

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

May 10, 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 6:05 p.m., with Mayor Davidson presiding. There was no Executive Session.

2. Oral Communications

Mayor Davidson commented on the scarf he was wearing, which was a gift from a visiting delegation from India. He also displayed a carved elephant sculpture, which will be placed in City Hall with gifts from other cities and countries.

Mayor Davidson read a proclamation recognizing the week of May 10 as National Police Week and May 15 as Peace Officer Memorial Day. Mayor Davidson presented the proclamation to Police Chief Linda Pillo.

Mayor Davidson opened the floor for Oral Communications from the public.

- (a) Marty Nizlek introduced Victor Bishop, the new President of the West Lake Sammamish Association, and thank the Council for its ongoing work.
- (b) Victor Bishop, representing the West Lake Sammamish Association, asked the Council to move forward on the West Lake Sammamish Parkway project this year. He briefly reviewed the activities during the past 10 years to create and plan the project. He submitted his comments in writing.

Councilmember Balducci asked staff to provide an update to the Council on the West Lake Sammamish Parkway project. She acknowledged the significant work of residents and City staff to establish this project.

- (c) Robert Thorpe, R.W. Thorpe and Associates, said he would like to work with staff on the Meydenbauer Bay Park Plan to include elements desired by the community.
- (d) Shawn Stoller, Meydenbauer Bay Yacht Club Youth Sailing, described the nonprofit organization's activities in instructing youths in boating safety. He expressed concern regarding the location of the planned transient moorage relative to the youth sail docks. He requested an extension of the current no-wake zone to the entrance of the bay. Mr. Stoller asked the City to only approve project plans that keep the on-water activities and traffic at or below their current levels, to minimize the risk for accidents.
- (e) Kylie Gartland, a 14-year-old representative of the Meydenbauer Bay Yacht Club Youth Sail program, spoke to the importance of maintaining safe conditions at the bay.
- (f) Ray Waldmann indicated that he was speaking on behalf of the Whalers Cove Homeowners Association, as its president. He is also a member of the Meydenbauer Bay Neighbors Association. He stated the residents' opposition to commercial activities in the park and to allowing kiosks as a use in the proposed Meydenbauer Bay Park Plan. He submitted his comments in writing.
- (g) Laurie Lyford presented copies of the book *The Best Laid Plans* by Randall O'Toole to the Council and City Manager. She spoke regarding Bellevue's future transportation needs, and noted her opposition to light rail and to regional planning that does not represent individual municipalities. She submitted a letter along with the books.

3. Study Session

- (a) Council Business and New Initiatives

[No new initiatives were introduced.]

- (b) Proclaiming May 10-15 as National Police week

[Presented earlier in the meeting.]

- (c) Public Hearing on Ordinance No. 5944 Extending the Life of Certain Preliminary Short Plat Approvals

City Manager Steve Sarkozy opened discussion regarding Ordinance No. 5944, which extends the life of certain preliminary short plat approvals.

Catherine Drews, Legal Planner, recalled that in February the Council directed staff to develop measures to address some of the development impacts arising from the economic downturn. One mechanism that was identified was to extend the duration of preliminary short plat approvals by one year. This modified regulation applies to short plat approvals that were valid as of the date that Ordinance No. 5944 was adopted, which was March 15, 2010. Short plats receiving this extension cannot be involved in any active code enforcement or request for voluntary compliance. The state Growth Management Act requires that the Council hold a public hearing within 60 days of adoption of the Ordinance.

Ms. Drews explained that staff will return to the Council by September 15 to renew the interim official control for an additional six months, consistent with the provisions of the GMA. A second public hearing will be held at that time.

Councilmember Robertson noted that Ordinance No. 5944 and the affidavit of publication of public notice of this hearing are not included in the meeting packet, although they are listed as attachments on the agenda memo. Ms. Drews clarified that the documents were published on the City's web site.

→ Deputy Mayor Lee moved to open the Public Hearing, and Councilmember Robertson seconded the motion.

→ The motion to open the Public Hearing carried by a vote of 7-0.

No one came forward to comment on proposed Ordinance No. 5944.

→ Deputy Mayor Lee moved to close the Public Hearing, and Councilmember Degginger seconded the motion.

→ The motion to close the Public Hearing carried by a vote of 7-0.

(d) Overview and Discussion of Debt Financial Policy

Mr. Sarkozy noted that this is a continuation of discussions regarding the City's financial policies. The Council addressed financial management policies during its January retreat and its April 26 meeting.

Finance Director Jan Hawn reviewed the purpose of the City's Comprehensive Financial Management policies, and reminded the Council that policies will continue to be discussed throughout the budget process.

Ms. Hawn highlighted two policy issues regarding the debt policy: 1) Does the Council want to consider the use of long-term debt, continue on a pay-as-you-go basis, or consider a hybrid approach? and 2) What revenue will support the existing or new debt? The five types of debt available to the City are general obligation (voted and non-voted), parks and open space, utilities,

revenue (bonds funded through a specific revenue source), and Local Improvement District (LID) bonds.

Ms. Hawn briefly reviewed a list of outstanding debts totaling \$188 million, and noted that these are all councilmanic, Limited Tax General Obligation (LTGO) bonds. She reviewed the City's significant debt capacity under both state law and the City's stricter financial policies.

She noted that in 1998 the Council imposed stricter limitations on debt capacity to enhance the City's opportunity to be upgraded to a Aaa bond rating, which was achieved. Under state law, the City has \$2.4 billion available in debt capacity, which is divided between the types of debt noted above. Under the City's stricter policy limits, there is an available debt capacity of \$1.6 billion.

Noting previous questions from the Council regarding the cost of borrowing, Ms. Hawn reviewed tables comparing the costs associated with issuing bonds of different types and dollar amounts. She recalled that the Mobility and Infrastructure Initiative finance plan anticipated the use of councilmanic debt and LID bonds. Ms. Hawn noted that the LID bonds are set up as a separate taxing jurisdiction and have a separate debt capacity.

Ms. Hawn responded to additional questions of clarification.

Responding to Deputy Mayor Lee, Ms. Hawn said if the City were to pursue new debt, the actual interest rate would not be known until the day of the bond sale. She said it would be possible for the City to decline the offering at that time, but it could affect the City's credibility in the financial market. She noted that the costs associated with bond counsel, financial analysis services, and the bond rating agency are fairly significant. Comparing the bonding scenarios, Ms. Hawn noted the economies of scale gained with higher bond levels.

Jason Bentosino, Assistant Budget Manager, noted the Council's previous inquiry about the funding sources for the Mobility and Infrastructure Initiative short-term plan. He reviewed a table that has been provided in previous meeting packets. He noted that the table has been updated to reflect the latest Council action on April 19 that allocated \$190,000 to the 120th Avenue project in the Wilburton area.

Funding sources include Supplemental CIP funding, federal grants, and long-term debt. Of the original \$14 million in Supplemental CIP funding, \$6.6 million were programmed for expenditures, leaving \$7.4 million which the Council allocated to projects on February 1. Also on that day, the Council accepted a \$2.6 million federal grant for the 120th Avenue project. The 2009 three-percent levy increase could support \$10 million in debt, which brings total funding to \$20 million. Of this \$20 million, the Council has allocated \$14.4 million, leaving \$5.6 million unallocated.

Responding to Councilmember Chelminiak, Ms. Hawn said the Supplemental CIP was funded through two 2-percent property tax increases, which funded the \$14 million bond issue.

Responding to Councilmember Wallace, Ms. Hawn explained that the City cannot legally use the property tax banked capacity to pay for capital improvements funded by the bond issue. As a result, the City reduced the amount of sales tax transfer to the General Fund, equal to the amount of the property tax generated. The bonds are 20-year bonds, which is standard for a municipality.

Responding to Councilmember Degginger, Mr. Bentosino provided the dates that Bellevue's outstanding debt items will be repaid.

Responding to Councilmember Wallace, Ms. Hawn said the City's financial adviser just completed a review to determine whether it would be favorable to refinance some of the debt. It appears that refinancing the 2002 bonds and the 1998 bonds will generate considerable savings. Ms. Hawn said she is planning to bring that proposal to the Council for consideration within the next few weeks.

Councilmember Balducci requested a future briefing on all debt associated with the convention center, including the repayment schedules.

Continuing the presentation, Ms. Hawn explained that if the City wishes to issue additional debt, the revenue available to pay for debt includes existing CIP revenues, new revenue (e.g., property tax increase), and Local Improvement District (LID) fees. As an example, a \$50 million bond issue would equate to approximately \$4.2 million in an annual debt service payment. In 2011, that would consume roughly 11 percent of available CIP revenues. This could be funded through an annual property tax rate increase of 11.6 percent, or \$70 for the average homeowner, if implemented in 2011.

Ms. Hawn reviewed the options to either maintain the current pay-as-you-go approach or to use more debt supported by the CIP or by new revenue. Staff recommends that the Council maintain the current approach at this time, while continuing to explore the use of future debt, and its impact on the CIP Plan and taxpayers, as budget discussions move forward.

Staff will return on May 24 with responses to Council's questions and requests for additional information. The intent is to continue with policy discussions throughout the budget process.

Councilmember Robertson requested more information on Local Improvement District policies. She would like an analysis of whether the LID mechanism would be appropriate for the Mobility and Infrastructure Initiative and the Bel-Red Plan, given that these are regional projects with regional benefits.

Councilmember Wallace questioned the appropriate level of debt service as a percentage of revenues. He noted that Seattle has a limit on its percentage of debt service compared to revenues. He further questioned which types of projects are most appropriate for long-term debt.

Councilmember Robertson encouraged looking at debt as a percentage of the overall budget as well, in terms of determining how much it will restrict future budget decisions by the City Council. She wants to continue to look at funding through long-term debt, noting that this will

support continued growth and economic development, which will in turn produce more revenue for the City.

Mr. Sarkozy commented that the City has maintained a practice of funding infrastructure projects on a 20-year term. The only deviation from that practice was the new City Hall, which is an essential public facility that was funded over a 40-year term. Modifying from 20-year to 30-year terms might affect bond ratings, as the 20-year term is the most accepted approach for infrastructure investments.

Councilmember Chelminiak commented on the tradeoffs associated with spending and debt, in terms of desirable maintenance standards and/or levels of service. He is in favor of reviewing the debt policy and considering new practices, while keeping in mind that actions have consequences.

Mayor Davidson said he is typically averse to debt and prefers to pay for projects as funds are available. While infrastructure is needed, he cautioned that debt can tend to compound over time.

Councilmember Degginger agreed with Mr. Wallace that it would be helpful to have comparison data for other cities. Mr. Degginger commented on the need to strike an appropriate balance between providing sufficient infrastructure to support growth and not saddling future generations with excessive debt. He asked for staff's opinion about whether the LID policy is sufficient to implement this approach for the Bel-Red and Wilburton areas, or whether those policies need to be revised in some way.

Mr. Sarkozy explained that LIDs would involve large property owners who would initiate the LID by petition. A petition representing greater than 50 percent of property ownership would satisfy the current policy.

Deputy Mayor Lee stated that he is fiscally conservative and prefers to avoid debt if at all possible. He noted the need to look at both short-term and long-term debt, and to base long-term debt on sound policies. He supports the current policy, although he is willing to consider short-term measures that are responsive to the current economy. Ideally, these projects will generate growth and revenues. He would support debt only if the benefits and the revenue sources for repayment are clearly identified.

Mayor Davidson noted that this is a starting point for ongoing discussions about the budget and the City's financial policies, which will evolve over time.

Councilmember Balducci concurred with the recommendation to maintain current policies and to continue to analyze possible options. She feels it is helpful for the City Manager and staff in preparing the budget to hear the viewpoints of individual Councilmembers. She noted her perception that many other cities, including those of Bellevue's size and resources, utilize debt to a larger extent. She would like to explore opportunities to strategically use debt to bridge some of today's gaps. However, she does not think the Council should change long-term financial policies due to a temporary situation.

Responding to Councilmember Wallace, Mr. Sarkozy said that traditionally the seven-year CIP Plan is based on a pay-as-you-go basis. Roughly half of the plan is transportation projects that have a long, useful life. It was just in the past couple of years that the Council identified additional needed but costly major transportation projects, and decided to consider long-term debt as a possible funding mechanism.

Mayor Davidson commented on the history of the City's approach to its operating and capital budgets, including which revenues have been used to fund the budgets over the years.

Councilmember Chelminiak added that the use of revenue sources reflects the direction of past and current Councils to restrict growth in certain revenue sources such as the property tax, which can be used for the operating budget. This has maintained the property tax rate at the current \$0.94 per \$1,000 assessed valuation. Councils have also deliberately held the utility tax much lower than other jurisdictions.

Councilmember Degginger said it is important to note, as well, that when the Council created the Mobility and Infrastructure Initiative finance plan, the Council identified specific revenue sources instead of relying on potential revenue from future CIP plans. This has been a consistent philosophy on the Council over the past several years.

Councilmember Wallace questioned which Mobility and Infrastructure Initiative projects will be using 20-year debt. Ms. Hawn responded that there is an overall budget of \$299 million in projects and \$299 million in revenue. However, it is not allocated to specific projects, except that some LID revenue is dedicated to specific projects.

Mayor Davidson noted that 50 percent of the \$299 million is intended to be generated through impact fees, LID fees, and developer incentive fees, and the other half was to be funded by property tax adjustments related to debt. He is concerned about when development will pick up again, and that projects will be completed using the property tax and debt without the benefit of the other revenue sources.

Councilmember Wallace noted the benefit of borrowing money at four percent if construction costs are expected to increase at five percent annually. In addition, the City would benefit from the development facilitated by completing road projects, such as the extension of NE 4th Street. Mr. Wallace suggested it would make sense to borrow the money now at four percent to six percent if there is a strong indication of economic benefits due to the infrastructure projects.

Deputy Mayor Lee commented that nothing is guaranteed, and the performance of variables is unknown and speculative.

Mr. Sarkozy commented that Councilmember Wallace's observations are generally accurate in terms of the anticipated escalation in construction costs which are equal to or exceed the interest on debt. However, the issue is how to service that debt. The City will be obligated to annual debt service payments that require an initial commitment, in order to preserve the City's Aaa

bond rating, of a revenue source for repayment. There are limited options for this type of revenue source, including the CIP Plan, impact fees, and LID fees.

Councilmember Balducci said it would be helpful when talking about the Mobility and Infrastructure Initiative to look at a specific scenario, and to analyze the financial costs and benefit of an infrastructure project.

Responding to Councilmember Robertson, Ms. Hawn said that Budget Office staff conduct cost-benefit analyses if requested by the Council.

At 7:44 p.m., Mayor Davidson declared a five-minute break.

The meeting resumed at 7:52 p.m.

(e) East Link Update – Continued Discussion regarding Bellevue-led Technical Analysis

City Manager Steve Sarkozy noted that this agenda item follows up on last week's discussion about the Sound Transit East Link light rail project. Staff and the Council have been discussing how best to obtain more information, at the City's expense, to help in the decision process related to the light rail project.

Transportation Director Goran Sparrman reviewed an outline of the presentation. He noted the Council's interest in an inventory of the issues raised over the past several months, and the identification of questions and requests for information to which staff has not responded or provided information. He distributed a draft list of the questions and requests from previous discussions for Council review.

Mr. Sparrman reported that Sound Transit continues to work toward the completion of 30 percent preliminary engineering design by early 2011. Sound Transit has decided to "freeze" its design assumptions at this time to enable preliminary engineering to continue in order to meet the critical path schedule. The segment in South Bellevue between I-90 and the Y at 112th Avenue SE has been locked at 15 percent engineering. Sound Transit will freeze by late July at 15 percent design for the segment between the Y and NE 12th Street in Downtown Bellevue. Sound Transit will suspend design on the Bel-Red area by the end of June, which includes work on the Spring District retained cut, 130th Park and Ride/Station design issues, and grade separation issues at Northup Way.

Responding to Councilmember Wallace, Mr. Sparrman said the purpose of the "freeze" is to commit to a set of assumptions in order to complete design for certain options at a higher level of specificity. Repeatedly going back and redesigning projects becomes expensive and can lead to the loss of control over the budget.

In further response to Mr. Wallace, Mr. Sparrman stated that in terms of the environmental process, all options remain on the table until publication of the final environmental impact

statement (FEIS) in 2011. There is a parallel preliminary engineering process focused on achieving 30 percent design for the Sound Transit Board's preliminary preferred alignment.

As an example, Councilmember Balducci noted that Sound Transit is moving forward with 30 percent design for the B2M alternative. This might not ultimately be the Board's final alternative. However, the more that is invested in a decision, the harder it is to abandon that option. Ms. Balducci noted that this is why it is important to get as much input as possible, which is the goal of having the City conduct its own independent analyses.

Mr. Sparrman confirmed that this is the logic behind staff's process. Using the B2M alternative as an example, initially there were more than 30 possible alignments which had to be narrowed to one specific alignment for the purposes of moving forward with engineering work. This process will continue through late July.

Continuing with the presentation, Mr. Sparrman reviewed the near-term issues to be addressed through the City's proposed independent contract work, including the analysis of B7 modifications, evaluation of B2M alternatives, and opportunities for cost savings. Near-term Sound Transit issues include the B2M options and preferences; segment C preliminary engineering support and review, Hospital District Station options and preferences, the Spring District retained cut, 130th Avenue Station area planning, and NE 15th/16th Street conceptual design including light rail compatibility. Immediate next steps focus on the B2M alignment, the Hospital District station, and the City-initiated work regarding Segment B and ongoing project development.

Responding to Councilmember Degginger, Mr. Sparrman said the stakeholders related to the Hospital District Station are three hospitals, businesses located along and near NE 8th Street, and businesses and residents in the Wilburton area. Mr. Degginger would like to see a set of options developed in order for the Council to participate with Sound Transit in this decision process. Mr. Sparrman clarified that any decision representing the City's position will need to come from the City Council. Mr. Degginger wants options to be vetted with community stakeholders.

Responding to Councilmember Robertson, Mr. Sparrman confirmed that the Council will be involved in discussing and formulating its recommendation before scheduled dates for Sound Transit Board decisions.

Responding to Deputy Mayor Lee, Mr. Sarkozy said staff is preparing a public involvement strategy and timeline, which will be distributed to the Council in the near future.

Mr. Lee wants to know the message to be communicated to the public. He does not want there to be the misconception that the City is advocating for B2M, for example.

Mr. Sparrman assured Mr. Lee that staff communicates Council's preference for the B7 whenever possible.

Councilmember Balducci asked that staff provide the Council with information about the process for evaluating the Hospital District Station. Mr. Sparrman said that will be addressed shortly.

Councilmember Wallace said it would be helpful to see visual sketches or simulations of light rail stations.

Mr. Sparrman reviewed the near-term East Link schedule.

Councilmember Balducci expressed concern about the short timeline for evaluating Hospital District station alternatives.

Bernard van de Kamp, Regional Projects Manager, said June 24 was the original deadline for the Sound Transit Board's decision regarding the B2M and the Hospital District station. The deadline for a decision on the B2M has been delayed to late July. However, staff is unclear as to how this affects the Board's decision on the Hospital District Station. City staff is working on this issue with Sound Transit staff.

Responding to Councilmember Degginger, Mr. Sparrman said staff's intent is to conduct a stakeholder involvement process regarding the Hospital District Station, develop options, and return to the Council for its recommendations, before the June 24 Sound Transit Board decision.

Mayor Davidson expressed concern that if the City is going to work in partnership with Sound Transit on these issues, it needs the appropriate time to do so. He would like to have this message delivered to the Sound Transit Board, and to ask for more time to address at least the issues for which the City and Sound Transit are working in partnership.

Councilmember Degginger questioned whether, considering the engineering and land use implications, it will be possible to assess different options for the Hospital District Station within the next 30 days.

Councilmember Balducci said staff has been asking Sound Transit for more time, and she will pass that message along to the Board again. She noted Sound Transit's timeline to complete the East Link project by 2020, as promised to voters. Providing a tunnel through Downtown Bellevue adds one year to this schedule, and more time than was anticipated has been used for further analysis of the C9T alternative and the identification of more alternatives. Ms. Balducci noted that this first phase has taken longer than originally planned by Sound Transit.

Mr. Sparrman reviewed four proposals for consultant services contracts to complete work within the next two to three months: 1) Peer review of Sound Transit B7 analysis, 2) Study of possible modifications to the B7 alternative, including an analysis to identify a way to connect to the South Bellevue Park & Ride, 3) Environmental analysis of Mercer Slough functions and values, and, 4) Noise impact assessment. Each contract would be less than \$50,000.

Responding to Councilmember Degginger, Mr. Sparrman said the purpose of the noise analysis peer review is for the consultant to conduct an independent evaluation of Sound Transit's noise

analysis in the draft environmental impact statement (DEIS). The consultant will also look at the package of remediation measures identified by Sound Transit in response to the issues experienced with the Central Link project. Staff wants to then apply that analysis to the B7 alternative and to ask the consultant to draw conclusions about the adequacy of Sound Transit's sound analysis. The City would also like to be able to have the same level of consultant peer review of the B2M noise analysis once it is completed by Sound Transit.

Responding to Councilmember Degginger, Mr. Sparrman said the noise analysis peer review is expected to enable staff to pinpoint key issues and to develop a revised scope of work for more in-depth analysis. In further response, Mr. Sparrman said an analysis of constructability is a subset of the engineering design work. However, the current level of design, as reflected in the draft EIS, is not adequate to evaluate the constructability issues.

Councilmember Degginger said it is important to clearly define the scope of work, and Mr. Sparrman agreed.

Councilmember Robertson commented that the meeting packet did not provide adequate information to fully prepare for tonight's discussion, which affects citizens who are interested in this agenda item as well.

Councilmember Robertson noted the need to look at constructability issues and traffic impacts for the B7 alternative, as compared to the B3 and B2M options. She would like the scope of work for the B7 analysis to include preparing more accurate cost estimates. She would like to see information about the mitigation costs for all three routes. With regard to the noise analysis, Ms. Robertson would like information about the optimal profile, topography, and mitigation strategy.

Mr. Sparrman agreed with the importance of refining cost estimates, and noted that the City has a cost estimating firm available to conduct additional work in this area if needed.

Councilmember Robertson said she would like information on the usage patterns of the South Bellevue Park and Ride lot. When she walked the proposed Segment B routes, she met a Councilmember from Beaux Arts who told her that the lot serves a significant number of carpools and vanpools, who will not be using light rail. A number of other drivers use the lot and then take the bus into Downtown Bellevue, as a way to avoid paying for parking. Mr. Sparrman commented that one of the goals of local park and ride lots is to serve people coming into Downtown Bellevue.

Councilmember Wallace echoed the concerns of other Councilmembers about not receiving printed materials in advance of tonight's meeting. With regard to the Hospital Station, he observed that the desired location might change if the Downtown Transit Center Station location changes. For example, if the Transit Center station was moved to at-grade to save money, it might make more sense to shift the Hospital Station to the north.

Councilmember Wallace questioned whether there is a point at which the City is going to update its comments on the initial preferred alternatives in the DEIS, in order to address the four new

Segment C alternatives and the one new Segment B alternative. Mr. van de Kamp said it has not yet been determined how the new alternatives will be handled in terms of the environmental review process, but staff is working on this with Sound Transit.

Councilmember Wallace expressed concern that the comment letter will not be updated. Mr. van de Kamp said City staff will conduct a technical review and provide comments on any of the new alternatives when the opportunity is provided by Sound Transit.

Councilmember Wallace suggested that the noise analysis should focus on where the light rail line is likely to violate the City's noise ordinance and any other applicable laws. He would like to see realistic simulations of the worst case scenario in terms of noise impacts, as compared to a mitigated scenario. In addition, he would like to review the City's noise ordinance to determine whether it is adequate to protect the community from light rail noise impacts.

Continuing, Mr. Wallace said he is concerned about the suggestion to look at Sound Transit's B7 route and whether it can connect to the South Bellevue Park and Ride lot. He feels that the goal should be to find a solution that will connect the two elements and that will provide the greatest public benefits with the least impacts.

Responding to Mr. Wallace, Mr. Sparrman confirmed that the City has a marine biologist on staff, but her workload is committed to other projects.

Councilmember Wallace expressed concern that the staff biologist cannot assist in an analysis associated with the City's most important decision as well as one of the City's and region's most important environmental assets, which is the Mercer Slough.

Mr. Sarkozy noted that the intent is to achieve an independent analysis by someone with direct credibility on a very specialized topic. Mayor Davidson added that the City is trying to not only meet its goals regarding an independent analysis, but to do it in a way that will carry credibility with Sound Transit.

Councilmember Wallace acknowledged the response, but suggested that the staff person could be helpful in informing the development of the consultant's scope of work. Mayor Davidson agreed that this could be done.

Councilmember Wallace commented that visual simulations are critical and commonly used by today's developers. He urged Sound Transit to provide this type of graphic information.

Mr. Sarkozy said some representations have been completed for sections of Segment B and Segment C.

Mayor Davidson recalled that the simulations he saw did not include the B7 alternative.

Mr. Sparrman explained that some “sketch-up” computer-generated visualizations were provided in the original DEIS, and again for some of the additional analysis of downtown alternatives. Some photo-realistic simulations of parts of Segment B have been done as well.

Councilmember Wallace observed that some of the drawings he saw include trees along the line at 112th and Main Street. However, he questioned what the project will actually look like with the trees removed to complete construction.

Mr. Sparrman said there is a great deal of additional work to be completed for Segment B, and staff agrees that this will be a valuable part of the decision making process.

Councilmember Balducci said she is eager to move forward with the independent consultant work. She observed that perhaps the four studies could be combined into three, given the overlap of the issues. She sees the value of the studies as helping the City get to a place in which everyone can agree that the B7 has been adequately studied in order to make the best decisions. Ms. Balducci feels the B7 alignment should be studied in a way that will enable an apples-to-apples comparison with the other alternatives.

Ms. Balducci suggested that the Council be involved in selecting the consultants and in outlining the scope of work with the consultants. Responding to Ms. Balducci, Ms. Sparrman said a formal request for proposal (RFP) process is not required because the contracts are limited to \$50,000. Staff is planning to utilize consultants on the City’s public works roster. Ms. Balducci suggested it might be helpful to have a fresh set of eyes on the projects. Mr. Sparrman said staff has screened out the firms that have been involved in the project up to this point. Ms. Balducci said she wants to avoid any consultants who have worked on any aspect of the light rail project, whether with Sound Transit or for another entity.

Councilmember Balducci said she would like to know what Sound Transit’s process will be with regard to its review of alternatives that were identified after the preparation of the DEIS, and how the City will be involved in submitting technical comments and questions.

Mr. Sparrman explained that alternatives identified pursuant to the DEIS are typically covered as products of the DEIS analysis. However, Sound Transit could choose to complete a supplemental environmental review to address the new alternatives.

Councilmember Balducci expressed concern that any visualizations be based on adequate information, and that they not present an overly appealing or negative portrayal of the project.

Councilmember Chelminiak suggested asking the Washington State Department of Ecology (DOE) to perform an independent analysis and wetland assessment of the Mercer Slough. Mr. van de Kamp confirmed that that option has not been considered. Responding to Mr. Chelminiak, Mr. van de Kamp said one objective of the analysis is to gain an understanding of the sensitivities and values of specific areas within the slough and wetlands. Mr. Chelminiak said it would have been helpful to have City staff who are preparing the scope of work at tonight’s meeting.

Mayor Davidson speculated that the DOE would not do the analysis for the City. Responding to Councilmember Chelminiak, Dr. Davidson said the wetlands under the park and ride lot do not exist because that site has been developed. Mr. Chelminiak wondered whether the State could answer whether or not environmental regulations are applicable to specific portions of the slough. Mayor Davidson said the independent review will address these issues.

With regard to the B7 alignment analysis, Councilmember Chelminiak suggested including a review of seismic issues and the effects of hazardous materials sites.

Councilmember Chelminiak questioned potential impacts to residents west of the Mercer Slough if the South Bellevue Park and Ride facility is connected to the B7 alignment. Mr. Sparrman said this could entail a number of private property acquisitions. The proposed independent analysis will identify these impacts.

Councilmember Chelminiak asked when residents west of the Park and Ride will be notified about the current B7 study, and the impacts of this alternative and its potential modifications.

Councilmember Wallace suggested that they be notified when an alternative becomes viable.

Noting no response to his question, Councilmember Chelminiak moved on to echo the concerns of other Councilmembers about the lack of information provided to the Council in advance of meetings. Mr. Chelminiak feels it is the Mayor's job to ensure that the Council receives information in a timely manner. He expressed concern that the Deputy Mayor is no longer included in the weekly Mayor's meetings.

Mayor Davidson reviewed that, in late April, the City made a presentation to Sound Transit. Sound Transit indicated that it would not conduct any further analysis of the B7 or B7 Modified alternatives. Since that time, Dr. Davidson has been working with the City Manager to establish a process for moving forward with independent studies.

Responding to Councilmember Degginger, Mr. Sparrman said staff will provide additional details and explanation about the scope of work for the proposed environmental analysis of the Mercer Slough.

Responding to Councilmember Robertson, Mr. van de Kamp said the scope of work would provide additional information about the functions and values of the slough. It is not a scope of work that will identify and compare specific impacts for the B7 or other Segment B alignments. It will provide additional information related to environmental functions and values, which could be used for this project or future projects involving the slough.

Councilmember Robertson stated her understanding that the purpose of the environmental review would be to compare the impacts associated with specific alignments, in order to help the Council to make a decision.

Mr. van de Kamp recalled that some of the criticism of the DEIS has been that it treats the Mercer Slough uniformly, as if it all reflects the same environmental values and functions. The DEIS therefore bases its impact analysis on everything being equal with regard to the slough. His understanding from staff who helped to draft the scope of work is that the study will provide a better sense of whether certain areas within the slough reflect higher or lower values and functions.

Councilmember Robertson wants to ensure that information gained through the study will be meaningful and helpful in terms of answering questions.

Mr. Sparrman said the scope of work does look broadly at the two general alignments. However, the Council might wish to request additional analysis to better compare the options.

Councilmember Wallace would like the analysis to determine the relative impacts of an elevated structure across the slough versus an at-grade configuration along Bellevue Way and 112th Avenue SE.

Deputy Mayor Lee acknowledged that every Councilmember is working for the good of the community. He expressed concerns about the compressed project timeline, which he feels is adding stress to the Council's discussions.

Mr. Sarkozy requested Council direction to move forward with the consultant process.

Councilmember Chelminiak expressed support for moving ahead, noting that not much money is available and it must be used wisely.

Mr. Sarkozy confirmed that the four contracts total a maximum of \$200,000.

Mr. Sparrman briefly reviewed the budget and fund balance for CIP Project No. PW-R-159.

Councilmember Degginger said he would like to proceed with the work, and he would like to see the revised scope of work before voting on the final contracts.

Councilmember Wallace requested an additional \$25,000 for preparing visual simulations.

Mayor Davidson suggested that staff explore the issue and report back to the Council.

Councilmember Wallace agreed that it makes sense to take a week to determine what additional information the Council might want. He would like to have sufficient money in the budget to be able to see exactly what the City is dealing with in a fair way, and to be able to communicate that out to the region and Bellevue's constituents. Mr. Sarkozy said staff will proceed with that direction.

Deputy Mayor Lee supports the expenditures to gain more information on this important project.

Mayor Davidson said he initially voted against funding independent studies, because he felt that Sound Transit should be conducting additional analysis. However, he supports moving forward at this time.

At 9:56 p.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

kaw