CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

September 26, 2016   Conference Room 1E-113
6:00 p.m.   Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak[1], and Councilmembers Lee,
            Robertson[2], Robinson, Slatter, and Wallace[3]

ABSENT: None.

1.   Executive Session

The meeting was called to order at 6:07 p.m., with Mayor Stokes presiding. There was no
Executive Session.

2.   Approval of Agenda

→   Councilmember Robinson moved to approve the agenda, and Councilmember Slatter
     seconded the motion.

→   The motion to approve the agenda carried by a vote of 4-0.

3.   Oral Communications

(a)   Juliana Tioanda congratulated the City on the recent Mayor's Challenge Award from the
       U.S. Department of Transportation. She said she was representing a large number of
       Bellevue families who support GOAL (Global Organization for Arts and Leadership).
       She said the Executive Director of GOAL spoke to the Council in May. She shared a
       petition signed by Bellevue residents and parents asking the City to recognize GOAL
       with an outstanding contribution award for its tuition-free workshops, which have been
       attended by more than 350 participants.

(b)   Alex Zimmerman, StandUP-America, expressed that he is unhappy and distrustful of
       government, and frustrated that more citizens do not become involved in public issues.

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[1] Deputy Mayor Chelminiak joined the meeting at 6:35 p.m.
[2] Councilmember Robertson joined the meeting at 6:20 p.m.
[3] Councilmember Wallace joined the meeting at 6:26 p.m.

(c)   Laura Feinstein, Manager of Smart Grid Technology at Puget Sound Energy, spoke regarding PSE's commitment to smart grid technology, which is relevant to a later agenda item. She said PSE has a long history of implementing smart grid components, beginning in the 1970s. In 1998, PSE was an early adopter of automated meter reading technology. She said PSE is actively involved in smart grid projects that improve system reliability and are consistent with the City's smart city strategy.

(d)   Alex Smith, a Medina resident and Chair of the Board of Directors for the Tateuchi Center, thanked the Council for its ongoing support. Last year, the City pledged a $20 million investment. He said the Center submitted a formal request through the City Attorney's Office earlier this month to extend the fundraising performance deadline in the draft agreement to September 30, 2017. Mr. Smith said Executive Director John Haynes could not attend this evening's meeting. However, he has assured the Board on a number of occasions that this process, although complex in many respects, has been a model of transparent, respectful collaboration by both parties. The Center has raised more than $36 million in new gifts and pledges over the past year, and the fundraising campaign has reached significant milestones. Mr. Smith encouraged the Council's continued support.

(e)   Paul Brallier, representing the Northtowne Neighborhoods Association, expressed concern regarding plans to build a fire station in their neighborhood. He asked the City to reconsider that decision and noted concerns regarding traffic, wetlands, and other issues. He said his parents and others fought during the 1970s to retain McCormick Park. He said residents were never notified about the fire station plans. He suggested that the City place the station on the park site due to the negative impacts of having the station adjacent to the park.

Responding to Mayor Stokes, City Manager Miyake said staff will prepare a management brief regarding concerns raised by citizens about the fire station.

(f)   Linda Nohavec spoke regarding the Eastgate/I-90 transportation corridor proposal. She expressed concern that the allowed floor-area ratio (FAR) for development in the area has been extended beyond what was originally intended. She said it has become a developer's best asset to attain the densities with less mitigation by integrating neighborhood amenities in exchange for the higher FAR. She expressed concern regarding increased noise to adjacent neighborhoods reflecting off the buildings. She opined that the Eastgate/I-90 Citizen Advisory Committee and the Planning Commission do not support the increased densities recommended by staff.

4.   Study Session

        (a)   Council Business and New Initiatives

Mayor Stokes said that he and other Councilmembers attended the recent grand opening of the REI store in Bellevue. He said REI is working to locate its headquarter offices in the Spring District in the BelRed Corridor.

Mayor Stokes said that all Councilmember attended the ceremony celebrating the construction underway for the Global Innovation Exchange (GIX) facility in the BelRed Corridor. This is a global partnership of the University of Washington and Tsinghua University of China, with significant support by Microsoft. Mr. Stokes said there will eventually be 2,000 students in the GIX program. He said a number of officials attended the ceremony including Governor Jay Inslee, King County Executive Dow Constantine, University of Washington President Ana Mari Cauce, Tsinghua University President Qiu Yong, and Consul General Luo Linquan from the Consulate in San Francisco.

Mayor Stokes said signage is provided in both English and Chinese languages. He said a smaller size was presented to President Qiu Yong. Mr. Stokes said Councilmember Lee has been active in this effort, including producing the signage.

Councilmember Lee thanked City staff for making the signs within a short timeframe. He expressed his enthusiasm for the facility and the innovation it represents.

> (b)   City Code Requirements for Ongoing Trip Reduction Measures at Large Real Estate Developments

City Manager Brad Miyake opened discussion regarding proposed changes to the Transportation Management Program. The City's program began in the 1980s, and the related code requirements were last revised in 1995. Mr. Miyake said staff and the Transportation Commission are seeking Council direction to move forward with drafting specific code language for the six recommended amendments.

Mike Ingram, Senior Transportation Planner, said a Transportation Management Program is established at the time of real estate development project permitting. It obligates the project owner or manager to undertake activities to limit or reduce the project's transportation impacts. The agreements typically extend over the life of the building. TMP requirements may include a number of elements including posting and distributing information, designating a transportation coordinator, designating preferred carpool/vanpool parking, providing emergency rides home, and/or providing a $15 per month subsidy for carpool, vanpool and transit riders. Specific program requirements vary by building size and the type of land use.

Mr. Ingram said additional requirements for Downtown Office uses are providing commute information to each tenant with 50 or more employees, lease language requiring tenant participation in employee commute surveys, identifying parking as a separate line item in leases (with a monthly cost not less than the cost of a two-zone Metro pass), and personalized ride-matching to encourage carpools and vanpools. The office buildings are required to reduce the rate of drive-alone commuting by 35 percent over 10 years.

Mr. Ingram said the code language was most recently adopted in 1995, and some of the language no longer fits well with current conditions and practices. The performance target of reducing drive-alone commuting by 35 percent has been difficult to achieve within a 10-year timeframe.

Also, a reduction of 35 percent can be especially challenging if a building starts out with a relatively high number of commuters who are not driving alone.

Mr. Ingram said other elements of the Transportation Development Code were updated in 2014, but the TMP section of the code was deferred for separate consideration.

Transportation Commissioner Lei Wu said the Commute Trip Reduction (CTR) program required by the State is similar to the City's TMP. City code requirements for the CTR program were updated in 2008 and offer a relevant model for revising the TMP requirements. Ms. Wu said there are approximately 38,000 employees in buildings covered by the City's TMP requirements. However, 11,000 of those employees are not at a CTR program site.

Transportation Commission Chair Janice Zahn said the Commission studied the City's Transportation Management Program and compared Bellevue's requirements to those in neighboring cities. The Commission also engaged building owners and managers to learn what is important to them in the City's TMP. Ms. Zahn said trip reduction performance data is collected every two years from Downtown TMP office buildings, which have experienced an 18 percent reduction in drive-alone commuting over the past 20 years. This level of reduction is about the same as CTR sites in the Downtown. In comparing Transportation Management Programs, Ms. Zahn said Bellevue has performance targets only for Downtown office buildings while other cities have citywide targets.

Ms. Zahn said TMP building owners and managers have indicated they would like increased flexibility in programmatic requirements and that regulations should be adaptable to technology improvements. There was strong support to require posting information in residential buildings as well.

Ms. Zahn described the six recommended revisions to the City's TMP: 1) address several outdated elements of the current code, 2) revise the performance target, 3) include performance requirements for office buildings citywide, 4) introduce more flexibility for building managers to choose trip reduction measures, 5) develop and maintain a TMP Implementation Guidelines document, and 6) increase the building size threshold for minimum TMP requirements.

Mr. Ingram said staff and the Commission are seeking Council direction to bring back specific code language to implement the six recommendations.

Councilmember Lee said it has been some time since the code was last updated, and traffic volumes and patterns have changed significantly. He thanked the Transportation Commission for its work. Responding to Mr. Lee, Ms. Zahn said staff presented a great deal of information to the Commission over several meetings. She observed that it will take some time to fully develop the code changes.

Councilmember Robinson noted the importance of implementing the pedestrian-bike plan in support of commute trip reduction efforts. She concurred with setting goals and suggested reevaluating the goals as transportation mode options increase over time. Ms. Robinson said she would like to see goals for residential development as well to encourage commute options.

Councilmember Wallace said he distributed a memo to the Council regarding the TMP requirements. He said any member of the public may request a copy as well. He expressed support for moving forward as proposed by staff and the Transportation Commission.

Councilmember Robertson expressed support for moving forward as well. She said it would be interesting to know where the reductions in single-occupancy vehicle (SOV) usage have occurred. She anticipated that increased density and abundant transit access correlate to decreased SOV travel. She would like staff to ensure that the TMP code and recommendations are consistent with the City's Transit Master Plan. She encouraged outreach to office building owners, managers, and tenants in different areas of the community.

Ms. Robertson encouraged Metro and Sound Transit to consider technology that would, for example, enable a person to text a specific route (e.g., Downtown Bellevue to Downtown Redmond) and to receive the bus schedule in return.

Ms. Robertson recalled past Council discussions over the years regarding a circulator service throughout the Downtown, potentially including the hospital district. She said she would be curious to see how the circulator option could interface with the Transit Master Plan and with the Transportation Management Program.

Councilmember Slatter expressed support for the proposal to update Transportation Management Program requirements. She questioned how the City links drive-alone activity reduction to the CTR and TMP tools. She wondered whether the reduction rates could also be linked to the sizes and types of companies.

Mr. Ingram said that, in general, smaller work sites tend to have a higher level of SOV usage. Having TMP tools and activities within a building results in the same trip reduction performance as the larger CTR work sites. He said it appears that TMP requirements on larger tenants have a positive influence on the smaller work sites within the same building.

Ms. Slatter concurred with Ms. Robertson's interest in the linkage between the Transit Master Plan and the Transportation Management Program. Ms. Slatter said parking information is helpful as well. She said REI looked at ped-bike access and traffic congestion issues in considering whether to relocate to Bellevue. How do we link when a company is considering Bellevue due to its transportation planning versus what the City asks them to do when they are here? She agrees with the proposed flexibility in dealing with different companies and their trip reduction efforts. Ms. Slatter said it would be helpful to have up-to-date information on parking availability. She questioned whether the City discusses with Metro and Sound Transit how to work with employers' TMPs. She is looking at interoperability, which she will bring up during the smart city discussion as well.

Ms. Zahn said the Commission is trying to maintain a holistic view in evaluating performance targets and the other objectives of the TMP code.

Deputy Mayor Chelminiak thanked the Transportation Commission and staff. Responding to Mr. Chelminiak, Mr. Ingram said TMP requirements are based on the size of the building, while the

Commute Trip Reduction program applies to companies with more than 100 employees. Mr. Ingram said the CTR program is defined by the State.

Mayor Stokes questioned how effectively residential trip reduction requirements, if implemented, could be enforced.

Mr. Stokes said Denver has a transit circulator in its downtown core, and other cities have similar services. He said it would be interesting to explore the costs and benefits of a circulator system. With regard to the goals timeframe, Mr. Stokes encouraged sufficient flexibility to adjust as technology and transportation factors change. He thanked staff and the Transportation Commission for their work.

        (c)   Bellevue Staff Report and Recommendation regarding Performing Arts Center Eastside (PACE) Tateuchi Center Funding Request

City Manager Brad Miyake recalled that the City approved a 2009 request from the Performing Arts Center Eastside (PACE) for $2 million toward architectural and engineering design services. In 2013, PACE requested additional funding to be used toward construction of the Tateuchi Center. In May 2015, the Council adopted Resolution No. 8914, which states the City's intention to make a capital investment in the Tateuchi Center of up to $20 million. City staff and consultants subsequently negotiated with PACE and its representatives to reach agreement on a Term Sheet that was adopted by the Council on December 14, 2015. The Term Sheet contained all of the conditions outlined in Resolution No. 8914 and served as the foundation for the formal Funding Agreement.

City Attorney Lori Riordan introduced John De Lanoy, Pacifica Law Group, who had a key role in negotiating the security interest in the property. She noted that Jay Reich of Pacifica Law Group was involved in the negotiations and development of the Funding Agreement as well.

Ms. Riordan said the original funding agreement covered a 20-year period, and the updated document is a 50-year agreement. A hallmark of the Funding Agreement is that the City would be an investment partner with PACE on a last-dollar basis. The City's $20 million investment would occur upon the completion of construction and receipt of the certificate of occupancy. Additional elements of the agreement required by the Term Sheet approved by the Council include the facility's education center. PACE is required to complete a programming study that includes local public engagement to ensure that the programs are matched to the interests of Bellevue and Eastside residents.

Ms. Riordan said there are limitations on the commercial use of the Tateuchi Center facility because PACE is a nonprofit organization. The City, PACE, and the Meydenbauer Convention Center will enter into a facilities cooperation framework. However, the City makes no commitments regarding the funding of the Tateuchi Center's ongoing operations.

Ms. Riordan said PACE has asked the Council to consider extending the fundraising benchmark from September 30, 2016 to September 30, 2017. The fundraising report recently received by the City indicates $6 million in new contributions over the past six months as well as $30 million in contingent pledges during the past month. Extending the deadline to 2017 requires the extension of related deadlines. The date for entering into the guaranteed maximum price contract would

move from mid-2017 to mid-2018. The date for substantial completion would move from October 2019 to October 2020.

Ms. Riordan said the City would continue to require that PACE provide fundraising reports every six months. The Center would continue its community engagement with regard to programming. Ms. Riordan said PACE's property donation agreement with another entity must be modified in order to finalize the City's security interest, as outlined in the Funding Agreement. PACE proposes moving the deadline for that activity from December 31, 2016 to the end of June 2017.

Ms. Riordan said the agreement was required to meet the funding principles adopted by the Council in 2003 with regard to requests for significant investments: 1) the requesting organization must have a sustainable, long-term financial model, including strong private-sector financial commitment; 2) any agreement must clearly define the public benefit to be received in exchange for the investment; 3) any agreement should provide for City financial oversight; and 4) the City may invest in a facility, programming, or operations, but City funds cannot be used for fundraising purposes.

Responding to Councilmember Robinson, Ms. Riordan said the City's $20 million investment will be spread over the 50-year period. In further response, Ms. Riordan said the City's security interest in the original partnership was in the facility's plans. The revised agreement provides a security interest in the building itself and access to the education center.

Responding to Councilmember Robertson, Ms. Riordan said PACE has not requested any substantive changes from the previous understanding with the City. Councilmember Robertson said she is comfortable with the Funding Agreement as revised.

As a future legislative agenda item, Ms. Robertson suggested that the Council consider advocating for a change in state law that would allow the Tateuchi Center to be used for commercial purposes more than 15 days per year.

Deputy Mayor Chelminiak expressed support for the revised Funding Agreement. He noted that extending the September 30 deadline by one year moves closer to being able to access transient-occupancy tax (TOT, aka hotel/motel tax) revenues for the Tateuchi Center. He is in favor of moving forward and hopeful that the center will ultimately meet its fundraising goals within the region.

Councilmember Wallace concurred with Mr. Chelminiak's comments. Responding to Mr. Wallace, Ms. Riordan said TOT revenues will become available for the Tateuchi Center beginning in approximately 2024/2025. Mr. Wallace asked staff for follow-up information on the use of TOT revenues as part of the overall financing strategy. He expressed support for extending the September 30 deadline to 2017.

Councilmember Slatter expressed support for the requested timeline extension. Responding to Ms. Slatter, Ms. Riordan said the total construction cost is $160 million. PACE has raised approximately $100 million. Ms. Slatter requested more frequent updates on PACE's fundraising

going forward, perhaps quarterly instead of every six months. Mr. Wallace noted that the City's investment will not be forwarded until the completion of construction.

Councilmember Lee said this is an important project for the community, and he sees no downside or risk to extending the deadline by one year. He expressed support for the revised agreement.

Mayor Stokes summarized the Council's support to extend the September 30 deadline to 2017, as requested. He suggested that staff move forward to finalize the Funding Agreement for Council action in October. Mr. Stokes thanked City staff and consultants for their hard work. He thanked Alex Smith, PACE Board Chair, and Roxanne Shepherd, PACE Director of Development, for their work as well.

(d)   Bellevue Smart City Strategy Overview

City Manager Miyake recalled that the Council previously directed staff to develop a Smart City strategy. The purpose of tonight's agenda item is to present the draft Smart City strategy.

Chelo Picardal, Chief Technology Officer and Assistant Director of the Information Technology Department, recalled that the Council established the Smart City priority in its 20-year vision and directed staff to develop a Smart City strategy. Elements include excellent infrastructure, connectivity, mobility, clean water, reliability, and safety.

Ms. Picardal said a Smart City uses advances in smart devices, sensors and instruments that are linked together, collectively known as "the Internet of things." These produce data that can be used to optimize operations and services and to make better decisions. The approach leverages information and communications technology advances to enhance the quality of life, improve sustainability, and achieve greater resiliency for the community.

Ms. Picardal presented a two-minute video to showcase the Smart City framework. The Smart City strategy focuses on transportation, connectivity, energy, public safety, water and buildings. The strategy leverages investments that have already been made for many of the elements (e.g., adaptive traffic signal system, fiber to every intersection, public Wi-Fi, and the remote monitoring and control of water systems in City facilities).

Ms. Picardal highlighted key accomplishments to date including holding a Regional Smart City Workshop in partnership with the City of Redmond, Microsoft and Verizon; hiring the University of Washington Evans School student consulting program to perform a Smart City maturity assessment; and launching Urban Smart Bellevue with Puget Sound Energy. The City received a grant from the National Institute of Standards and Technology for a Smart City dashboard, as well as a Department of Energy grant for analyzing the drivers of change for greenhouse gas emissions.

Andrew Lee, Deputy Director of Utilities, described the City's maturity assessment. A maturity model framework is used to understand the current state of deployment and the capabilities of systems or processes at five levels: 1) ad hoc (basic services), 2) opportunistic (efficient operations and service delivery using performance measures), 3) repeatable (defined and measured processes and systems), 4) managed (integrated systems with a cohesive strategy,

planning and execution, and 5) optimized (predictive, proactive and adaptive urban systems for the highest level of performance, customer service, and resiliency).

Mr. Lee said the maturity level of Bellevue's major six elements were analyzed. Connectivity, public safety, and energy received the repeatable ranking (3). Transportation, water, and buildings were rated as opportunistic (2). Mr. Lee described the framework for working toward achieving interoperable, predictive, and adaptive systems.

Ms. Picardal provided additional details on the six elements. Connectivity goals include expanded public Wi-Fi (e.g., parks, low-income housing, and business corridors), consumer broadband services, enhanced digital economy, and smart networks integrating smart utilities meters, intelligent street lights, connected vehicles, and other systems.

Chris Long, Traffic Engineering Manager, said Smart Transportation focuses on connected vehicles, smart streetlights, informed travelers, transit integration, and pedestrian/bicycle safety. This future vision for transportation will begin with completing the ITS Master Plan Update by the second quarter of 2017.

Mr. Long said the Public Safety element will focus on integrated systems between first responders and hospitals, expanded predictive analysis of criminal activity, resilient communications, regional partnerships, and situational awareness. The latter is an emergency response program already owned by the City that needs to be better integrated with all of the command centers involved in emergency response and resource management. Staff is currently working to better integrate the emergency management software and predictive analytics in 2017. If budgeting allows, the electronic patient care records system will be deployed in 2017 as well.

Mr. Lee said the Smart Water vision focuses on advanced utilities metering, proactive detection, and predictive operations. Staff previously presented information to the Council regarding advanced water metering, which offers the potential for monitoring near real-time drinking water consumption data from your computer, smart phone, or tablet. It also enables the real-time notification of potential water leaks. Predictive operations elements include using real-time weather forecasts to change how the City operates its stormwater system to prevent flooding and to improve water quality on lakes and streams. Mr. Lee said staff is working on a pilot program for late 2017 to use a predictive operations technology to transform a flood protection pond into one that provides both flood protection and water quality improvement. Staff hopes to complete the implementation of the advanced water metering system by mid-2019.

Mr. Lee said the Smart Buildings element includes making City buildings smarter and more efficient, as well as facilitating and incentivizing smart building technologies for privately owned buildings. This element also focuses on reducing waste and creating safer buildings. Activities include proactively monitoring and reducing greenhouse gas emissions, increasing energy efficiency in partnership with Puget Sound Energy, improving emergency response times by integrating security and fire systems, and integrating Net Zero energy and water features in buildings.

Mr. Lee said grant funds will be used to enhance the Smart City dashboard. He recalled that the City entered into the Urban Smart Bellevue initiative with Puget Sound Energy in 2016, and the program will provide results data by late 2017. The program relies largely on gaining a better understanding of building energy data, and will use technology to engage Downtown employees in energy-saving actions.

Mr. Lee said the Smart Energy element focuses on optimizing the grid, conservation and the implementation of renewable energy options, and advanced metering. Goals include refining the greenhouse gas emissions analysis, upgrading and expanding the electric vehicle charging station network, and increasing customer access to real-time energy usage data. A longer term objective for Puget Sound Energy is to procure additional renewable resources.

Mr. Lee said the City hopes to achieve a Level 4 (Managed) maturity for all six elements within the next five years. At that point, the City's strategy will be updated to focus on achieving Level 5 (Optimized) for all elements.

Ms. Picardal said the City's security program will need modifications to address critical infrastructure protection. Privacy policies and practices will need to be updated as well to protect identity, health, and payment information. An open data portal will allow the City to share information with the public.

Ms. Picardal said staff is seeking feedback on the Smart City strategy. Budget proposals related to Smart City investments are requested for the 2017-2018 Budget.

Councilmember Slatter thanked staff for the presentation. She appreciates that the project addresses privacy protections. She noted that technology changes quickly, and she is interested in how the Smart City approach will continue to maintain the interoperability of systems and processes. She observed that transportation-related items are more urgent than others, and encouraged expediting the ability for access to information.

Ms. Slatter referred to the open data portal and questioned how the City can leverage that to achieve better crowdsourcing, co-creation, open innovation, and dialogue with people in Bellevue. She said a great deal of innovation and community engagement in solutions comes from individuals who think about problems and potential solutions.

Councilmember Robertson said this is an exciting initiative, and she is pleased to see both the City and private entities embracing technology. She said the protection of privacy is very important.

Responding to Ms. Robertson, Ms. Picardal said public Wi-Fi in City facilities is currently filtered for security risks and certain content filtering. Ms. Robertson suggested that pornography should be filtered for free public Wi-Fi. She would like a legal opinion on that issue.

Councilmember Robertson said she supports advanced technology. However, she does not want to be too experimental with technology that might become obsolete within a few years. She said the City of New York implemented portals in many streets to allow the public to access the Internet. However, this has caused problems and they are being removed.

Ms. Robertson suggested keeping abreast of advances related to self-driving vehicles. She said the technology component of Bellevue's Proposition 2 this fall could coordinate with that element.

Councilmember Slatter observed that Bellevue has an aging population and poverty is increasing across the region. She believes that public Wi-Fi will provide a good service.

Councilmember Robinson commended staff for the accomplishments over the past two years. She wants to keep moving the Smart City strategy forward as quickly as possible. She said there will be a need for ongoing evaluation and adjustments to goals.

Councilmember Wallace questioned the efforts anticipated for collaborating with private companies and other public agencies in the area of Smart Transportation.

Mr. Long said that, as the City begins its update to the ITS plan, staff has reached out to the Bellevue Downtown Association asking them whether there might be businesses who would like to provide input regarding commute technologies for their employees. He said staff will also conduct general public outreach to discuss how people currently access transportation information (e.g., Waze, Twitter, City/State web sites, and others). Mr. Long said he met with Inrix staff the previous week to discuss the tools they use for the collection of traveler information.

Councilmember Wallace expressed support for working with businesses and exploring new beneficial technologies. He said Inrix talks about autonomous, connected, electric, and shared (ACES) vehicles. He said driverless transit shuttles are currently being tested, which could be used from church or other parking lots during the week for commuters. With regard to the Connectivity element, Mr. Wallace encouraged public-private partnerships to provide choices in accessing data.

With regard to the Smart Buildings goals of benchmarking energy usage and providing incentives, Mr. Wallace suggested that the City work with PSE to lobby the state legislature for the changes necessary to allow PSE to help the City with those efforts. For example, with energy benchmarking, Mr. Wallace observed that it does not make sense to require the end user to require energy usage data to the City. He believes PSE should be authorized to use the data it already has for benchmarking. He does not want to create hardships for buildings and businesses to create the energy usage data.

Councilmember Lee said that increasing the use of technology is an ongoing objective for him. He appreciates the comprehensive strategic approach outlined in the Smart City framework. He encouraged expediting the timeline of projects where possible. He said other cities and countries are using advanced technologies, and he encouraged staff to be bold in its efforts.

Deputy Mayor Chelminiak expressed support for the Smart City strategy and for moving forward with projects as quickly as possible. He said the public wants free or low-cost Wi-Fi access in their homes. While providing that service is challenging, he supports the objective.

With regard to Smart Public Safety, Mr. Chelminiak said he recently had a heart attack. The medics knew exactly where to take him to get to the emergency room that would provide the quickest attention.

Mr. Chelminiak concurred with Mr. Wallace's comments regarding the Smart City elements.

Mayor Stokes expressed support for the strategy presented by staff. He said the next step is to address the costs of projects and the budget implications for implementing the strategy.

(e)   Environmental Stewardship Initiative (ESI) Update

City Manager Miyake introduced staff's update on the Environmental Stewardship Initiative.

Planning Director Dan Stroh recalled that staff was last before the Council in April to provide an update on the Environmental Stewardship Initiative. The purpose of tonight's agenda item is to present the ESI Strategic Plan progress report.

Jennifer Ewing, Environmental Stewardship Program Manager, said staff is seeking Council direction on three issues: 1) Should the City formally adopt a resolution to implement a municipal building energy benchmarking and reporting policy?, 2) Should the City pursue a Living Building Challenge pilot program with the objective of encouraging the development of advanced green buildings in Bellevue?, and 3) Should staff place the U.S. Department of Energy grant acceptance on the October 3 Consent Calendar?

Ms. Ewing said the ESI policy drivers are the Council Vision, Comprehensive Plan Environmental Element, ESI Strategic Plan, Mayors Climate Protection Agreement, and King County-Cities Climate Collaboration (K4C) joint commitments. The ESI Strategic Plan was developed in 2012 and finalized in 2013. The plan includes 17 sustainability indicators and 57 action items to meet indicator targets within five categories: greenhouse gas emissions, mobility and land use, energy and water, materials management and waste, and ecosystems and open spaces.

Ms. Ewing said the City has completed nearly half of the strategic plan with the implementation of 47 percent of the actions and the initiation of 40 percent of the actions. Additional actions are proposed. Key next steps are updating the greenhouse gas emissions reduction target, resiliency planning for climate change, exploring green building incentives, developing a tree canopy action plan, expanding the electric vehicle charging network, and incorporating a process for analyzing greenhouse gas emissions in the building development process.

Ms. Ewing described the City organization's and the community's greenhouse gas emissions trends since 1990 and GHG sources (e.g., building electricity, fleet fuel, commuting, street and traffic lights, residential usage of electricity and cars). She said overall energy usage continues to decrease. Ms. Ewing presented comparisons with other cities' emissions. She said Bellevue entered into an Interlocal Agreement with King County, Redmond, Kirkland and Mercer Island to sub-license the Scope 5 software to enable the comparison of data.

Ms. Ewing said the ESI program monitors the tree canopy. Bellevue experienced a decline in the tree canopy from 1986 (45 percent) to 2013 (36 percent). The target adopted in the

Comprehensive Plan is 40 percent. The information will be updated within the next few years. Ms. Ewing said the City will be able to use King Conservation District funds to conduct public outreach and education regarding the value of trees.

Ms. Ewing said Bellevue is currently in fourth place in the Georgetown University Energy Prize competition. The City launched its energy pledge online, and nearly 300 people have taken the pledge to commit to reducing energy usage. Urban Smart Bellevue was initiated in June and the program was featured in a story on public radio. She said 11 organizations have joined the program including Microsoft, Westin Hotel, GLY building, and Virginia Mason. Staff is in discussions with 40 additional buildings and tenants regarding the program.

Ms. Ewing said the solar array at Crossroads Park received a $50,000 award from Puget Sound Energy and a $60,000 grant from the State Department of Commerce. The project is nearly completed.

Emma Johnson, Resource Conservation Manager, described municipal energy benchmarking. She said the City has been collecting energy data on City facilities since 2009, and a draft report is available. She noted the need to determine whether to continue this activity. She said the City has a strong municipal energy management program. Next steps are to formalize that data into the Smart City policies and open data goals.

Councilmember Robertson questioned whether staff has reviewed the two state laws adopted during the past 24 months regarding the use of privacy data for energy customers. Ms. Johnson said the current data applies only to municipal buildings. She said Puget Sound Energy has a policy that, if a building has more than four tenants, permission from each tenant regarding the data is not required.

Continuing, Ms. Johnson described the potential for a Living Building Challenge pilot program, which has been discussed by the K4C forum. Program elements include removing barriers to advanced green building, supporting the market for green building, and facilitating the permitting process. Ms. Johnson said staff is seeking Council feedback about whether to pursue this type of program.

Ms. Johnson said Bellevue has been selected for a U.S. Department of Energy grant through their program Cities Leading Through Energy Analysis and Planning. Bellevue submitted an application with a nonprofit organization and five local governments (King County, Santa Monica, Houston, Aspen, and the Metropolitan Washington Council of Governments in Washington, D.C.). The purpose is to follow the model used by New York City to understand what is driving the changes in greenhouse gas emissions. The project will evaluate the effectiveness and impact of City policies and programs as well as external factors. Bellevue is the lead agency for this grant project. Staff is seeking Council direction to place acceptance of the grant on the October 3 Consent Calendar. The project would help the City update its GHG reduction target.

Ms. Johnson reiterated that staff is seeking Council direction about whether to: 1) prepare a resolution adopting a municipal building energy benchmarking and reporting policy, 2) pursue the Living Building Challenge, and 3) accept the U.S. DOE grant.

Councilmember Robinson expressed support for all three proposals, especially the Living Building Challenge.

Councilmember Wallace concurred. He requested that, when staff comes back, he would be interested in knowing how the state legislature's position on the coal strip issue affects Bellevue. He noted that most of Bellevue's electricity generation is hydropower. He questioned the implications for Bellevue's greenhouse gas emissions versus areas using more coal.

Ms. Johnson said there are Northwest regional grid emission factors, which are not solely related to PSE. She said the typical best practice is to use the emission factor for the applicable grid. Mr. Wallace said he would be interested in more information on that topic.

Mr. Wallace expressed support for all three proposals.

Deputy Mayor Chelminiak expressed support for staff's proposals.

Councilmember Slatter expressed support for the three proposals.

> (f)   Regional Issues Overview

Mayor Stokes noted information provided in the meeting packet. There was no discussion.

5.   Discussion of Upcoming Items: None.

6.   Continued Oral Communications: None.

Mayor Stokes declared the meeting adjourned at 9:10 p.m.

Kyle Stannert, CMC
City Clerk

/kaw