

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

March 4, 2013  
8:00 p.m.

Council Chamber  
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

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

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers were present. Councilmember Balducci led the flag salute.

(a) Cultural Conversations Group Fundraiser for Hopelink Food Bank

Barb Tuininga, Program Coordinator, described the creation of the Cultural Conversations group for women in the community who were interested in exploring cultural differences and supporting each other. The number of participants at each meeting ranges from 40 to 75 women, and the list of regular participants has grown to approximately 150 women.

Ms. Tuininga described how a smaller group of women within the program decided to initiate a cookbook project to share recipes and stories. She introduced the committee who created the cookbook, *The World in My Kitchen*, and noted that copies have been provided to Councilmembers. Ms. Tuininga introduced Lisa Merrill, the photographer for the cookbook project.

Ms. Merrill said she has been a Bellevue resident for 24 years and works as travel photographer. She joined the Cultural Conversations group approximately two years ago, which has broadened her perspective on the diversity in the community and led to new friendships. They have sold 250 cookbooks to date. She thanked the City for its support in the form of staff assistance and copying. Ms. Merrill said half of the proceeds will help to support the group's activities, including guest speakers, and the other half earned so far (\$1,300) will be given to the Hopelink food bank.

3. Communications: Written and Oral

Mayor Lee recalled that, at the last meeting, he commented on the rules and protocol for speaking to the City Council. His intent to enforce the rules has been interpreted by some citizens to mean that the Council is discouraging free speech. He said that certainly is not the case. Mayor Lee encouraged citizens to speak and to present their ideas and opinions to the Council.

- (a) Jim Pratt, President of the Bellevue Youth Theatre Foundation, introduced Lisa Goodman, Vice President and Kevin Hagen, Treasurer. Mr. Hagen reported that the Foundation presented a check in the amount of \$310,000 to the Parks Department the previous week toward the new Bellevue Youth Theatre facility at Crossroads Park. The Foundation anticipates another \$335,000 over the next six months, and \$200,000 more is identified. He thanked the City Council, Parks Department staff, and the community for their support.
- (b) Lisa Goodman described Bellevue Youth Theatre Foundation's fundraising activities. She thanked the business community for sponsoring fundraisers and for providing grants, and she thanked the Council for helping to ensure the success of Bellevue Youth Theatre.

Mayor Lee thanked the guests for their update.

- (c) Joanne White and Molly van der Burch, Co-Presidents of the Bellevue Botanical Garden Society, spoke to Agenda Item 8(i) regarding the construction contract for the Garden's visitor center and site improvements. The Society has contributed \$2.5 million to the project and has achieved \$1.5 million in pledges as a multi-year commitment of funds going forward. The Garden will remain open during construction. The representatives asked the Council to approve the contract and thanked the City for its support.
- (d) Carolyn Maxim, a Wilburton resident, addressed Agenda Item 8(n), which will provide funding to advance design on the 124<sup>th</sup> Avenue NE improvements project between NE 14<sup>th</sup> Street and Northup Way. She expressed concern about traffic impacts into the Wilburton neighborhood, especially with NE 4<sup>th</sup> Street extending east to 120<sup>th</sup> Avenue NE. She requested acknowledgement of the traffic impacts and requested a City process to work with the neighborhood.
- (e) Sam Bellomio, StandUP-America, recalled their ongoing communications about red light cameras. He received information from the City which indicated no change in the number of accidents with red light cameras. He expressed concern about the proposal to toll I-90. He echoed the previous speaker's request that the Council respond to citizens' concerns. He asked Bellevue to work with Mercer Island to oppose I-90 tolling.
- (f) Alex Zimmerman, StandUP-America, expressed opposition to red light cameras, which he believes is the wrong way to collect money from citizens. He accused Councilmembers of being criminals. He expressed opposition to tolling on any highways, noting that they are a burden on taxpayers, especially elderly and low income individuals.

- (g) Will Knedlik, on behalf of Eastside Rail Now, updated the Council on the removal of Burlington Northern railroad tracks in Kirkland. He encouraged Bellevue to become involved in the issue. He said it does not make sense to remove tracks when they are needed to remove construction debris and waste. Mr. Knedlik said that Sound Transit has added to its Phase 3 package the consideration of commuter rail, which is another reason to retain the rail tracks. He said the City of Kirkland is not complying with laws about considering the public benefit but is basing its actions on what it considers to be abandonment of the rail tracks.
  - (h) Joe Rosmann, Building a Better Bellevue, reminded the Council and the public that their organization represents a broad range of individuals and businesses from across the community. He thanked the Council for its work leading up to its decision last week on the Light Rail Overlay (LRO) Land Use Code Amendment (LUCA). He said important progress has been made to protect the community and private property. Mr. Rosmann said a number of concerns remain, however, including when a permit request can be filed, environmental standards, and the issue of discretion in how the City Manager and staff will oversee activities.
  - (i) Jeff Borgida, Republic Services, announced that the company achieved a 95 percent or higher customer satisfaction rating from Bellevue customers for the fifth year in a row. Jennifer Pritchard addressed environmental stewardship and Bellevue's achievements in recycling. Mr. Borgida noted Republic's practice of transferring glass to a plant in Seattle to be recycled into wine bottles. Ms. Pritchard thanked the City for its partnership.
4. Reports of Community Council, Boards and Commissions: None.
5. Report of the City Manager
- (a) Implementation of the 2013-2019 Capital Investment Program (CIP) financing plan by providing for the issuance of limited tax general obligation Councilmanic bonds to finance, reimburse, or refinance a portion of the cost of the City's CIP, and discussion with Council concerning mix of short-term debt.  
*[Study Session Agenda Item 2(c)]*

City Manager Steve Sarkozy said staff will first address a carryover item from the Study Session agenda regarding bond financing. He recalled that the 2013-2019 Capital Investment Program (CIP) Plan anticipated the use of long-term borrowing and a short-term line of credit. However, staff is now recommending the use of long-term borrowing only. He noted that Bellevue is one of the few cities in the state and country with such a strong credit rating and a continued Aaa bond rating from Moody's.

Finance Director Jan Hawn reported that the most favorable strategy at this time is a single, large, long-term bond package. Market conditions and interest rates are favorable, and the City will save approximately \$150,000 by issuing one bond instead of two.

Ms. Hawn said the short-term line of credit borrowing previously anticipated is not available for a seven-year term to coincide with the length of the CIP Plan.

Ms. Hawn said staff recommends the issue of approximately \$80 million to fund projects early in the CIP Plan, which is front-loaded to take advantage of lower costs. The City will remain well below its debt capacity and within the Council's conservative threshold for debt. She noted that the economy is favorable for completing projects at lower costs.

Ms. Hawn requested authorization to adjust the bond amount as needed to net \$80 million for capital projects. The related ordinance will be presented to Council for consideration on April 1, and staff anticipates closing by the end of April.

Responding to Councilmember Davidson, Ms. Hawn said the bonds could be paid off at 10 years without a penalty. He expressed concern about burdening future CIP Plans with paying off this debt. Ms. Hawn said the bonds could level the debt service over a 20-year period or the City could repay them earlier. Dr. Davidson said he would like to take a look at a 10-year repayment schedule.

Mr. Sarkozy said a single issuance is less costly to the overall CIP Plan. He recalled past discussions about allocating new revenues toward debt service instead of toward CIP projects.

Responding to Mayor Lee, Dr. Davidson said he is not suggesting that the Council condition the debt on 10-year repayment.

Councilmember Balducci concurred that it would be helpful to see a comparison of possible repayment schedules.

Responding to Ms. Balducci, Ms. Hawn said the \$7 million related to local revitalization financing is part of the \$80 million. The State has given the City \$500,000 annually to fund the debt service payments on that portion of the bond issue. Repayment of that portion would extend over 25 years because the State has committed to that payment over the full 25 years.

Stacy Lewis, bond counsel for the City, said the local revitalization financing statute permits local governments to pledge the state sales tax credit revenue stream to outstanding debt. The City is able to do so in its bond ordinance because the state legislature has authorized the pledge of this revenue stream. Once the bonds are sold to investors, the creation of a third-party contract cannot be impaired by future legislative action.

Responding to Councilmember Wallace, Ms. Hawn confirmed that the debt is related to capital projects and not to the operating budget. Mr. Wallace stated his understanding of the bond proposal, which is to use long-term debt to cover the costs of long-term projects. He noted the favorable current interest rate of 2.7 percent on the bonds, the inflation rate in 2011 of 3 percent, and the 2012 inflation rate of 2 percent. He said this is a favorable opportunity to take advantage of the lowest interest rates in history to complete needed capital projects.

Councilmember Stokes concurred with Mr. Wallace's analysis and comments.

Councilmember Chelminiak concurred with Dr. Davidson's request for more information on debt repayment. One issue to keep in mind is that the bond is spending the future's dollars. He said the Council needs to continue to recapitalize the City. He said it is bothersome that the CIP Plan was built based on the concept of using a short-term line of credit and now that is not available.

Deputy Mayor Robertson concurred with Councilmember Wallace's comments. She said the reason to do this now is to fulfill obligations related to Sound Transit's light rail Downtown Tunnel and to major road projects. She expressed support for the bond proposal.

Mayor Lee expressed support for the proposal. However, he noted that questions raised by Councilmembers Chelminiak and Davidson should be addressed.

Councilmember Davidson clarified that he is agreeable to moving forward with the option of a potential earlier debt repayment.

Responding to Mayor Lee about short-term lines of credit, Lindsay Sovde, Seattle Northwest Securities, explained that banks are tightening their credit guidelines. Lines of credit that were formerly available for three to five years are now only available for two years, and the terms are less favorable. With the current low interest rates, it makes sense to lock in a low rate for the long term. Ms. Sovde cautioned that rates are not locked until the City sells the bonds.

Councilmember Stokes expressed support for moving forward. Responding to Mr. Stokes, Ms. Hawn reiterated that staff is requesting that the ordinance provide the flexibility for staff to adjust the timing if needed to achieve the best interest rate and terms possible on the bond package.

Mayor Lee noted a general consensus to proceed.

Councilmember Wallace said he asked earlier in the day for an apples-to-apples comparison of this scenario versus what was in the budget to show the seven-year horizon and what it looks like (i.e., what money comes in and what the payments look like).

Mayor Lee reiterated the request for cash flow information.

(b) NPDES Municipal Stormwater Permit Annual Report

Nav Otal, Utilities Director, said the National Pollutant Discharge Elimination System (NPDES) permit requires cities to provide an annual compliance report by March 31. Cities must also submit a stormwater management plan for the upcoming year. The Environmental Services Commission has held three meetings to review the annual report and a public hearing on January 10 to gather input from the public. The Commission's recommendation is included in the meeting packet. Council action on a resolution authorizing the City Manager to sign and certify the NPDES annual report is scheduled for the March 18 Consent Calendar. Ms. Otal said that Bellevue is in full compliance with the permit.

Responding to Councilmember Davidson, Ms. Otal confirmed that the City is working off the previous permit for this report. Bellevue and other cities are appealing the most recent permit.

Councilmember Stokes, liaison to the Environmental Services Commission, commended the Commission's review and discussions. He thanked Commission members for their work.

Moving on, Mr. Sarkozy noted a request from the Council for additional information on Agenda Item 8(i) regarding the Bellevue Botanical Garden construction contract and on Agenda Item 8(k) regarding the contract for the Bellevue Youth Theatre.

Patrick Foran, Parks and Community Services Director, recalled that the Bellevue Botanical Garden began as a property donation by Cal and Harriet Shorts and opened in 1992. Mr. Foran said the garden has grown from 11 acres to 34 acres and has an annual attendance of 300,000. He described educational activities and resources provided by the Garden. He noted that the Bellevue Botanical Garden Society and six other garden groups provide ongoing capital and operations support.

Mr. Foran described the Garden's project to add a new visitor center, education wing, and more parking; relocate the Sharp cabin; add new gardens and walkways; and to restore the Shorts House. He reviewed the project budget, proposed construction contract, and non-construction expenses, for a total cost of \$10 million.

Councilmember Balducci said she is enthusiastic to see these projects moving forward.

Dr. Davidson commended the vision and creativity of the community in developing the garden since 1992.

Councilmember Chelminiak recalled that he was on the Parks and Community Services Board when the Garden was proposed. He said it is wonderful to see people have the passions they do to support this type of project and facility. He expressed support for the important contributions of the Bellevue Youth Theatre program as well. He sees both programs as having a role in economic development as well.

Councilmember Stokes expressed support for the Botanical Garden and Youth Theatre. He thanked the respective Society and Foundation representatives and volunteers for their work and support of these programs. He encouraged citizens to visit the new Ravine Garden and Suspension Bridge at the Botanical Garden.

Mayor Lee said he looks forward to continued success with these programs.

Mr. Foran described the Bellevue Youth Theatre project at Crossroads Community Park. He described the proposed design of the new theatre which will be built into the hill to reduce the impact on green space. The BYT program was created in 1990 to meet a need within the community for youth and family activities, including for learning/developmentally disabled individuals.

Mr. Foran noted that other theatre groups currently using the Ivanhoe facility will also be able to use the new BYT facility. He said the theatre program receives ongoing financial and volunteer support from the Bellevue Youth Theatre Foundation, the community, and grants.

Mr. Foran reviewed the BYT project budget and construction costs, noting a total cost of \$9.65 million. He said that utilities replacement and other smaller projects, including a Neighborhood Enhancement Program (NEP) project, are being coordinated with the larger project's construction to achieve efficiencies.

#### 6. Council Business and New Initiatives

Councilmember Balducci announced that a large knitting organization event will be held at Meydenbauer Center in April.

Ms. Balducci attended a meeting of the Sound Transit Board, which included an update on the East Link project and a discussion to begin accelerated planning for the Sound Transit 3 (ST3) package. She reported that she, Mayor Lee, and Councilmember Stokes attended Bellevue's Neighborhood Leaders meeting which provided the opportunity to meet the City's new Neighborhood Outreach Manager, Mike McCormick Huentelman.

Councilmember Stokes reported that he, Mayor Lee, and Councilmember Davidson attended Bellevue Youth Link's annual gumbo night. Mr. Stokes said he met with Police Chief Pillo and others regarding the human trafficking issue. Mr. Stokes attended the Sound Cities Association meeting in late February.

Councilmember Wallace said there were a number of arrests earlier in the day related to a multi-state prostitution and human trafficking ring's activities in Bellevue. The state legislature passed a bill earlier in the day to fight human trafficking, and the Violence Against Women Act was passed last week by the U.S. Congress.

Mr. Wallace thanked Mr. Foran for additional details on the Bellevue Botanical Garden and Bellevue Youth Theatre projects. He thanked the Garden Society and Youth Theatre Foundation for their fundraising and everyone in the community for their contributions and hours of volunteer work.

Councilmember Chelminiak attended the annual retreat of the Bellevue Convention Center Authority (BCCA) Board, which oversees Meydenbauer Center. He attended a meeting of the Mental Illness and Drug Dependency Task Force and served as the emcee for the Interlake High School Auction.

Councilmember Davidson attended meetings of the Municipal Water Pollution Abatement Advisory Committee (MWPAAC) and the Cascade Water Alliance Board. He attended the MWPAAC Executive Board retreat and the City Council's Economic Development Retreat. Dr. Davidson attended Youth Link's annual gumbo night.

→ At 10:00 p.m., Deputy Mayor Robertson moved to extend the meeting to 10:15 p.m. Councilmember Wallace seconded the motion.

→ The motion to extend the meeting carried by a vote of 7-0.

Deputy Mayor Robertson recalled that all Councilmembers attended the Bellevue Downtown Association (BDA) dinner the previous month. She attended a meeting of the Puget Sound Regional Council (PSRC) prioritization working group, which is wrapping up its work of identifying recommendations for transportation project funding. She and Mayor Lee attended the Lunar New Year celebration at the Bellevue Collection. Ms. Robertson attended the City Council's retreat on economic development.

Referring to the Bellevue Botanical Garden, Ms. Robertson said she is a Girl Scout leader and she held her troop's bridging ceremony at the Ravine Garden and Suspension Bridge. She encouraged local scout troops to do the same.

Ms. Robertson referred to Agenda Item 8(n) and noted the importance of the traffic issues raised by Carolyn Maxim of the Wilburton neighborhood.

Mayor Lee reported that he attended the BDA dinner and Youth Link's gumbo night.

Mayor Lee commented on the large immigrant population in Bellevue. He said that immigration reform is a significant issue at the federal level, but it is not included in the Council's Federal Legislative Agenda. He requested the Council's support to ask staff to bring back language for Council consideration on the specific topic of professional/technical workers visas.

→ Mayor Lee moved to direct staff to bring back draft language regarding foreign professional/technical workers visas in order for the Council to consider amending its Federal Legislative Agenda. Deputy Mayor Robertson seconded the motion.

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

#### 7. Approval of the Agenda

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

→ The motion to approve the agenda carried by a vote of 7-0.

#### 8. Consent Calendar

→ Deputy Mayor Robertson 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) Minutes of February 11, 2013 Extended Study Session
- (b) Resolution No. 8522 authorizing execution of a Settlement Agreement with Sound Transit related to approvals necessary for the NE 4th Street Extension Project, Phase 1, extending NE 4th Street from 116th Avenue NE to the eastern boundary of the Burlington Northern Santa Fe (BNSF) Railway Corridor.
- (c) Resolution No. 8521 ratifying the execution of : 1) an amended and restated Eastside Public Safety Communications Agency (EPSCA) Interlocal Agreement; and 2) the related Articles of Incorporation.
- (d) Resolution No. 8523 adopting the City of Bellevue Federal Legislative Agenda for the 2013 legislative session.
- (e) Resolution No. 8524 amending the adopted City of Bellevue State Legislative Agenda for the 2013 legislative session.
- (f) Resolution No. 8525 authorizing execution of a two-year purchasing and maintenance agreement, with the option to renew the contract for four periods of two years each, with Municipal Emergency Services, Inc., for the purchase and delivery of Scott Self-Contained Breathing Apparatus (SCBA) required for use by the Bellevue Fire Department.
- (g) Resolution No. 8526 authorizing execution of a general services contract with King County Metro - Rapid Ride, in an amount not to exceed \$120,000, for the installation of fiber optic cable.
- (h) Resolution No. 8527 authorizing execution of a two-year Technical Services Agreement with CSDC Systems Inc., with the option to renew for an additional two years, in an amount not to exceed a total of \$160,000, for ongoing AMANDA Permitting System development and consulting services on an as-needed basis.
- (i) Resolution No. 8528 authorizing execution of a contract with Cornerstone General Contractors, Inc., in the amount of \$9,358,578, to construct the Visitor Center and site improvements at the Bellevue Botanical Garden.
- (j) Resolution No. 8529 authorizing execution of a four-year lease agreement with Cascade Canoe and Kayak, Inc., for use of a portion of the Enatai Beach Park and Boathouse located at 3519 108th Avenue SE.
- (k) Resolution No. 8530 authorizing execution of a contract with Pease Construction, Inc., in an amount not to exceed \$8,803,207, to construct the Bellevue Youth Theatre at Crossroads Park.

- (l) Resolution No. 8531 authorizing execution of a consultant agreement with Reid Middleton, Inc., in an amount not to exceed \$169,481.40, to prepare a design alternative analysis for the proposed improvements at the intersection of Lakemont Boulevard/Cougar Mountain Way/SE 63rd Street (CIP Plan No. PW-I-92).
- (m) Resolution No. 8532 authorizing execution of a Quit Claim Deed to transfer a portion of Northup Way right-of-way to the Washington State Department of Transportation as part of the SR 520 Eastside Transit and High Occupancy Vehicle (HOV) improvement project, and waiving compensation because the transfer of the proposed right-of-way is in the public's interest and advantage.
- (n) Resolution No. 8533 authorizing execution of Amendment #2 to the Professional Engineering Services Agreement with HDR Engineering, Inc., increasing the total contract amount from \$1,568,776 to \$3,694,986, to advance design on the 124th Avenue NE Improvements projects, NE 14th Street to Northup Way (CIP Plan No. PW-R-166) and NE 12th Street to NE 14th Street (CIP Plan No. PW-R-169).
- (o) Resolution No. 8534 authorizing execution of a Professional Engineering Services Agreement with HDR Engineering, Inc., in an amount not to exceed \$2,108,799, to complete 60% preliminary engineering plans, specifications, and estimates for the planned NE 15th Street roadway improvements between 116th Avenue NE and 120th Avenue NE (CIP Plan No. PW-R-172), and improvements between 120th Avenue NE and 124th Avenue NE (CIP Plan No. PW-R-173).
- (p) Resolution No. 8535 authorizing execution of a consultant agreement with Parametrix, in an amount not to exceed \$446,234, to develop preliminary designs for the 130th Avenue NE project between Bel-Red Road and NE 20th Street (CIP Plan No. PW-R-170), and the NE 16th Street project between 130th Avenue NE and 132nd Avenue NE (CIP Plan No. PW-R-174).
- (q) Ordinance No. 6103 authorizing: 1) execution of a grant agreement with the Washington State Department of Transportation to accept a \$311, 213 federal Highway Safety Improvement Program grant to construct a new mid-block crossing on NE 8th Street near Crossroads Park; 2) amending the 2013-2014 General Capital Investment Program (CIP) fund budget to increase the appropriation by \$311,213 in grant funds; and, 3) amending the 2013-2019 CIP Plan to increase the Minor Capital-Traffic Operations Program by \$311,213 (CIP Plan No. PW-M-2).
- (r) Resolution No. 8536 authorizing approval of payment of \$65,820.32 for a Release of All Claims in final settlement of a claim against the City for property damage to the Perez/Ambrocio residence caused when a water main was accidentally damaged by City Surface Water crews during installation of a new drainage structure.

(s) Resolution No. 8537 authorizing execution of all documents necessary to implement settlement of the lawsuit for personal injury damages filed by Evelyn Rissman against the City.

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions: None.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 10:08 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC  
City Clerk

/kaw