



CITY COUNCIL MINUTES

MINI-PLANNING SESSION

JUNE 8, 2013

CALL TO ORDER

Mayor Bruce Bassett called the Planning Session to order at 8:34 am in the Luther Burbank Room at the Mercer Island Community and Event Center (8236 SE 36th Street, Mercer Island, Washington).

ROLL CALL

Mayor Bruce Bassett, Deputy Mayor Dan Grausz and Councilmembers Debbie Bertlin, Jane Brahm, Mike Cero, Mike Grady (arrived 8:45 am) and Tana Senn were present.

AGENDA REVIEW

Mayor Bassett briefly reviewed the Agenda for the Mini-Planning Session.

THRIFT SHOP EXPANSION PROJECT UPDATE

Maintenance Director Glenn Boettcher introduced the Thrift Shop Expansion project. He explained that the initial scope of the project was more expensive than expected and that staff was looking for Council direction to bring those costs down.

Steve Sutherland and Megan Johnson with Johnson/Sutherland Architects presented the Thrift Shop pre-design for Council consideration. The following issues were discussed:

Thrift Shop and Park Issues

- Need for expanded retail space to support increase in revenue
- Conflict between donation drop off and entry to retail shop
- Recycling dumpster located at front of shop
- Staff outside break area and bike rack are located on island in parking lot
- Mercerdale Park needs additional restroom facilities at the south end of the park (not part of scope)
- The playground equipment is showing its age
- The park could use additional parking stalls
- The south entry to the park connecting to the neighborhood is understated and lacks identity.

Facility Review

- Existing flat roof leaks, needs replacement/better drainage
- Some minor exterior siding degradation
- Some irrigation heads not functioning
- Some structural issues including miss nailing of roof sheathing. Substantial alteration would require seismic upgrade
- Roof top units are nearing end of life span and need replacement
- Building is not currently protect by fire sprinklers
- Electrical power panel is sufficient but has no spare capacity
- Lighting needs to be updated to meet current codes
- Water supply is adequate for existing but not for expanded and/or fire sprinkler system

Mr. Sutherland and Ms. Johnson outlined the project costs accordingly:

Cost Summary

| | Construction Costs | Soft Costs | Total Project Costs |
|---|--------------------|------------|---------------------|
| Base Costs | | | |
| Thrift Shop Renovation/Addition | \$1,915,000 | \$637,800 | \$2,552,800 |
| Park Restroom | \$201,800 | \$54,000 | \$255,800 |
| Items Included in Above Code Related, Deferred Maintenance | | | |
| New flat roof at Existing | \$32,250 | \$8,300 | \$40,550 |
| Fire Sprinkler System (at existing) | \$28,700 | \$7,400 | \$36,100 |
| Alternates, Adds and Deducts | | | |
| On-Grade Detention | \$318,400 | \$85,200 | \$40,600 |
| Below Grade Detention | \$313,300 | \$83,900 | \$397,200 |
| Alternate Mechanical | (\$38,000) | (\$10,200) | (\$48,200) |
| Expanded existing 2 nd floor, seismic upgrades | \$279,300 | \$74,800 | \$354,100 |
| Add LED lighting System | \$28,800 | \$7,700 | \$36,500 |

Finance Director Chip Coder explained that the City reduced the General Fund subsidy to the Thrift Shop for several years and that the primary driver behind this project was the elimination of the subsidy to the YFS Fund. Director Coder explained that it is staff's intent, with the Council's preliminary approval, to eliminate the Thrift Shop subsidy in 2015, if it could be expanded sufficiently to make up the loss in General Fund revenue.

Councilmembers asked questions regarding:

- the square footage gained by expanding the 2nd floor
- the projected additional revenue per square foot
- how many square feet of office space is proposed in the new addition
- whether the proposed restrooms would be open 24/7
- building safety, if it is not upgraded
- whether PSE would provide any assistance for utility upgrades
- whether opportunities for grants exist
- whether donation opportunities exist
- the interest rate assumption on the bond
- 20-year rates on Councilmanic bonds
- the effects of I-90 tolling on Thrift Shop traffic
- how much money would be spent looking at design review before bringing back to Council

Design adjustments identified by Council included:

- bringing the two buildings together and eliminating the green area for volunteers
- reducing the overall project size
- not raising the roof as proposed
- identifying in-kind costs from Puget Sound Energy and others
- addressing stormwater issues and impacts on drop off area
- eliminating the proposed restroom at \$250k

Agreements & Direction:

Council agreed that it was a good project on a smaller scale and directed staff to come back with an adjusted pre-design before proceeding with a full schematic and prior to entering into a design consultant agreement.

FIRE STATION 92 PROJECT UPDATE

City Manager Rich Conrad introduced Amy DeDomincis of Tacoma Design Collaborative, the City's project manager for the Fire Station 92 project. She reported that Council's direction to minimize the total square footage (sf) to less than 8,000 sf was met. She reported that the schematic design cost estimate came in approximately \$89,000 below the projected budget and that the savings were redirected toward sustainability features.

Project Manager DeDomincis also reported that the project was approximately one month behind schedule due to an Osprey nest. Construction is expected to start in October, shortly after the last Osprey leaves the nest.

Achievable sustainable features requiring additional project funding were identified, by priority, as follows:

- provide air to air heat exchanger hydronic & heat recovery system upgrade to HVAC system
- additional skylights/day lighting
- enhanced glazing – triple pane glass or double pane high efficiency glazing
- upgraded lighting control system/upgrade to all LED fixtures
- provide upgrade in size or quantity of shade trees onsite
- upgrade to FSC certified wood

City Manager Conrad reported that in order to complete the design development, staff authorized the purchase of the hydronic and heat recovery system upgrade to the HVAC system. He explained that the staff decision to choose the HVAC system upgrade was more about technical (O&M) attributes and less about energy efficiency benefits. He noted that staff was looking for direction from Council on whether to upgrade all fixtures to LED.

Councilmembers asked questions of staff regarding:

- the payback on solar hot water
- whether the underground power service was for aesthetics or safety
- when the 23-year payback on the upgrade to the HVAC was calculated, did it include the miscellaneous savings identified
- whether the LED lighting addresses safety concerns and alerts people that doors are opening and trucks are exiting
- whether the savings realized can be spent elsewhere or only on sustainability features
- the need for stormwater treatment
- whether a green roof was explored
- if the heating source is electric or gas
- installation of bike racks
- available infrastructure to support electric vehicles
- whether the ground source heat pump was eliminated
- the payback on the LED lighting
- the absence of guest parking

Agreements & Direction:

Council directed staff to add LED lighting as a sustainable feature into the project design. City Manager Conrad committed to identifying the payback information on all energy related bid alternatives for Council review.

YOUTH THEATRE NORTHWEST/PERFORMING ARTS FACILITY SITE FEASIBILITY STUDY

City Manager Rich Conrad briefly reviewed the status of Youth Theatre Northwest, explaining that two sites were selected by Council for consideration: the Recycling Center at Mecerdale Park and the property just south of the Mercer Island Community and Event Center. City Manager Conrad introduced Lesley Bane with Weinstein Architects, who created the site feasibility study for the two locations. He explained that both sites could physically accept the theatre and that Council needs to select a site in order to proceed to the next level of analysis.

Architect Bane reviewed the project goals and shared a site comparison based on visibility, access, parking, entry, environmental, and cost implications. She also presented the site and building needs data for both locations.

Councilmembers asked questions of staff regarding the following:

- are the sites identified the only two sites?
- is the City donating the property or will it be leased by Youth Theatre Northwest (YTN)?
- how will the City and YTN share the building?

- what are some of the models/best practices used elsewhere?
- will the theater be City managed project?

Deputy Mayor Grausz and Councilmembers Bertlin and Senn expressed support for the Mercerdale location, explaining that it gives the Town Center a magnet, allows children to use the light rail, encourages Town Center vitality, expands accessibility, and will likely elicit more business support.

Councilmember Brahm, Cero, and Grady expressed support for the site located just south of the MICEC, noting the spectacular view it offers performance venues. They also pointed out that in 5 to 10 years, access to the Island, the Town Center, and Community Center will be much easier due to changes in transportation created by light rail.

At Council's request, YTN Executive Director Manny Cawaling shared the following perspective:

- While the MICEC view is beautiful, theatre space is traditionally dark.
- Parking is limited at the MICEC and would be decreased further if a wedding were scheduled the same night as a theatre production.
- Mercerdale offers inter-generational play space.
- YTN is dependent on funding opportunities and believes that businesses are more apt to support a theatre that is visible and benefits their businesses.
- The Mercerdale location provides programmatic opportunities, fundraising opportunities, and increased livability.
- YTN is unable to conduct a feasibility study until such time that a site is determined.
- Private funding is more likely when a specific site is known.

Agreements & Direction:

Establish a sub-committee that will identify structure alternatives and determine what the evaluation criteria are. The sub-committee will consist of Councilmembers Brahm and Senn, City Manager Conrad, and YTN Director Cawaling and will report back to Council by the end of July.

EXECUTIVE SESSION

Mayor Bruce Bassett called the Executive Session to order at 12:10 pm to discuss potential litigation with legal counsel representing the agency pursuant to RCW 42.30.110(1)(i) for approximately 45 minutes.

At 12:55 pm, Mayor Bassett adjourned the Executive Session, Council recessed briefly, and the Regular Meeting was reconvened at 1:05 p.m.

SUSTAINABILITY & COMMUNICATIONS UPDATE

Sustainability and Communications Manager Ross Freeman introduced himself to Council and provided a brief background on his experience. Manager Freeman provided Council with the following sustainability and communications update:

Early Actions:

- **Sustainability** - a bike rack installed at City Hall, Bike-to-Work Month, meeting with environmental leaders and MI citizens, and discussions on vehicles with alternative-fuel.
- **Communications** - Mi Weekly E-newsletter, City advertisement, MI Reporter special feature on sustainability and green living, Earth Day Proclamation, and various press releases

Near-Term Projects Underway:

- **Sustainability** - MICEC solar power project, research on plastic bag ban, affordable commercial/multi-family compost pilot program, bike loaner program for City Hall employees, explore cost and logistics of second electric vehicle charging station, develop green team with MI School District, build sustainability considerations into City employee events, and lead design of operating protocol for MI green revolving fund.
- **Communications** - define policies, usage rules, launch official City social media sites, grow MI Weekly subscriber base, develop plan for City logo rollout, and establish great media presence in MI Reporter, MI Patch, and other outlets.

Longer-Term 2013 Initiatives:

- **Sustainability** - develop 6-year Action Plan to execute feasible recommendations from Sustainability Policy Report, research new comprehensive carbon footprint tracking tool, revisit green building and LID standards, develop "Green Tips" mailer for inclusion with City Utility billing, and insert sustainability/livability issues in Transportation Improvement Plan.
- **Communications** - Develop yearly calendar of anticipated media opportunities and refresh outdated media contact lists

Councilmembers suggested sending home blue sign-up sheets with elementary students to increase the MI Weekly subscribership. It was also suggested that the Summer Celebration! Sustainability and Communications booth have a computer available for MI Weekly sign-up and to showcase the City's new Facebook and Twitter pages.

City Manager Conrad reported that Manager Freeman participated in the City's Emergency Management exercise on Friday, June 7. Manager Freeman's role as the Public Information Officer emphasized the importance of that position during an emergency.

Deputy Mayor Grausz suggested that the City consider putting an outside individual on retainer to assist in emergency situations.

Agreements & Direction:

There was no Council action on this item.

PLASTIC BAG BAN

City Attorney Katie Knight introduced Assistant City Attorney Kelly Leonard, who drafted the report on current plastic bag ordinances.

Assistant City Attorney Leonard introduced her preliminary research, explaining that eight municipalities in Washington State have adopted total or partial bans on plastic bags. She reviewed with Council the arguments for and against why cities should consider banning plastic bags. Common features found in Washington State ordinances included: banning the use of single use plastic carryout bags, permitting recyclable paper bags, requiring a pass-through charge for each recyclable paper bag, penalties for violating the ordinance, and in many cases a delayed effective date or phased implementation to allow for public outreach and education.

Sustainability and Communications Manager Freeman explained that retailers have found a loophole whereby they charge for a thicker bag and that the bag is then considered reusable.

Assistant City Attorney Leonard reviewed next steps with Council, which would include additional research on the impacts of plastic bag regulations, the costs and benefits of regulatory approaches, discussion with affected stakeholders, and an environmental review (SEPA) of a proposed ordinance.

Councilmember Cero expressed concern regarding an article connecting E-coli and the use of recyclable bags.

A majority of Council expressed support for a plastic bag ban and soliciting public feedback.

Agreements & Direction:

Council directed staff to proceed with the next steps and bring forward an agenda bill with choices that include community input for Council's consideration. Bring back an ordinance for adoption by the end of the year.

SHORELINE MASTER PROGRAM – PROCESS FOR COMPLETION

DSG Director Scott Greenberg reported that on August 1, 2011 the City Council passed Resolution No. 1440 - a statement of intent to adopt an updated Shoreline Master Program (SMP) and authorize submittal of the update to the Washington State Department of Ecology (DOE) for review and approval. DOE recently provided draft comments on the submitted SMP. Director Greenberg explained that staff was requesting Council direction on how the City Council would like to review and respond to DOE's draft comments.

Two options were outlined for Council's consideration:

- 1) **Wait for Director's Letter** – this option would delay discussion with DOE until a formal letter from the DOE Director is received with required and recommended changes. The DOE Director would approve the City's SMP subject to receiving written notice that the City agrees to all of the required changes. The benefit of this approach was that Council would have an official document from DOE to which it could respond by August or September.
- 2) **Provide Comments on the Drafts** – this option allows Council to provide a response to DOE based on the draft findings, required changes, and recommended changes as identified in the memo. Furthermore, this option allows DOE to consider Mercer Island's comments prior to sending the official conditional approval letter from the Director. Although this option provides for an earlier start, the process would take longer and would likely be completed sometime in October.

Councilmembers asked questions of staff regarding the following:

- Will the final outcome change if we change the message now?
- Does staff plan to present a DOE perspective and a counter perspective?
- How will dock width be addressed?
- What was the information and graphics provided at DOE's public hearing with regard to different size projects and lots?

Agreements & Direction:

Council directed staff to proceed with the second option and bring back an agenda bill for consideration at the June 17 Regular meeting. Council also asked that additional graphics be included that identify the vegetation element more clearly.

I-90 FEDERAL HIGHWAY ADMINISTRATION (FHWA) REPORT

Mayor Bassett, Councilmember Grady, and Deputy City Manager Noel Treat summarized the Washington DC meeting schedule and talking points.

Pre-Meeting at K&L Gates – met with attorneys and discussed the itinerary

Meeting with Pete Modaff (Senator Cantwell's Office) – met with Pete Maydoff and alerted them to the indirect and accumulative effects of tolling I-90. They reviewed the City's two-pronged approach, which included addressing the Federal Highway Administration's legal authority and EIS issues.

Meeting with Matt Bormet (Representative Rick Larsen's Office) – met briefly with Representative Larsen and then walked through the issues with his Legislative Assistant, Matt Bormet. Although Rick Larsen's district does not cover Mercer Island, his district is part of the PRSC (Puget Sound Regional Council) and therefore would be impacted by regional tolling efforts. Additionally, Larsen is the only member of the Washington delegation that is on the House Transportation Committee. While they are interested in the issue, they are non-committal at this juncture. Nonetheless, the issue is now on their radar screen.

Meeting with Representative Adam Smith – met briefly with Adam Smith and his staff and thanked him for his letters. One letter was to the Federal Highway Administration and addressed the legal questions he felt needed to be considered. The second letter was to the Governor encouraging him to look at alternatives to tolling.

Meeting with Federal Highway Administrator Victor Mendez (FHWA) - met with Administrator Victor Mendez and approximately 10 additional senior staff. As a result, Mercer Island's concerns are recognized as important and have been elevated to the Federal Highway's administrative level. Mayor Bassett noted that Administrator Mendez recognized that the Mayors' letter included almost all of the Mayors identified on the map. Deputy City Manager Treat reported that Administrator Mendez recognized that it was important to complete a regional study before an I-90 study.

The following assurances were made:

- They have not made any decisions about the I-90 proposal
- They will review the legal questions objectively
- They will provide considerable oversight on the EIS process

- They don't plan to make a decision until the EIS is completed

Deputy City Manager Treat also reported that the State has not formally applied to the feds for authorization to toll I-90, which is a requirement before the State can proceed.

Meeting with Representative Dave Reichert – He was very engaged and supportive about I-90. He suggested that we put together a delegation letter. He also offered to assist with getting the Chair of the House Transportation Committee to visit the area.

Meeting and NEPA Compliance Director Cliff Rader (EPA) – the meeting went well and put the issue on their radar screen. Director Rader explained that in his experience, tolling raises revenue, but increases congestion and greenhouse emissions, which triggers air quality issues.

Mayor Bassett emphasized that both the PSRC and the feds are encouraging a regional effort.

Agreements & Direction:

- *Mercer Island's legal counsel will make the Federal Highway Administrator aware of the PSRC and WASDOT response that the City recently received, and encourage more discussion when Washington State's Secretary of Transportation Lynn Peterson meets with the Administrator in a few weeks.*
- *The City is working to schedule a meeting with Secretary Peterson prior to her meeting with FHWA to brief her on Mercer Island's objectives and assess where she stands.*
- *The City's lobbyist, Tim Punke of Monument Policy Group, will work with Representative Reichert to create a delegation letter that would be signed by multiple members.*
- *The City's lobbyist believes that Representative Larsen's office will make a call to FHWA to say this issue is important.*
- *Speak with Representative Adam Smith and determine if he can encourage as much of the delegation as possible to sign off on the letter.*
- *Meet with EPA's regional office and deliver the City's message on I-90 tolling to them.*

PLANNING SCHEDULE

City Manager Conrad reported that PSRC would like to give a presentation on growing transit communities and asked for scheduling guidance from Council.

Agreements & Direction:

Council requested that staff schedule the presentation when it was convenient.

VOLUNTEER RECOGNITION

Councilmember Brahm expressed concern for the City's volunteer recognition efforts and suggested that the City do more to celebrate and acknowledge its volunteers. She spoke with the Volunteer Coordinator with the City of Sammamish and explained that Sammamish holds an annual awards dinner for its boards and commission members in conjunction with other service organizations.

Councilmember Senn suggested that the MI Weekly highlight a volunteer once a month. She also explained that the City misses energetic people when it recycles the same board members every year.

Agreements & Direction:

Council agreed that more needs to be done to say "thank you" and recognize the time and energy that volunteers provide on behalf of the City. City Manager Conrad will have staff develop three to four items that can be done at no cost and two to three things where there is a cost for Council consideration.

ECONOMIC DEVELOPMENT

Councilmember Senn encouraged the City to explore its role and the Council's role in Mercer Island's economic development. She explained that the Chamber of Commerce does a good job of recognizing existing talents, but

would like to know what the City is doing to capture new talent and identify untapped economic development opportunities on the Island.

Additional questions and comments by Council included:

- What can we do to support and grow existing businesses and capitalize on our resources?
- Do we need an economic development committee?
- What incentives can the City provide to encourage economic development?
- Have we tried to visualize the downtown as a neighborhood to encourage activity downtown?
- How do we build excitement?
- Do we want to encourage businesses downtown that encourage off Islanders to come onto the Island?
- Do we talk to Microsoft, Amazon, and Costco about locating small offices or facilities on the Island?
- How do we make sure people know what we have to offer on the Island?
- What do the Town Center residents need?
- Do we have the right infrastructure?
- What is the vision for the Town Center for the next 20 years?
- How will tolling effect economic development on the Island?
- How will light rail impact economic development?

City Manager Conrad explained that the biggest tools the City has are zoning and infrastructure. He further explained that some cities try to effect business retention and suggested that the City put together a marketing packet that can be given to property owners and commercial real estate brokers. He also suggested that the City could attempt to generate more activity downtown using programs and events.

Agreements & Direction:

DSG Director Scott Greenberg, Councilmembers Senn and Bertlin, and the Chamber Director will meet and start brainstorming ideas regarding next steps.

PARKING LOT

- **SHIRTS:** Council discussed purchasing City of Mercer Island City Council shirts to wear to community events.

Agreements & Direction:

Interested Councilmembers agreed on a burgundy, sport polo shirt with block lettering reading "City of Mercer Island City Council."

- **HEAVY TRUCKS:** Council discussed whether to manage or regulate the use of extended trucks on the Mercer Ways, in response to a contractor's truck that rolled while working on a City project.

Agreements & Direction:

Council consensus was to manage the issue through education and communication and suggested an article in the MI Weekly, acknowledging and explaining the incident.

- **BOOK:** Councilmember Senn distributed books to each Councilmember, City Manager Conrad, and Deputy City Manager Treat called "Lean In" by Sheryl Sandberg. She explained that the books spoke about how men and women communicate differently and encouraged each person to read it.
- **SEATTLE TIMES ARTICLE:** Mayor Bassett recognized Councilmember Senn for her May 29 Guest Editorial piece entitled, "Me, my dad and Angelina Jolie". Council and City Manager Conrad praised her writing.
- **PEDESTRIAN BRIDGE REQUEST:** Mayor Bassett reported that he received a letter from the President of the Mercer Island Town Houses Association, thanking the City for the light at the intersection of 32nd Street on Island Crest Way and requesting a pedestrian bridge.

Agreements & Direction:

Council did not agree on how to proceed.

PLANNING SCHEDULE

Council discussed the following items and adjusted the Planning Schedule accordingly:

- **Solicitors Ordinance** – City Manager Conrad reported that City Attorney Katie Knight will draft a solicitors' ordinance by late summer for Council consideration.
- **Puget Sound Transit** – it was agreed that as the tolling issue becomes clearer, the decision when to meet with Sound Transit will become clearer.
- **Sound Transit Station Discussion/Design Presentation** – City Manager Conrad reported that the current design includes considerable lighting, which will affect area residences and asked if Council wanted to provide some thoughts on this issue.

Agreements & Direction:

Council agreed that there should be some discussion about toning down the expression of the lights.

Councilmember Senn reported that Sound Transit also asked that the City consider whether it would like to see a public bathroom or not, at the station.

Agreements & Direction:

Council did not agree on how to proceed on regarding the public bathroom.

ADJOURNMENT

Mayor Bassett thanked the Council candidates present for attending the Mini-Planning session.

Councilmember Senn wished to acknowledge that this was the last retreat for City Manager Conrad and Councilmember Grady.

The Mayor adjourned the Mini-Planning Session at 4:13 p.m.

Bruce Bassett, Mayor

Attest:

Deborah A. Estrada, Deputy City Clerk