace, Mr. Hyde confirmed that the City's role is to address the alignment and mitigation along that line.

Councilmember Wallace recalled that the City Council's role was to determine whether the Hearing Examiner's decision was accurate or whether there were grounds to overturn it. The Council found there were not grounds to overturn the decision. Mr. Wallace said the case has been through King County Superior Court and the Court of Appeals, and the next step would be to fund review and potential action by the Washington Supreme Court.

Mr. Wallace asked Mr. Hyde to summarize the four standards for Supreme Court review, which were presented to the Council the previous week. Mr. Hyde said the standards are: 1) whether the decision of the Court of Appeals conflicts with another published decision of another Court of Appeals, 2) whether the decision conflicts with a Supreme Court decision, 3) whether it presents an issue of either state or federal constitutional law, or 4) whether it is an issue of statewide significance.

Mr. Wallace observed that during the previous week's discussion, it was thought to be highly unlikely that the standards would apply to this case. Responding to Mr. Wallace, Mr. Hyde said he did not believe there is a mandatory deadline for the State Supreme Court to act on a petition for review. However, the court typically grants or denies petitions within six months. If the petition for review is granted, there is an opportunity for additional briefing by any interested party, which could take a number of months. After that, oral argument is scheduled, typically within a couple of months. The decision could be issued at any time following the process.

Mr. Wallace questioned what would happen if the Supreme Court took the case and decided in favor of the EBCC. Would the project be eliminated, moved to a different location, and/or be subject to additional mitigation? Mr. Hyde said the result would require PSE to conduct an

additional process and PSE would ultimately be able to move forward with the project. Even if the EBCC prevailed upon appeal, it would not necessarily mean that PSE would be required to do anything different. However, there would be a new application and administrative process. Mr. Hyde said SEPA law has changed since PSE's initial application.

Mr. Wallace questioned whether that course of action would put the City in jeopardy of losing some of the mitigation achieved from PSE to date. Ms. Helland said that, in 2012, the state legislature asked the Department of Ecology to look into the SEPA categorical exemptions. The guidelines were subsequently changed and a 115kV electrical facility is now categorically exempt from SEPA regulations if located in a public right-of-way. As a result, Ms. Helland said SEPA would not apply to any future application. Mr. Wallace noted the potential, if the project is delayed and submitted under a new application, for the loss of trees without the replacement of the trees as mitigation. Ms. Helland concurred that would be a possible outcome.

Councilmember Wallace said there was an alignment that he felt merited further evaluation. However, the Council is required to act as judges with regard to Hearing Examiner's decisions. He said the Council is now being asked to fund additional legal services for the East Bellevue Community Council. Mr. Wallace opined that it is unlikely the case would be accepted by the State Supreme Court. Even if the court accepted the case and ruled in the EBCC's favor, the future result would likely still be an alignment along 148th Avenue, potentially without the mitigation provided in the current permit application. Mr. Wallace said he would not support the motion.

Councilmember Lee said information about the cost of undergrounding the transmission lines might have some bearing on what he is thinking about. He noted estimates of \$14 million to \$21 million, and expressed interest in the cost for each property owner over 20 years.

City Clerk Stannert recalled that Deputy Mayor Chelminiak commented the previous week about the potential for creating a local improvement district (LID) that would place assessments on property owners over a period of 20 years for the cost of undergrounding the transmission line. Mr. Stannert said the estimated assessment would be \$265 to \$405 per year for 20 years.

Mr. Chelminiak noted that the estimated LID assessment is approximately twice what property owners in the EBCC area currently pay for the City's property tax.

Mr. Stokes said the Council needs to move forward. He was ambivalent during the previous Council discussion, and he believes the money could be used for other priorities. However, his inclination is to fund the request to avoid any future speculation about the outcome of the full legal process. He expressed support for the motion. He urged the public to listen to all of the facts going forward. He said the Council wants to see the best outcome for EBCC residents and the community as a whole.

→ The motion carried by a vote of 4-2, with Deputy Mayor Chelminiak and Councilmember Wallace opposed.

[Councilmember Wallace disconnected remotely from the meeting.]

8. Consent Calendar

- Councilmember Robertson moved to approve the Consent Calendar, and Councilmember Robinson 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 Minutes:
Minutes of February 6, 2017 Study Session [*Regular Session was cancelled.*]
 - (b) Resolution No. 9224 authorizing execution of a Department of Homeland Security (DHS) Subgrant Agreement with the Washington State Military Department to accept grant funds in the amount of \$319,588 for vulnerable populations planning, citizen preparedness and outreach and sustainment.
 - (c) Resolution No. 9225 authorizing execution of an amendment to increase the construction contract amount with Johansen Excavating, Inc. (Bid No. 16040) by \$800,000 for a total contract amount of \$13,347,141.45 for the NE Spring Boulevard (Zone 1B phase) project (CIP Plan No. PW-R-172).
 - (d) Ordinance No. 6342 amending the recommendations from the Bellevue Human Services Commission for the use of 2016 Community Development Block Grant funds (2016 CDBG Plan) adopted by Ordinance 6259 to cancel the recommended \$80,000 grant to the International Community Health Center Bellevue Medical and Dental Clinic Renovation Project and reallocating the \$80,000 to the 2016 Major Home Repair Program.
 - (e) Motion to approve payment of Claims and Payroll for January 2017.
 - (f) Ordinance No. 6344: 1) amending the 2017-2018 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,839,397; 2) amending the 2017-2023 CIP Plan to increase the project budget for the NE Spring Boulevard (Zone 1) project (CIP Plan No. PW-R-172) by \$1,839,397, for a total amended project budget of \$33,432,137; and 3) authorizing execution of the grant agreement (and supplements if necessary) with the Washington State Department of Transportation (WSDOT) to accept \$5,500,000 in federal Surface Transportation Program (STP) funding to support the construction phase of NE Spring Boulevard (Zone 1A) (116th Ave NE to the Eastside Rail Corridor).
 - (g) Ordinance No. 6345 amending Ordinance No. 5855, to extend the boundaries of Residential Parking Zone 1 in the Surrey Downs neighborhood on 109th Avenue SE from SE 1st Street to SE 6th Street with “No Parking 8 AM to 6 PM Except Saturday, Sunday, and Holiday, Except by Zone 1 Permit” restrictions.

- (h) Resolution No. 9227 authorizing execution of an agreement with Northwest Playground Equipment, Inc. for the purchase and installation of play equipment at Kelsey Creek Park, in an amount not to exceed \$198,554.03.
- (i) Resolution No. 9228 authorizing execution of an amendment to the Agreement for Professional Services with Kenyon Disend, PLLC to increase the total contract amount from \$200,000 to \$275,000 for legal services and representation in property acquisitions and/or eminent domain proceedings for multiple parcels located at 120th Avenue NE.
- (j) Resolution No. 9229 authorizing execution of a purchase agreement with Braun Northwest, Inc., to make modifications to three Fire Department Medic Units, in an amount not to exceed \$262,047, plus applicable Washington State sales tax.
- (k) Resolution No. 9230 authorizing execution of amendment 2 to the Annual Maximo Support Agreement with Interloc Solutions, Inc. in an amount not to exceed \$536,418.42, exclusive of applicable taxes and extending for one year the on-going maintenance and support services through February 28, 2018.
- (l) Resolution No. 9231 authorizing the City Manager to prepare and sign an agreement between Bellevue and Kirkland adjusting the municipal boundary within the rights-of-way of Northup Way NE, Points Dr. NE, Bellevue Way NE and 104th Ave NE.
- (m) Resolution No. 9232 authorizing execution of an amendment to the Agreement for Professional Services with Pacifica Law Group LLP, outside counsel for the City in the lawsuit of *Greensun v. City of Bellevue* (KCSC Case No. 14-2-29863-3 SEA), in an amount not to exceed \$300,000.
- (n) Resolution No. 9233 authorizing the City Manager to execute an intercreditor agreement between the City of Bellevue and Kemper Holdings, LLC regarding the Bellevue Arts Museum.
- (o) Resolution No. 9234 authorizing execution of amendment 1 to the Construction Support Agreement with HDR Engineering, Inc. (Clerk's Receiving No. 59791), increasing the total contract amount from \$90,000 to \$180,000 to provide construction support for NE Spring Boulevard (Zone 1B phase) (CIP Plan No. PW-R-172).

9. Public Hearings

- (a) Public Hearing on Ordinance No. 6340 amending the Land Use Code, modifying the Medical Institution District Development Areas Map and restricting allowed building heights for hospitals located within 150 feet of 116th Avenue NE; amending Sections 20.25J.010 and 20.25J.030; providing for severability, and establishing an effective date.

- Councilmember Robertson moved to open the Public Hearing, and Councilmember Robinson seconded the motion.
- The motion carried by a vote of 5-0.

The following individuals came forward to comment:

1. Sam Baxter, Vice President of Professional Services, Overlake Hospital Medical Center, provided a presentation describing the medical center's campus plan and the history of its development. He encouraged the Council to approve Ordinance No. 6340 amending the Land Use Code and modifying the Medical Institution District Development Areas Map to facilitate the revised campus plan.
 2. Jack McCullough, speaking in support of the Overlake Hospital Medical Center Land Use Code Amendment, recalled the adoption of the original master plan and the medical center's development since that time. He explained that one section of the plan was designated for medical office only. However, the requested Land Use Code Amendment allows a change to place a new patient tower on 116th Avenue NE while maintaining the same restrictions on building heights as the 2005 master plan. There will be no increase in the square footage of the development. Instead, the change results from a slight redesign of the master plan. He thanked the Council for its consideration.
- Councilmember Robertson moved to close the Public Hearing, and Councilmember Lee seconded the motion.
 - The motion carried by a vote of 5-0.
 - At 9:53 p.m., Councilmember Robertson moved to extend the meeting to 10:15 p.m. Councilmember Lee seconded the motion.
 - The motion carried by a vote of 5-0.

Responding to Councilmember Robertson, Land Use Director Carol Helland confirmed that the Land Use Code Amendment includes a map change and a footnote change. She further confirmed that the campus development envelope, density, square footage, and building heights are the same as the original campus master plan. Ms. Helland said the amendment allows Overlake Hospital Medical Center to extend its hospital use to 116th Avenue NE.

Councilmember Lee expressed support for the proposal. He said Overlake Hospital Medical Center serves the community and the region well.

Councilmember Robinson said she has been involved with the hospital as a docent, physical therapist, and patient. She said Bellevue is fortunate to have the hospital, and she expressed support for the proposed amendments.

Mayor Stokes said he has spent time in Overlake Hospital as well. He said he appreciated how the hospital collaborated with the City to reach a creative solution, and he expressed his support.

Councilmember Lee noted that the hospital has incorporated elements to make the facility work well for different cultures in the community.

- Councilmember Robertson moved to approve Ordinance No. 6340, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 5-0.

(b) Public Hearing on the requested Right-of-Way Vacation of a portion of 145th Avenue SE north of SE 26th Street

Deputy City Manager McCommon said Bellevue College's request for the vacation of a portion of 145th Avenue SE, north of SE 26th Street, was presented to the Council in January, and a public hearing was scheduled for tonight. He recalled that Bellevue College representatives presented the campus master plan to the Council the previous week. He said staff is seeking Council direction about whether to proceed with draft legislation to approve or deny the petition for the street vacation.

Nora Johnson, Civic Services Director, introduced Patti Ebert, Sr. Real Property Agent, to provide the staff report.

Ms. Ebert described maps depicting the proposed right-of-way vacation requested by Bellevue College, the Phase 1 student housing project, and all Bellevue College-owned properties.

Ms. Johnson said Bellevue College withdrew its request to waive compensation for the street vacation. In response to previous Council direction, Ms. Johnson said public notice regarding the proposal was sent to a broader area of residents around the college, including all residents of Sunset Ranch. A community meeting was held at Bellevue College, with notices sent to approximately 350 property owners and the meeting details posted on social media. There were seven attendees at the relatively long meeting, with City and Bellevue College staff discussing the street vacation process and responding to questions about student housing. Ms. Johnson said she provided a presentation during the East Bellevue Community Council (EBCC) meeting on February 7 as well.

Ms. Johnson said residents expressed concerns about waiving the compensation fee and were pleased that the request had been withdrawn by the college. Individuals were also interested in the use of right-of-way vacation fees.

Ms. Ebert said the City will retain a water main easement along 145th Avenue SE to maintain existing facilities. Puget Sound Energy and Comcast will need to acquire easements for facilities that connect to one house being used by Bellevue College.

Ms. Ebert said staff is seeking Council direction, following the Public Hearing, about whether to proceed with drafting legislation either approving or denying the requested right-of-way vacation.

- Councilmember Robertson moved to open the Public Hearing, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 5-0.

City Clerk Kyle Stannert noted that written comments were received from Betsi Hummer.

- Councilmember Robertson moved to extend the meeting to 10:30 p.m., and Councilmember Robinson seconded the motion.
- The motion carried by a vote of 5-0.

The following citizens came forward to comment:

1. Betsi Hummer thanked the City for holding additional meetings on this topic and for delaying the Public Hearing by a couple of weeks. She said 30-40 residents attended the February 7 EBCC meeting for Ms. Johnson's presentation. Neighbors were able to learn more about Bellevue College's short-term and long-term plans and to ask questions of both City and college staff. Ms. Hummer said she has been working for several years to improve the channels of communication between stakeholders to achieve a mutual understanding and the best solutions for everyone. Her understanding is that the money from right-of-way vacation fees is used to purchase park lands or for transportation projects. She encouraged the Council to consider using the funds to address traffic congestion in the Eastgate area. She thanked the City for expanding the scope of the public noticing process and for the efforts to increase citizen participation.
2. Michelle Wannamaker said she was pleased that Bellevue College withdrew its request to waive compensation for the street vacation. She urged the Council to use the compensation fee for traffic congestion projects in the Eastgate area.
3. William Tribble, Construction Project Manager for Bellevue College, requested Council direction tonight regarding the right-of-way vacation and thanked them for their consideration.
4. Bill Capron spoke in favor of the requested right-of-way vacation. He said the property is a taxpayer asset and the City should get the full value of the compensation fee.
5. Paul Bell expressed support for the street vacation. He noted that he was a student and lived near the location until recently. He asked the City to consider using some of the compensation fee for pedestrian and/or bike facilities in the area.

6. Steve Kasner said he supports the street vacation. However, he expressed concern that the college's plans to add 22 buildings over the next 30 years will have impacts for the broader community. He said it is important for residents to understand the college's long-term plans and the timing of continued development. Mr. Kasner said he supports the street vacation to build much-needed student housing. Mr. Kasner said he encouraged Ray White at Bellevue College to continue to work with the community and to keep them informed.

→ Councilmember Robertson moved to close the Public Hearing, and Councilmember Lee seconded the motion.

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

Responding to Councilmember Robinson, Ms. Johnson confirmed that the property to be vacated is essentially a dead-end street. Ms. Johnson said the college will, at some point, build a road that will connect to the existing entry on the north. However, that is not part of the current student housing project. Ms. Robinson said she wants to be sure that Bellevue College continues its communication with the neighbors, including to address impacts, if any.

Councilmember Robertson clarified that the purpose of tonight's discussion is to provide direction to staff to prepare an ordinance for future Council action.

Responding to Ms. Robertson, Deputy City Attorney Bob Hyde said staff would prepare the ordinance upon approval by the Council. The City will accept payment only upon the successful completion of all conditions listed in the ordinance. The final step will be to prepare a declaration of vacation to be signed by both parties.

Responding to Ms. Robertson, Mr. Hyde said it would be helpful for the Council to identify which right-of-way vacation criteria referenced in BCC 14.35.070 apply to this situation.

Councilmember Robertson expressed support for the right-of-way vacation and for obtaining the full market value of the land. Referring to the code criteria, she said the vacation better serves the public good by enabling the college to build student housing. She observed that the dead-end street is no longer required for public use and that there is no public benefit to justify the cost of maintenance of the property. She said the City has not received any objections to the right-of-way vacation.

Mayor Stokes concurred with Ms. Robertson's review of the right-of-way vacation criteria.

→ Councilmember Robertson moved to direct staff to prepare the right-of-way vacation ordinance, consistent with her comments regarding the vacation criteria, retaining the utilities easement, and conditioning the ordinance upon payment of the full market value of the property as determined by an appraisal. Councilmember Robinson seconded the motion.

Councilmember Lee expressed support for the motion.

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

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

- (a) Ordinance No. 6346 amending Ordinance 6333, adopted December 5, 2016, as previously amended, to 1) increase the appropriation to the 2017-2018 General Capital Investment Program (CIP) Fund by \$27,100,000; 2) amend the 2017-2023 CIP Plan to add four new projects (PW-R-198, PW-R-199, PS-64, PS-65); 3) increase the 2017-2023 project budgets by a total of \$94,850,000 to fund neighborhood safety, connectivity and congestion improvements and fire facilities, as approved by Bellevue voters; and 4) increase the General Fund 2017-2018 biennial appropriation by \$1,993,776 and increase the Facilities Services Fund 2017-2018 biennial appropriation by \$269,932, to provide expenditure authority for an increase in levy project specific staffing.

Deputy City Manager McCommon introduced discussion of Ordinance No. 6346.

Finance Director Toni Call recalled that the Council had extensive discussions in 2014 and 2016 regarding potential Capital Investment Program (CIP) projects. However, there was not adequate funding for the backlog of priorities. On July 25, 2016, the Council voted to place two levies on the ballot: Fire Facilities Upgrades and Neighborhood Safety, Congestion, and Connectivity projects. Voters approved both levies in the November 8 election, and the Council adopted the property tax rates in December. Ms. Call said Ordinance No. 6346 will provide the needed expenditure authority for the staffing and funding of projects to implement both levies.

Ron Kessack, Assistant Transportation Director, said the purpose of the levy is to allow the completion of projects that the City is not able to fund in its regular budget. He said the Council identified the following six project categories for neighborhood transportation projects: 1) neighborhood safety projects, 2) sidewalks and pathways, 3) bike facilities, 4) Intelligent Transportation Systems (ITS), 5) congestion management, and 6) maintenance. The Council requested that \$2 million be directed per year to these priorities. Mr. Kessack said the meeting packet contains a prioritized list of projects for 2017 and 2018. The Transportation Department is currently preparing a communication and branding plan using a variety of media options and will provide annual updates to the Council. He noted that the ordinance authorizes funding for the staffing needed to deliver projects under both of the levies.

Fire Chief Mark Risen said the first priorities for the Fire Facilities levy are building a new Fire Station 10 in the Downtown and Fire Station 4 in the Factoria area. Property acquisition for Fire Station 10 is already funded, and levy funds will be used for design and construction. Levy funds will be used for property acquisition, design, and construction of Fire Station 4. Additional available funds will be used for remaining station upgrades. Chief Risen said the ordinance includes one Civic Services Department staffing position to support Fire Facilities levy projects.

Mayor Stokes noted that the Council has received previous briefings on the levies.

→ Councilmember Robertson moved to adopt Ordinance No. 6346, as corrected in the desk packet version. Councilmember Robinson seconded the motion.

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

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 10:30 p.m., Mayor Stokes declared the meeting adjourned.

Kyle Stannert, CMC
City Clerk

/kaw