

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

November 9, 2020
6:00 p.m.

Virtual Meeting
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Nieuwenhuis, and Councilmembers Barksdale, Lee, Robertson, Stokes, and Zahn

ABSENT: None.

1. Call to Order

The meeting was called to order at 6:01 p.m., with Mayor Robinson presiding.

Mayor Robinson noted the Veterans Day holiday on November 11. She thanked everyone who has served in the military to preserve our freedom.

2. Roll Call; Flag Salute

City Clerk Charmaine Arredondo called the roll. All Councilmembers were present and participating remotely. Deputy Mayor Nieuwenhuis led the flag salute.

3. Approval of Agenda

→ Deputy Mayor Nieuwenhuis moved to approve the agenda, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

4. Oral Communications

- (a) Paul Bruno expressed support for the City's Environmental Stewardship Plan. He said, however, that the targeted reductions in greenhouse gas emissions should be more aggressive. He encouraged the Council to strengthen the plan, especially the energy section that addresses the impacts of commercial buildings. He noted a statement on page 120 of the plan indicating that the plan will be updated every five years. Mr. Bruno encouraged the City to conduct an annual evaluation to track the key targets, noting that meeting the 2030 targets will be critical. He thanked everyone for their work and for the opportunity to comment.
 - (b) Jennifer Keller thanked the Council for their work during a difficult year. She thanked the City for the update to the Environmental Stewardship Plan. She said this is a crucial time to create the strongest climate action plan possible. She said the economic recovery following the pandemic will include greater equity, cleaner energy, and optimum efficiency in buildings and transportation systems. Ms. Keller concurred with Mr. Bruno's suggestion for annual evaluations of the plan. She encouraged more aggressive goals and action items, especially in the energy section of the plan. She encouraged the City to adopt leading edge climate actions in the Environmental Stewardship Plan.
 - (c) Barbra Chevalier, representing 300 Trees, commented on the organization's goal of increasing the tree canopy to 40 percent. She described the group's distribution of small trees in neighborhoods with fewer trees. She noted the group's web site: 300trees.org. She said the group is exploring partnerships with the City, Bellevue College, and students in Sammamish High School's environmental club. Ms. Chevalier said the group is applying for funding through the Washington State Department of Natural Resources and private grant organizations to support the tree planting work. The group plans to expand its programs into schools and multifamily housing complexes. Ms. Chevalier urged the Council to be bold in supporting the implementation of the Environmental Stewardship Plan.
5. Reports of Community Councils, Boards, and Commissions: None.
6. Report of the City Manager
- (a) Winter Weather Preparedness and Response

City Manager Brad Miyake introduced staff's update regarding winter preparedness and response.

Chris Long, Assistant Director, Transportation Department, noted the forecast for a La Nina, wetter-than-normal winter. He described staff's training and the preparation of equipment and materials for winter events (ice, snow, wind, flooding). Mr. Long said that 150 staff in multiple departments (Parks and Community Services, Transportation, Utilities, and Finance and Asset Management) participate in the annual weather response training. Staff created an online training program this year due to the pandemic.

Mr. Long said Bellevue had one major snow event last winter, and Fire and Police personnel were able to access every emergency call location. He said there has been an increase in the number of subscribers to the City's emergency weather text and email alert system. He said the City purchased steel plow bits last year that significantly improved the ability to break through ice, especially in south Bellevue.

Mr. Long described the ongoing implementation of the new automated vehicle locating system to track and coordinate the deployment of snow plows. He said the City plans to add an online interactive map by 2022 that allows the public to see which streets have been plowed. He said there will be cameras at nearly every traffic signal in Bellevue by next year.

Mayor Robinson thanked staff for the update.

(b) Award for Excellence in Planning: Wilburton Commercial Area Study

City Manager Miyake noted that the City received an award from the Planning Association of Washington and the Washington Chapter of the American Planning Association.

Emil King, Assistant Director, Community Development Department, said the City and NBBJ received the Award for Excellence in Planning for the City's work on the Wilburton Commercial Area Study. The City was one of seven award recipients in a number of categories, and the virtual award ceremony occurred on October 30.

Mr. King said the Wilburton study was a team visioning effort for transit-oriented development (TOD) involving staff, consultants, and the community. He said the Wilburton area is a key component of Bellevue's transit growth corridor. The City has made a concerted effort to plan mixed use, urban neighborhoods with pedestrian amenities and a range of mobility options. The BelRed Subarea Plan was adopted in 2009 and the Downtown Livability Plan was adopted in 2017. Planning for the East Main subarea has nearly been completed.

Mr. King noted the Wilburton area's rich history including Japanese-American farming, auto row, big box retail stores, and the railroad corridor. He described the area's location near the freeway, public transit, and the Bellevue Botanical Garden. He said the Eastrail regional trail runs through the Wilburton area and will connect to the Grand Connection in the future.

The awards jury that selected the Wilburton planning effort was impressed with the comprehensive nature of the outreach program, which included a technical committee, Citizens Advisory Committee (CAC), and a property owners group. The award recognized the extensive CAC mapping exercise to analyze numerous alternatives for review and discussion. Mr. King said the Wilburton Commercial Area Study describes the TOD vision for the area.

Mayor Robinson thanked staff for the presentation. She recalled that Mayor Stokes formed the CAC that worked on the Wilburton study and planning process.

Councilmember Stokes thanked everyone for their work. He expressed support for involving the CAC, technical group, and other property owners and stakeholders. He recalled that

Councilmember Barksdale was involved with the CAC. Mr. Stokes said the Wilburton area complements the growth in the Downtown and the BelRed area. He said the vision reflects a mix of uses, healthy living, and economic vitality.

Councilmember Barksdale thanked the Council and staff for their work with the CAC. He thanked CAC Co-Chair and Transportation Commissioner Lei Wu and all of the CAC members for their time and commitment. He said there was strong community engagement throughout the process and staff presented a number of scenarios and alternatives for the CAC to study and visualize. Mr. Barksdale said he looks forward to future TOD in the Wilburton area.

Mayor Robinson congratulated Mr. King and staff for the award.

7. Council Business and New Initiatives

There was no discussion.

8. Consent Calendar

- Deputy Mayor Nieuwenhuis moved to approve the Consent Calendar, and Councilmember Stokes seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:
 - (a) Council Minutes of October 26, 2020 Regular Meeting
 - (b) Resolution No. 9837 authorizing execution of a five-year agreement with S&B, Inc., in an amount not to exceed \$8,000,000, plus all applicable taxes, for Utilities On-Call Professional Services for Systems Integration.
 - (c) Resolution No. 9838 determining that an existing sewer easement and a portion of a second sewer easement located at 10235 SE 6th Street are surplus to the City's needs and are no longer required for providing continued public utility service; and setting a time and place for a public hearing to consider the release of these easements.
 - (d) Resolution No. 9839 authorizing execution of (1) a successor Collective Bargaining Agreement by and between the City and the Bellevue Police Officers Guild representing Police Officers, Corporals, and Sergeants (Union), for a one year contract period from January 1, 2021, until December 31, 2021; and (2) a Memorandum of Understanding (MOU) between the parties renewing the current patrol schedule (the "1040") for two years.

9. Public Hearing: None.

10. Study Session

(a) Budget Update: Utilities Department Proposed 2021-2022 Operating Budget Rates and 2021-2027 Capital Investment Program (CIP) Plan

City Manager Brad Miyake said this is the fourth session to review the Preliminary 2021-2022 Operating Budget and the 2021-2027 Capital Investment Program (CIP) Plan. Tonight's topic is the Utilities Department's proposed CIP Plan, operating budget, and utility rates.

Toni Call, Director of the Finance and Asset Management (FAM) Department, said staff is seeking Council direction to bring back the utilities rate ordinances for adoption with the overall budget in December. The Council will continue its consideration of the budget and CIP Plan during the November 16, November 23, and December 7 meetings. The third and final public hearing will be held on November 23, and budget adoption is anticipated on December 7.

Nav Otal, Director of the Utilities Department, noted the four utilities: Water, Wastewater, Storm and Surface Water, and Solid Waste. Wastewater treatment and solid waste management are provided through an interlocal agreement with the King County Solid Waste Division. Ms. Otal said that utility rates are the primary funding source for the department, and maintaining utilities infrastructure is capital intensive. She said it is critical that utilities infrastructure keeps pace with growth.

Ms. Otal highlighted actions taken by the Utilities Department in response to the COVID-19 pandemic including continuing to provide essential services and clean water, as well as offering payment plans and financial relief programs. She noted efforts to protect employees and to curtail spending in light of the pandemic's economic impacts.

Ms. Otal said the utility rates and budget are reviewed by the Environmental Services Commission. The Council's strategic target areas reflected in the utilities budget are to support the City's economic development, protect the built and natural environment, achieve human potential, and to operate as a high-performing organization. The proposed budget maintains a long-term view, leverages innovation and technology, minimizes rate impacts on customers, and preserves financial sustainability.

Ms. Otal noted the City's goals to maintain predictable, gradual and uniform utility rates over time and to set aside adequate reserves to maintain and replace infrastructure. She said Bellevue is one of the few utilities agencies in the nation with adequately funded reserves for replacing and repairing infrastructure.

Ms. Otal said the key challenges in the budget are the increase in water purchase costs through the Cascade Water Alliance, increased sewer treatment costs by the King County Solid Waste Division, and expensive infrastructure renewal costs. The proposed 2021-2022 utilities budget totals \$321.8 million over two years. Of that, 53 percent of the budget is controlled by external drivers: taxes and support services, wholesale water costs, and wholesale wastewater services costs.

Ms. Otal described the management of aging infrastructure to reduce the risk of failures while getting as much life out of the infrastructure as possible. She noted a 75-year funding plan to complete all of the infrastructure replacements needed throughout Bellevue. Ms. Otal said the budget reserves help to avoid rate spikes due to unanticipated needs.

Ms. Otal highlighted the projects included in the 2021-2027 Utilities CIP Plan totaling \$235.6 million. The CIP projects fall into four categories: 1) aging infrastructure, 2) capacity for growth, 3) environmental preservation, and 4) operational efficiency.

Ms. Otal compared the typical single-family monthly utility bill under the proposed 2021-2022 rates (2020, \$183.05; 2021, \$189.96; and 2022, \$197.44). She compared Bellevue's rates with six neighboring cities, noting that Bellevue's rates for residential, multifamily, and commercial customers fall roughly in the middle of those cities. She said the cities of Bellevue and Kirkland both purchase 100 percent of their water supply through the Cascade Water Alliance.

The Utilities Department has three programs to support residents with financial need. The emergency assistance program waives up to four months of utility bills for individuals experiencing a temporary financial crisis. The utility rate relief program offers a 70-percent utility bill discount for low-income seniors and disabled residents. The utility tax rebate program also serves low-income households.

Ms. Otal said that 84 percent of the respondents to a utilities customer survey indicated a high level of satisfaction. She said the Utilities Department has no debt and an Aa1 bond rating. The department has received American Public Works Association (APWA) accreditation, the Association of Metropolitan Water Agencies (AMWA) Platinum Award, and the AMWA Sustainability Award.

Vanja Knezevic, Chair of the Environmental Services Commission, presented the commission's recommendations. She said the key responsibility of the commission is to advise regarding the budget and utility rates. She said the commission reviewed the budget during eight meetings over a 10-month period and solicited public input through an open house event and a public hearing. Chair Knezevic said the commission unanimously supports the proposed 2021-2022 Utilities Operating Budget and Rates and the 2021-2027 Utilities Capital Investment Program (CIP) Plan.

Mayor Robinson thanked everyone for the presentation.

Councilmember Lee, liaison to the Environmental Services Commission, thanked the commissioners and staff for their extensive review and recommendation. He commended Utilities Department staff for their hard work. He encouraged exploring technology solutions for improving operations.

Councilmember Barksdale asked whether any budget proposals target new technologies. He asked whether the City has considered options for storm water management to prevent flooding.

Ms. Otal said that staff explores new technologies on a regular basis. She said the two-year budget does not anticipate any new initiatives, however.

Councilmember Robertson expressed an interest in exploring improvements to storm water management in certain areas. She said that expanding the tree canopy will help as well.

Ms. Robertson expressed concern regarding the traffic impacts of the redevelopment of Factoria Mall. She encouraged the City to maintain mobility during construction.

Ms. Robertson encouraged staff to conduct public outreach regarding the underlying costs for utilities services. She suggested that when a customer experiences a water leak that results in a large bill, the customer be charged only the amount needed to recover the City's costs. Ms. Otal concurred with the importance of public education, noting that she has received feedback from individuals who say they have never understood the Utilities Department's activities. Ms. Robertson encouraged staff to provide descriptions of the City's services and the underlying costs of utilities on the City's web site.

Councilmember Stokes commended the City's funding of reserves for the long-term replacement and maintenance of the infrastructure. He concurred with the suggestion to expand public education regarding the value of the Utilities Department. He noted for the public that the City of Bellevue is a member of the Cascade Water Alliance for the purchase of water. He thanked staff and the commission for their extensive review.

Deputy Mayor Nieuwenhuis thanked everyone for their work and involvement. Responding to Mr. Nieuwenhuis, Ms. Otal said the City anticipates an increase in the number of utilities customers requesting financial assistance. In further response, Ms. Otal noted that a number of cost containment measures are reflected in the budget proposal. Mr. Nieuwenhuis concurred with his colleagues about the importance of public education regarding the costs that contribute to utilities rates.

Councilmember Zahn thanked Ms. Otal, staff and the commission for their work. Ms. Zahn expressed support for enhancing online information about the Utilities Department. She encouraged the flexibility to consider extending the duration of emergency financial assistance beyond four months for individuals in need. Ms. Zahn encouraged the City to follow industry best practices for storm water management. She suggested that all of the Boards and Commissions have an environmental sustainability lens as well as an equity lens.

Mayor Robinson expressed concern regarding the negative impacts of flushing so-called "flushable" wipes. She noted that recycled toilet paper breaks down faster than similar products.

Ms. Robinson thanked everyone for their work and expressed support for the recommendations.

- Deputy Mayor Nieuwenhuis moved to direct staff to prepare utilities rates ordinances for adoption as part of the budget adoption package at a future meeting. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

(b) Cultural and Economic Development 3rd Quarter 2020 Update

City Manager Miyake introduced staff's third quarter 2020 update regarding the Economic Development Plan.

Jesse Canedo, Assistant Director, Community Development Department, noted that the updated plan was recently approved by the Council. He recalled that the six Direct Strategy focus areas are: 1) capacity building and partnerships, 2) small business and entrepreneurship, 3) workforce, 4) retail, 5) creative economy, and 6) tourism. He said Bellevue's unemployment rate is lower than its peer cities (Everett, Seattle and Tacoma) in the region and comparable to the rates in its national benchmark cities (Arlington, VA; Boulder, CO; Sunnyvale, CA; Santa Monica, CA; and Cambridge, MA).

Philippa Marsh, Economic Development Manager, said that overnight visitors to Bellevue are slowly returning. She said Bellevue typically outperforms the national market. However, Bellevue's hotel occupancy rate is currently trending approximately 20 percent below the national market. Ms. Marsh said that Washington has been one of the states hardest hit by the pandemic. She said that Visit Bellevue has redirected its focus to regional leisure travel (e.g., day trips, overnight trips). Ms. Marsh said the Meydenbauer Convention Center was the first facility in the state to earn certification for its response to the pandemic.

Mr. Canedo acknowledged that a number of holiday events have been cancelled or modified due to pandemic-related restrictions. He said the City is working with the Bellevue Downtown Association (BDA), Bellevue Arts Museum, and others to coordinate activities in the Downtown and to support restaurants and retail businesses.

Mr. Canedo said staff continues to work with the Greater Seattle Partners on their regional recovery framework. He noted that the plan addresses a number of topics including workforce and entrepreneurship.

Ms. Marsh highlighted staff's efforts related to business retention and expansion. She noted the recent major renovations to T-Mobile's headquarters in the Factoria area. She said that Amazon and Facebook are bringing new employees to the Downtown and the Spring District. Amazon recently contributed \$1 million toward local human services.

Ms. Marsh said the first round of small business grants were distributed in October. The grants were targeted to help individuals and businesses in the most impacted industries including food service, accommodations, retail, arts organizations, child care, health care, and social services. Of the businesses receiving a grant, 67 percent are female owned, 55 percent are minority owned, and 43 percent are immigrant or refugee owned. Ms. Marsh said small businesses have been extremely grateful for the assistance from the City.

Ms. Marsh said the Startup425 program held its first online course since the pandemic began. She described the program's involvement in the Innovation Lab partnership with Bellevue College. She highlighted the City's efforts related to workforce development with a number of corporate partners and the Workforce Development Council of Seattle-King County.

Mr. Canedo said that the Bellwether 2020 art exhibit begins in December and extends through January 16, 2021. The event will focus on digital artwork and will take place both online and in person at the Bellevue Arts Museum. He noted that the percentage of artists of color participating in the Bellwether event has increased significantly since 2016. Mr. Canedo said staff will present the Main Street outdoor dining report on November 23. The City continues to explore ways to support small businesses through the winter, including allowing outdoor heaters and similar measures.

Councilmember Barksdale thanked staff for their work and noted his interest in the Innovation Lab pilot project. He thanked staff for the data reflecting the types of businesses that received grants.

Deputy Mayor Nieuwenhuis thanked staff for the comments regarding the Bellwether 2020 event. Responding to Mr. Nieuwenhuis, Mr. Canedo said the Greater Seattle Partners recovery framework includes an emphasis on workforce training and reskilling. Ms. Marsh noted that GSP's overall objective is to promote the region's economic competitiveness. Mr. Nieuwenhuis said he is interested in the specific actions included in the GSP's economic recovery framework.

Councilmember Zahn thanked staff for the update. She expressed support for the Innovation Lab program. She said she hopes to see interactive elements in the Bellwether 2020 art exhibit. She is pleased that the small business grants served a variety of types of businesses. She believes that Bellevue is well positioned for economic recovery. She expressed support for temporary measures to help businesses through the pandemic, including modifications to restaurant operations.

Councilmember Robertson said she is proud of the City's response to the pandemic and assistance to the community. She suggested a concentrated effort to encourage shopping and other activities in Bellevue throughout the upcoming holiday season. Responding to Ms. Robertson, Mr. Canedo said the City is working with the Bellevue Downtown Association (BDA) to provide a light display, potentially in the Downtown Park.

Councilmember Stokes thanked staff for their work and for the City's efforts to support minority artists.

Councilmember Lee thanked staff for their work with the community. He expressed support for the Startup 425 program and its partnerships. He expressed an interest in future actions and initiatives.

Mr. Canedo said staff continues to build on the foundational programs (e.g., Startup 425). He said the Global Innovation Exchange (GIX) is currently involved in a strategic planning effort. City staff will update the Council when that report is completed.

Mayor Robinson said it is good to see businesses doing relatively well using temporary modifications during the pandemic. Responding to Ms. Robinson, Ms. Marsh noted efforts to promote Bellevue for holiday shopping and other activities.

Mayor Robinson noted the annual Bellevue Rotary Club fun run and suggested adding a triathlon event to attract visitors. She thanked staff for the update.

11. Land Use: None.

12. Other Ordinances, Resolutions, and Motions

- (a) Ordinance No. 6543 providing for the issuance and sale of one or more series of limited tax general obligation refunding bonds of the City in the aggregate principal amount of not to exceed \$65,000,000 to defease or refund certain limited tax general obligation bonds of the City and the Bellevue Convention Center Authority, including paying costs of issuance; authorizing the plan of defeasance and refunding; pledging lodging taxes to pay and secure the payment of debt service on bonds issued for Meydenbauer Center purposes; approving substantially final forms of amendments to the lease purchase agreement and the design, development, construction, financing and operating agreement with the Bellevue Convention Center Authority; and delegating the authority to approve the method of sale for and final terms of the bonds and agreements.

City Manager Miyake said Ordinance No. 6543 will authorize the Director of Finance and Asset Management to issue up to \$65 million in principal debt for two purposes: 1) to payoff, through the use of an escrow agreement, the 1994 Bellevue Convention Center Authority (BCCA) bonds and to issue new bonds, and 2) to refund the 2010 bonds to reduce the interest rate. In addition, the ordinance approves amendments to the existing agreements between the City and the BCCA to conform their terms to the proposed defeasance and refunding plan.

Toni Call, Director of Finance and Asset Management, said the proposed bond ordinance will payoff the 1994 BCCA bonds and issue new bonds. The new bonds have a 10-year term and are structured to remain within the revised transient occupancy tax (TOT, or hotel/motel tax) projections. The bonds issued for Meydenbauer Center's purposes will continue to be secured by the pledge of TOT revenues and the full faith and credit of the City.

Ms. Call described the proposal to refinance or refund the 2010 bonds for a 17-percent savings in interest payments. She noted that the ordinance delegates authority to the Finance and Asset Management Director for a limited time, not to exceed June 30, 2021 within the following parameters: 1) to approve bonds not to exceed \$65 million, 2) to ensure the 2010 refundings yield a minimum of three percent net present value, 3) to establish an escrow, defease and to issue new bonds for the 1994 BCCA Bonds, and 4) to sign a Bond Purchase Contract.

Councilmember Zahn, liaison to the BCCA Board, thanked Ms. Call and staff for identifying the cost savings. Ms. Zahn thanked Meydenbauer Center staff for their efforts throughout the pandemic, including bringing in revenue from the King County court system for the use of space in the convention center. Ms. Zahn expressed support for the ordinance and said she appreciated the collaboration of all parties.

Councilmember Robertson concurred with Councilmember Zahn's comments. Ms. Robertson thanked Ms. Call and staff for their work and expressed support for the ordinance.

Councilmember Barksdale thanked staff and expressed his support as well.

Deputy Mayor Nieuwenhuis noted his support for the ordinance and thanked staff for identifying the opportunity for cost savings.

Councilmember Stokes concurred with his colleagues and said he appreciated everyone's comments.

Councilmember Lee thanked Ms. Call and staff for their work and expressed support for the ordinance. Responding to Mr. Lee, Ms. Call said the debt is structured to stay within the TOT revenue forecast.

Mayor Robinson said she is always amazed at how well Meydenbauer Center performs when compared to similar facilities. She thanked staff for their work and the resulting cost savings.

→ Deputy Mayor Nieuwenhuis moved to adopt Ordinance No. 6543, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

13. Unfinished Business: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 8:28 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw