

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

June 10, 2013
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson and Councilmembers Balducci¹,
Chelminiak, Stokes, and Wallace²

ABSENT: Councilmember Davidson

1. Executive Session

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

2. Oral Communications

- (a) Stephanie Walter spoke on behalf of a group of approximately 20 neighbors from the Spiritwood neighborhood. She expressed concern about houses being remodeled to add bedrooms which are used essentially as boarding houses. One job site has received a stop work order due to the lack of a permit. Residents are asking that the building permits not be approved because the house is not in compliance with single-family low density zoning. Ms. Walter noted a second address which has an ad on Craigslist offering rooms for rent. She said renting rooms is illegal in single-family neighborhoods. She mentioned additional properties owned by the same individual. She expressed concern that the individual is ignoring building codes and illegally renting out rooms. Ms. Walter submitted her comments in writing.
- (b) David Pater said he lives across the street from one of the new boarding houses, which has been converted from a three-bedroom single-family residence to what he understands is eight bedrooms involving a converted garage and living room. He has been watching the construction work for some time and is happy to see the stop work order due to the failure to obtain permits. Mr. Pater is concerned that this activity is damaging to neighborhood character and property values.

¹ Councilmember Balducci arrived at 6:35 p.m.

² Councilmember Wallace left the meeting at approximately 7:30 p.m.

Acting City Manager Brad Miyake acknowledged that staff is addressing the complaints. Staff is working to establish the ownership of the homes and will be getting back to the neighbors. He said the City Council wants to hear back as well.

- (c) Alex Zimmerman, representing StandUP-America, said the City of Bellevue has prosecuted him twice, once for a class action lawsuit and more recently in a criminal investigation and trial which he estimates cost approximately \$100,000. He said the detective on the case died during the jury trial and Mr. Zimmerman would like an investigation into the death. As a second topic, he expressed his ongoing opposition to red light cameras. He said the City of Redmond stopped using red light cameras one year ago.

3. Study Session

(a) Council Business and New Initiatives

Councilmember Wallace said the Council received an email over the weekend about graffiti on the railroad trestle. He is also concerned about graffiti on the I-90 overpass. Now that the rail corridor is owned by King County, Mr. Wallace said he would like the City to make a formal request to the County to remove the graffiti.

Mr. Miyake said he will be working with King County to address the issue on the BNSF rail corridor.

Deputy Mayor Robertson said the Council has been receiving a number of emails from Bellefield residents regarding the design for access into the Surrey Downs neighborhood at SE 15th Street. The Council also received an emailed letter from the Surrey Downs East Link Committee over the weekend opposing access at SE 15th Street. The Surrey Downs Community Club opposes the access as well. Ms. Robertson said she would like to add to a future agenda taking action on a letter to Sound Transit asking the agency to discontinue design of the SE 15th Street access. This would save project costs as well.

Councilmember Chelminiak suggested that staff draft a letter consistent with Ms. Robertson's comments for Council review.

Councilmember Stokes concurred. He said at least one email requested a left turn lane out of Bellefield Residential Park. Ms. Robertson said there are two access points to Bellefield, and a left turn is allowed at the south access.

Mayor Lee wondered if the money to be saved could be used for something else. Councilmember Chelminiak said it will reduce the City's contingency obligation under the East Link MOU (Memorandum of Understanding).

Responding to Deputy Mayor Robertson, Mr. Miyake confirmed that staff will prepare a letter.

Moving on, Deputy Mayor Robertson said the Council has been talking for some time about updating the rules for oral communications. She noted information in the desk packet regarding options for amending the rules. She favors Tacoma's standard of courtesy because Bellevue has had two speakers nearly every meeting for more than a year who sometimes do not display courtesy and decorum. She asked that this topic be added to a future agenda for discussion and action. She likes Shoreline's guidelines for oral communications.

Councilmember Chelminiak said he supports adding the topic for discussion.

Mr. Miyake said he will work with the City Clerk to add the item to a future agenda.

Ms. Robertson noted that the recruiting process is open for the Light Rail Citizen Advisory Committee.

Mayor Lee encouraged citizens new to the planning process to apply for the committee.

- (b) Resolution No. 8596 authorizing execution of the First Amendment to the Umbrella Memorandum of Understanding with Sound Transit and of the First Amendment to the Transit Way Agreement, reflecting modifications to the East Link project alignment resulting from the City of Bellevue and Sound Transit collaborative cost savings efforts.

Acting City Manager Brad Miyake referred to page 3-1 of the meeting packet and noted that this item carried over from the previous week.

Kate Berens, Deputy City Attorney, recalled that at that meeting staff proposed approval of Resolution No. 8596. At that time, the Council requested two changes. Ms. Berens said the change was made to indicate that six stations are planned for Bellevue (instead of "5 or" 6). In addition, Exhibit B to the Transit Way Agreement was revised to remove confusion about entrances to the Downtown tunnel station. Sound Transit agrees with both revisions.

Councilmember Stokes spoke in favor of the resolution.

→ Deputy Mayor Robertson moved to approve Resolution No. 8596, and Councilmember Stokes seconded the motion.

Councilmember Wallace said he is prepared to support the resolution. However, with the amendment of the MOU, he would like to highlight that bids for the North Link project tunnel work came in 26 percent lower than estimated for the base construction costs. He hopes that bodes well and that the East Link tunnel project could potentially save millions of dollars. If that happens, it changes the financial underpinnings of the MOU. If overall project costs are lower, Mr. Wallace said it would be appropriate to revisit the MOU. He reminded everyone that light rail is Sound Transit's project, and Bellevue has other demands for its resources.

Mayor Lee agreed that the MOU can be amended if relevant variables change.

[Councilmember Balducci arrived at 6:35 p.m.]

Deputy Mayor Robertson said that is good news about the lower costs for the North Link tunnel. Responding to Ms. Robertson, Ms. Berens confirmed that the City is hiring a cost estimator consultant to review Sound Transit's project baseline budget. Ms. Robertson said she hopes to see reduced costs for East Link as well.

Councilmember Stokes observed that the MOU was created within a given context. If costs change, he would expect that Sound Transit and the City will share in any cost savings.

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

(c) 2014 Major Update of the Bellevue Comprehensive Plan

Mr. Miyake introduced continued presentation and discussion from May 13 regarding the 2014 major update to the Comprehensive Plan.

Dan Stroh, Planning Director, said staff is seeking Council direction regarding the proposed Council principles, work program, and community engagement plan for the update.

Paul Inghram, Comprehensive Planning Manager, recalled that the May 13 presentation addressed the elements of the Comprehensive Plan, demographic and geographic changes, and the overall policy framework in which the Comprehensive Plan is required by the Growth Management Act.

Mr. Inghram reviewed the proposed project principles, provided on pages 3-37 and 3-38 of the meeting packet.

Mr. Inghram described community engagement activities including public meetings, Board and Commission discussions, the Spring Forward Expo, Best Ideas campaign, and direct stakeholder and neighborhood discussions. The meeting packet contains the draft community engagement plan beginning on page 3-39.

Councilmember Stokes expressed support for the plan and encouraged strong involvement by the Boards and Commissions. He encouraged meetings with representatives of multiple Boards and Commissions, recognizing that it becomes difficult, however, when larger groups are providing input.

Mr. Inghram said staff has provided a joint briefing on the update process to the Boards and Commissions.

Mr. Inghram referenced the draft work program beginning on page 3-43 of the meeting packet and the Community Vision statement on page 3-53, the latter of which is essentially the starting point and framework for the overall Comprehensive Plan update. He highlighted elements of the

process for updating the Community Vision including extending it to 2035, continuing to solicit Best Ideas online, public meetings, and a community workshop to assess the current vision and recommend changes.

Mayor Lee said the Council sets the vision and would like to be involved in the updating process. He observed that the Comprehensive Plan addresses the physical environment but misses the human piece of the vision. He encouraged a strategy for implementing both physical and human aspects in the vision.

Councilmember Stokes said he likes how the new Community Vision update has been framed by staff to include Bellevue's role as the Eastside's transportation hub and center for arts and culture, a safe and secure community, and a leader in regional challenges. He would like to see more details on how the City plans to implement certain items in the vision; for example, meeting the housing needs of all citizens.

Councilmember Chelminiak observed that the vision includes aspirational elements, infrastructure elements, and other community building elements. He suggested adding a reference to the educational role of the City. He would like the vision to reflect the goal of continuing to develop a great Downtown that is distinct from other areas of the community, while also fostering other density nodes for people and commerce.

Deputy Mayor Robertson concurred with Councilmember Chelminiak's comments about developing and facilitating different distinct areas. She said the Council has been talking about third places, which is not reflected in this vision. Education also is not reflected. She likes the idea of updating the Community Vision statement as part of the Comprehensive Plan update. She suggested adding a heading and paragraph for the Community Vision Update within the work program [Page 3-43 of packet].

Councilmember Wallace observed that two topics are missing from the Comprehensive Plan. The first is technology (e.g., data connectivity, reliable electrical power) and the second is education. He said the City needs to be mindful about how municipal policies will affect schools and the school district into the future, including opportunities for higher education.

Mayor Lee said technology is a strength of the community. What type of working and living spaces will be needed to support technology workers?

[Councilmember Wallace left the meeting at approximately 7:30 p.m.]

Councilmember Balducci observed that, of the 14 statements within the vision, people remember "City in a Park" the most. She suggested trying to come up with something similarly succinct to capture the overall essence of the vision. She encouraged making the vision statement more people centered, as Mayor Lee suggested, and articulating the types of experiences to be provided within the community, including the opportunity for aging in place. Ms. Balducci suggested that the vision address the City's rich history as well.

Mr. Inghram thanked Councilmembers for their input and moved on to highlight key topics within the draft work program including economic development, environmental stewardship, community health, mobility, culture and diversity, neighborhood centers and community gathering places (i.e., third places), partnerships, and collaboration. He noted a longer list of work program topics beginning on page 3-47.

Referring back to the community vision, Councilmember Stokes suggested focusing on perhaps five statements or items.

Councilmember Chelminiak said there are new neighborhood issues he would like to see in the work program including medical marijuana, boarding houses, vacation rentals, and the leasing of driveway space. With regard to community gathering spaces, Mr. Chelminiak suggested expanding public gathering spaces beyond commercial development. He commented on Newport Hills and said he believes there are opportunities for redevelopment within the community that could create gathering spaces.

Continuing, Mr. Inghram described an individual CPA docket request to consider expanding the allowed uses in the BR-R zone. Staff recommends reviewing these as part of the five-year Bel-Red review in 2014.

Mr. Inghram described an individual docket request on the east end of Bel-Red corridor, at the 156th Avenue NE triangle area. There is a request to move this triangle back into the Crossroads Subarea. He noted that a development is underway on one parcel. He said the City could review the boundaries during this Comprehensive Plan update or during the Bel-Red five-year review in 2014.

Deputy Mayor Robertson suggested addressing the triangle site now as part of the Comprehensive Plan update. She supports moving the triangle back to the Crossroads Subarea if the current zoning is retained. She wants the development already underway to be able to continue moving forward.

Councilmember Chelminiak observed that there should be a holistic review of the Bel-Red subarea rather than focusing only on the triangle area. He has heard some interest from the community, and he acknowledged that it will likely require extensive staff time to properly address certain issues.

Mr. Inghram explained that the area immediately north of the triangle area is Redmond's Overlake Village, which will include a light rail station and allow buildings of 8 to 12 stories, depending on the parcel.

Responding to Mr. Chelminiak, Mr. Inghram said there is a 70-foot building height limit on the Bel-Red Road side of the triangle site and a 45-foot height limit along 156th Avenue.

Ms. Robertson agreed with taking an overall review of the Bel-Red Plan. She clarified she was not recommending looking only at the triangle site.

Ms. Robertson said it currently does not make financial sense for many developers to want to redevelop in Bel-Red corridor. She said the incentives are viewed as too expensive, and she would like the City to do what it can to facilitate and encourage redevelopment.

Mayor Lee concurred with the suggestion to explore ways to help make redevelopment feasible. He noted the need for a clear Council vision and strategy for the future of the area.

Councilmember Stokes agreed with the urgency to address Bel-Red redevelopment.

Responding to Mr. Stokes, Ms. Robertson said she does not believe the Bel-Red review can be on a faster track than the Comprehensive Plan update. She clarified that she is suggesting addressing the two work programs together.

Councilmember Balducci said it is important to look at the Bel-Red plan carefully and objectively, and to evaluate what has and has not worked and the impacts of the recession. She recalled that the Bel-Red planning effort involved an initial economic feasibility analysis. She questioned whether that analysis could be updated for the next review. She said it is important to balance public versus private benefits in the area.

Continuing, Ms. Balducci addressed the triangle at 156th Avenue NE. She said there is a great deal of community interest in this site. There has been discussion about whether it should be more like the Overlake Village density to the north, Crossroads development to the south, or as a transition between the two areas. Ms. Balducci said some residents have the opinion that a change in Sound Transit's light rail plans influenced the close decision about the appropriate zoning. She believes the issue needs to be addressed.

Continuing, Mr. Inghram described an individual docket request regarding four parcels along and split by the Downtown boundary.

Ms. Robertson spoke in favor of adjusting the boundary, and Mr. Stokes concurred.

Mr. Stroh recapped his understanding that the Council wants to include a review of the Bel-Red area along with the Comprehensive Plan update. He said the scope and resource implications of the Bel-Red work will be a separate discussion at a later date. He said it would be helpful to have Council motions on the other items.

→ Councilmember Balducci moved to include a review of the parcels in the 156th Avenue NE triangle area and the request to move them to the Crossroads Subarea as part of the Comprehensive Plan update work. Deputy Mayor Robertson seconded the motion.

→ The motion carried by a vote of 5-0.

→ Deputy Mayor Robertson moved to include the individual docket request regarding the Downtown split parcels in the Comprehensive Plan update. Councilmember Stokes seconded the motion.

Councilmember Balducci wants to ensure that this review is done openly and transparently with residents and property owners.

Mayor Lee agrees with opening discussion about the parcels.

→ The motion carried by a vote of 5-0.

Continuing, Mr. Inghram described an individual docket request to change the Factoria PO (Professional Office) zoning designation to O (Office) or to a different/new zone that would broaden opportunities for redevelopment of the parcels on Factoria Boulevard near Newport High School. The parcels are somewhat unique in having commercial zoning surrounded by single-family zoning, including the high school site.

Deputy Mayor Robertson said she supports looking at these and similar “stranded” lots throughout Bellevue. She suggested not necessarily changing the zoning but considering a change in the Comprehensive Plan that would allow greater flexibility in redevelopment, given that these lots are not adjacent to single-family development.

Councilmember Chelminiak spoke in favor of exploring ways to be flexible within the PO zone that will enable redevelopment and potentially an agreement between the three property owners on how to redevelop. He would like to look at broader the Factoria area as well.

Councilmember Balducci said it might be helpful for staff to draft some alternatives for the Council’s consideration. She observed that adjacent development is not residential, and the parcel is not in a transition area to actual residential development. She is in favor of staff coming back with ideas for how to address the Lorge, Benis, and Sherwood properties.

Councilmember Stokes expressed support for addressing this situation as well in order to provide some flexibility for redevelopment.

Deputy Mayor Robertson observed that at least four Councilmembers are in favor of addressing the parcels. However, there is not unanimity about how to do so.

Responding to Ms. Robertson, Mr. Inghram said potential strategies are a broader look at the Factoria area or an individual Land Use Code adjustment.

Mayor Lee said the Council is interested in hearing options and staff’s recommendations. He is open to a broader Factoria area review as well.

Moving on, Mr. Inghram said staff is not planning to undertake general Subarea Plan updates as part of this Comprehensive Plan update. Staff recommends adopting a new updating sequence

for Subarea Plan updates beginning in 2015, from one of the following options: 1) Update as needed, 2) Update in groups, 3) Update only when needed, or 4) Regular, systematic updates.

Mr. Inghram described a map of the current Subarea Plan boundaries and proposed new Subarea Plan boundaries. He said staff is requesting Council direction about whether to realign subarea boundaries as individual plans are updated or to retain existing subarea boundaries.

Ms. Robertson expressed support for updating Subarea Plans as needed and adjusting subarea boundaries to be more consistent with how the public views the boundaries. She noted that, in the proposed new boundaries, the Eastgate Subarea extends into what she considers part of the Factoria area north of I-90.

Councilmember Stokes observed that he and other Woodridge residents would actually consider that part of the Woodridge Subarea.

Councilmember Balducci suggested there needs to be some process for community input on the proposed subarea boundaries. She supports conducting Subarea plan updates as needed and suggested an initial screening and public involvement process to determine the prioritization of those updates. She believes an update to the Eastgate Subarea would be appropriate given the newly annexed neighborhoods in that area. She suggested that conducting the Subarea plan updates in groups would be an effective approach as well.

Councilmember Stokes concurred with the proposed approach.

Mr. Inghram and Mr. Salomone requested input on the overall Comprehensive Plan update project principles and community engagement plan.

Deputy Mayor Robertson expressed support for the proposed principles and community engagement plan.

Councilmember Stokes reiterated that he would like a more concise vision statement.

Mr. Salomone confirmed that staff believes the Council has provided adequate direction to revise the recommended format and wording.

Mayor Lee suggested that the vision reflect a more strategic approach.

At 8:21 p.m., Mayor Lee declared a short break. The meeting resumed at 8:33 p.m.

(d) Update on Bellevue's Auto Retail Sector

Mr. Miyake opened discussion regarding retail auto sales, which are a significant component of Bellevue's sales tax base.

Mr. Salomone said that some auto dealerships face displacement due to public infrastructure projects or market factors.

Emil King, Strategic Planning Manager, described a map showing the 19 auto dealerships within Bellevue in the following areas: Northup Way/NE 20th Street, NE 8th Street/120th Avenue and Lexus at 116th Avenue SE and Main Street, historical Auto Row along 116th Avenue NE, Downtown, and I-90/Eastgate. He noted significant moves in recent years: Cadillac and Lexus dealerships out of the Downtown, Toyota/Scion relocating to the Eastgate area, the new Audi dealership developing on 120th Avenue NE, and the general decline of historic Auto Row.

Mr. King said auto sales are permitted in a number of zones including GC (General Commercial), BR-GC (Bel-Red General Commercial), OLB (Office and Limited Business), as an Administrative Conditional Use in LI (Light Industrial) and the BR-CR (Commercial-Residential) zones, and as a Conditional Use in the CB (Community Business) zone and the Factoria 1 zone.

Mr. King highlighted existing dealerships and storage facilities. He noted that, in 2012, new car sales contributed more than \$6.4 million in Bellevue sales tax revenue. Used car sales contributed an additional \$200,000. Together these represent 14 percent of the City's total sales tax from all sources.

Mr. Stroh said the \$6.4 million includes parts as well as new and used car sales from businesses selling both. The \$200,000 represents used car dealerships only.

Continuing, Mr. King described auto dealerships in danger of displacement. The Barrier Porsche property will be acquired/relocated for the City's 120th Avenue NE project, and the Cadillac dealership on 116th Avenue NE will be relocated for the NE 6th Street extension project. The Park Place dealership on NE 20th Street will be acquired by Sound Transit for the light rail project. The Acura of Bellevue on NE 20th Street will potentially be acquired for the light rail operations and maintenance facility.

Mr. King said there are currently vacant sites on Auto Row and redevelopment concepts have been contemplated. He recalled Council action on April 15, 2013 to extend auto retail sales to a parcel within the Eastgate area. At that time, the Council suggested a citywide analysis of auto retail sales.

Mr. King said the City hired Jones Lang LaSalle to conduct an Auto Opportunity Study (Part 1). He described changes in the form of auto dealerships, for example, to be appropriately sited in urban environments. He displayed a photo of Michael's Toyota/Scion in the Eastgate area, which has invested in a parking garage to maintain approximately 1,000 cars on site.

Mr. King commented on the results of interviews conducted as part of the study. An overwhelming number of buyers want to purchase on site instead of waiting for a particular color or specific vehicle. An increasing number of customers are conducting online research before

visiting dealerships. Most dealerships would like to remain in Bellevue, and they tend to locate next to other dealerships selling cars in similar price ranges.

Mr. King described potential urban auto dealer models. He said there were mixed responses about dealerships sharing infrastructure (i.e., storage/garage) but there was not a lot of interest. Dealerships highlighted the need for increased commercial zoning, and many expressed an interest in sites not currently zoned for auto sales use. They identified this as the biggest obstacle in working with the City.

Responding to Ms. Robertson, Mr. King said dealerships have expressed an interest in additional sites along Eastgate Way and in the Bel-Red corridor.

Mr. King said the auto dealership study recognizes that auto retail sales are a key part of economic development strategy. Next steps include continuing to work with auto dealers and to explore the suitability of the existing supply of land zoned for auto sales.

Deputy Mayor Robertson expressed support for continued study and that it include the impacts of used car sales. She wants to be sure that auto dealerships are not pushed out of the community and that those affected by the light rail project can be relocated within Bellevue.

Councilmember Balducci thanked staff for the work. She noted that the recent request to rezone property in the Eastgate area highlighted the importance of planning ahead for future opportunities.

Responding to Councilmember Chelminiak, Mr. Salomone commented on the urban models. Mr. Salomone observed that the ability for dealerships to identify three to five acres is no longer realistic. He suggested an urban model integrating an auto dealership, or potentially only a showroom, into a mixed use project. He commented on the impact of the light rail project and noted that two of the alternative sites for the operations and maintenance facility fall on options for placing retail auto dealerships. Staff believes the City needs to adapt to an urban model and to consider new zoning opportunities.

Responding to Mr. Chelminiak, Mr. Salomone confirmed that land cost is another factor that limits the size of an auto dealership in Bellevue.

Responding to Councilmember Stokes, Mr. Salomone said it is important to retain current auto dealers while also facilitating redevelopment and the development of new auto sales locations and other retail uses.

Mr. Stokes noted that an additional value of having local dealerships is convenience for residents. He suggested asking the community to comment on the benefits and/or disadvantages they see with auto dealerships in the community.

Mayor Lee expressed support for retaining current and encouraging new auto dealerships. He looks forward to continued study and discussion.

At 9:07 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw