

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

April 12, 2010
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:01 p.m., with Mayor Davidson presiding. There was no Executive Session.

2. Oral Communications

- (a) Doug Hoople, representing the King County Veterans Citizen Levy Oversight Board, distributed copies of the 2008 Veterans and Human Services Levy Annual Report and additional information on related programs. He noted that a levy outcomes report will be released later in the year. Mr. Hoople reported that the levy covers members of the National Guard who serve in Iraq and Afghanistan, which would not have been covered by previous funding. He thanked Deputy Mayor Lee and Councilmember Robertson for attending the ground breaking of the Andrews Glen project in South Bellevue. This project provides 60 housing units, 20 of which are dedicated to veterans.

Councilmember Degginger thanked Mr. Hoople for serving on this Board, noting that it is great to have Eastside representation. Mr. Hoople said Youth Eastside Services and other Eastside agencies are receiving levy funding as well.

- (b) Robert Shay, representing the Wilburton Community Association, asked that the Council keep the area's vibrant residential character intact. He noted that the Wilburton Connections/120th Avenue project has been discussed since the 1990s, and he is disappointed that residents were not contacted recently before project signs went up. He has spoken with the Mayor, City Manager, and Transportation Director, and has been assured that residents will be involved from this point forward. Mr. Shay said the neighborhood supports the project, as long as the proposed new link involving 120th Avenue crossing NE 8th Street is completed. Without this link, the project is a road to

nowhere. He noted concerns regarding traffic congestion if the project is not properly sequenced. He suggested first completing the link at NE 8th Street, then completing the link to NE 5th Street, and finally completing the extension of NE 4th Street. The Wilburton Community Association wants to ensure that the Best Buy store, and its jobs, are retained.

- (c) Aaron Laing, an Enatai resident, commented on the East Link light rail project. He recalled his previous testimony before the City Council cautioning them with regard to working with Sound Transit. Mr. Laing said he learned something last week that resulted from Sound Transit's previous trespassing on his property when he would not grant the agency right of entry. He noted that Sound Transit has changed support for the B3 Modified option to support for alternative B2. Mr. Laing said he met with Sue Comis, Sound Transit project manager, and others last week. He learned that Sound Transit will not consider option B7 without the Sound Transit Board's direction. Sound Transit plans to cross the Mercer Slough parallel to I-90 for future extension of the light rail line to the east, and Sound Transit will not look at noise, wetland, or other impacts associated with the B3, now B2, alignment until at least the end of the year.

Mr. Laing opined that questions and issues raised by the Bellevue City Council will not be addressed until it is essentially too late. He asked the Council to: 1) Direct staff to stop working on B3 and to start looking at B7, 2) Hire an outside consultant to review the B7 alignment, and 3) Hire a consultant to conduct noise and impact studies. Mr. Laing encouraged the Council to stick together in working with Sound Transit. He expressed concern that Sound Transit will not listen to the Council until it is unified. He urged the Council to represent the community's interests and to not let Sound Transit set its own agenda.

- (d) Bob Bengford noted that he lives near the South Bellevue Park and Ride, and access to transit is one of the best features about where he lives. He was attracted to buying his home because he knew Sound Transit planned to eventually implement light rail along this route. He noted that the closest neighbor recently expressed concern about the potential proximity of light rail. However, when told that the B7 route would bypass the Park and Ride lot, she said that outcome would be even worse. Mr. Bengford expressed opposition to the B7 alignment. He attended the previous week's Sound Transit Board meeting, and he feels certain that the Board will not choose an alignment that will bypass the South Bellevue Park and Ride.
- (e) Betsy Blackstock said she would like to present a different perspective, coming from the Sound Transit capital committee meeting the previous week. A fourth noise issue has emerged on Seattle's Central Link, which was referred to by James Irish as "general rail noise." This will require approximately \$5 million to mitigate. Sound Transit will provide notice to residents and businesses within 1,000 feet of the Central Link line. She distributed copies of an aerial photo delineating properties within 900 feet of Bellevue's proposed light rail alignments. She urged the City to conduct its own study of these impacts. Ms. Blackstock distributed a second aerial photo showing the Mercer Slough

wetlands and buffer. She asked the Council to question Sound Transit staff about impacts to the wetlands under the Segment B alternatives. Ms. Blackstock said the Surrey Downs East Link Committee feels there are too many unanswered questions regarding Segment B, which presents significant economic and timeline risks. She thanked Councilmember Balducci for forwarding Surrey Downs information to the Sound Transit Board. She urged the Council to fund its own study about light rail impacts, and submitted her comments in writing.

- (f) Wendy Jones, an Enatai resident, said her home overlooks Bellevue Way. She previously lived in Surrey Downs, and feels that both neighborhoods are convenient, safe, and relatively quiet. She is distressed and disappointed about the Sound Transit capital committee's stated preference for the B2 route along Bellevue Way SE and 112th Avenue SE. She said this will have significant impacts to many homes along the route. Ms. Jones said her neighbors uniformly favor the B7 route. She urged the Council to continue to support the B7 option and to protect Bellevue neighborhoods.
- (g) Rebecca Sears, an Enatai resident, expressed her support for regional connections via mass transit. She supports the B2 or B3 alignments. She expressed concern that additional studies will expend funds that could be used for the mitigation of impacts.
- (h) Chris Peters recalled a 2009 City plan for comprehensive trails which specified that any link between SR 520 and I-90 should be co-located with a light rail route, which would also be co-located with the BNSF right-of-way. He noted this would be a tight squeeze, and if not impossible, it will at least compromise the character and purpose of the trail. As an additional issue, Mr. Peters said if the BNSF track were to be damaged by an earthquake and dismantled, this would eliminate one of the most important transit links for the Eastside. He urged the City and Council to tour the areas along the B7 alignment.
- (i) Gary Ritner, a resident of Brookshire Condominiums on 118th Avenue SE, stated that the B7 alignment will adversely impact 170 homes in the Brookshire Condominiums and Mercer Park Condominiums, as well as additional residents along that route.
- (j) Jerry Lutz, an attorney with Perkins Coie representing Best Buy, expressed concerns regarding the impacts of the proposed extension of NE 4th Street from the downtown to the east of I-405. Best Buy disagrees with City staff's assertions regarding Best Buy's ability to remain at its current site, and to date has not identified a workable alternative site. He suggested that an option using NE 5th Street would make it easier to control traffic to protect adjacent neighborhoods, pending the completion of longer term projects. Mr. Lutz submitted his comments in writing, along with relevant emails on the matter.

3. Study Session

- (a) Council Business and New Initiatives

- Councilmember Chelminiak moved to reappoint Jan Stout and Michael Yantis to the Human Services Commission. Deputy Mayor Lee seconded the motion.
- The motion to reappoint Jan Stout and Michael Yantis to the Human Services Commission carried by a vote of 7-0.
- Councilmember Wallace moved to reappoint Hal Ferris to the Planning Commission, and Deputy Mayor Lee seconded the motion.
- The motion to reappoint Hal Ferris to the Planning Commission carried by a vote of 7-0.

Deputy Mayor Lee reported that the City will have visitors from Sister City Hualien, Taiwan, on Friday and Saturday.

Councilmember Degginger attended the first meeting of the Transit Task Force, which is comprised of 28 representatives.

Councilmember Chelminiak attended a meeting of the Executive Committee of the Puget Sound Economic Development District, which will be reviewing regional economic cluster strategies.

(b) East Link – Downtown Bellevue Alignment Alternatives and City Council Preferences

City Manager Steve Sarkozy opened discussion regarding the Sound Transit East Link light rail project. Sound Transit staff will discuss the recommendations of its capital committee and review the planning process. The Council will be asked to review the most recent draft of a proposed Term Sheet that allows the City to move forward in a collaborative process with Sound Transit. The Sound Transit Board anticipates an April 22 decision on its preliminary preferred alternatives.

Ric Ilgenfritz, Executive Director for Project Development with Sound Transit, provided an overview of the East Link project. He explained that the Sound Transit Board asked its Capital Projects Committee to provide guidance to the Board regarding next steps. On April 8, staff provided a comprehensive report to the Sound Transit Board, which discussed the recommendations extensively. A summary of that discussion was sent to the Bellevue City Council. On April 22, the Sound Transit Board will update the preferred alternatives in order to continue working on preliminary engineering and design, as well as the environmental analysis.

Don Billen, East Link Program Manager, briefly reviewed the project timeline, noting that the Sound Transit Board is focused on updating its preferred alternative this month. Identifying a preferred alternative is a requirement for the final Environmental Impact Statement (FEIS), but it does not represent a final decision. All alternatives in the FEIS will be developed to a level sufficient for environmental analysis, which is a conceptual engineering level (5-10 percent design completion). The preferred alternative is advanced to a preliminary engineering design

level (30 percent design completion). An impact analysis (e.g., traffic, environmental) will be done for all alternatives at a comparable level.

Responding to Councilmember Wallace, Mr. Billen said most of the environmental impact analysis has been suspended because some alternatives are still in flux pending the results of the Council's work with the Sound Transit Board. All DEIS alternatives will be advanced for FEIS study. Mr. Billen said staff recommends also including the four alternatives from the Downtown Bellevue Concept Design Report.

Responding to Mayor Davidson, Mr. Billen said all 19 route alternatives outlined in the DEIS will be analyzed at a comparable level in the FEIS.

Responding to Deputy Mayor Lee, Mr. Billen said the City of Bellevue withdrew its proposed B7 Modified route, and it will not be studied.

Responding to Councilmember Balducci, Mr. Billen explained that the FEIS will perform a sufficient level of design on all alternatives in order to complete an impact analysis at a comparable level of approximately 5 to 10 percent design completion.

Mr. Billen reviewed the interim preliminary engineering cost estimate. The base project estimate is tracking within the Sound Transit Phase 2 plan assumptions. However, the recession eliminates the project reserve as well as five percent in non-construction costs from the financial plan. The current PE estimate for ST2 is just under \$2.4 billion, and revenues are down considerably. The North King Subarea, as well as the other four subareas, are down with regard to the ST2 program.

Responding to Councilmember Wallace, Mr. Billen clarified the structure of the project budget. Mr. Billen said the I-90 HOV lanes are a separate project budget in Sound Transit's financial planning. The \$2.4 billion covers building the light rail alignment from the International District Station in Seattle to the Overlake Transit Center Station in Redmond.

Responding to Councilmember Degginger, Mr. Ilgenfritz said a separate Term Sheet applies to the I-90 HOV project. Sound Transit and the State have not reached a final agreement on that project, which would provide Sound Transit with access to the center roadway for light rail service. The compensation received from Sound Transit for the right-of-way would be used to construct HOV lanes on the outside of the bridge, which is known as the R8A project. This is a separate budget within the Sound Transit Financial Plan and is not shown on this presentation.

In further response to Councilmember Degginger, Mr. Ilgenfritz confirmed that the ST2 plan included a budget for completing R8A. He clarified that the right-of-way acquisition on I-90 does not count against the East Link budget. However, the R8A project budget counts against the Sound Transit East King Subarea budget.

Continuing the presentation, Mr. Billen described the proposed B2M (Modified) alignment which incorporates aspects of the B3 Side-Running alternative along Bellevue Way and travels

on 112th Avenue into Downtown Bellevue. It connects with the C9T tunnel alignment under 110th Avenue, has an elevated crossing over I-405 at NE 6th/NE 8th Street into the hospital district, and then continues through the Bel-Red corridor.

Responding to Councilmember Wallace, Mr. Billen said the figures in the presentation are based on a comparison to the May 2009 preferred alternative. Mr. Billen confirmed that the current preferred alternative contains A1, B3, C4A, and D2A. The cost estimates are based on the interim preliminary engineering design, and not on the design in the DEIS.

Responding to Councilmember Robertson, Mr. Billen said anticipated mitigation costs are reflected in specific line items, allowances, or the design allowance contingency. He said the cost estimates are fully comprehensive and provide funding to address mitigation.

Mayor Davidson asked why property owners along 112th Avenue, north of SE 8th Street, did not receive formal notification about East Link planning.

Mr. Billen explained that alternatives involving 112th Avenue were studied in the DEIS, so property owners were formally notified at that time. Since that time, there have been discussions with the City Council, as well as at least two open houses in Bellevue. Mr. Billen noted that Sound Transit's outreach staff has been hearing from the Bellevue Club.

With the financial uncertainty about alternatives involving a downtown tunnel, the consensus of Sound Transit's Capital Projects Committee was a recommendation to continue to perform preliminary engineering for an at-grade alternative through downtown Bellevue. The Committee identified C11A, an at-grade alignment on 108th Avenue, as the most attractive option.

Responding to Mayor Davidson, Mr. Billen said staff is being asked to advance two alternatives for Downtown Bellevue into preliminary engineering. For South Bellevue, Sound Transit is proceeding with the normal course of conducting preliminary engineering for only one alternative.

Responding to Councilmember Chelminiak, Mr. Billen said the B3 Modified/Side-Running alternative is at 15 percent engineering. Mr. Billen confirmed that while preliminary engineering will be conducted for limited alternatives, the remaining alternatives will receive comparable levels of analysis.

Responding to Councilmember Robertson, Mr. Billen said there were multiple segments of the Central Link project in which the preferred alternatives prior to the FEIS did not become the final routes.

Councilmember Robertson noted that the B2M-C92 alignment no longer has two stations in Segment C south of NE 6th Street. There is a station at SE 8th Street instead of Main Street. She stated her understanding that there was better ridership with a station at Main Street.

Mr. Billen said Sound Transit could explore moving the SE 8th Street station farther north if there was Council interest in that option.

In further response to Ms. Robertson, Mr. Billen confirmed that the analysis of noise, traffic, and other impacts will be contained in the FEIS. He said there might be a point in the process at which the technical work is completed and some information can be shared earlier than the release of the FEIS.

Councilmember Wallace noted that the Downtown Concept Design Study indicates that option C9T is \$285 million over budget. A tunnel portal on the Red Lion site is estimated at an additional \$30 million.

Responding to Councilmember Wallace regarding the transition between Downtown and the Bel-Red corridor, Mr. Billen said the estimated cost of connecting into the NE 16th Street alignment is higher on the approach from NE 6th Street than it is on NE 12th Street. Approaching from the BNSF rail corridor and NE 6th Street represents additional costs as well. Mr. Billen said Sound Transit estimates a cost difference of \$50 million to \$100 million between the B3 and B2M alternatives. For planning purposes, staff is using the midpoint of \$75 million. Mr. Billen briefly reviewed optional elements of both alternatives that affect project costs.

Responding to Councilmember Wallace, Mr. Billen said the potential elevated transition at Main Street between Segments B and C could be as high as 30 to 40 feet. The clearance could be as low as 16.5 feet with a connection to a tunnel for Segment C instead of an at-grade alignment.

In further response to Mr. Wallace, Mr. Billen acknowledged that Sound Transit did not anticipate wheel squeal on some sections of the Central Link project that are experiencing problems. The response has been to install auto lubricators that release grease onto the tracks as a train approaches, which is proving to be effective. This type of measure will be incorporated into the East Link project. Mr. Ilgenfritz noted that this is an example of the kind of new information that will be rolled into the impact analysis of the FEIS.

Councilmember Degginger questioned the comparison of acquisition costs for the NE 6th Street and NE 12th Street crossings over I-405. Mr. Billen said the crossing at NE 12th Street is along the far northern edge of a parcel, which would require only a partial, limited acquisition. Approaching from the south in the BNSF corridor, the alignment passes directly through a structure and therefore requires a full acquisition. Mr. Billen noted his understanding that the City's NE 15th/16th corridor project requires the same parcel acquisition, and this could be an opportunity for partnering between the City and Sound Transit.

Continuing, Mr. Billen reviewed segment D (Bel-Red Corridor/Overlake). Sound Transit has evaluated the potential for a retained cut alignment through a portion of the Bel-Red corridor, with a retained cut station in the Spring District. This would add potentially another \$20 million in project costs. However, the Spring District developer is proposing a public-private partnership. Sound Transit's Capital Projects Committee recommends performing preliminary engineering, with the understanding that adopting this as a final alignment would be subject to a

public-private partnership that keeps Sound Transit's costs neutral. The City of Redmond proposes moving the Overlake Village station north toward SR 520 and modifying the alignment to follow SR 520, which potentially reduces costs. The City of Redmond is proposing its own pedestrian bridge project over the freeway.

Referring back to Segment C, Mayor Davidson questioned the potential for moving the Overlake Hospital station farther north.

Councilmember Balducci said the hospitals jointly wrote a letter asking that the station be shifted farther north, almost directly to the west of Lake Bellevue, for better access to the Hospital District. The property owner of the building with the Arthur Murray dance studio is making a proposal to shift the station slightly less farther north, next to the parking lot at some of the businesses at Lake Bellevue. The preliminary alignment shows the south end of the station touching onto NE 8th Street. The specific station location can be decided at a future date.

Councilmember Balducci stated that the Bellevue Network on Aging is advocating for a more northerly station alignment, in order to provide easier access to the hospitals for older citizens. She noted the City's interest in serving the Wilburton redevelopment to the south of NE 8th Street, and commented that competing interests will need to be evaluated in the future.

Councilmember Degginger stated that the Council has not discussed this issue yet. He would like staff to analyze the alternatives and to discuss them with the Council.

Responding to Councilmember Wallace, Mr. Billen said the preferred alternative at NE 20th Street is an at-grade crossing. Sound Transit received a technical comment on the DEIS from City staff requesting a traffic analysis to update the Bel-Red Plan in general and to look specifically at this crossing. There is another alternative in the DEIS that is fully elevated through that corridor.

Councilmember Chelminiak noted testimony from the public earlier in the meeting that there will be a crossing of Mercer Slough with the future extension of light rail to Issaquah. Mr. Billen said there are many ways the connection to Issaquah could occur, but no plans are set at this point.

Councilmember Chelminiak questioned whether Bellevue stations are being considered as potential transfer points for future light rail expansion. Mr. Billen said the ST2 Plan includes the evaluation of extensions to Issaquah and Kirkland, and the preliminary designs include tangent sections that could be used in the future as switch locations. In further response, Mr. Billen said he would need to verify with operations staff, but his understanding is that a switch could be initiated while the train is moving, and at a distance that would allow a safe stop should a switch malfunction occur.

Deputy Mayor Lee stated that he is pleased to hear discussion regarding the potential for future transfer points.

Mayor Davidson said he has read the ecosystem report, and he does not understand why the B7 alternative is rated poorer than alternative B3. He noted that both are constructed over Category 1 wetlands.

James Irish, Sound Transit, said he would be happy to sit down and talk in greater detail. However, he will comment on the general differences between the two options. The South Bellevue Park and Ride already exists, so there is no wetland impact associated with the paved area within the Park and Ride facility for the East Link project. Alignment B7 runs directly across the wetlands and the construction footprint is 70 feet, or wider in some areas. The B3 Side-Running alternative is primarily located within the wetland buffer.

Mayor Davidson stated that he has walked the area, and he does not understand how the B3 Side-Running option is not considered an intrusion into the wetland. Mr. Irish explained that wetland biologists have gone into the field and completed a detailed survey of the wetland edge along the Mercer Slough. The route is clearly within the buffer for the majority of the alignment along the east side of the road.

Responding to Councilmember Degginger, Mr. Irish said the B7 construction footprint would be in effect for a number of years. He said piers would not be required to build an alignment across the Mercer Slough for the B7 route.

Responding to Councilmember Chelminiak, Mr. Irish said the DEIS indicated that construction of the B7 route across Mercer Slough would require construction equipment access via a wooden trestle. That would not cross the slough itself, but would come up either side. Those are the kinds of details to be worked out later if the B7 alternative is ultimately selected.

Responding to Mayor Davidson, Mr. Billen said there were a number of comments on the DEIS suggesting that the South Bellevue Park and Ride be moved farther south. As part of the FEIS, the engineering team will take a look at the viability of this suggestion.

Councilmember Wallace commented that an alternative involving access to the South Bellevue Park and Ride while also using the B7 alignment would be good for the Surrey Downs and Enatai neighborhoods, and could possibly be supported by the entire Council. He urged City and Sound Transit staff to study additional alternatives for combining these two key elements.

At 8:08 p.m., Mayor Davidson declared a break. The meeting reconvened at 8:17 p.m.

Councilmember Wallace stated that all four of the new Downtown alignments avoid certain impacts and are a step in the right direction. He reiterated his suggestion that the City hire outside consultants and experts to properly evaluate all of the issues (e.g., noise, environmental, costs) and provide thorough answers. He noted his ongoing concerns regarding an elevated track in the vicinity of 112th Avenue and Main Street in terms of noise and visual impacts.

Mr. Ilgenfritz agreed that more analysis is needed. The Capital Projects Committee gravitated to the B2M alternative for several reasons including impacts, direct access into the Downtown, and the opportunity to better serve the area southeast of Downtown.

Councilmember Wallace stated that protecting neighborhoods is of primary importance. He noted concerns about impacts to Surrey Downs and Enatai, and with the elevated turn at Main Street.

Responding to Mr. Wallace, Mr. Billen noted the graphic of the C11A alternative, which shows a double-tracked alignment along the median of 108th Avenue NE. Mr. Billen concurred that C9A reflects lower costs than C11A. However, the walk analysis demonstrated some real advantages with two centrally located stations. The C11A option offers significant accessibility advantages over the C9A. Both will be studied further for the FEIS.

Councilmember Balducci stated that she did not hear the Sound Transit Board reject C9A, but some Board members prefer C11A because it is more centrally located and provides better service based on the walk analysis.

Councilmember Wallace suggested the consideration of at-grade stations with the C9T tunnel alignment. Mr. Billen said the cost for stations along a cut and cover tunnel, as is the case with C9T, are lower than station costs associated with a mined tunnel.

Mr. Ilgenfritz commented on the costs that would be incurred by providing an elevated station at NE 6th Street, coupled with a tunnel. This would involve the cost of the structure necessary to accommodate an elevated station, while also taking on all the risk associated with digging a tunnel. It would be compounding risk in that regard. The project does not avoid cost risks associated with a tunnel simply by locating the stations outside of the tunnel.

Councilmember Wallace encouraged further review to refine costs. He suggested another idea using NE 2nd Street instead of Main Street for the tunnel portal, in order to avoid impacts to Surrey Downs along Main Street. This would also shorten the length of the tunnel by about 600 feet.

Mr. Ilgenfritz reiterated that the Capital Projects Committee has expressed a preference for option B2M, subject to additional study for the best way to provide a transition between the B and C Segments.

Councilmember Degginger recalled the previous value engineering analysis that identified new potential alternatives. Mr. Billen confirmed that these ideas were studied and evaluated by City and Sound Transit staff, and a determination was made that an alignment along 112th Avenue would provide good access into the Downtown. Responding to Mr. Degginger, Mr. Billen estimated that further analysis of the impacts associated with the 112th Avenue route will require a minimum of two months of additional work by staff and consultants. The consultants would be an integrated team to perform engineering and environmental impact analysis, with mitigation expertise being part of the team as well.

Councilmember Robertson thanked Mr. Ilgenfritz and the Capital Projects Committee for recommending further consideration of C9T. She encouraged Sound Transit to look at SE 2nd Street for the tunnel portal, consistent with Bellevue's vision to protect neighborhoods. She hopes Sound Transit will also further analyze a tunnel portal on the Red Lion site. She is interested in the proposal to incorporate the South Bellevue Park and Ride into the B7 alignment. Noting that the future extension of light rail could impact Mercer Slough, Ms. Robertson suggested that this should be considered in terms of planning in a way that will impact the Mercer Slough only once, if possible.

Mr. Billen said the East Link project has identified a number of possible connections but is not conducting an analysis of the future extensions to Issaquah.

Mr. Ilgenfritz said the overall Phase 2 package includes many projects, including future studies to be conducted with regard to a possible Phase 3 package. This includes studies that are looking at how best to access Issaquah and other points east of Bellevue, as well as Kirkland and points north.

Responding to Councilmember Robertson, Mr. Billen said the cost estimates will remain at the conceptual engineering design level. However, cost estimates will be updated to reflect adjustments to elements within alternatives. Ms. Robertson encouraged Sound Transit and the City to work together on studying noise, traffic and environmental impacts.

Deputy Mayor Lee followed up on Councilmember Wallace's questions, noting that he is surprised to hear that the Sound Transit Board places a priority on good downtown service. He thought cost had been the top priority. Mr. Lee feels there is some confusion about Sound Transit's priorities and expectations. He would like a summary of what Sound Transit is doing for future phases and at each milestone.

Councilmember Chelminiak questioned the size of the footprint of the South Bellevue Park and Ride. Mr. Sarkozy said it covers approximately 8.5 acres of total area, of which five acres is developed as the Park and Ride facility.

Councilmember Chelminiak asked for the meeting date last fall in which City staff presented Segment C alternatives and the value analysis work to the Council.

Responding to Mr. Chelminiak, Mr. Ilgenfritz said there are nine members on the Sound Transit Board Capital Projects Committee. Councilmember Balducci said the committee did not take a vote, but the Chair noted a consensus based on nods around the table.

Councilmember Balducci summarized the committee's perspective. She explained that the committee reviewed a table showing a series of combinations of Segment B and Segment C routes, including information about ridership, travel times, total segment boardings, East Link total ridership, and costs. The B2M-C9T combination was the second fastest, had the highest boardings, had the highest East Link ridership, and was the second most expensive alternative.

Councilmember Balducci stated that this is a very good step. The City has gone from not having a tunnel to the realistic potential for a tunnel.

Deputy Mayor Lee said he feels differently about the B2M alternative, which is being presented relatively late in the process. He acknowledged that this is a complex matter, and expressed appreciation for Sound Transit's work. Mr. Lee said Bellevue needs to maintain its focus on its community priorities and transportation objectives. He noted the need to balance costs and technical considerations with social, cultural, and economic considerations. He would like to know from Sound Transit about their priorities, and to then work toward common objectives. He noted that tradeoffs and balances will need to be made, and it is important to get on the same page.

Mayor Davidson thanked Mr. Billen, Mr. Ilgenfritz, and Mr. Irish for their participation.

Mr. Sarkozy noted that the environmental review process will extend into early 2011, with information periodically coming back to the Council. Review of the B2M alternative will continue over the next couple of months. Mr. Sarkozy said the important next step is the development of a Term Sheet that is agreeable to Sound Transit to allow the tunnel option to proceed. The Sound Transit Board will select its preferred alternative on April 22. If the Board selects the C9T alternative, Bellevue will provide approximately \$150 million in contributions towards the East Link Project, in the form of access to City property and rights-of-way at no cost; one-time tax revenues that would be received by the City as a result of the East Link Project; in-kind services such as streamlined permitting assistance; and the City assuming responsibility for specific East Link capital projects that provide mutual benefit.

Mr. Sarkozy noted the draft Term Sheet provided in the desk packet, which provides the framework for funding the C9T alternative. The Term Sheet is intended to be relatively high level, providing flexibility and demonstrating a collaboration between Sound Transit and the City. Mr. Sarkozy said the Council will take action on the Term Sheet next week, in preparation for the Sound Transit Board meeting on April 22. Mr. Sarkozy reviewed the Term Sheet, and highlighted the general principles and framework for funding the C9T alternative. The menu of potential City contributions is consistent with past Council discussions. The Term Sheet will ultimately be followed up by a Memorandum of Understanding.

Councilmember Degginger stated that this is moving in a direction he could support. He suggested listing grants as a potential funding source.

Deputy Mayor Lee commented that the Term Sheet is focused on the C9T option. He questioned whether consideration has been given to a similar approach for all segments of the system. There may be other conditions that he would like to include.

Mr. Sarkozy said that the Term Sheet is aimed at gaining support for the C9T alternative on the Sound Transit Board. The Board has asked the City to provide financial considerations in order to make that option possible. Ultimately an MOU will address other segments as well.

Councilmember Robertson suggested adding to the menu of potential Bellevue contributions some language regarding NE 2nd Street since the Council is encouraging them to look at that as a potential tunnel portal location.

Councilmember Balducci reminded the Council that the Sound Transit Board's priority is to provide a project as promised to the voters that provides good service and is affordable within the budget. There are concerns about the costs of a tunnel exceeding the assigned budget and funding available in the East Link subarea. The purpose of the Term Sheet is to provide assurance that the City will participate in funding should the tunnel be selected by the Board. This will help to reassure Sound Transit that spending the next year and significant costs to conduct preliminary engineering is a good investment. Ms. Balducci said there will ultimately need to be a more detailed agreement that protects everyone's interests, but that cannot be negotiated until after the final alignment is selected next year.

Councilmember Degginger requested details about the joint analysis of alternatives. He would like a memo from staff relatively soon that outlines how these activities will be staffed, what will be evaluated, and the timetable for this work.

Councilmember Wallace stated that input from the CEO group would be helpful as the Council reviews the Term Sheet. He said it is important to know the exact costs of the entire East Link system through Bellevue, in order to understand the number that the Council is trying to solve. In looking at contributing City resources, he needs to understand what is and is not necessary. Mr. Wallace said he would appreciate any information available that will help him to get to that point.

Mr. Sarkozy said a summary of the CEO group's evaluation and recommendations is being prepared and will be distributed to the Council.

Deputy Mayor Lee said he appreciated Councilmember Balducci's comments about Sound Transit's goal of providing good service within the defined budget. He wants to know the overall system budget. He noted that the key is service, and questioned how to define service. Is it time, speed, ridership? And which combination of alignments will provide the desired level of service? Then the Council can start balancing out the quality, environmental, neighborhood, and social issues. It is important to get down to that level to know how to make tradeoffs.

Councilmember Balducci stated, with regard to Councilmember Wallace's question, that the Term Sheet defines the funding gap for alternative C9T on page 3. Ms. Balducci said she calculates the gap to be approximately \$320 million, which can be filled by a \$150 million contribution from Bellevue, \$75 million in scope reductions from Sound Transit, and \$95 million in additional fiscal capacity from Sound Transit. These numbers may not be the actual numbers at project implementation, but these are the figures that the Board will need to see in order to continue to move forward with alternative C9T. She suggested adding in contingency funds, as a way to deal with the uncertainty regarding the numbers. If costs come in lower, the City and Sound Transit could share in the cost savings, and if the costs come in higher, perhaps both would share the risk. Ms. Balducci noted that this was the approach used for the Access

Downtown project. She suggested adding language to the Term Sheet indicating that there will be some fair allocation of savings and/or risks, to be negotiated at a later date. Ms. Balducci stated her understanding that if agreeable terms cannot be articulated, it is likely that the Sound Transit Board will proceed with preliminary engineering for at-grade alignments through the Downtown.

Councilmember Degginger concurred with Ms. Balducci's comments about sharing the savings as well as the risks associated with the tunnel project.

Responding to Deputy Mayor Lee, Ms. Balducci said the Capital Projects Committee sets a high priority on providing light rail access at the South Bellevue Park and Ride. The cost savings associated with the alignment on 112th Avenue is between \$50 million and \$100 million. In addition, the proposed B2M alternative appears to straighten out the curve in the B3 alternative and avoids another piece of wetland. Ms. Balducci said she is supportive of getting answers to additional questions after the final alignment is selected.

Mayor Davidson encouraged the Council to review the draft Term Sheet during the next week. The Council must be prepared to adopt a Term Sheet at next week's meeting.

(d) Update on Wilburton Connections Project

Mayor Davidson stated that the Wilburton Connections presentation has been moved forward on the agenda because it is time sensitive.

City Manager Steve Sarkozy explained that the Wilburton Connections project involves: 1) The extension of NE 4th Street between 116th and 120th Avenues NE, 2) Improvements to 120th between the proposed NE 4th Street extension and NE 8th Street, 3) Extension of NE 6th Street between I-405 and 120th, and 4) Neighborhood protection measures along NE 5th Street.

Transportation Director Goran Sparman stated that the purpose of tonight's presentation is to provide context for upcoming budget discussions, and to provide an overview of items anticipated to come before the Council for action this month and later this year.

Nancy LaCombe, Capital Projects Manager, reviewed previous Council actions that established the Wilburton Connections project. Most recently on February 1, 2010, the Council authorized the amendment of the 2009-2015 Capital Investment Program (CIP) Plan to create three new projects: 1) NE 4th Street extension, 2) 120th Avenue NE improvements, and 3) NE 6th Street extension.

Ms. LaCombe provided an update on the 120th Avenue NE project, for which design work is 60 percent complete. Construction is anticipated to begin in late spring 2011. This project has a funding gap of approximately \$1.35 million.

Ms. LaCombe explained that an alternative has been selected for final design for the NE 4th Street extension project, which has a current consultant agreement through preliminary design. A

contract supplement is required for final design and construction contract documents. Council action on the contract supplement is tentatively scheduled for April 19. The design is to be completed in early 2011, and construction is slated to begin in late 2011 or early 2012, pending final right-of-way negotiations/acquisition. Ms. LaCombe reviewed the selected alternative, which was scored against several criteria including roadway geometry, impacts and access to adjacent properties, impacts to the BNSF rail corridor, construction duration, traffic operations, public comment, and costs.

Ms. LaCombe explained that the preferred alternative for the NE 4th Street extension impacts the Best Buy store on 120th Avenue. There is some ability to modify the existing Best Buy structure. However, as heard during Oral Communications earlier in the evening, Best Buy is interested in maintaining the building in its current size. The preferred alternative reflects the least overall cost and is the most compatible alternative in terms of the Wilburton Village vision and community input. This project has a funding gap of \$36.8 million.

Ms. Lacombe reported that a consultant has been selected to conduct a neighborhood traffic assessment of NE 5th Street. Council action to authorize the contract is tentatively scheduled for April 19. Stakeholder involvement will begin immediately following contract authorization. Ms. LaCombe noted that the project is funded through the NE 4th Street extension project, and final design and construction will be completed with the NE 4th Street project.

Ms. LaCombe noted extensive public comment requesting the extension of 120th Avenue NE to the north of NE 8th Street. No design work on this concept has been completed to date. The estimated cost of completing five-percent engineering work for this project is as follows: 1) NE 15th to Northup Way, \$100,000, 2) NE 12th to NE 15th, \$140,000, and 3) NE 8th to NE 12th, \$190,000. Staff supports funding the NE 8th Street to NE 12th Street segment for preliminary design at this time.

Ms. LaCombe reviewed the NE 6th Street extension project. Requests for proposals have been issued for preliminary design, and staff anticipates the selection of a consultant by the end of April. Council action to authorize this contract will be scheduled for late May or early June.

Ms. LaCombe reviewed overall costs for the Wilburton Connections project, as well as estimated funding gaps and potential funding resources. She reviewed key Council decisions scheduled for April 19 and later this year.

Councilmember Robertson expressed support for the projects. She expressed concern about potential traffic congestion on 120th Avenue if the City does not move forward with extending 120th Avenue to the north of NE 8th Street. She supports locating NE 4th Street so it does not line up with NE 5th Street, in order to protect adjacent neighborhoods. She would like a solution that will keep the Best Buy business operating.

Responding to Councilmember Balducci, Ms. LaCombe said staff looked at alternatives for relocating the water detention vault between Home Depot and Best Buy. One would impact both Best Buy and the Home Depot, requiring modifications to Home Depot's structure and parking

lot, as well as the Best Buy structure. Options affecting both businesses involve higher right-of-way acquisition costs, and moving the detention vault triggers requirements for improving the facility. In further response, Ms. LaCombe said there was a difference of approximately \$2 million between the alternative affecting only Best Buy and an option affecting both businesses. She will provide the cost details to the Council.

Noting community support for the Best Buy business and its role as a local employer, Councilmember Balducci said she would like to explore all options to avoid impacting the store.

With regard to traffic calming, Ms. Balducci recalled the City's work with the Sherwood Forest community a number of years ago to deal with cut-through traffic. She feels confident that the City can come up with a design to provide similar protection for the Wilburton neighborhood.

Ms. LaCombe noted that similar projects have been completed at 108th Avenue NE and Main Street and at NE 4th Street and 100th Avenue NE.

Mr. Sparrman explained that the costs and impacts associated with potentially moving the detention tank are significant. Staff will provide the analysis and graphics associated with this aspect of the project.

Councilmember Balducci reviewed some questions she has, noting that a response could be provided later. She questioned the funding gap on the 120th Avenue project. She noted that one of the charts showed \$5.6 million in potential grant monies for NE 4th Street. Mr. Sparrman confirmed that those are STP funds. Ms. Balducci feels there is a fair likelihood that Bellevue will receive that money because it is number one on the STP contingency list, and the bids are coming in very low. She observed that timelines are getting tighter for expending federal dollars, and therefore the City needs to move forward with design if it is going to make use of these resources. Mr. Sparrman concurred.

Ms. LaCombe said when these projects were created in February, the 120th Avenue project was not fully funded.

Responding to Ms. Balducci, Mr. Sparrman said the City has been working with KG Development for a couple of years regarding acquisitions for the NE 4th Street extension. They are supportive of the project, which will allow them to develop to the full potential of the new zoning put in place for the property. There have been discussions related to a development agreement, but that agreement has not been finalized.

Responding to Councilmember Chelminiak regarding the issues raised by Councilmember Balducci with regard to the Best Buy site, Mr. Sparrman confirmed that approval of the consultant contract to be requested next week from the Council is based on the NE 4th Street preferred alternative described tonight. Mr. Chelminiak said he would like to talk with staff this week to better understand this issue and the related issue of NE 5th Street.

Responding to Councilmember Wallace, Ms. LaCombe said the cost estimate includes compensation to Best Buy for removing a portion of the building, and remodeling the remaining structure, including the loading dock.

Councilmember Wallace questioned the impact on the analysis if Best Buy cannot reoccupy the space. He noted that a Best Buy store operates within a defined prototype size and cannot necessarily continue to operate with a smaller size.

Mr. Sparrman stated his understanding that Best Buy operates in three store configurations, and the Bellevue store is the largest. It is possible they would be able to move to an alternate configuration. He noted that Best Buy leases the building and is not the underlying property owner. Therefore, the City is involved in right-of-way discussions with the property owner. There are also federal statutes with which the City must comply due to federal monies involved in the project.

Councilmember Wallace commented on the potential for losing sales, business and occupation, and property tax revenue if the business moves out of Bellevue. He would like Best Buy to be able to find an alternate site within Bellevue, if necessary.

Mr. Sparrman said staff will provide more information to the Council on this issue, noting that all of the potential alignments have impacts.

Mayor Davidson asked staff to email information on the alternatives to the Council.

Councilmember Wallace noted the potential for coordinating light rail planning with the City's plans for NE 6th Street. He wondered if this presents an opportunity for cost savings.

Mr. Sparrman said there have been conversations about how to make sure that Sound Transit's light rail project does not complicate the City's NE 6th Street extension project and make it more expensive. The two agencies are coordinating the two projects to identify an optimal solution. Property impacts are also part of the analysis.

Deputy Mayor Lee requested a briefing on the project.

Councilmember Balducci clarified that she does not need to meet with staff, but would like a response to questions in writing.

→ Deputy Mayor Lee moved to extend the meeting until 10:30 p.m., and Councilmember Balducci seconded the motion.

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

(c) Budget One Presentations

Brad Miyake, Deputy City Manager, recalled that the Safe Community Results Team provided a presentation to the Council on April 5, and additional Results Teams will present tonight.

Nav Otal, Budget One Project Manager, suggested the Council consider the following questions as it listens to the presentations: 1) Do the factors and sub-factors make sense to you?, 2) Are there factors or sub-factors that you were expecting to see but do not?, and 3) Are there community indicators that you were expecting to see but do not?

Deputy City Attorney Kate Berens introduced the Improved Mobility Outcome Results Team. She reviewed the community values and highlighted the key assumptions. She provided a high level overview of the factors and community indicators.

Councilmember Degginger observed that the connection between the value statements and factors is not clear, and he questioned the definition of terms, for example “efficiency” and “travel time” under the Traffic Flow factor.

Ms. Berens commented that travel time is a theme throughout the Improved Mobility Outcome, and travel time is one of the strategies related to traffic flow. Efficiency refers more to the infrastructure and transportation management systems that contribute to traffic flow, which also improves travel time.

Responding to Councilmember Degginger, Ms. Berens said the team met for approximately six hours a week during the couple of weeks that it was preparing its Request for Results. She estimated that she has spent a total of 20 to 30 hours.

Councilmember Balducci requested an example of a budget proposal and how it would be evaluated against the values, factors, strategies, and indicators of the Improved Mobility Outcome. Ms. Berens briefly outlined an example using the NE 4th Street extension project.

Councilmember Balducci commented that the amount of work that goes into something that looks this succinct is probably well worth the 50 to 60 hours, or more. She observed that the land use factor is too buried within the Improved Mobility map and factors. The transportation system is intended to serve the land uses, which she feels is not adequately reflected in the cause and effect map for this Outcome.

Ms. Balducci reiterated her comment from the previous week regarding the community indicators, questioning whether they are meant to reflect what people perceive or the actual conditions. While she wants the community’s perceptions to be positive about the City, it is even more important that the transportation system actually functions well.

Ms. Otal acknowledged that the community indicators tend to focus more on perceptions. However, data on actual transportation system performance will be reflected in all of the proposals.

Ms. Berens noted that staff members drafting the proposals have been instructed to include measures for objectively tracking performance, if applicable to the proposal.

Councilmember Balducci stated that she is hearing that performance measures are applied to specific proposals. She opined that it would make more sense to have overall performance measures associated with each outcome category and its factors.

Councilmember Chelminiak agreed that outcomes create perceptions, but perceptions can be wrong. He shares Ms. Balducci's concerns regarding the issue of perceptions versus reality. He will feel more comfortable seeing tangible results, rather than perceptions, as community indicators.

Deputy Mayor Lee stated that he appreciates the time committed to this new process. He said the Council needs sufficient information to be able to make decisions about what it wants for the community, and what should be funded in the budget.

Tim Stever, Transportation, provided the presentation for the Innovative, Vibrant and Caring Community Outcome Results Team. He introduced the team members, and noted that this team covers two outcome areas (i.e., Innovative, Vibrant and Caring Community; Quality Neighborhoods).

Councilmember Robertson suggested adding a value statement regarding community volunteerism.

Mr. Stever noted that volunteerism is included within the factors under this outcome.

Responding to Councilmember Degginger, Mr. Stever estimated that he has spent approximately 50 hours on the process to date. He has spent four to six hours in meetings during some weeks.

→ At 10:30 p.m., Councilmember Chelminiak moved to extend the meeting for another 15 minutes. Councilmember Wallace seconded the motion.

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

Mike Kattermann, Planning and Community Development, presented the Quality Neighborhoods Outcome values, factors, and community indicators. Anticipating Councilmember Degginger's question, he estimated that he has spent approximately 60 hours working with the Results Team for the two Outcomes.

Deputy Mayor Lee asked that this outcome include education because good schools are an important factor in overall quality of life.

Mayor Davidson encouraged the Council to review the Budget One handbook prior to the next budget discussion, and to come back with feedback and questions for staff.

Mr. Miyake acknowledged that this is a new process, which will become less cumbersome and more meaningful over time. He confirmed that staff has heard the Council's concerns regarding the community indicators and performance measures.

Mayor Davidson thanked staff members for their patience during tonight's long meeting.

At 10:40 p.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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