

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

January 27, 2014  
6:00 p.m.

Council Chambers  
Bellevue, Washington

PRESENT: Mayor Balducci, Deputy Mayor Wallace<sup>1</sup>, and Councilmembers Chelminiak, Lee, Robertson, Robinson, and Stokes

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:08 p.m., with Mayor Balducci presiding. There was no Executive Session.

2. Oral Communications

Mayor Balducci recalled that, the previous week, she proposed implementing a sign-in sheet for those wishing to speak during oral communications. She suggests limiting the total time for this item to 20 minutes and continuing with the practice of allowing three minutes per individual and five minutes for a representative of a recognized group/organization. However, if more speakers are signed up, the Chair would have the authority to limit each speaker's allotted time.

Ms. Balducci said she would proceed as described unless there were any objections from Councilmembers. She noted that seven speakers were signed up that night and she would allow three minutes for each.

- (a) Nancy Rumbel said she is a longtime Bellevue resident and member of the group Tingstad and Rumbel. She is a Grammy award winning artist who performs throughout the United States and internationally. She strongly supports the development of the Tateuchi Performing Arts Center in Bellevue. She acknowledged that the center cannot rely solely on private investment, and she believes a private-public partnership is needed.

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<sup>1</sup> Councilmember Wallace left the meeting at 9:03 p.m.

- (b) King County Councilmember Jane Hague, speaking as a private citizen, spoke in favor of developing the Tateuchi Performing Arts Center. As the leader of the Eastside, Bellevue should not overlook the importance of arts and cultural activities.
- (c) John Haynes, Executive Director and CEO for Performing Arts Center Eastside (PACE/Tateuchi Center) spoke about his management of highly respected performing arts centers throughout the nation. The Tateuchi Center will be a multi-performance facility with a 2,000-seat concert hall and 250-seat cabaret theatre. Mr. Haynes said the building permits have been issued and the site has been secured. He urged the City Council to consider a major investment in the Tateuchi Center. He said the mission of every cultural organization is to enrich the community and provide a public benefit.
- (d) Bergen Delisi expressed concern about bus transit funding problems. He lives in the Crossroads area and relies solely on the bus for transportation. He asked the Council to encourage King County to bring forward a ballot measure for a public vote. He said Bellevue residents deserve the right to vote on whether or not to accept drastic transit cuts. He thanked the Council for the opportunity to speak.
- (e) Melody Salcedo, a Bellevue College student government campus life and event representative, recalled that she previously testified before the Council regarding upcoming cuts in transit service. Since that time, she met with the Student Dean and the President of Bellevue College. Ms. Salcedo encouraged that a King County ballot measure be presented for a vote so the students can voice their opinion. She said the college and student government are not biased but want the opportunity to educate students about the importance of voting.
- (f) Alex Zimmerman, Stand-UP America, said the King County Council is a mafia that has had no female chair representing the Eastside for the past 15 years.
- (g) Will Knedlik, representing Eastside Transit Riders United, commended King County Executive Dow Constantine for proposing the creation of a Transportation Benefit District (TBD) and a new lower bus fare for low-income adults. He said the East King County Subarea currently pays 35 percent of transit revenues and receives 17 percent of bus services. He expressed concern that the proposed plan further reduces Bellevue's percentage of services. He asked the City Council to take a leadership role in encouraging the King County Council not to rush to the ballot on April 22 unless a proposal is developed that is fair for all three subareas. Mr. Knedlik said Kemper Freeman has proposed free transit on the Eastside. He said that excess tax revenue on the Eastside could allow a three-year pilot project to provide free transit.

3. Study Session

- (a) Council Business and New Initiatives

[There was no discussion.]

(b) City Manager's Report – Management Brief regarding Tateuchi Center

Acting City Manager Brad Miyake opened discussion regarding the Tateuchi Center. He recalled that this topic was most recently brought to the Council's attention last November by the Arts Commission, which asked the Council to explore options for supporting the Center.

Chris Salomone, Director of Planning and Community Development, said the Tateuchi Center proposes a concert hall with 2,000 seats and cabaret style space with 250 seats. The 175,000 square foot facility is five stories in height and has access to 10,000 public parking spaces.

Following Council direction, Mr. Salomone said City staff met with Tateuchi Center representatives, updated economic studies regarding lodging and economic impact, and reviewed documents and the history of the project. Staff proposes that Council approve staff to: 1) create a process for moving forward with identified goals and objectives, 2) tie this process to milestones and clear timeframes, and 3) investigate funding sources including federal, state, cultural districts, and others. Staff recommends that the Council appoint a liaison to work with the Tateuchi Center, City staff and the community. Staff anticipates completion of this work by the end of 2014.

Councilmember Stokes thanked staff for their work. Given the complexity of the planning and funding issues, he believes it makes sense to proceed as recommended by staff. He believes the Tateuchi Center is consistent with the City's vision for livability and economic development.

Councilmember Robertson said she appreciates those who testified during oral communications regarding the Tateuchi Center. She recalled that plans to build the center solely with private funds were complicated by the downturn in the economy. She said it is clear that partnerships are needed to complete the project. She is very supportive of the project which would provide a regional benefit. She hopes a pathway can be established to allow the City to explore its appropriate level of involvement and to work with King County and other regional partners.

Ms. Robertson believes the center will benefit the local and regional economy. She noted the City's partnership with the Boys and Girls Clubs of Bellevue for the construction and use of facilities at Hidden Valley Park. She would like to see a similar approach for demonstrating how the Tateuchi Center would provide a defined public benefit. Ms. Robertson recommended a robust public engagement process to get the public excited about the project.

Deputy Mayor Wallace said he is in favor of continuing to explore this issue and potential opportunity. He noted there are a number of unanswered questions, however, before the City can make a financial contribution. The center has been in the planning process for some time but has not been thoroughly analyzed by the City and Council or discussed with the public.

Mr. Wallace noted that current revenue streams for capital projects are fully allocated. He does not see the center as a project that could be accomplished within the existing revenue streams, and it is important to determine whether the community will support the project. He observed that the City cannot make a contribution to this private project until there is a good understanding that all of the other contingencies related to the project have been resolved (e.g., financing,

permit approval, etc.). Mr. Wallace supports continuing to explore answers to the pertinent questions.

Councilmember Lee observed that the statements by Councilmembers need to be clear. He said staff recommended next steps and a resolution is tentatively planned for Council action the following week. He wants to be sure that the intent of the resolution is clear. He observed that the Council is not saying it will fund the project. A number of financial and legal issues need to be addressed, as well as an appropriate public process. Mr. Lee noted the City's financial constraints and competing projects. He observed that the Council agrees the Tateuchi Center is a good project. However, he wants the Council's message to be clear about the City's constraints.

Councilmember Chelminiak said the center is a great project and it would be wonderful to see it completed. He suggested that the City needs to meet with Tateuchi Center representatives to understand the project status. He concurred with Mr. Lee and Mr. Wallace about the City's financial and legal constraints.

Mr. Chelminiak said citizens want cultural amenities. He observed that the original Performing Arts Center Eastside (PACE) was to be fully privately funded. The Tateuchi Center is now seeking a public-private partnership. This raises a number of issues including the governance of the organization and the responsibility for operating the center. Mr. Chelminiak would like the City to explore potential funding sources, including the development of a cultural resources fund. He requested information on similar partnerships in other cities. He said it will be essential to involve the community in considering the City's involvement in the project.

Councilmember Robinson said she sees three distinct steps – ascertaining whether there is interest in a regional performing arts center in Bellevue, developing the logistics of such a project, and deciding whether and how to provide the City's support. She sees progress in the project and said the Council is interested in learning how the City could support this type of institution.

Councilmember Stokes said he has been involved with the Tateuchi Center over the past few months. He strongly supports the project but acknowledged that a number of challenges lie ahead for the City and Council.

Mayor Balducci asked staff to bring back more details about the proposed process. She clarified that the anticipated resolution will express the City's commitment to a specific process for considering and analyzing the project and the City's potential involvement. She said the Tateuchi Center Board is nearing the ends of its process and wants to revitalize its fundraising efforts to move forward with construction. Ms. Balducci observed that the City's process should involve public engagement and be targeted toward reaching a clear decision.

Mayor Balducci suggested working to develop an agreement with the Tateuchi Center. She summarized that she heard general support around the table for this opportunity which is consistent with the City's cultural and arts objectives. Issues include identifying funding sources, resolving legal issues, determining the public benefit, and defining the governance of the center.

(c) East Link Project Update

Acting City Manager Miyake opened staff's monthly East Link project update.

Transportation Director Dave Berg noted that Nancy LaCombe has joined the project team as principal planner.

Mr. Berg referred the Council to page 3-7 of the meeting packet for the East Link project schedule [Attachment A]. Attachment B is the Light Rail Permitting Citizen Advisory Committee (CAC) document on the context-setting phase of the CAC's review. Attachment C is an example of the email sent to interested parties, and Attachment D provides the calendar of CAC meetings and other public outreach.

Mr. Berg said construction is expected to begin by fall 2015. Preliminary work, including utilities relocations, could begin later this year. Mr. Berg said the City has received all of the 60-percent design packages for the entire alignment through Bellevue. Staff will review those and provide comments back to Sound Transit. The cost estimates corresponding to the design packages generally lag by a number of weeks. Design and mitigation permit applications have not yet been received but are anticipated this spring. Property acquisition is ongoing throughout the entire alignment.

Deputy Mayor Wallace observed that a number of important project elements are not reflected or provide little detail on the schedule provided in the meeting packet. He expressed an interest in the permit process, timing for permit applications, and the time required for the City's review. He requested a more detailed project schedule. He questioned the expectations for construction impacts.

Mr. Berg confirmed that the schedule in the presentation is a summary schedule which represents more detailed planning. Some of the elements (e.g., design mitigation permits) will be reflected in a schedule to be created by the City. City staff is still working with Sound Transit on the actual submittal dates and has therefore been unable to finalize the schedule at this point. Mr. Berg said staff will bring back more detail next month.

Mayor Balducci observed that the Council will be interested in timelines for certain sub-projects or elements (i.e., mitigation, land acquisitions).

Councilmember Chelminiak said it would be helpful to identify key decision points on the timelines as well.

Councilmember Wallace said that, if there are things the City does not know at this point because Sound Transit has not provided specific dates for certain elements, it would be helpful for City staff to estimate key dates. This would help the Council to understand the overall process and schedule and to fill in the blanks later. Mr. Wallace said he is becoming concerned that the Council is not fully informed on what lies ahead.

Mayor Balducci said the Council does not want to reach a point at which a critical deadline has passed without its timely knowledge.

Mr. Berg said there has been a great deal of interest in noise issues, and staff can bring back a discussion of noise mitigation as an example of how mitigation will be incorporated as the design process moves forward.

Ron Lewis, Sound Transit, presented an animated simulation of the East Link light rail project through Bellevue. He said it has been enhanced since it was last presented to the Council, but remains a work in progress.

Mayor Balducci noted that the animation is primarily from an aerial perspective, and it would be interesting to see at least portions of the alignment from a street-level view. She appreciates and finds the animation to be helpful.

Mr. Berg said the CAC will participate in three upcoming joint Sound Transit/City open houses on February 6 (South Bellevue segment), February 25 (East Main segment), and March 25 (Downtown segment). These meetings are intended to focus on significant project elements: stations, park and rides, landscape development, noise walls, etc.

Mr. Salomone provided an update on the Sound Transit Operation and Maintenance Satellite Facility (OMSF). Alternative sites in Lynnwood and the Bel-Red corridor are currently in environmental review by Sound Transit. The City received a courtesy copy of the draft and provided a number of comments and questions to Sound Transit. The Urban Land Institute will conduct an independent panel review March 3-6, and the Draft Environmental Impact Statement (DEIS) will be published by late May. Mr. Salomone said the Council will be invited to the March ULI review.

Responding to Councilmember Robinson, Mr. Salomone confirmed that the project could involve the development of a lease.

Mayor Balducci recalled that she asked Sound Transit to take a close look at the options for the collocation of uses/facilities on the OMSF site. She looks forward to learning more as the alternatives are developed.

Councilmember Chelminiak suggested that the feasibility and desirability of collocation alternatives should be analyzed. He questioned whether economic impacts or transit-oriented development (TOD) are part of the analysis.

Mr. Salomone said the ULI panel will look at TOD impacts, underlying land uses, and the economic opportunity costs of these facilities. In further response to Mr. Chelminiak, Mr. Lewis said Sound Transit has an adopted TOD policy and can provide that to the Council. The ULI panel will be reviewing the OMSF alternatives only, not the light rail alignment. Mr. Lewis said the alignment animation is one of a number of tools being used by the Light Rail Permitting CAC and the ULI panel. Static graphics and technical drawings will continue to be available.

Councilmember Robertson said the animation was interesting, and she is pleased that the ULI panel will be reviewing the OMSF facility and location. She questioned the potential for open space above the facility, similar to highway lid designs.

With regard to the animation, Ms. Robertson said it would be great to see the view at ground level and from homes and businesses. She said the South Bellevue Park and Ride/Station is rather stark. She would like to see additional vegetation. She would like to see how the lighting will look. She said she noticed the noise walls along the elevated track in the animation. However, she did not notice noise walls and landscaping along the alignment portions that are not elevated. She suggested that topographical changes with the light rail project be reflected in the animation as well.

Mr. Lewis noted that the animation shows the screening treatment of the garage at the South Bellevue Station. Landscaping will be provided but was left out of the animation to demonstrate the screening feature. Mr. Lewis said that samples of the station materials and colors are being shared with the citizens advisory committee.

Councilmember Robinson said the animation was very helpful. She observed, however, that the homes do not look like homes but could be interpreted as office-type structures. She has been meeting with the Enatai Neighborhood Association, and she hopes they have an opportunity to weigh in on the South Bellevue Station design. She said residents are interested in a green roof on the parking structure and a terraced parking structure, if possible.

Mr. Berg encouraged the Enatai community to attend the open house on February 6 at Enatai Elementary School.

Councilmember Stokes said it is helpful to see the elements represented in the animation. He believes it provides a more realistic sense of the project.

Responding to Deputy Mayor Wallace, Mr. Berg said the NE 6<sup>th</sup> Street extension (center of I-405 to 120<sup>th</sup> Avenue NE) has been designed in coordination with the light rail alignment. Ms. LaCombe said the NE 6<sup>th</sup> Street design is included in the East Link plans.

Mr. Wallace observed that, at some point, the City will want to build the road under the rail and will need to have conversations about how that will happen. He said it would be a good idea to have those conversations ahead of time in order to pin down some agreements with the plan.

At 7:43 p.m., Mayor Balducci declared a brief recess. The meeting resumed at 7:53 p.m.

(d) Regional Issues

Mr. Miyake introduced the discussion of regional issues.

- (1) Briefing on King County Proposal for a Ballot Measure to Fund Transit and Transportation

Joyce Nichols, Director of Intergovernmental Relations, said the first briefing is on a proposed ballot measure to fund Metro transit services and transportation projects. She recalled the January 13 presentation regarding the proposed 17-percent reduction in transit services due to a funding gap. She said Diane Carlson from the King County Executive's Office has returned to provide more details on the proposed ballot measure.

Ms. Nichols introduced Kevin Desmond, General Manager of Metro Transit, who will provide additional information requested during the January 13 presentation by Victor Obeso from Metro Transit.

Mr. Desmond said the demand for transit services remains very strong. He noted the need to take a long-term view of the budget and finance plan in order to provide services in a responsible way. He said Metro has been struggling since 2008 when sales tax revenues began to decline. Metro will end 2013 near its record ridership of 118 million. Before the recession, sales tax collections represented 70 percent of Metro's revenues. The current forecast reflects sales tax as 58 percent of revenues.

Mr. Desmond said fares have increased four times since 2008. In 2009, the state legislature gave King County the option to use the property tax for Metro Transit. This resulted in an adjustment to the use of certain property taxes but did not increase the property tax in King County. Mr. Desmond said the two-year congestion reduction charge, which expires in June, has generated approximately \$25 million per year. Metro received significant grant funding for its RapidRide program.

Mr. Desmond described transit sales tax revenue from 2008 through 2020. He said the August forecast reflects revenues above the adopted 2013-2014 budget. While sales tax revenue is increasing, collections are below inflation and population adjusted projections.

Mr. Desmond highlighted Metro's actions beginning in 2009 to reduce its deficit, which resulted in ongoing annual savings of \$148 million. These include revenue-related actions (e.g., fare increases, elimination of Ride Free area), one-time actions (e.g., capital program reductions, hiring freeze), and ongoing productivity and efficiency measures (e.g., scheduling efficiencies, non-service staff reductions, bus service reductions, labor cost savings).

Mr. Desmond said that, while sales tax revenue is increasing, operating costs have increased as well due to service growth, wages and medical benefits, pension costs, fleet aging, insurance, and other factors. He reiterated that \$148 million in annual savings results from Metro's actions since 2008.

Responding to Mayor Balducci, Mr. Desmond said the congestion reduction charge generates \$56 million of the total \$6.7 billion budget.

Diane Carlson, King County Executive's Office, distributed information and described the County Executive's proposal to form a Transportation Benefit District (TBD). It includes voter approval for a \$60 vehicle fee that would generate approximately \$80 million annually and a 0.1 percent sales tax that would generate approximately \$50 million annually. This is roughly the

amount that King County Metro was seeking through the motor vehicle excise tax (MVET) that has been requested by cities and counties from the state legislature.

Ms. Carlson said the County Executive is asking the King County Council to place the TBD on the April 22 ballot. The proposal allocates the funds 60 percent toward transit and 40 percent to cities and counties for transportation purposes. The County Council has had two committee meetings to review the proposal and is scheduled for action on February 24 about whether to place the TBD on the ballot. The County Council is holding a public hearing on February 4. An Eastside forum is scheduled for February 13 in Kirkland.

Kim Becklund, Transportation Policy Advisor, noted the schedule included on page 3-27 of the meeting packet.

Ms. Carlson said a fare increase, the fifth in the past several years, is proposed to add 25 cents to all rates. The proposal includes a fare of \$1.50 for lower income individuals.

Mayor Balducci said the timing of this issue has raised some challenges for Bellevue. The City was recently asked by County Councilmember Jane Hague, during the last Transportation, Environment and Economy committee meeting, to sponsor a public hearing on the proposals. However, Ms. Balducci said she is not sure that would be possible or helpful.

Ms. Balducci requested feedback from the Council.

Councilmember Lee said he is very sympathetic to the financial needs of King County Metro. He recalled that a number of recommendations by the Regional Transit Task Force were implemented in recent years. He noted the need for expanded transit service on the Eastside. He would like to see additional productivity and efficiency measures.

[Deputy Mayor Wallace stepped out of the room from 8:28 to 8:33 p.m.]

Mr. Lee said Bellevue has done its share of road projects. He said he will support the transit proposal, but he would like to have some assurance that Metro is moving toward additional conservation measures. He expressed concern that Bellevue continues to contribute approximately 35 percent of transit revenues and receives 17 percent of services.

Responding to Councilmember Robinson, Ms. Carlson said the 40 percent of TBD collections toward road projects equates to approximately \$52 million per year. Bellevue's share is \$3.4 million per year based on population. The TBD proposal includes a 10-year limit on the sales tax as allowed by statute. There is no proposed ending point on the vehicle fee.

Responding to Councilmember Chelminiak, Ms. Carlson confirmed that there are two TBD formation ordinances to be considered by the King County Council. She said they are largely the same. One primary difference is related to the definition of the purpose of the TBD. One version is narrower in defining the TBD's purpose as funding projects. The other uses the statutory definition which is broader. The former is the King County Executive's proposal and it would

distribute funds to other governments to carry out projects. The broader purpose provides more powers to the TBD including the ability to fund, construct and/or operate projects.

Councilmember Chelminiak questioned whether a Bellevue project could potentially be constructed by the TBD. Ms. Carlson said that could occur with the County Council's proposal but is not what is contemplated by the King County Executive's proposal.

Ms. Nichols said the formation of the TBD would have statutory powers similar to the King County Flood Control District. That District has a capital projects list created by the County Council, which allocates funds and generally completes the projects. TBDs also have powers to levy tolls, establish local improvement districts (LIDs), and impose a property tax.

In further response to Mr. Chelminiak, Ms. Nichols said a briefing was scheduled for the next day in which the County's legal staff will address related issues with City Attorneys. At this point, the County is not aware of any laws that would preclude cities from establishing their own TBDs. However, there is a maximum fee for all jurisdictions, and Bellevue would be limited to a \$100 MVET fee.

Councilmember Chelminiak said the question in his mind is whether to support the County Council's ordinance to place the issue before the voters. He would say yes. He would prefer more limited powers for the TBD as proposed by the King County Executive. He observed that the region has relied so heavily on the sales tax for transit funding and is subject to fluctuations in the economy. He believes Metro has done a good job in lowering costs. However, in addition to efficiency measures, this approach has involved the use of reserves.

Mr. Chelminiak said the TBD would provide a more stable funding source for transit services, which he believes provide a critical lifeline for citizens. He is concerned about whether a County TBD would preclude the City's ability to form a TBD as well.

Deputy Mayor Wallace asked Ms. Carlson to comment on the history of dealing with the state legislature on the subject of funding for Metro transit services. Ms. Carlson said there is widespread support for a State solution and funding package. The County would want that to include the local option for a MVET fee. Ms. Carlson said the County Council would likely consider State funding as a preferred alternative to the TBD. However, the legislature would have to act fairly quickly.

Mr. Wallace stated his understanding that, under both the House and Senate bills, the state legislature would create a new MVET authority for a local option of 1.5 percent for the County. Ms. Carlson said the 1.5 percent could be used for transit and local roadway purposes.

Responding to Mayor Balducci, Ms. Carlson said certain County Councilmembers have indicated that, if the state legislature passes a package, the County Council would consider replacing the TBD with the MVET authority.

Deputy Mayor Wallace said his key concern with the TBD proposal is that it takes the focus away from the need for the state legislature to approve a transportation package with both transit

and roadway funding. He noted the broader needs related to I-405, SR 520, local roads, and ferries. He is concerned that passage of the TBD would diminish the support of Seattle representatives for a transportation package by the state legislature.

Councilmember Robertson said her understanding of the County Executive's proposal is that it would have lower administrative costs than the broader proposal. Ms. Carlson said an analysis comparing the costs of the two proposals has not been completed.

Ms. Robertson said she favors a narrower focus for the TBD. Referring to page 3 of the presentation, she requested a version of the graph that reflects the TBD. She observed that sales tax collections are expected to grow in the years ahead. If an additional sales tax component is implemented and excess revenues ever occur, she questioned how the funds would be used. Ms. Robertson said it is possible that voters might not feel confident that approving higher fees will stabilize transit service levels and complete road projects.

Mr. Desmond said the Metro guidelines report issued on November 1 demonstrates a service deficit of approximately 500,000 service hours. Excess revenues would go directly to funding additional services.

Mr. Desmond said the County Council updated Metro's fund balance policies to create a revenue stabilization fund. Excess revenues will be contributed to that fund, to be used as needed when sales tax revenues decrease periodically.

Councilmember Robertson said she would like to see the impact on Bellevue households as well as the amount of money to be raised by Bellevue sales tax collections and residents' MVET fees. She does not feel ready to make a decision about whether the City Council should recommend the two County proposals. She shares Deputy Mayor Wallace's concern that the TBD could threaten the passage of a state transportation package.

Councilmember Stokes agreed that more information is needed and concurred with the concerns about the ability to pass a state transportation package.

Mayor Balducci said she already signed one letter that was forwarded to the state legislature urging them to pass the balanced transportation package under consideration. She suggested another City Council discussion before the County Council takes action on February 24 regarding whether to place a ballot measure.

Ms. Balducci summarized what she has heard. The City acknowledges the efforts of Metro Transit to reduce expenses and encourages further measures. There is some support for putting the issue before the voters. She recalled past discussions in which the Council indicated the TBD should move forward only if approved by voters. She heard suggestions to consider time limitations on the local authority measures.

The City Council's top priority is a statewide transportation package for roads and transit. The Council wants more information on how the TBD would affect the City's ability to form its own

TBD. Ms. Balducci said she heard an interest in the comparison of administrative costs for the TBD alternatives.

Mayor Balducci thanked staff for the presentation and for their efforts in providing transit services. With regard to the draft joint letter, Ms. Balducci said the Bellevue City Council is not prepared to sign that letter and will need to write its own letter to communicate its priorities.

[Deputy Mayor Wallace left the meeting at 9:03 p.m. due to illness.]

(2) Regional Solid Waste Management Plan - Update on King County  
Transfer Station Plan Review

Ms. Nichols recalled that the Council received briefings on the County's Solid Waste Transfer Station Plan Review on September 23, 2013 and October 21, 2013. The Council subsequently sent a comment letter to the County. Since that time, King County staff has been working with County Council staff to develop potential alternative solutions.

Ms. Nichols introduced Kevin Kiernan, Deputy Director of the King County Solid Waste Division, for a presentation of the options under consideration. She noted that King County Council central staff were also present in the audience.

Mr. Kiernan said the transfer station system has eight transfer stations serving 37 cities and unincorporated King County. The Solid Waste Transfer and Waste Management Plan was approved by the King County Council on December 10, 2007. Bellevue has had a representative on the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) since that time.

Mr. Kiernan said there has been a significant decrease in solid waste tonnage throughout the recession. Tonnage was flat in 2013 and is beginning to increase in 2014. Given the change in tonnage, Mr. Kiernan said it was appropriate to review the transfer station plan and alternatives. This involved a number of stakeholders as well as workshops in July, August and September of 2013. A draft report was released to stakeholders on October 9, 2013 for comments. Written comments were received from 42 different sources. Seventeen cities provided comments and 10 of these supported the Base Plan. There was significant interest in considering strategies that would allow not building a Northeast transfer station. The Base Plan included new Factoria, Northeast, and South stations. Alternatives studied included different combinations of transfer stations as well as changes in the types of services available at certain locations.

Mr. Kiernan said the addition of the Northeast station assumed that the Houghton facility would close, the Eastgate property would not be used to expand the Factoria station, and Bellevue would remain in the system through June 2028. However, without a new Northeast station, approximately 165,000 tons and 125,000 transactions annually would be absorbed by other stations.

Mr. Kiernan described the three options studied as part of the Transfer Station Plan Review process. The first is redirecting some commercial traffic from Factoria to Shoreline and Renton.

The second is limiting self-haul services at Factoria to evenings and weekends, eliminating recycling and hazardous household waste disposal at Factoria, and keeping the Renton station open. The third is expanding the Factoria station, limiting self-haul services at Factoria to evenings and weekends, eliminating recycling and hazardous household waste disposal at Factoria, and keeping the Renton station open. Mr. Kiernan highlighted the pros and cons of each alternative and presented a summary table comparing the options.

Mr. Kiernan said King County does not recommend a major redesign and expansion of the Factoria station. However, the County recommends proceeding with minor modifications to the Factoria transfer station. He said there is no benefit to delaying the Factoria project, and a delay could result in significant cost increases. He said the Northeast station would not be ruled out for the future. The comment period on the recommendation extends through February 3, and the King County Council requires the submittal of the recommended plan by March 3.

Councilmember Robertson recalled that Bellevue's official position was in support of the Base Plan because Bellevue does not want to have the only transfer station on the Eastside. Based on tonight's presentation, she supports Option 1 which has the greatest reduction in capital costs. It ensures that promises made to the City of Bellevue to not extend the Factoria station are kept and continues to provide good service for residents.

Ms. Robertson expressed support for the draft letter provided in the meeting packet [Page 3-43]. With regard to modifications to the Factoria station, she noted pedestrian activity on the side street related to recreational uses in the area and dog walkers from the animal shelter. She would like to see sidewalks in the area if traffic is expected to increase.

Councilmember Stokes said he had the opportunity during the recent Regional Policy Committee meeting to thank King County staff for listening to the City and reviewing additional alternatives. He expressed support for Option 1 and wants to retain the option for a Northeast station.

Mayor Balducci said she is hearing support for Option 1 and for the draft letter in the packet. She concurred that a Northeast station is not needed at this point but it might be with future growth. The City does not want the only Eastside transfer station to be in Bellevue.

(3) Briefing on City of Issaquah Assumption of South Cove and Greenwood Point Water and Sewer Utility Service

Ms. Nichols introduced staff's briefing on the City of Issaquah's assumption of the South Cove and Greenwood Point water and sewer utility service. The City of Issaquah is proposing that Bellevue and Issaquah enter into a Pre-Assumption Agreement stating that the two cities will work cooperatively in Issaquah's assumption of an area within its city limits that currently has water and sewer services provided by Bellevue. Ms. Nichols said this is the first step of the process, which is to begin discussions with the City of Issaquah.

Utilities Director Nav Otal referred the Council to the draft agreement provided on page 3-51 of the meeting packet. If the Council is agreeable to moving forward with discussions with the City

of Issaquah, staff will bring the Pre-Assumption Agreement back as a consent calendar item. The area in question is relatively small (1,000 customers) and represents 1.8 percent of Bellevue's water and sewer service area. Issaquah annexed the area in 2006 and is ready to provide water and sewer services for that area. The State Growth Management Act and Countywide Planning Policies encourage that cities provide services to residents within their boundaries.

Ms. Otal reiterated that this is the beginning of the process. Staff will conduct extensive analysis including a study of the impacts to Bellevue and to Issaquah. Preliminary findings indicate minimal impacts and the system can be easily separated. The area represents approximately \$1.4 million in revenues for Bellevue. However, turning the area over to Issaquah brings a corresponding reduction in expenses including wholesale costs and potential operational savings.

Responding to Mayor Balducci, Ms. Otal said Bellevue has not previously been involved in this type of situation. Coal Creek was the last assumption and was relatively adversarial. The proposal from Issaquah is presented in a more collaborative manner.

Mayor Balducci indicated the Council's interest in proceeding with discussions with Issaquah.

### (3) State Legislative Session Update

Ms. Nichols noted the state legislative update beginning on page 3-53 of the packet. She said there are many bills before the legislature with a focus on marijuana regulations and maintaining local control over related businesses and land use zoning. Related concerns include enforcement, public safety, and human services issues. In the past, cities received a share of liquor profits and taxes from State-run liquor stores to mitigate local impacts. Bellevue and other cities are advocating for a similar sharing of marijuana-related revenues. However, there are no reliable estimates regarding the level of taxes to be generated. State legislators are therefore reluctant to commit to any estimated dollar amounts that might be shared.

Councilmember Chelminiak noted that Nan Campbell's recent death followed injuries resulting from a fire related to the processing of marijuana products, according to initial news reports. Similar incidents have occurred in other cities and this issue needs to be addressed as a fire and life safety issue. Mr. Chelminiak suggested that individuals planning to open recreational marijuana businesses could be helpful to the City in addressing the issue.

At 9:31 p.m., Mayor Balducci declared the meeting adjourned.

Myrna L. Basich, MMC  
City Clerk

/kaw