

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

August 3, 2015
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:13 p.m., with Mayor Balducci presiding. There was no Executive Session.

2. Study Session

(a) Capital Investment Program (CIP) Projects Update – Summer Construction

City Manager Brad Miyake introduced staff's update on summer construction activity for transportation, utilities, and parks capital projects.

Ron Kessack, Assistant Director of Transportation, provided an update on transportation capital projects. The NE 4th Street Phase 2 project includes a new five-lane roadway connecting 116th and 120th Avenues NE. The road is scheduled to open in September. The contractor will be completing sidewalks, road paving, and landscaping in August.

Stage 1 of the 120th Avenue NE project, NE 4th Street to NE 6th Street, was completed last year. Work on Stage 2, which is between the 700 block of 120th Avenue NE to NE 12th Street, is underway. Work in August includes ongoing wall construction, ground improvement, and paving. Mr. Kessack said the project is still on the watch list due to contaminated soils and groundwater, as well as soft soils. However, construction work is going well and the roadway is expected to open in the fall of 2016.

Responding to Councilmember Lee, Mr. Kessack said the contamination sources are the former gas station and dry cleaner sites.

Mr. Kessack provided an update on the overlay program. Lakemont Boulevard, 108th Avenue NE north of Northup Way, and a number of utilities restoration sites have been completed. Work during August will focus on the Downtown area.

Mr. Kessack described work planned for August on Newport Way (150th to 152nd Avenues SE) including ongoing wall construction, grading for the roadway and sidewalks, and concrete and paving work. He noted unanticipated issues related to existing utilities infrastructure that was installed by Water District 71. Work will continue as school starts, and the City will work with the neighborhood and schools to keep them informed about the project.

Responding to Councilmember Lee, Mr. Kessack said residents have been very cooperative and patient with the construction.

Responding to Deputy Mayor Wallace, Mr. Kessack said the current Newport Way work will be completed in September after school starts.

Continuing, Mr. Kessack said Phase 5 of SCATS (Sydney Coordinated Adaptive Traffic System) implementation will complete the conversion of the remaining 11 intersections by the end of the year. The work also includes system standardization, performance monitoring, and the addition of new system features.

Responding to Councilmember Lee, Mr. Kessack said the flashing yellow left-turn arrows did raise issues at some locations and have been turned off for those intersections. Signage is posted as new signals are converted.

Paul Bucich, Assistant Director of Utilities, provided an update on utilities projects. Three projects affecting traffic on 112th Avenue SE include the Bellefield Pump Station project, Wilburton sewer project, and East Central Business District (ECBD) sewer replacement project.

Mr. Bucich noted that, due to concerns expressed by Bellefield Residential Park residents, the City worked with the current contractor and the contractor for the upcoming ECBD project to determine whether a left-turn could be accommodated. The project team identified a three-week period for the opportunity for a left-turn pocket out of the residential park to travel north on 112th Avenue SE. The residents have been informed and City staff has not heard back from them. Residents were also informed that the left turn will no longer be available when the contractor's work requires that they occupy the intersection at 112th Avenue SE and SE 15th Street.

Responding to Mayor Balducci, Mr. Bucich said the left-turn pocket would be provided beginning that week and continue for approximately three weeks. He said construction of the pump station project will continue over approximately 18 months. However, the majority of the work in the roadway should be completed this month. When work on the ECBD sewer line begins this month, the road lane closures will move north.

Councilmember Robertson asked why the work is not being completed in conjunction with the Sound Transit light rail project. Mr. Bucich said the City needs to complete its utilities work before Sound Transit light rail construction can begin. Mr. Bucich said the City's work could

have been completed a few years ago. However, it was delayed to coordinate more closely with Sound Transit's final plans.

Responding to Councilmember Lee, Mr. Bucich confirmed that there were earlier concerns about drainage ponds in the area. Those issues have been resolved and the ponds have been cleaned. Mr. Bucich said there will be extensive vegetative screening around the Bellefield Pump Station. However, interim landscaping will be installed initially as Sound Transit completes its work.

Mr. Bucich said the East Central Business District sewer replacement project will begin construction this month and continue for 6-9 months. It will meet capacity needs for the east end of the Downtown and the Wilburton area. The contractor will be allowed to work on Saturdays, and Sundays if requested, to expedite the project and minimize road closures.

Councilmember Robertson suggested that the City work with the Washington State Department of Transportation (WSDOT) to provide signage on I-405 about the surface street closures.

Mr. Bucich described the Wilburton sewer capacity improvements, which is driven primarily by the 2008 rezone and future anticipated rezones in the Wilburton area. Construction is scheduled to start in September and to continue over 18 months.

Responding to Councilmember Lee, Mr. Bucich said the sewer line is designed to provide adequate capacity over potentially a 100-year lifespan. In further response to Mr. Lee, Mr. Bucich said the ECBD pipe will be placed very deep in some areas due to light rail. A specialized pipe with a 500-year lifespan will be used for the deeper segments.

Councilmember Chelminiak said the 2008 action for the Wilburton area was a Comprehensive Plan amendment and not a rezone. However, he acknowledged future development and redevelopment in the area, including a light rail station. Mr. Bucich acknowledged the clarification and said the City wants to provide adequate infrastructure to avoid hindering development.

Mr. Bucich described the Meydenbauer Bay Sanitary Sewer Lake Line Replacement project. The City wants to complete the project before park development begins, and the final alignment minimizes short- and long-term impacts to the park. This project will coordinate with the Parks Department and permitting agencies. Design and permitting are to begin in August.

Responding to Councilmember Lee, Mr. Bucich said old asbestos concrete pipe submerged in the lake needs to be removed to avoid the risk of exposing the public upon completion of new park.

Mr. Bucich described the Midlakes Pump Station project in the BelRed area to support the Spring District development. The project is at 30-percent design, and construction is scheduled for June 2016 to September 2017. Mr. Bucich said this is a somewhat complicated site due to a number of utilities and interests (i.e., Parks Department and Sound Transit) related to the site.

Mr. Bucich described the 2015 AC Water Main replacement project. The first two phases are under construction, and the third phase will go out to bid in November. This is part of ongoing work to replace infrastructure throughout Bellevue.

Glenn Kost, Parks Planning Manager, said the Surrey Downs District Court facility will be demolished by the end of the year and design work for the park will be ongoing. The building and immediately adjacent paving will be removed. However, the parking lot will remain. The City will plant grass after the building is removed, which will provide a larger park while part of the site is used for construction staging during the Sound Transit East Link project. Final development of Surrey Downs Park will occur after the light rail project is completed.

Responding to Councilmember Robertson, Mr. Kost said the construction area will be fully fenced, while the south parking lot and south area of the park will remain open.

Mr. Kost described the Newport Hills parks long-range development plan involving the former Tyler property and the recent five-acre Patterson property acquisition. The City will begin working with residents this fall to develop a park plan and to complete soft surface trail improvements.

Mr. Kost said the Downtown Park project to complete the circle is awaiting permits. Construction in 2015 is unlikely, and it is anticipated that construction might not begin until after July 4, 2016.

Responding to Councilmember Robinson, Mr. Kost said the project cost will likely increase next year. He confirmed that it is a Parks Levy project. If more funding is needed, the options are to access more money from the levy, find opportunities for reallocating money from other projects, or identify other Capital Investment Program (CIP) funds.

Mr. Kost said the Downtown Park Inspiration Playground project received \$1.5 million during the recent state legislative session. The Rotary Club has been fundraising for nearly three years. Current funding available from all sources totals nearly \$3 million. The City is awaiting a response to a federal grant request that could provide up to \$500,000. Phase 1 construction is anticipated to begin next spring.

Responding to Councilmember Stokes, Mr. Kost said the circle and playground projects are being addressed together in the same State Environmental Policy Act (SEPA) process. One delay since permit application in December was the discovery that SEPA review had not been completed for the 1997 Master Plan. New permits and the required SEPA review were submitted in March.

Deputy Mayor Wallace expressed concern about the likelihood for increased project costs related to completing the Downtown Park circle, especially related to acquiring the last corner of the park when land values have increased significantly. He said the two major funding sources for the park project are levy funds and the Parks REET (real estate excise tax). Mr. Wallace questioned whether it is appropriate to move forward with acquiring the property and developing the project given the significant budget increase for the project.

Deputy Mayor Wallace suggested that the Council needs to discuss whether the property acquisition is still desirable. He said the parcel recently sold for a much higher price than the City originally anticipated.

Mr. Kost concurred that this would be a good time to take a step back and conduct a broader review of the overall Downtown Park project.

Responding to Councilmember Robertson, Mr. Kost said the current environmental process is a planning-level SEPA review to cover the 1997 Master Plan and a project-level SEPA review for both the Downtown Park circle project and the Inspiration Playground project. In further response, Mr. Kost said the review includes parking needs and impacts.

Councilmember Chelminiak noted that the City has received grants for a number of projects over the years and should continue to pursue grants.

Mayor Balducci observed that the grand entrance aspect of the Downtown Park plan will likely not be possible. Mr. Kost said that aspect of the project would need to be reviewed.

Moving on, Mr. Kost highlighted items related to Meydenbauer Bay Park, which is anticipated to begin Phase 1 construction in spring 2017. Phase 1, west of 99th Avenue NE, includes an expanded swim beach, shoreline restoration, a pedestrian pier and promenade, a daylighted stream, playground, and picnic areas. Design and permitting for the project are underway.

Councilmember Stokes questioned whether there are plans to consider overall parking needs in the area adjacent to the two parks. Mr. Kost said the SEPA review focuses on the Downtown Park and individual projects within the plan. It does not address parking impacts for the adjacent area.

Mr. Stokes said this provides an opportunity for studying parking issues related to projects in the broader area instead of looking at projects individually.

Councilmember Robertson said she is hearing a great deal of Council interest in how the Downtown Park project moves forward. She wants to be sure the Council is updated on a regular basis.

Moving on, Mayor Balducci said she spent some time walking the Eastgate area. Before annexation, an inventory of needs in the area was completed. She requested an update on that list and the status of those items. That would be helpful information before the next budget. She said certain residents have asked about utilities bills, noting that while property taxes are lower, storm and surface water bills are slightly higher. She noted concerns including pedestrian safety on SE Allen Road and cut-through traffic to avoid Newport Way and 150th Avenue SE. Ms. Balducci suggested an overall look at the area for future planning.

Mayor Balducci said she would like to reinstate the accountability reporting on projects from the Transportation Department, which formerly occurred on a regular basis. She would like similar

reports on all CIP projects as well. She is interested in an update on Parks Levy projects' budgets and schedules.

Ms. Balducci suggested providing more information on project updates in the *It's Your City* newsletter to residents. Overall, she is pleased to see the progress on existing projects. She thanked staff for their work.

Responding to Councilmember Chelminiak, Mr. Kost said staff anticipates significant public engagement as well as coordination with the Parks and Community Services Board and the City Council in parks planning for Newport Hills. However, there will not be a full Master Plan process.

Referring to Downtown Park and Meydenbauer Bay Park, Mr. Chelminiak commented that policies related to parking for City parks should be based on meeting park needs. However, if there are opportunities to work with the private sector on a joint parking project, he is willing to consider those options.

Councilmember Robinson concurred and said she is not interested in providing parking for anything other than the parks as those projects are completed. However, she is very interested in considering parking options in other parts of Bellevue. She recalled that, before the SEPA issue arose, the Council voted in support of completing the Downtown Park circle.

Councilmember Stokes said he would hate to see Parks Levy money consumed by inflation. He suggested looking at all of the pieces that go together, even if the planning takes more time. He observed that new ideas might emerge and the City will be able to achieve an even better park system.

Mayor Balducci said the Council will want a detailed discussion about how the Meydenbauer Bay Park project will remain consistent with the neighborhood principles developed by the former citizens advisory committee. Mr. Kost agreed with the importance of considering those principles moving forward.

- (b) Proposed Work Program for Department of Planning and Community Development (PCD) and Development Services Department (DSD) Initiatives with Land Use Code Amendments

Mr. Miyake introduced discussion of the Department of Planning and Community Development (PCD) and Development Services Department (DSD) planning initiatives related to Land Use Code Amendments. He said the City does not have the capacity to do everything the Council is requesting. The purpose of tonight's discussion is to solicit feedback from the Council on the proposed 12-month work program and to start the conversation about how to address work program prioritization.

Chris Salomone, Director of Planning and Community Development (PCD), began the presentation of the existing work program, items not yet scheduled, and resource limitations. He said that all work items are important and have been suggested by the Council, Boards and

Commissions. However, he noted the need to address the priority, timing, and funding of projects.

Mike Brennan, Director of the Development Services Department (DSD), said there is currently a high demand for planning and Code development work, including Land Use Code Amendments. As staff moves forward to work on Land Use Code Amendments and planning initiatives, they will continue to look for ways to improve efficiency and effectiveness. Staff is seeking Council feedback on the proposed work program.

Dan Stroh, Planning Director, described the typical planning process from initiating a project and identifying the project scope and principles to developing and adopting Comprehensive Plan Amendments and Land Use Code Amendments. Key activities include identifying and analyzing alternatives, environmental review, and Council action on final recommendations. Mr. Stroh said staff is always looking for ways to streamline and increase efficiency, including working to better integrate the planning and SEPA (State Environmental Policy Act) processes.

Mr. Stroh highlighted items in the matrix titled: Proposed Work Program Focus for Mid-2015 to Mid-2016, Items Related to Code Amendments. He described PCD planning initiatives and DSD Land Use Code Docket items reflected in the current work program, as well as items that have not yet been initiated into the work program. The Comprehensive Plan Update is scheduled for Council adoption tonight. The Eastgate/I-90 corridor work is currently before the Planning Commission.

Responding to Mayor Balducci, Mr. Stroh confirmed that all projects involve public outreach at every stage of the planning process.

Mr. Stroh highlighted additional projects including light rail station area planning, transit-oriented development (TOD) at Sound Transit's Operations and Maintenance Satellite Facility (OMSF) and the 130th Avenue Station, the Downtown Livability effort, and the siting of a permanent homeless winter shelter.

Carol Helland, Land Use Director, highlighted DSD items from the Land Use Code Docket that do not currently have planning efforts preceding them: Old Bellevue Parking, OMSF permit process simplification, and final marijuana regulations. The latter regulations will likely continue to be modified as the State continues to develop its regulatory and legislative path over the next year. Ms. Helland noted the requirement for a Critical Areas Ordinance update. She said staff will continue working with the Council over the next year to develop low-impact development standards and requirements to comply with federal National Pollutant Discharge Elimination Systems (NPDES) Phase II permit requirements.

Mr. Stroh said items that have not yet been initiated into the work program include the development of a housing strategy. He said this work will involve following up on the Comprehensive Plan Update to define clear guidelines and tools for achieving housing goals. Additional items include subarea planning, the Wilburton Special Opportunity District, and the Grand Connection (eastern end near Eastside Rail Corridor). Mr. Stroh said new infrastructure is underway in the Wilburton area, including the light rail station and road projects. Staff believes

the area represents significant potential and that work should be initiated fairly soon to avoid losing any development opportunities.

Ms. Helland said staff proposes including the small cell wireless and broadband connectivity effort in the work program. This is a collaboration with the Information Technology Department and is one of the Council's priorities to facilitate the deployment of broadband wireless infrastructure in areas that are currently underserved. Staff is looking for opportunities to partner with companies (e.g., Verizon, Comcast) and to consider a targeted Land Use Code Amendment that would allow the partnership and describe the type of facilities that could be installed. Ms. Helland said this item is not meant to be part of a broader wireless review, which is an initiative that has been on the Land Use Code Docket for some time.

Mr. Stroh noted additional initiatives on the matrix that are not proposed for the 12-month work program: Grand Connection (west segment), BelRed zoning review, a comprehensive Downtown parking study, roosters and peafowl, temporary encampment regulations, and miscellaneous Land Use Code Docket items. Mr. Stroh said the limitation of resources refers not only to staff and funding, but to the public's capacity to participate in multiple planning efforts.

Mayor Balducci invited Council discussion and feedback for staff on the proposed work program.

Councilmember Robinson expressed general support for staff's priorities. While an overall analysis of Downtown parking is not included in the proposed work program, she questioned whether a parking study for Old Bellevue would be feasible.

Ms. Balducci suggested that, if Councilmembers request changes in projects and/or priority ranking, it would be helpful to have staff provide more information on resource needs related to amending the work program.

Mr. Stroh acknowledged the broad interest in Old Bellevue parking and said staff has been working with interested parties in the community. He suggested that the City's roles as landowner (Downtown Park) and regulator warrant additional analysis and discussion.

Responding to Councilmember Robinson, Mr. Stroh said a comprehensive downtown parking study would include looking at Old Bellevue. However, that study is not in the proposed 12-month work program. In further response, Mr. Stroh said staff and the Council could explore options only for Old Bellevue parking. However, he noted that would be a considerable effort as well.

Noting the interest of the Bellevue Downtown Association (BDA) and others, Mayor Balducci questioned whether another comprehensive parking study is needed to address Old Bellevue. She suggested a different approach could involve discussion or negotiation. She said she would not assume that the City knows exactly what the work project might be at this point.

Mr. Salomone concurred. He observed that the idea is to initiate discussions and that there might be a negotiated opportunity. Mayor Balducci said it will be helpful to know where the work program might be able to address this item should a feasible plan come out of negotiations.

Councilmember Robertson agreed about needing to retain some flex in the work program for unanticipated opportunities. She is in favor of looking at parking, and she knows that the Downtown Livability Citizens Advisory Committee (CAC) is interested in an updated parking study. She understands that a number of parking studies have been conducted in the past. She said it is important to know downtown parking needs and marketing demand versus development incentives in order to know where to set the line on incentives and requirements.

Ms. Robertson said it would be useful, if a full parking study is not completed, to communicate data from downtown stakeholders to the Planning Commission and Council to assist in considering Land Use Code Amendments. She said Bellevue's success with retail activity has been tied to free convenient parking and it is important to continue to provide that access.

Ms. Robertson said one project missing from the matrix is the Eastside Rail Corridor (ERC). The Council has set aside \$1 million to study how the City could facilitate that development. Mr. Stroh said that project is led by the Transportation Department. He said the work program presented this evening relates to planning initiatives that involve potential Land Use Code Amendments.

Mayor Balducci suggested that Wilburton area land use planning should be coordinated with ERC planning. Mr. Stroh concurred.

Ms. Robertson said that leads to her comments on Wilburton. She said the Wilburton Comprehensive Plan update was completed before adoption of the BelRed Plan, and the Council has directed funding toward the Grand Connection adjacent to the Wilburton area. She believes that the ERC and Grand Connection should be moved forward.

Councilmember Robertson said she would like to address the Council's quasi-judicial role, which has been an interest of the Council's for some time. She recalled that the Council previously expressed an interest in reviewing the BelRed Plan by the end of this year. For her, that is the biggest disconnect between items below and above the funding line. The OMSF permit is connected to the 130th Avenue TOD planning. She observed that the City should not be changing Comprehensive Plan designations or zoning in the BelRed corridor without an overall review.

Ms. Robertson said a number of property owners in the BelRed have been requesting a review by the Council. She recalled that the Council said it would initiate that review by the end of the year. However, the proposed work program addresses zoning only for publicly owned properties. She would like to initiate a BelRed Plan update within the next six months. Related to that, Ms. Robertson noted an item regarding nonconforming use rules in the BelRed and considering the application of those citywide. That item is not included in the work program. However, she believes that should be included in the BelRed Plan update.

Councilmember Robertson requested more information on oil pipeline safety. She said two projects in Bellevue over the next 24 months have implications for the pipeline: 1) franchise agreement renewal with Olympic Pipeline, and 2) the potential colocation in the corridor of a major electrical transmission facility. She said the SEPA review will address the safety of driving large pilings into the ground next to the oil pipeline to support the transmission lines. One of the causes of pipeline rupture is vibration from construction activity, which was the case with the Olympic Pipeline explosion in Bellingham a number of years ago. Ms. Robertson said she would like information about when pipeline safety should be addressed and whether it is safe to wait.

Councilmember Stokes said the City is doing many other things that are not on the proposed PCD and DSD 12-month work program. He noted the challenge, especially for the public, of considering how these projects fit with everything else.

Councilmember Lee said one option is to consider increased funding and resources to tackle more projects and items. He said that might be a worthy investment, given the current opportunities for Bellevue.

Mr. Lee agrees with others that downtown parking is an important issue because it affects economic vitality and quality of life. He supports conducting a comprehensive parking study. He expressed support for addressing the Wilburton area and Downtown Livability issues. He believes a comprehensive study is needed to develop housing policies.

Mr. Chelminiak said he is generally satisfied with the proposed work program. However, the consent decree regarding homeless encampments expires at the end of the year. He questioned the plan for addressing that issue and wants to be sure the City is compliant with State law in that area.

With regard to the Land Use Code Docket, Mr. Chelminiak observed that the chart update to accommodate new and temporary uses is important as the community changes. However, he said that issue does not necessarily need to be in the 12-month work program. Mr. Chelminiak suggested a look at attached accessory dwelling units (ADUs) and said he would like to meet with staff on that topic.

Deputy Mayor Wallace said he looks back at the budget process and wonders why the Council is having this discussion now. He suggested waiting until the next mid-biennium or full budget process. He said the budget authorized the Downtown Livability Study, the Wilburton Study, and the South Bellevue and East Main light rail stations studies. Those are underway and will likely still be occupying staff's time during the mid-biennium budget process.

Mr. Wallace said he was struggling with the purpose of the discussion when the City already has that much underway. He believes the BelRed Plan review should be a higher priority because the original plan directed a review in 2014. A review of the plan is also important within the context of the East Link light rail alignment and related maintenance facility in the corridor. He observed that the City has a number of issues and decisions for the area in coordination with the light rail project. Mr. Wallace observed that a number of BelRed Plan policies need to be amended.

Mr. Wallace said he is very concerned that the development of a housing strategy will turn into a philosophical war, as has been the case in Seattle, and consume all of the City's time.

Mayor Balducci recapped the Council's interest in addressing Old Bellevue parking, expediting the BelRed Plan review, and looking at overall Downtown parking, as well as the need to address temporary encampment regulations by the end of the year.

Ms. Balducci said she concurs with the interest in the BelRed Plan update. She observed that the Wilburton Special Opportunity District item has been prioritized above the BelRed corridor, and she understands the urgency given current vacant properties. However, there are tradeoffs, and certain property owners are advocating for the need for zoning changes in the BelRed corridor.

With regard to housing, Ms. Balducci recalled that the single-family room rental issue was somewhat of a crisis that highlighted the need to address affordable housing. She said the Council recently adopted the multifamily tax exemption (MFTE) approach to encourage affordable housing. She suggested identifying targets and goals as well as the City's role in meeting those goals.

Mayor Balducci observed that the City can tie together housing efforts that have already been accomplished and look at the potential toolkit of items that remain. Ms. Balducci believes the City could choose one or two tools to address rather than engage in an extensive top-down planning exercise. She suggests addressing housing with subarea planning to consider options of interest by residents in specific areas.

At 8:03 p.m., Mayor Balducci declared recess to the Regular Session.

Kyle Stannert
Acting City Clerk

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