

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

June 15, 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

At 6:05 p.m., Mayor Balducci called the meeting to order. There was no Executive Session.

Councilmember Chelminiak proposed that the Council defer providing direction to staff regarding the St. Luke's Lutheran Church Comprehensive Plan Amendment (CPA) until the Regular Session. He noted individuals signed up to speak on that issue during Oral Communications in the Regular Session.

Mayor Balducci noted Council concurrence with that course of action. She suggested moving Study Session Agenda Item 2(c) to occur before Item 2(b) to accommodate individuals present for that topic.

2. Study Session

- (a) Staff Report and Recommendation regarding KidsQuest Children's Museum Funding Request

City Manager Brad Miyake recalled that the Council identified \$2 million during the last budget cycle for KidsQuest Children's Museum. He introduced staff's presentation of the proposed funding agreement between the City and KidsQuest.

City Attorney Lori Riordan said staff's consideration of the funding request was guided by principles established by the City Council in 2006-2007 to make cultural arts investments. She recalled a past contribution of \$500,000 to KidsQuest: \$250,000 for programming to provide access to the museum for low-income and disabled children and \$250,000 toward the museum's capital campaign. KidsQuest later determined that the time was not right for a capital campaign and negotiated an amended agreement with the City to refurbish the museum's existing exhibits.

Ms. Riordan noted the four guiding investment principles in the meeting agenda packet memo:

- Must have a sustainable long-term financial model, including a strong private sector financial commitment,
- Must clearly define the public benefit to be received in exchange for the investment (e.g., ownership interest in an asset, scholarships, public access to the facility at low or no cost to low income and disabled persons),
- Should provide for City involvement in financial oversight, and
- Must be an investment in the facility or to support the operation of the facility. Funds cannot be used to support fundraising activities.

Ms. Riordan said the KidsQuest Museum has demonstrated long-term financial stability and private sector support. Under state law, museums may be owned and operated by cities and are deemed to provide a public benefit. KidsQuest is open to the public for a nominal fee, with free access one day per week. However, cities cannot gift funds and should ensure a return on their investments. The draft funding agreement uses the \$2 million in two ways: 1) provides access and scholarships including free and reduced entrance fees (equivalent to \$100,000 annually for 20 years); and 2) provides the City with a security interest in the new museum's exhibits.

Ms. Riordan said staff is seeking Council direction to finalize the agreement with KidsQuest Children's Museum for \$2 million in funding to be contributed toward the reimbursement of capital costs. Staff will request formal Council action on the agreement in July.

Mayor Balducci said the Council is pleased that the City is able to provide this investment. She thanked staff for the presentation, including the information on museums as a public benefit.

Councilmember Lee said the new museum will be a strong asset for the community.

- (c) Review of Planning Commission Recommendations on the 2015 Annual Comprehensive Plan Amendments (CPAs) as part of the 2015 Comprehensive Plan Work Program

Planning Director Dan Stroh said that final adoption of the annual Comprehensive Plan Amendments typically does not occur until later in the year. However, staff is working to include this effort in the major Comprehensive Plan Update that has been underway this year. Cities are allowed to amend their Comprehensive Plans only once per year.

Mr. Stroh recalled that the Council moved two privately-initiated, site-specific CPA applications forward for threshold review earlier this year. He introduced Michelle Hilhorst, Vice Chair of the Planning Commission.

Paul Inghram, Comprehensive Planning Manager, described the application of St. Luke's Lutheran Church to change its zoning designation from single family-medium to multifamily-medium density. The site is surrounded on three sides primarily by multifamily properties, with single-family development to the west across Bellevue Way NE. The church has been working

with Imagine Housing to explore the potential for affordable housing on the site. Mr. Inghram said the parties will go through the typical permitting process should a project application be submitted to the City.

Mr. Inghram said the City has heard from church members and Imagine Housing representatives who support the CPA. Some residents of the adjacent neighborhood have expressed concerns regarding potential traffic impacts and the need for pedestrian improvements.

Ms. Hilhorst said the Planning Commission unanimously recommends approval of the St. Luke's Lutheran Church CPA proposal.

Councilmember Stokes questioned how the current development occurred over the years. Mr. Inghram said churches in Bellevue are commonly located in single-family zones and they are allowed in essentially every zoning district.

Responding to Councilmember Chelminiak, Senior Planner Nicholas Matz said Imagine Housing's email to the Council outlines the income levels it anticipates for the affordable housing project. Mr. Matz said the organization anticipates housing units targeted toward individuals at 30 percent, 40 percent, and 60 percent of the area's median income. Of the proposed 58 units, 29 have one bedroom, 26 have two bedrooms, and 3 are three-bedroom units.

In further response to Mr. Chelminiak, Mr. Inghram said that, if the Council directs staff to come back with an ordinance for the Comprehensive Plan Amendment, the property would go through a rezone process. After that, the applicant would have the opportunity to apply for building permits to build the facility. The public may engage in the rezone process and provide comments to the City regarding building plans. The project would not involve a Conditional Use Permit (CUP) and a formal public hearing for the building permit is not required.

Responding to Councilmember Robertson, Mr. Inghram said the Andrew's Glen development at St. Margaret's Church in Factoria has 42 units. In further response, Ms. Hilhorst said the Planning Commission received public comments on traffic. In consulting with Imagine Housing about their Kirkland project, she said a number of parking spaces were provided. However, many residents got rid of their cars, due primarily to the expense, and began to use transit services. Ms. Hilhorst said similar behavior could occur at the St. Luke's location, which would reduce the volume of added traffic.

Responding to Deputy Mayor Wallace, Mr. Inghram said the church will continue to operate as it does now with services and activities. They will remodel a portion of the existing buildings and parking lot. In further response, Mr. Inghram said St. Luke's is not requesting the rezone on the basis of the constitutional protection of religious freedom. However, if the rezone were denied, it is possible the church could pursue that as a response. The project will be required to comply with normal parking requirements.

Mayor Balducci said the policy underlying this change is in line with the City's priority to provide more housing opportunities at varying income levels. She believes that residents near the

church experience difficulty turning in and out of the neighborhood. She said it will be important to understand how that and similar issues will be addressed if more development is allowed.

Councilmember Robertson recalled that the housing development at St. Margaret's Church was required to install a traffic light and to redesign the intersection. Mr. Inghram said similar measures could occur as part of the State Environmental Policy Act (SEPA) process.

Mayor Balducci suggested moving on, noting that the Council would have further discussion and provide direction to staff during the Regular Session.

Mr. Inghram described the CPA proposal from Public Storage to change the map designation on a 2.9-acre site at 1111 118th Avenue SE from Office Limited Business (OLB) to Light Industrial (LI). The site is west of I-405, north of the Mercer Slough Environmental Education Center, and adjacent to land that was zoned as LI before the 1970s. The OLB zoning does not allow storage uses, which are allowed only in LI and General Commercial (GC) districts. Public Storage would like to invest in rebuilding its facility and would like to change its status as a nonconforming use.

Mr. Inghram said the City has not received public comment except from the property owner. One concern has been whether a different, future LI use might have impacts on the adjacent slough and park. The Planning Commission talked with the applicant and the Commission agreed that limiting the site to storage uses would be acceptable.

Ms. Hilhorst said the Commission acknowledged that the business has been on the site for more than 30 years. As people are moving into high-rise buildings, they are utilizing storage and the company is a viable business for Bellevue. At the same time, the Commission wants to protect any future development of a use that could be harmful to the surrounding environment. Ms. Hilhorst said the Planning Commission voted unanimously to approve the Public Storage site-specific CPA.

Responding to Councilmember Robertson, Ms. Matz said the City reached out to adjacent property owners by phone and mail and none of them expressed concerns or interest in the proposal. They have all held their properties for many years.

Responding to Councilmember Robinson, Mr. Inghram confirmed that the site is on the west side of I-405 and accessed by 118th Avenue SE.

Responding to the Mayor, the Council indicated a consensus to direct staff to move forward with implementing the Planning Commission's recommendation to approve the CPA application. Mayor Balducci thanked the Planning Commission and staff for their work.

(b) Review of recommended Comprehensive Plan Update

City Manager Miyake said staff and the Council previously completed the Round 1 review of the amendments to all 12 Elements of the Comprehensive Plan recommended by the Planning Commission.

Planning Director Dan Stroh said that tonight's Round 2 review will focus on six Elements, and the remaining six will be addressed on June 22. Staff is seeking to confirm and resolve potential changes raised by the Council.

Paul Inghram, Comprehensive Planning Manager, described how the community's diversity is reflected in the Comprehensive Plan in the Introduction and in the following Elements: Neighborhoods, Economic Development, Human Services, Parks/Recreation/Open Space, and Urban Design/Arts. He said three new optional policies are proposed if the Council is interested in providing additional policy direction.

Mayor Balducci said she was absent when the Diversity Element was discussed and therefore might have more comments later. She said the community's diversity has expanded significantly over the past 10 years. She expressed support for two new proposed policies in the Citizen Engagement Element:

CE-Y: "Commit to engaging citizens on significant civic issues in a manner that equitably reaches all of Bellevue's population and that is inclusive of people of diverse backgrounds and languages."

CE-Z: "Provide equitable access to the city's programs, services, and events -- including accommodation for disabilities, and populations with limited English language ability."

Mayor Balducci observed that the City already reflects these practices. However, she supports including formal policies in the Comprehensive Plan.

Councilmember Robinson said individuals with hearing disabilities come to mind. She suggested adding "and abilities" to the end of the CE-Y policy.

Councilmember Lee expressed support for the policies and suggested a stronger emphasis on the concept of "engaging" citizens. While the City does a good job in this regard, he would like to see a greater diversity of individuals involved in planning, decision making, and execution.

Mayor Balducci agreed with a stronger emphasis on the concept of effective outreach and active civic engagement. She observed that effective outreach may require different methods for different groups. She concurred with the idea of involving individuals throughout the entire process of planning, decisions and implementation. Ms. Balducci said she believes that the Citizen Engagement Element already includes the latter concept. However, she asked staff to check the language.

Councilmember Stokes concurred with the proposed policies and revisions. He noted that the goal is to involve all citizens as much as possible.

Mayor Balducci suggested that staff revise the draft Comprehensive Plan Update based on the Council's input. The Council can then decide whether or not to strike certain language in the final review.

Mayor Balducci referenced the additional policy option: “Conduct outreach on significant civic issues that is designed to reach all of Bellevue’s population, including Bellevue’s more isolated communities. Recognize that engaging some population groups may require alternative outreach methods and personal contact.”

She suggested that this reads more like an activity than a policy. Mr. Inghram acknowledged that there is some overlap with policy CE-Y. He said staff will consider how to possibly combine and revise those concepts.

Councilmember Chelminiak said that outreach and civic engagement should be conducted in a way that is culturally relevant to the targeted populations.

Councilmember Robinson noted the additional policy option in the meeting packet: “Invest in training for staff to ensure effective and appropriate communication with a diverse community.” She recalled that the Mayor requested diversity training for the Council, as well as for City staff and the Boards and Commissions.

Councilmember Stokes concurred with that suggestion. He said the important overall goals should be that all citizens are encouraged to be part of the process and that local government is reflective of the community. This is an aspirational concept he would like to see in the Citizen Engagement Element, and it should apply to Boards and Commissions as well.

Councilmember Lee suggested including that language in the Comprehensive Plan Vision statement.

Responding to the Mayor, Mr. Inghram said there is a similar statement in the Citizen Engagement Element. However, he said staff will work on revising that language.

Councilmember Lee referenced proposed policy UD-X1 in the Urban Design Element: “Encourage art and arts programs that create understanding and respect among the city’s diverse cultures.” He suggested encouraging communication and working together as different cultures. He said the objective goes beyond understanding and respect to how we all learn about each other and communicate.

Mayor Balducci asked Mr. Lee to draft language reflecting his intent for consideration during the next discussion. She observed that this might be putting an overly high expectation on the ability of arts and arts programs to meet all of those goals. As an example, an art exhibit can increase understanding and respect and introduce diverse issues even though it might not result in communication or anyone necessarily working together.

Deputy Mayor Wallace expressed support for both the baseline draft document and the proposed changes. He encouraged everyone to remember that the Comprehensive Plan represents higher-level policies. Mr. Wallace observed that the suggested revisions reflect activities that can already be implemented under the current Comprehensive Plan language. He expressed concern that the detailed discussion could slow down the update process as well as constrain future

activities in ways that are not currently anticipated. He encouraged keeping the discussion and Comprehensive Plan policies at a higher, broader level.

Mr. Stroh said staff will process the comments and revise the draft accordingly for final Council consideration.

Mayor Balducci concurred with the Deputy Mayor that the current Comprehensive Plan language already covers the goals and objectives that have been discussed in greater detail on this topic.

Moving to the Land Use Element, Mr. Inghram said staff did not receive Council direction for policy changes. However, there were previously questions from the Council about the growth targets in the plan. He said the targets were established at the Countywide level for 2006-2031. The current Comprehensive Plan Update needs to incorporate those targets into the plan and to extend the targets to 2035. Mr. Inghram said that current zoning and available land will accommodate the growth targets.

Mr. Inghram said there was also a question about whether the City is on track to achieve its targets. He said the goal for job growth from 2006 to 2012 was 12,700 jobs, and the City has actually experienced 9,700 new jobs. New housing units created from 2006 to 2012 were 95 units higher than the anticipated growth of 4,150 units.

Mayor Balducci said she would be concerned if the growth targets reflect all possible growth under current zoning. She suggested not setting the targets at the maximum level because that essentially drives the City to constantly accept new growth. She noted community-wide concern about the impacts of growth. She said the City should be careful to continue managing growth as well as it has in the past. Ms. Balducci said she is now comfortable knowing that the City is not doing this, and that there is more capacity beyond the growth targets in certain areas. She said growth has both positive and negative impacts on overall quality of life.

Councilmember Stokes said he assumed that the targets for 2031 were based on projections with some basis. Extending the line to 2035 reflects essentially a flat line. He concurred with Mayor Balducci's comments about the mixed impacts of growth. However, he cautioned against planning too low in terms of growth capacity as well.

Mr. Inghram highlighted proposed revisions to the Housing Element. Mayor Balducci noted the written materials reflecting changes proposed by Councilmembers.

Councilmember Robertson said she does not have concerns about the suggested changes. However, she wants to ensure the policies are broad enough to encompass all types of housing for different income levels. She noted that the revisions focus primarily on affordable housing, and she wants to ensure that housing policies address workforce housing and other types of housing as well.

Mr. Inghram said the Housing Element addresses all forms of housing and includes four sections, one of which is focused on affordability. The overall Element has policies about housing choice,

type, and related land use development policies and programs. He noted that moderate income is defined in the Comprehensive Plan as 80 percent of AMI (area median income) and below.

Councilmember Robinson thanked staff for their work in addressing her suggestions. She referred to language in proposed HO-38: “Support regional efforts to make homelessness rare, brief and one-time, and to provide a range of affordable housing options.” She suggested changing that to: “Support regional efforts to prevent homelessness. When homelessness occurs, it should be a rare, brief and one-time occurrence.” Ms. Robinson said she wants to include the aspiration to prevent homelessness.

Mayor Balducci noted the Council’s agreement with that revision.

Mr. Inghram said there are two alternatives for HO-23 for the Council’s consideration.

HO-23: “Encourage the development of affordable housing through incentives and other tools consistent with state-enabling legislation.” [added language proposed by Councilmembers Robinson and Stokes]

HO-23: “Encourage the development of affordable housing by establishing development regulations that avoid barriers and provide incentives consistent with state-enabling legislation.” [proposed by staff]

Responding to Mayor Balducci, Mr. Stroh said there are a number of policies that speak to the tools for providing affordable housing. However, HO-23 was intended to focus more narrowly on development regulations and their effect on affordable housing.

Councilmember Robertson expressed support for the first version of the policy statement.

Deputy Mayor Wallace said he was happy with the original version previously discussed by the Council.

Mayor Balducci clarified that, while staff is recommending the explicit reference to “development regulations,” using the first version of the statement does not preclude using development regulations as a tool if desired.

Mr. Inghram said there are policies that refer to financing tools and other programmatic approaches (e.g., the Housing Trust Fund) to housing affordability. How the City addresses affordability through zoning and development regulations is one tool within that spectrum. He said the intent was to focus this particular policy on the regulatory role as opposed to other tools.

Responding to Mayor Balducci, Mr. Inghram said there are other policies that address the non-regulatory aspects. Staff felt those aspects did not need to be repeated.

Councilmember Stokes expressed support for the original version discussed during a previous meeting. He said it is aspirational and broad enough to provide flexibility.

Mayor Balducci indicated to staff that the Council will need to read the language within the full context of the overall Update when the Comprehensive Plan comes back for further refinement and/or Council action.

Mayor Balducci referenced HO-16 and the proposed revised version: “Allow attached ~~and detached~~ accessory dwelling units in single family districts subject to specific development, design, location, and owner occupancy standards, ~~where consistent with neighborhood subarea plans~~. Allow detached accessory dwelling units where expressly allowed by neighborhood subarea plans.”

Ms. Balducci cautioned that the last sentence would require the City to update every Subarea Plan before detached ADUs could be allowed.

Councilmember Robertson said she is comfortable with the language, noting that the Council has been wanting to encourage Subarea Plan updates. She said detached ADUs have been controversial for the 12 years she has served on the Planning Commission and the Council. She expressed concern that allowing detached ADUs can effectively be the equivalent of subdividing a lot. She would prefer that detached ADUs be addressed through a slow, thoughtful process of updating the Subarea Plans.

Mayor Balducci observed that the Council is comfortable with the Subarea planning approach to detached ADUs. She noted that some residents have suggested that providing the alternative of a smaller ADU on the same property could be a positive way to slow down the tear down and redevelopment of modest homes into huge houses. This could be a way to expand housing capacity while maintaining the historical character of many Bellevue neighborhoods.

Mr. Inghram noted one proposed addition to the Capital Facilities Element to refer the reader to the Capital Investment Program and functional plans for facility inventories, needs, projected costs and funding sources. Mayor Balducci acknowledged Council support for the language.

Mr. Inghram noted the list of Transportation Element items included in the Update.

Deputy Mayor Wallace said he supports the original version of the goal statement with the language: “...while not discouraging the use of any particular mode.” He said the transportation system that everyone supports includes all modes of travel. He expressed concern about the increasing pressure on supporting transit versus roads. He believes all travel modes should be supported and none should be discouraged. Mr. Wallace said Bellevue’s tax revenue depends on retail sales, and the City needs to continue to make it convenient for people to park and shop in Bellevue. He observed that most shoppers will not opt to take the bus or light rail.

Mayor Balducci said she did not see a substantive difference between the two versions of the policy statement. Mr. Inghram agreed that there is not much of a difference. He said the wording of the second version refers more to achieving mobility for everyone versus the language about travel modes.

Deputy Mayor Wallace said the business community is concerned that cars are becoming increasingly discouraged in transportation planning.

Councilmember Robertson said she preferred the first version previously discussed by the Council, which reflects a blending of suggestions from the Planning Commission and from the Transportation Commission. She said she had the same perspective on TR-1 and TR-4, which is to stick with the versions previously discussed by the Council instead of considering additional alternate language suggested now by staff.

Mayor Balducci said there is, out of necessity, an intentional policy of the City to encourage people to use travel modes other than single occupancy vehicles during peak commute hours. She suggested that it helps the economy to have people spending less time traveling and more time shopping and spending money in other ways. She expressed concern that a written policy to “not discourage” any particular travel mode could have unwanted effects (e.g., eliminating employer-based programs that encourage transit use during peak commute times).

Councilmember Stokes said the reference to “multimodal transportation” is sufficient, and it is repetitive to add, in the alternate/second version: “...and to promote mobility options to serve all members of the community.”

Mr. Stokes observed that a benefit of the language proposed by Mr. Wallace is that it applies to all modes. Mr. Stokes said we do not want to discourage bus rapid transit or any options, including person vehicles, that could be considered. Mr. Stokes said he was not completely happy with either version of the policy language. He said the key concept to convey is that all modes of travel will be needed as growth continues.

Councilmember Chelminiak commented on the ongoing tension in transportation planning between different travel modes and types of infrastructure. He said there needs to be balance within the transportation system including more lanes of concrete where appropriate, bicycle and pedestrian facilities, and transit.

Mayor Balducci asked staff to draft revised language based on Councilmembers’ comments.

At 8:00 p.m., Mayor Balducci declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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