

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

July 18, 2016  
8:00 p.m.

Council Chamber  
Bellevue, Washington

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

ABSENT: Councilmember Robinson

1. Call to Order

The meeting was called to order at 8:07 p.m., with Mayor Stokes presiding.

2. Roll Call, Flag Salute

All Councilmembers except Councilmember Robinson were present. Deputy Mayor Chelminiak led the flag salute.

3. Approval of Agenda

→ Deputy Mayor Chelminiak moved to approve the agenda, with the addition of Study Session Agenda Item 2(b) regarding the East Link Operations and Maintenance Satellite Facility (OMSF) under Agenda Item 6, Report of the City Manager. Councilmember Slatter seconded the motion.

→ The motion carried by a vote of 6-0.

4. Communications: Written and Oral

(a) Jessie Clawson expressed support for Agenda Item 11(a) to approve the expansion of the Wilburton Commercial Area Study. She spoke on behalf of the owners of the Eastridge Corporate Center located at 11811 and 11911 NE 1<sup>st</sup> Street. She said the property is barely outside of the 15-minute walk shed for the light rail station.

(b) Chris Johnson, Bellevue Chamber of Commerce, thanked the Council for directing staff to place the Fire Facilities and Neighborhood Transportation Safety and Connectivity levies on the fall ballot. He acknowledged that the Council had a short period of time in

which to gather information and to consider public input. Mr. Johnson reiterated the Chamber's ongoing interest in investments in Bellevue Way.

- (c) Renay Bennett commented on the Comprehensive Plan Amendment discussion during the earlier Study Session. She said Geoff Bidwell sent the Council an email on Thursday with attachments regarding the proposed Park Lands CPAs. She alleged that the Council did not receive accurate information from staff. She said the 1.06 acres of the Mercer Slough Park exchanged for the East Link project will be replaced by six acres that is single-family zoned. The rest of the park land to be consumed by the light rail project, 4.31 acres, is not being replaced. She said the park was purchased in 1988 through a Parks Bond with taxes paid by residents. She said the proposed CPAs would protect parks for Bellevue residents. Mr. Bennett submitted written comments.
  - (d) Heidi Dean expressed support for the Planning Commission's unanimous recommendation to not move forward with the Newport Hills Shopping Center CPA and rezone. However, she understands that this does not prohibit the developer from submitting a future CPA application. She said the proposal did not comply with the general policies of the Comprehensive Plan. She said there have been other offers on the property that are more in keeping with residents' preferences for the site. She requested the City's help if Rainier Northwest continues to sit on the property. She said other cities have codes addressing commercial blight that do not allow property owners to sit on vacant properties.
  - (e) Ann Brashear said Newport Hills was originally planned to have a neighborhood commercial center. She opposes monetizing the site and handing the money to a property owner and developer who have been uncooperative and want to develop townhouses. She thanked the Planning Commission for its recommendation. She said a large group of neighbors supports redevelopment but is not in favor of infill housing instead of neighborhood businesses. She asked the City to help revitalize the shopping center consistent with residents' objectives.
  - (f) Steve Kasner thanked Mayor Stokes and all Councilmembers over the past 15 years for their support of the redevelopment of the Lake Hills Shopping Center. He thanked the Mayor for participating in the grand opening ceremony on Saturday, and noted the success of the redeveloped Kelsey Creek Shopping Center. He asked the Council to support Newport Hills residents in their efforts to guide the redevelopment of their shopping center.
5. Reports of Community Council, Boards and Commissions: None.
6. Report of the City Manager
- (a) East Link Operations and Maintenance Satellite Facility (OMSF) Implementation Agreement between City of Bellevue and Sound Transit [*Study Session Agenda Item 2(b)*]

City Manager Brad Miyake introduced discussion regarding the East Link Operations and Maintenance Satellite Facility (OMSF). He recalled that Sound Transit staff presented information to the Council on June 13. Staff is seeking Council direction to return with the final OMSF Implementation Agreement on July 25 for Council adoption.

Chris Salomone, Director of Planning and Community Development (PCD), said the OMSF Implementation Agreement replaces the Development Agreement established under the East Link Memorandum of Understanding (MOU) in order to accommodate the change to a design-build process.

Nancy LaCombe, Regional Transportation Projects Manager, recalled that the development of the OMSF site was envisioned as a two phase project involving: 1) development of the OMSF with three parcels identified for potential transit-oriented development (TOD), and 2) development of additional TOD and the realignment of 120<sup>th</sup> Avenue. The East Link MOU included provisions upholding the BelRed Plan vision and certain design features (i.e., non-motorized connections to the Eastside Rail Corridor and other trail improvements). The MOU addressed a potential land exchange and a Land Use Code amendment to allow the use of the maintenance facility in the BelRed corridor, and called for a market analysis and development agreement. All of those provisions were based on the use of the design-bid-build process.

Ms. LaCombe said that, since the signing of the MOU, Sound Transit decided to change to the design-build process. The design-bid-build process identified in the MOU involves the selection of a single designer in mid-2017. The Master Development Plan permit would be initiated, followed by the completion of a Development Agreement and project baselining. This would be followed by final design and construction beginning in 2018.

Under the design-build approach, the project baseline is established early in the process. Three or four candidate firms are selected through a competitive Request for Proposals (RFP) process before continuing through design. Ms. LaCombe said the former approach is a relatively public process. However, the design-build approach is not a public process because firms are competing for the contract. Ms. LaCombe said the Implementation Agreement established early in this process might identify potential items to be built with the OMSF. Those items would be financed through the baselining process.

Monica Buck, Assistant City Attorney, said the Implementation Agreement in the design-build approach establishes a process for moving forward. It includes the City's future development vision and involvement in the design-build procurement process. The agreement describes the Baseline A and Baseline B processes as well as the TOD offering.

In the Implementation Agreement, the City and Sound Transit have agreed on the suitable development of the OMSF parcel to include mixed uses, higher densities, pedestrian amenities, an orientation toward the street and public areas, and vibrant neighborhoods. The agreement supports the development of a total of 1.2 million gross square feet, and the Phase 1 parcels will be prepared with the infrastructure and site preparation work to be competitively positioned and priced in the marketplace for future redevelopment.

Ms. Buck said the Implementation Agreement outlines the City's involvement in the design-build procurement process including selecting teams to compete through the RFP phase, drafting the RFP for the OMSF, and evaluating proposals submitted in response to the RFP. The RFP includes scoring criteria and points that are allocated to ensure that the City's and Sound Transit's common interests in optimizing potential TOD are clearly weighed and evaluated. The RFP addresses optimizing the operational integration of the OMSF with future TOD, ensuring that the Master Development Plan includes the entire site, describing how the MDP overcomes challenges in the market, defining future TOD parcels and the development schedule, and identifying additional design elements necessary to create marketable lots. Ms. Buck recalled that Sound Transit previously presented the results of the market and feasibility study, which identified challenges for the site.

Ms. Buck said Sound Transit anticipates baselining the OMSF project during its July 28, 2016 Board meeting, which is referred to as Baseline A in the Implementation Agreement. Baseline B will be presented to the Sound Transit Board after a candidate firm is selected. The City will be involved in approving the MDP to initiate the TOD RFP process by Sound Transit. The City will work with Sound Transit on the RFP scope and evaluation criteria. The Implementation Agreement identifies the possibility of a master developer for all Phase 1 parcels to maximize development and explores joint development opportunities.

Ms. LaCombe said that, on July 14, the Sound Transit Capital Committee approved recommendations to the Sound Transit Board regarding the: 1) OMSF baseline scope, schedule and budget; 2) December 2020 project completion milestone; 3) baseline budget of approximately \$450 million; 4) approval of the facility name as Link Operations and Maintenance Facility: East (OMF:East); and 5) approval of the Implementation Agreement (including Baseline B).

Ms. LaCombe said staff will request final Council action on the Implementation Agreement on July 25. The Sound Transit Board will take action on the OMSF baseline on July 28. The Sound Transit OMSF design-build contractor will be issued the notice to proceed in June 2017 and will submit a proposed MDP during third quarter 2017.

Councilmember Wallace said his understanding is that the Implementation Agreement affecting the International Paper property designs the OMSF and identifies additional lots that will be subject to future design review. Mr. Salomone said the International Paper property is 14 acres, and the total site requirement is 26 acres. The OMSF footprint is anticipated to save six acres for the development of potentially 1.2 million square feet. Responding to Mr. Wallace, Mr. Salomone said the specific development of the TOD sites, potentially under the current zoning, will be discussed at a later date. Mr. Salomone said the Implementation Agreement does not preclude handling rezone applications through the City's regular process.

Mr. Wallace said the OMSF was not considered when the BelRed Plan was developed. He expressed concern about the unanticipated implications of placing 1.2 million square feet of development on a site next to a maintenance facility that is owned by a public agency. He said he is willing to support the Implementation Agreement. However, he would like staff to report back on certain issues including whether 1.2 million square feet of development is realistic and

whether caps should be placed on types of uses. Mr. Wallace said he would like to reserve the right to influence the final development. Mr. Salomone said staff will address that in the final agreement.

Councilmember Lee said it is important to honor the original objective of the 1.2 million square feet of development, including the number of residential units. He would like the City to have flexibility in structuring the TOD, as suggested by Councilmember Wallace.

Councilmember Robertson concurred that the development should be consistent with the BelRed Plan and with other development in the corridor including with regard to bulk, scale, density, amenities, and the mix of uses. If there is not going to be a process in which the matter comes back to the Council, Ms. Robertson suggested that the agreement could be changed to specify a range of percentages for housing and other uses.

Councilmember Slatter thanked staff for addressing the Council's concerns about the City's involvement and the important milestones of the process. She observed that there is quite a change from an organization that builds trains and rail yards to an organization that is trying to design land uses. She sees that a lot of work has been done to move Sound Transit in a direction that is relevant to the BelRed Plan.

Responding to Ms. Slatter regarding the marketing and feasibility study, Mr. Salomone said this will be an iterative process, and staff shares the Council's concerns. He said staff has confidence that the site will sustain its marketability, in part due to the interest already shown in the area by a number of entities. Elements in the RFP regarding TOD performance are intended to ensure that outcome.

Ms. Slatter questioned the ability for the Council to receive updates from staff between formal updates. Ms. LaCombe said the design-build process must be somewhat private because competing firms are bidding on the project. Staff will be able to provide an update after the finalists are identified.

Deputy Mayor Chelminiak said the market study demonstrates that there are properties on the Eastside that are far more marketable than the properties adjacent to the OMSF. He said Councilmember Robertson has repeatedly stated the City's goal of ensuring that Sound Transit restores the 1.6 million square feet of development potential identified in the BelRed Plan. Mr. Chelminiak said the OMSF and TOD must be developed in conjunction with the BelRed vision. He acknowledged that the design-build approach is not as transparent as some public processes. However, he is comfortable with moving forward. He observed that staff made significant progress in moving Sound Transit from its position during earlier discussions. He believes Sound Transit's new CEO, Peter Rogoff, has had a positive influence as well.

Mayor Stokes expressed support for the design-build approach, which he said will provide advantages in the long run. He acknowledged the new name proposed by Sound Transit: OMF East.

## 7. Council Business and New Initiatives

Councilmember Lee requested a motion to excuse his absence from the next two Council meetings.

- Councilmember Robertson moved to excuse Councilmember Lee from the next two Council meetings. Deputy Mayor Chelminiak seconded the motion.
- The motion carried by a vote of 6-0.

8. Consent Calendar

- Deputy Mayor Chelminiak moved to approve the Consent Calendar, and Councilmember Slatter seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:

- (a) Council Meeting Minutes  
Minutes of July 5, 2016 Study Session  
Minutes of July 5, 2016 Regular Session
- (b) Motion to approve payment of claims and payroll for the period June 1, 2016 through June 30, 2016.
- (c) Resolution No. 9117 authorizing execution of an on-call construction management services contract with HDR, Inc., in an amount not to exceed \$1,000,000 to provide on-call construction management, inspection, and support for the 120<sup>th</sup> Avenue NE Stage 3 Widening Project - NE 12<sup>th</sup> Street to NE 16<sup>th</sup> Street and, on occasion, to provide on-call construction management, inspection, and support for other construction projects as needed through 2017.
- (d) Resolution No. 9118 authorizing execution of Amendment Number 4 to the existing Professional Services Agreement with Anchor QEA, LLC to complete additional architectural, engineering, permitting, and site design services to construct Meydenbauer Bay Park Phase 1, in the amount of \$341,833, for a total contract value not to exceed \$2,099,633.
- (e) Ordinance No. 6300 authorizing: 1) an amendment to the performance-based energy services Interagency Agreement with the Washington State Department of Enterprise Services to increase the contract value by \$115,911, for a total of \$2,356,480; 2) authorizing acceptance of a Washington State Department of Commerce Energy Efficiency Grant in the amount of \$60,396; 3) authorizing acceptance of a PSE Green Power Challenge grant in the amount of \$50,000; 4) amending the 2015-2016 General Capital Investment Program Fund to increase the appropriation by \$110,396; and 5) amending the 2015-2021 General CIP Plan to increase the Parks Renovation & Refurbishment Plan (CIP Plan No. P-R-11) project budget by \$110,396.

- (f) Ordinance No. 6301 amending chapter 9.16, Sections .020 (Definitions), .040 (Alarm Permit), and .70 (Violations) of Title 9 (Health and Safety) of the Bellevue City Code (Ordinance No. 6214) relating to false alarms.
- (g) Resolution No. 9119 authorizing execution of an Interagency Agreement between the Cities of Bellevue and Seattle for the receipt of the FY 2015 Edward Byrne Memorial Justice Assistance Grant, to be used for the purchase of video surveillance hardware and software for the Bellevue Police Department's Investigations unit.
- (h) Resolution No. 9120 authorizing execution of a Memorandum of Understanding (MOU) between the Cities of Bellevue and Seattle for the application of the FY 2016 Edward Byrne Memorial Justice Assistance Grant.
- (i) Ordinance No. 6302 amending the project budget of CIP Plan No. S-53 to increase the budget by \$300,000 to a total of \$10,415,681 and funding the increase by an Interfund transfer from the Sewer Utility Operating reserves.
- (j) Resolution No. 9121 authorizing execution of a Professional Services Contract with Resource System Group, Inc. (RSG), for up to \$175,000 to develop the next generation Bellevue-Kirkland-Redmond Travel Demand Forecast Model (BKR Model).
- (k) Resolution No. 9122 authorizing execution of an on-call construction management services contract with TranTech Engineering, LLC, in the amount of \$885,000, to provide on-call construction management, inspection, and support for the Spring Boulevard Zone 1B Project and, on occasion, to provide on-call construction management, inspection, and support for other construction projects as needed through 2017.
- (l) Resolution No. 9123 authorizing execution of an amendment to the Agreement for Professional Services with Pacifica Law Group LLP for legal services in the *Greensun v. City of Bellevue* lawsuit in an amount not to exceed \$250,000.
- (m) Resolution No. 9124 granting authority to the Finance Director to increase annual purchase orders limits for various vendors for small items not stocked by City departments, for an amount not to exceed the estimated values for the specified vendors set forth in Attachment A to this Resolution.
- (n) Resolution No. 9125 authorizing execution of all documents necessary to implement settlement of the claim brought on behalf of Ken Kobayashi (a minor) in the lawsuit *Akio Kobayashi, et al. v. City of Bellevue*, (King County Superior Court Cause No. 15-2-27769-3 SEA) once the City receives an Order from the King County Superior Court approving the minor settlement.

9. Public Hearings

(a) Second Public Hearing on the 2017-2018 Budget and 2017-2023 Capital Investment Program (CIP) Plan

City Manager Brad Miyake recalled that the first hearing on the 2017-2018 Budget and 2017-2023 Capital Investment Program (CIP) Plan was held on June 6. The purpose of the hearings is to receive feedback prior to the development of the City's preliminary budget. The final public hearing is scheduled for November 21.

- Deputy Mayor Chelminiak moved to open the public hearing, and Councilmember Robertson seconded the motion.
- The motion carried by a vote of 6-0.

Kyle Stannert, City Clerk, said a written comment was received by Gina Yarwood, YWCA Family Village Director, and distributed to the Council.

The following individuals came forward to comment:

1. Ted Dezember, King County Housing Authority, encouraged approval of the budget request for the Eastside Pathways program. He said the King County Housing Authority serves 1,000 students in Bellevue in public housing, Section 8 housing, and in traditional housing voucher programs.
2. Colleen Turner, Bellevue Schools Foundation, spoke in support of funding for Eastside Pathways.
3. Sue Baugh expressed support for Eastside Pathways, a partnership of more than 40 organizations working to have a positive impact on the lives of children and youths. She said the organization's collective impact model has been successful in addressing problems in a more efficient and effective way than traditional approaches. She said the Eastside Pathways program is consistent with the City's diversity initiatives. Ms. Baugh submitted her comments in writing as well as letters from Tim Mills, Superintendent, Bellevue School District and Amy Morrison Goings, President of the Lake Washington Institute of Technology.
4. Amanda Sherry, Imagine Housing, thanked the City for its participation in A Regional Coalition for Housing (ARCH) and for its financial assistance to Imagine Housing to provide services. She said continued funding is needed to enable ARCH to develop additional affordable housing options.
5. Madeline Stein said she is a steering committee member for the New Bethlehem Project, which has contributed many volunteer hours and nearly \$475,000 toward helping families experiencing homelessness. The effort will create a family day center in Kirkland across the street from Lake Washington High School. Ms. Stein said more than 370 St. Louise parishioners, including 255 Bellevue residents, signed letters requesting assistance from



the City for the New Bethlehem Project's family day center. Ms. Stein submitted copies of the letters from Bellevue residents, which indicate their commitment to volunteering and donating funds to the project.

6. Angela Murray, Executive Director of The Sophia Way, thanked the City for supporting the Eastside Housing Trust Fund through ARCH and requested increased funding this year. She said The Sophia Way recently released three women from its programmatic shelter into homelessness because there is not sufficient affordable housing on the Eastside. Ms. Murray commended the Council for developing an affordable housing strategy. She asked the Council to support the recommendation of the Human Services Commission to approve funding for three programs assisting homeless women on the Eastside. Ms. Murray requested a modest increase in funding to extend the weekly operation of the day center to include weekends. She said there are no weekend daytime services for women on the Eastside.
7. Mike Nielsen, former Executive Director of what is now Imagine Housing, said he spent nearly 40 years working in the areas of behavioral health and affordable housing. He currently serves as a Board Trustee for a countywide crisis clinic. He said he is increasingly concerned about the affordability of housing in Bellevue. He encouraged the Council to increase funding to the ARCH Trust Fund. He said the 24-hour crisis line received 9,000 calls from Bellevue residents, including 200 youth, last year.
8. Vicky Clarke, Cascade Bicycle Club, expressed support for non-motorized transportation projects including the Eastside Rail Corridor, Bicycle Rapid Implementation Plan, and the Grand Connection. She thanked the City for its work to invest in bicycle infrastructure and amenities.
9. Joel Ing, Shelter Resources, Inc., thanked the Council for supporting ARCH and its important housing projects. He said Bellevue's support is critical to the regional efforts.
10. Len Brannen, Shelter Resources, Inc., said ARCH is one of the more progressive organizations in the country for achieving housing goals. He encouraged the Council's continued support.
11. Michelle Plesko expressed support for expanding bicycle infrastructure, noting that she and her four children use bikes as much as possible. She said bikes provide an affordable transportation option if facilities are safe, comfortable, and convenient.
12. Steve Kasner, representing the East Bellevue Community Council, noted that he distributed three documents to the City Council. He said the Lake Hills area represents more than 10 percent of Bellevue's population. He encouraged the Council's support of a proposed project to improve traffic at 148<sup>th</sup> Avenue and NE 8<sup>th</sup> Street. He said there are no CIP projects specifically for the Lake Hills area. He said the EBCC does not support Transportation Facilities Project 158 in East Bellevue. He said an additional sidewalk is not needed in that project location. However, a bike connection to the Lake Hills Greenbelt would be useful. Mr. Kasner observed that the sidewalk project funds could be

better spent elsewhere. He is pleased that the Fire Facilities and Neighborhood Transportation levies will be presented on the fall ballot. He encouraged the City to continue working toward the redevelopment of the Newport Hills Shopping Center.

→ Deputy Mayor Chelminiak moved to close the public hearing, and Councilmember Robertson seconded the motion.

→ The motion carried by a vote of 6-0.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

- (a) Motion to approve expansion of the Wilburton Commercial Area Study boundary to include several properties, including parcels located at 101 116<sup>th</sup> Avenue SE, 335 116<sup>th</sup> Avenue SE, 11811 and 11911 NE 1<sup>st</sup> Street, and 11636 SE 5<sup>th</sup> Street.

City Manager Miyake recalled that, in April, staff requested direction on an initial recommendation to expand the Wilburton Commercial Area Study boundary in response to a property owner's request. Additional property owners have come forward since that time. Staff conducted an analysis of the study area boundary, including within the context of the Urban Land Institute's work and community input on the Grand Connection project.

Bradley Calvert, Community Development Program Manager, highlighted the timeline of Wilburton and Grand Connection planning efforts. The City will release the request for qualifications (RFQ) for the Wilburton land use and urban design consultant soon. Mr. Calvert described the current study area boundary, as approved by the Council on December 7, 2015. Properties requesting to be added to the commercial area study are the Eastridge Corporate Center, Lexus of Bellevue, Master Builders Association, and 11636 SE 5<sup>th</sup> Street.

Mr. Calvert said the analysis of properties involved reviewing the ULI Advisory Panel's work, which recommended a connection between Meydenbauer Bay Park, the Grand Connection, Eastside Rail Corridor, and the Bellevue Botanical Garden. The Grand Connection visioning process generated suggestions to connect the Wilburton commercial area to the Botanical Garden. The properties requesting inclusion in the study area abut or are in close proximity to the Eastside Rail Corridor and Wilburton Trestle. Additional factors included in the analysis are respect for the Wilburton Hill single-family neighborhood, recognition that Lexus is the only auto retailer not included in the study, and proximity to East Link light rail stations.

Mr. Calvert said that including the properties in the study does not guarantee the future rezone of those properties. Staff recommends including the areas south of Main Street, as well as the Eastridge Corporate Center and the property directly to the west, as part of the Wilburton study area. This expands the original study area from 235 acres to 283 acres.

→ Councilmember Wallace moved to approve the expansion of the Wilburton Commercial Area Study boundary to include properties located at 101 116<sup>th</sup> Avenue SE, 335 116<sup>th</sup>

Avenue SE, 11811 and 11911 NE 1<sup>st</sup> Street, and 11636 SE 5<sup>th</sup> Street. Councilmember Robertson seconded the motion.

Responding to Councilmember Slatter, Mr. Calvert said staff does not anticipate expanding the boundary beyond the identified properties. Mayor Stokes said properties will not be added for the near-term study after tonight's vote. Ms. Slatter expressed support for the motion.

Councilmember Robertson expressed support for the motion. She wants the study to move forward without further consideration of adding any other properties.

→ As an amendment, Councilmember Lee moved to expand the study area east to the red line on the map in the presentation. Mr. Wallace seconded the motion.

Councilmember Robertson spoke against the motion, noting that those properties have not asked to be included. She recalled past discussions dating back to 2007 about maintaining a buffer between the commercial area on 120<sup>th</sup> Avenue and the single-family neighborhoods to the east.

→ Deputy Mayor Chelminiak moved to extend the meeting to 10:15 p.m., and Councilmember Lee seconded the motion.

→ The motion failed by a vote of 3-3, with Deputy Mayor Chelminiak and Councilmembers Robertson and Wallace opposed.

→ The motion to amend failed by a vote of 1-5, with Councilmember Lee in favor.

→ The main motion carried by a vote of 6-0.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 9:58 p.m., Mayor Stokes declared the meeting adjourned.

Kyle Stannert  
City Clerk

/kaw