

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

February 22, 2011
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: Councilmember Robertson

1. Executive Session

Deputy Mayor Lee called the meeting to order at 6:00 p.m., and announced recess to Executive Session for approximately 20 minutes to discuss one item of potential litigation.

The meeting resumed at 6:25 p.m., with Mayor Davidson presiding.

2. Study Session

(a) Bridle Trails Neighborhood Park Levy Project Recommendations

City Manager Steve Sarkozy opened discussion regarding the Bridle Trails Neighborhood Parks Levy projects. After the passage of the Parks and Natural Areas Levy, the Bridle Trails Community Club approached the City with an interest in participating in selecting neighborhood parks projects that could be funded by the 2008 Parks Levy. Bridle Trails residents have worked with staff to identify projects that reflect the interest of the neighborhood.

Glenn Kost, Parks Planning Manager, introduced Pam Fehrman, Capital Projects Coordinator, who has worked with the Bridle Trails Community Club during the past two years.

Ms. Fehrman introduced Ellen Kerr and Michelle McBeath from the Bridle Trails Community Club. Mr. Fehrman acknowledged Loretta Lopez, Bill Aron, Norm Hansen, Harvey Ries and Rani Sampson, who were in attendance in support of the project development process.

Ms. Kerr thanked the Council for the opportunity to be involved in this process. She noted residents' interest in preserving the unique equestrian character of the neighborhood.

Ms. Fehrman provided a project overview. She recalled that the Parks and Natural Areas Levy package identified \$5 million for neighborhood park development along Lake Sammamish and in the Bridle Trails neighborhood. City staff has been working with the Bridle Trails Community Club (BTCC) since May 2009, and a number of outreach activities have been conducted including neighborhood parties and meetings, Parks and Community Services Board meetings, BTCC meetings, and information on BTCC's and the City's web sites. All projects identified by residents were researched by staff. The top rated project site is the Acheson property on 132nd Avenue NE, followed by a site at NE 24th Street and 134th Avenue NE, the King County Bridle Crest Trail, and the existing Viewpoint Nature Park.

Ms. Fehrman reviewed the Bridle Trails Community Club's recommendations to the City to enter into an agreement with the State to develop and operate the Acheson property, and to acquire and develop the Pashchinskiy property. The Parks Board endorsed the recommendations in October 2010. On November 22, 2010, the City Council approved Resolution No. 8161 authorizing the purchase of the Pashchinskiy property. The property was purchased on January 31, 2011, with Park Levy funds in the amount of \$644,000.

Michelle McBeath, Chair of the Bridle Trails Park Levy Subcommittee, observed that the opportunity to partner with the City in determining site locations and priorities worked well. She thanked the Council for approving the acquisition of selected properties at NE 24th Street and 134th Avenue NE.

Councilmember Degginger complimented the BTCC for engaging the community in this process. He asked about the status of talks with the State. Mr. Kost said that discussions have been limited to date. However, he feels that the State will be receptive to proposals enabling the City to acquire the property or to work out a development agreement.

Responding to Deputy Mayor Lee, Mr. Kost said it will take one to two years to work out an arrangement with the State and to conduct the park master planning process.

Councilmember Balducci expressed appreciation for the process and the community partnerships, and said that she looks forward to the development of the park sites.

Councilmember Chelminiak thanked the Bridle Trails community, Parks and Community Services Board, and staff for their work on this project.

Councilmember Wallace said this is a great example of how the community and City can work well together. He noted that it would be helpful for future discussions to identify the CIP match dollars associated with the levy funds. He is pleased with the purchase of the Pashchinskiy property. Mr. Wallace suggested an analysis to identify projects in the Parks Levy package that can be accelerated to take advantage of the current construction market and to provide employment within the community.

Responding to Mayor Davidson, Mr. Kost explained that the City's development of the Acheson property must be consistent with the deed on the property when it was transferred to the State. This includes provisions related to open space, trails, and equestrian considerations.

Mayor Davidson thanked the Bridle Trails Community Club for its effective and organized efforts on behalf of residents.

(b) Renewable Solar Energy Leases on City-Owned Properties

City Manager Sarkozy opened discussion regarding an opportunity to lease City property for the purpose of renewable energy generation.

Nora Johnson, Civic Services Director, began the presentation, noting that staff will be using the term "community solar projects" to refer to projects developed pursuant to the Washington State Renewable Energy System Cost Recovery Act adopted in 2009. The legislative intent was focused on producing local green energy, supporting solar equipment producers, and creating jobs. Projects must be hosted on the property of qualified public entities. The projects implement renewable energy and reduce carbon emissions, and will demonstrate the viability of solar power. Community owners bring solar energy to the community by pooling resources, and then receive the cost recovery incentive and federal tax credit.

Ms. Johnson explained that the projects are consistent with the City's objectives regarding local clean-tech sector and workforce development, reducing greenhouse gas emissions, engaging the community, and highlighting Bellevue as an environmental leader. She noted the potential for using solar energy to support electric vehicle charging stations. The projects can sell the power to Puget Sound Energy or provide it to the City in lieu of rental payments. The City would select the locations and control the lease provisions.

Ms. Johnson said it would be possible to place two or three solar projects on the roof of the Bellevue Service Center. City Hall would not be a candidate for the projects, however. Next steps would be to identify suitable sites, advertise a notice of intent to lease, select projects, and negotiate solar leases. Solar leases will be submitted to the Council for approval.

Sheida Sahandy, Assistant to the City Manager, explained that community solar projects are financed by a group of investors, and the City hosts and leases the sites. The group of investors receives the state incentive and federal tax credit.

Mayor Davidson questioned whether a manufacturer of solar panels, as an example, could be part of an investor group. Ms. Sahandy said the manufacturer would have to be a PSE customer. The idea is to localize the generation of energy rather than having electricity produced elsewhere and delivered through the grid.

Responding to Councilmember Degginger, Ms. Sahandy said the new law has incentives for wind energy and anaerobic bio-digestion energy as well. In further response, Ms. Sahandy said it is doubtful that the City has a site suitable for wind energy.

Mayor Davidson commented on the success of solar panels in British Columbia and other areas in Canada, despite the somewhat similar cloudy climate.

Ms. Johnson said staff has talked about putting together an educational piece to make the program more visible to the community.

Responding to Deputy Mayor Lee, Ms. Johnson explained that the community solar groups have a lead administrator to organize the investors. She estimated a cost of \$600,000 for the initial construction of a project. If the project is implemented this year, the group would receive the 30 percent federal tax credit. Administrator and set-up costs are estimated at \$100,000. Ms. Johnson noted a net cost of \$500,000, along with the possibility that the group could sell renewable energy credits. Based on this scenario, the project pays for itself within approximately eight years.

In further response to Mr. Lee, Ms. Sahandy said the program could be implemented under a number of different business models. The City's role is strictly to lease space for the projects. Ms. Johnson said the City can recover the staff costs incurred to set up the program through a one-time processing fee for the lease, which is how the City handles its wireless leases. Ms. Sahandy noted that a project group might propose donating the power to the facility in lieu of or combined with a monetary payment toward the lease.

Responding to Councilmember Chelminiak, Ms. Johnson said staff has not yet identified the criteria for siting projects, and there would be permitting requirements as well. She acknowledged the need to be sensitive to visual impacts. Ms. Sahandy said staff has considered opportunity costs in terms of not locating projects where the City could potentially have more lucrative leasing opportunities for other uses.

Councilmember Wallace questioned the appeal of this investment given the rate of return, but he is not opposed to hosting the projects.

Mayor Davidson stated that he is hearing an interest from the Council to proceed with this initiative.

(c) 2011 Guidelines for Eastside Arts Partnerships and Special Projects Funding Programs

Mr. Sarkozy opened discussion regarding the 2011 guidelines for two arts funding programs.

Brad Smith, Bellevue Arts Commission, requested Council approval of the 2011 funding guidelines for Eastside Arts Partnerships (EAPs) and Special Projects funding programs. EAP funding is focused on organizations while Special Projects funding is focused on one-time or once yearly project proposals. The guidelines have been modified from 2010 guidelines to include questions about what steps applicants are taking to stabilize their organizations and to

strengthen their long-term viability. The criteria for Special Projects funding encourages projects supporting the City's Cultural Compass update as well as projects in the Bel-Red Corridor.

Ms. Smith said funding applications will be reviewed in April, and the Arts Commission's recommendations will be presented to the Council in May.

→ Councilmember Balducci moved to approve the 2011 Eastside Arts Partnership and Special Projects funding guidelines, and to direct staff to proceed with developing funding recommendations for Council approval. Deputy Mayor Lee seconded the motion.

Councilmember Balducci said she appreciates the focus on implementing the Cultural Compass plan and vision for the community. She is pleased that the Council was able to preserve arts funding in the budget, and she expressed support for moving forward with developing funding recommendations.

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

At 7:28 p.m., Mayor Davidson declared recess to resume the Executive Session for approximately 30 minutes to discuss one item of potential litigation. He noted that the meeting would reconvene in the Regular Session at 8:00 p.m.

Myrna L. Basich, MMC
City Clerk

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