

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

July 26, 2010
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

Mayor Davidson called the meeting to order at 6:00 p.m., and announced recess to Executive Session for approximately 20 minutes to discuss two items of pending litigation.

The meeting resumed at 6:20 p.m., with Mayor Davidson presiding.

Mayor Davidson said that staff has asked the Council to consider a time-sensitive item, which is authorization of the preliminary engineering contract for the 120th Avenue NE project. The Council previously approved applying for a TIGER (Transportation Investment Generating Economic Recovery) grant for this project.

- Deputy Mayor Lee moved to amend the agenda to add Item 3(e) to consider Resolution No. 8125 authorizing the preliminary engineering contract for the 120th Avenue NE project. Councilmember Degginger seconded the motion.
- The motion to amend the agenda carried by a vote of 7-0.

2. Communications: Written and Oral: None.

Mayor Davidson explained that the Council is unable to take public comment on Agenda Item 3(b), appeal of the Helistop conditional use permit (CUP) application, as this is a quasi-judicial matter for the Council. He opened the floor for oral communications on any other topic.

No one came forward to speak.

3. Study Session

(a) Council Business and New Initiatives

Councilmember Robertson said she received a comment from a Somerset citizen regarding a suspicious vehicle in the neighborhood that attracted police attention. As the resident was noticing the van backed up to a house, a Bellevue police officer drove up. The resident was impressed with this police presence in the neighborhood.

Deputy Mayor Lee reported on Mayor Davidson's presentation to the Sound Transit Board last week representing the Council's position on the East Link light rail project. Mr. Lee said he believes there is still some confusion regarding Councilmembers' positions on light rail. Deputy Mayor Lee stated for the record that Councilmembers who have a difference of opinion with Sound Transit are not trying to create obstacles for the project, and they do support light rail.

Councilmember Balducci stated that, to the extent that there is doubt about the Council's support of a version of a light rail project that can be afforded and built, Sound Transit Board members clearly share that doubt. As a Sound Transit Board member, Ms. Balducci said she also shares that doubt.

Councilmember Chelminiak attended a meeting of the Human Services Commission, which held a public hearing on its funding recommendations. Given the recession and the increased needs within the community, the Commission is requesting an additional \$112,000 in 2011 funding.

Mayor Davidson attended meetings of the Puget Sound Partnership Caucus Group and Puget Sound Regional Council, as well as the Planning Commission's retreat.

- (b) Continued Council consideration of appeal of the Hearing Examiner's July 20, 2009, Decision concerning the application of Kemper Development Company for a Conditional Use Permit (CUP) to update and activate an existing Helistop in Downtown Bellevue. Hearing Examiner File No. 08-35262-LB.

Deputy City Manager Brad Miyake introduced the continued discussion of the Council's consideration of the appeal of the Hearing Examiner's decision regarding the Kemper Development Company helistop conditional use permit (CUP) application.

City Attorney Lori Riordan explained that because this is a quasi-judicial matter in which the Council is acting as judges, there is no opportunity for general public testimony. The Hearing Examiner held hearings on this conditional use permit appeal on June 10 and 11, 2009. A limited public appeal hearing to take arguments from the parties was held before the Council on November 2, 2009. Ms. Riordan reminded the Council that in quasi-judicial proceedings and matters in which the Council makes a decision regarding the rights of specific parties under the City's regulations and Councilmembers act as judges, Councilmembers must maintain impartiality and fairness. Under Council rules, Councilmembers are not able to discuss the pending application or appeal with anyone if contacted directly by members of the public.

Ms. Riordan explained that this is a continuation of the Council's discussion on Hearing Examiner File No. 08-35262 LB, the application of Kemper Development Company for a conditional use permit (CUP) for a helistop. The appeals were brought by Su Development and Ina Tateuchi and others on the decision of the Hearing Examiner to grant the conditional use permit with conditions. The respondents to the appeal are the applicant, Kemper Development Company, and the Director of the Development Services Department. After Council took argument in November 2009, the Council remanded the matter to the Hearing Examiner to reopen the record to take in additional documentation, which was the required letter from the FAA.

The Hearing Examiner held a remand hearing on January 21 and February 10, 2010, and entered the FAA letter into the record along with additional testimony and evidence. The Council addressed the Hearing Examiner's recommendation to remand the matter at its Regular Meeting on July 6, 2010. After hearing arguments by the representatives for the parties, the Council discussed the form of the motion for remand. A motion was made and seconded but upon hearing objection from the applicant, Council deferred a decision on the form of this remand motion to allow the parties to attempt to agree upon the form of the motion.

At the July 12, 2010, Council meeting a couple of weeks ago, a request was made by the parties to again delay Council action on that remand motion so that they could continue to work together on the form of an agreed motion for reconsideration. Ms. Riordan said that tonight the Council will be reviewing and taking action on either this agreed upon motion provided by the parties or some other form of remand motion.

Before the Council takes up the subject of the remand motion, Ms. Riordan recommend that the Mayor give Councilmembers an opportunity to once again disclose, on the record, any ex parte communications they may have had with any of the parties to this appeal or any others supporting or opposing the application. If any ex parte communications are disclosed, a Councilmember should state the following on the record: the names of the persons with whom the communication occurred, whether the communication was written or oral, and the substance of the communication. If written or a transcript of a voicemail message exists, these items should also be put into the record.

To assist Councilmembers with these disclosures, the City Clerk has searched the City's email system for communications sent to the Council at the bellevuewa.gov email address as well as individual Councilmembers' City email addresses. One communication was identified as having been sent to Councilmember Chelminiak by a citizen who offered his thoughts regarding methodologies for specifying the flight path related to the helistop.

Ms. Riordan said staff has provided the parties with the most recent communications, and therefore Councilmembers will only need to identify any ex parte contacts they received by a personal email account, other written sources, or personal contact. Following any disclosures, the parties will be offered an opportunity to rebut the substance of any of the ex parte communications.

Mayor Davidson gave each Councilmember an opportunity to make a disclosure on the record regarding any ex parte contact he or she has had regarding the substance of this appeal since Tuesday, July 6, 2010. These would be contacts with any of the parties to the appeal or anyone acting in support of any party. If a Councilmember has copies or transcripts of any written communications, emails or voicemails that they have not already given to the Clerk, they should do so now. If any ex parte contacts are disclosed, we will then offer the parties the opportunity to rebut the substance of those communications.

All Councilmembers indicated they have had no ex parte communications that have not already been disclosed.

Ms. Riordan reviewed the process to date. She recalled that on July 6, she drafted for the Council's consideration a proposed remand motion directing that the Hearing Examiner accept the deposition testimony of Roy Hardie, FAA employee, into the record. The motion also gave the Hearing Examiner the authority to determine whether the Hardie deposition testimony addressed the various issues that the Hearing Examiner identified in his Findings and Conclusions in the May 4 report, and recommendations to the Council following remand. If the Examiner found that the testimony did address these issues, he was to provide the Council with a revised and final report of Findings and Conclusions and recommendations regarding this CUP application. If, however, the Examiner found that the deposition testimony did not adequately address the issues that he identified in his Findings and Conclusions, the Examiner would be authorized to require the parties, including staff, to produce evidence and testimony that would address those issues. The Hearing Examiner would be authorized to remand the matter to staff for preparation of a revised staff report if appropriate.

Ms. Riordan noted that she included, at the request of Councilmember Chelminiak, three questions that the Hearing Examiner was specifically authorized to address to resolve the conflict between the two FAA applications prepared by Kemper Development Company and to identify the other considerations involved in describing the built environment near the proposed helistop.

Ms. Riordan recalled that she read the proposed motion into the record on July 6, and it was moved and seconded by Councilmembers. Input was solicited from the parties and the Hearing Examiner. Applicant Kemper Development Company's representative raised a concern that he had not had adequate time to consider the specific language of the motion prior to being asked for input. Council then voted to defer taking action on the remand motion, in an effort to give the parties an opportunity to review the proposed motion and to see if they could reach agreement on the language regarding the scope of the second remand hearing.

Ms. Riordan said a Council vote on the scope of the second remand was originally deferred until July 12. However, the parties were not able to reach an agreement before the July 12 meeting and requested additional time. The Council agreed to postpone the matter until this evening.

Ms. Riordan said the parties reached an agreement on Wednesday, July 14, on the form of the motion to be submitted for Council's consideration, which is provided in the meeting packet for this evening's meeting. The motion that the parties submitted contains a substantial portion of

the language in the original motion prepared by Ms. Riordan for the July 6 meeting. The essential difference in this revised motion is that it references specific Findings made by the Hearing Examiner in his second corrected and clarified report and recommendation to the Council. The proposed motion for a second remand gives guidance to the Hearing Examiner to reconsider specific Findings on the basis of the new information provided by the FAA. Additionally, the motion gives the Hearing Examiner the express authority to conclude whether he needs to modify other specified Findings regarding the FAA review of the CUP proposal.

Ms. Riordan explained that the Council is asked to make a decision tonight about the appropriate scope of the second remand, in order to provide the Hearing Examiner with sufficient direction to conclude his recommendation on the appeal to the Council.

Responding to Mayor Davidson, Ms. Riordan confirmed that given that this is the second remand to the Hearing Examiner, it is appropriate that the language defining the scope of the remand be consistent with the parties' agreement, to avoid the possibility for a third remand request from the parties. Ms. Riordan said it is encouraging that the parties were able to reach agreement on the scope of the remand.

Mayor Davidson noted the motion made by Councilmember Chelminiak during the July 6 meeting to approve the City Attorney's motion regarding the scope of the remand.

Councilmember Chelminiak said he would like to withdraw his motion of July 6.

- Councilmember Chelminiak moved to approve Attachment 1 provided on pages 3-3 and 3-4 of the meeting packet, Motion for Second Remand to Hearing Examiner. Councilmember Robertson seconded the motion.
- The motion carried by a vote of 7-0.

Mayor Davidson indicated that the motion provides direction to staff and the Hearing Examiner.

(c) Regional Issues

(1) Cascade Water Alliance Update

Diane Carlson, Director of Intergovernmental Relations, opened the Cascade Water Alliance presentation.

Chuck Clarke, Chief Executive Officer for the Cascade Water Alliance, provided an update on the group's activities. Highlights since last year include the Lake Tapps purchase and operation, the Four Cities agreement, Lake Tapps water right, and federal and state legislative issues. He reported that water trends are changing, and consumption levels are continuing to decrease. This presents the potential for future options that will optimize the system for ratepayers and minimize cost impacts in the future.

Mr. Clarke reviewed demand and supply planning, and cautioned that long-term supply and demand forecasting is a dynamic exercise. He noted that the increase in population has not resulted in dramatic increases in water consumption when compared to earlier decades. Mr. Clarke reviewed Tacoma water demand forecasting through 2040, and Cascade's actual average daily demand since 2004.

Responding to Councilmember Wallace, Mr. Clarke said that climate change is built into the demand planning model. It affects the supply side of the equation but does not change the nature of the trend. The biggest problem with climate change is the inability to forecast precipitation. Cascade has conducted an analysis of different scenarios and their potential implications, and Mr. Clarke said the region appears to be in good shape.

Continuing, Mr. Clarke described how demand forecasting includes projecting connection charge growth. Responding to Deputy Mayor Lee, Mr. Clarke said the charge for all Cascade member organizations is \$6,000 per new connection. In further response, Mr. Clarke said that Seattle does not have connection charges. In part there is a concern that connection charges discourage infill development. Responding to Mr. Lee, Mr. Clarke said Cascade's connection charge is based on a recovery of costs including future capital expenditures.

Mr. Clarke presented the Cascade budget and rate forecast. He explained that a number of rate forecast scenarios, based on different water supply options (e.g., Seattle and Tacoma Public Utilities, Lake Tapps), were analyzed.

Mr. Clarke highlighted the key elements of the budget, noting that this is the first biennial budget for Cascade. The 2011 operating budget is 1.7 percent lower than in 2010, and the 2012 operating budget is 0.6 percent lower than 2011. No funds were added for inflation, and it is anticipated that the capital budget will be less than \$2 million each year.

Mr. Clarke explained that there is an average seven percent rate increase for Cascade. However, individual member rates vary depending on the water they are using. Growth projections have been revised downward, and the new water surcharge will be eliminated after 2011. The budget recommends keeping the RCFC (Regional Capital Facilities Charge, or connection charge) unchanged for five years, and considering setting aside more RCFC revenue for capital investments. No policy changes are recommended at this time, pending further study in 2011.

Mayor Davidson observed that the operating budget is going down, yet rates are going up. Mr. Clarke said an upcoming slide will provide more details about what is driving the ups and downs.

Responding to Councilmember Balducci, Mr. Clarke said that if Cascade members are able to use their own water and not Seattle's water, they will pay less. Jurisdictions that are continuing to grow and do not have enough of their own water supply will pay a little more for water through Cascade. The system was deliberately set up in this way, assuming that over a number of years the usage will become more balanced.

Councilmember Degginger elaborated on Mr. Clarke's response, noting the further complication of old and new water rates using Seattle's water. The intent of Cascade's rate structure is to increase equity over time. However, with the drop in demand, more member cities have been able to rely on their own water supplies.

In further response to Councilmember Balducci, Mr. Clarke said that member cities pay to reserve an amount of water, rather than paying for actual usage. It was anticipated that cities would gradually increase their demand and need their full reserves. However, water consumption has not increased as anticipated. Mr. Clarke said a reconsideration of this model is needed to reflect actual usage.

Mr. Clarke reviewed the rate forecast history.

Responding to Councilmember Balducci, Mr. Clarke said the rate change for Bellevue will be 7 percent in 2011, and approximately 4.5 percent in 2012. He noted that the rate change reflects wholesale charges.

In further response to Ms. Balducci, Mayor Davidson said Bellevue's actual rates will be discussed during the budget process this fall. Mr. Degginger added that historically roughly 50 percent of a wholesale rate increase is passed through to customers at the retail level.

Alison Bennett, Policy Program Manager, noted that the 2011 and 2012 rate increases are the most pertinent information.

Mr. Miyake said staff will provide more detailed information on water rates at the upcoming Council budget retreat.

Mr. Clarke reviewed the factors influencing 2011 water rate levels including decreased connection charge (RCFC) revenue, higher debt service, reduced interest earnings, and bond coverage requirements. Factors producing a rate reduction effect include primarily the use of the rate stabilization fund, water purchases, federal reimbursement payments, and member rebates. This results in a net rate increase of seven percent from 2010 to 2011 rates.

Responding to Mayor Davidson, Mr. Clarke confirmed that utility rate setting is complicated and confusing. He reiterated the need to develop a new model for determining rates.

Deputy Mayor Lee referenced the rate forecast scenarios showing the baseline and extended deviation from the baseline. He questioned what would happen if the extended deviation scenario goes only a few more years and then adopts the baseline. He suggested that perhaps another scenario could be developed to show the potential of that happening.

Mr. Clarke stated that that is a good suggestion as negotiations with Seattle and Tacoma go forward. He noted that the biggest challenge is being able to predict supply and demand.

Councilmember Wallace referenced presentation slide 7, which he interprets as showing that there is no need for the Lake Tapps project because Cascade never reaches Seattle's yield.

Mr. Clarke said it is necessary to plan for unexpected conditions such as changes in demand or the potential effects of climate change.

Councilmember Degginger commented that there are forecast risks along with the political risks. He provided a short history of the impetus behind the purchase of Lake Tapps, which was in part to mitigate the risk associated with managing the water supply. He acknowledged that the graph on slide 7 indicates that the Lake Tapps project could be deferred. However, there is not enough information at this time to decide to never build the project.

Mr. Clarke explained that if Cascade can negotiate reasonable contracts with Seattle and Tacoma, it will buy itself time to see what happens in the region. It may be that Cascade does not have to build Lake Tapps, or that it becomes an insurance policy for climate change for the entire region.

Responding to Councilmember Balducci, Mr. Clarke said that slide 15 reflecting long-term cost forecasts through 2080 is intended to provide an order of magnitude for comparing the scenarios. He acknowledged that projections beyond the next 10 to 15 years are not particularly reliable.

Mayor Davidson noted that Seattle and Tacoma have sunken costs in their systems. Cascade has taken on the responsibility of planning for a new supply. Cascade's acquisition of Lake Tapps was important for demonstrating to the region that it is planning appropriately for potential future water demand. Dr. Davidson noted that Cascade provides the potential for achieving important efficiencies.

Councilmember Balducci observed that Cascade is now in a good position to refine its regional planning and engage in negotiations for water supply.

Councilmember Wallace said he understands the role of Lake Tapps in planning for the future and the region. However, if building a project at Lake Tapps is not necessary at this time, it seems there are a number of capital charges that Cascade no longer needs to spend. He questioned whether there has been any consideration of reducing the connection charge.

Mr. Clarke said that while Cascade still has the option of construction at Lake Tapps on the table, Cascade needs to maintain resources in the short term, and the \$6,000 connection charge remains appropriate. However, five to six years into the future when contracts are renewed, Cascade will have a better idea of what is needed to support capital investments, debt, and other obligations. Mr. Clarke believes that the connection charge should be reconsidered periodically. Part of Cascade's strategy so far has also been to maintain the ability to liquidate an asset in the future if necessary. The agreement for Lake Tapps reserves the option of selling the asset if that is determined to be appropriate.

(2) Burlington Northern Santa Fe (BNSF) Corridor in East King County:
Final Interest Statement

Ms. Carlson referred the Council to page 3-29 of the meeting packet for the proposed final version of the Interest Statement concerning Burlington Northern Santa Fe (BNSF) Corridor Implementation. She recalled previous discussion with the Council on June 28, and requested final Council direction on the interest statement.

Councilmember Chelminiak stated that commuter rail typically means a locomotive pulling passenger cars, as is the case with the Sounder train. He suggested that the language should be expanded to refer to a broader range of passenger rail.

Councilmember Balducci said she envisions that the corridor could potentially be used in the longer term for heavy commuter passenger rail. She would not want to limit the interest statement at this point to only commuter or light rail.

Councilmember Chelminiak said he is aware of people who are looking at the corridor and are opposed to any commuter rail that is based on the concept of locomotives pulling big trains. While he is not sure about whether that type of train is feasible for the corridor, he concurs with Ms. Balducci about keeping the options open at this point.

Councilmember Robertson commented that this language in the interest statement was revised in response to her comment. The statement originally referred to commuter rail or other transportation purposes. She wanted to make sure that this included light rail. She supports changing to passenger rail.

Councilmember Wallace observed that the missing element is a recognition that this represents the potential for passenger rail running through a city, and trains are noisy. He noted the need to recognize the impact of any passenger rail on surrounding residences.

In support of Mr. Wallace's concern, Councilmember Balducci suggested adding, in paragraph 2 regarding multiple uses, a statement to the effect that as multiple uses are planned, there should be consideration and sensitivity to nearby residences and overall impacts including noise.

Ms. Carlson suggested the following language to be added to paragraph 2: "As multiple uses are planned, there should be serious consideration of potential impacts to residences and businesses along corridor."

Mayor Davidson noted a Council consensus to proceed with finalizing the interest statement, incorporating the revisions regarding passenger rail and sensitivity to impacts.

Ms. Carlson said she will provide the updated, final version to Councilmembers.

(3) Regional Animal Services Implementation Update

Ms. Carlson opened the staff report regarding King County and City of Bellevue implementation activities for the regional animal services program.

Alison Bennett provided an update on the animal services program which went into effect on July 1. An amended Animal Code is scheduled to be presented for Council action on August 2, which will bring the City's Code in line with King County's regulations.

Ms. Bennett explained that the new contract involves enhanced marketing efforts to increase the pet licensing rate and to promote responsible pet ownership. Key components of the outreach plan include brochures, bill inserts, information on the City's web site, and information in newsletters and on Bellevue TV. The pet licensing campaign implements a 90-day amnesty period from July 1 to September 30 to allow pet owners to license their pets without paying a fine. Activities include door-to-door canvassing, door hangers, and pet license sales at City Hall and community events. Licenses can be renewed via mail or telephone.

(4) Legislative Reports

Mayor Davidson noted the federal legislative update beginning on page 3-39 of the meeting packet.

Responding to Councilmember Chelminiak, Ms. Carlson said she will provide copies of the bill regarding electric vehicles deployment to the Council. She noted that there is language in the City's federal legislative interest statement that covers electric vehicles. If the legislation appears to be consistent with the Council's position, staff will draft a comment letter for the Council's consideration.

(5) King County Sales Tax Ballot Measure

Ms. Carlson noted packet materials beginning on page 3-49 regarding the King County sales tax ballot measure. The information in the packet is based on what the King County Council approved on July 19. However, at approximately 5:30 p.m. this evening, the King County Council sent out a press release indicating that it has rescinded this proposal and replaced it with a different one.

Ms. Carlson said that the ballot measure will still reflect a sales tax levy of 0.2%. The change made today is that 0.1% will sunset in three years, and 0.1% will continue for 20 years to allow issuing debt to support the construction of the Juvenile Justice Facility.

Responding to Councilmember Chelminiak, Ms. Carlson said she will get more details on the King County Council's discussion today and report back to the Council.

Responding to Councilmember Degginger, Ms. Carlson explained that the intent of the sales tax proposals is to use new revenue to pay for existing services. Non-supplanting means that prior to 2009, if the County passed a new revenue package it had to use the monies for new programs. Removing the non-supplanting restriction means that the County can use the revenue

for existing programs and in some cases for capital projects. In terms of the details about how the money will be used, Ms. Carlson said her understanding is that the County Executive will propose a budget that does not assume this revenue. There will then be a supplemental proposal that will indicate how the money will be spent if the ballot measure is approved. She reminded the Council that 40 percent of the monies is distributed to cities.

Responding to Councilmember Chelminiak, Ms. Carlson clarified the paragraph on page 3-49 of the meeting packet regarding estimated tax revenue. Bellevue's share of the distribution would be approximately \$1.9 million in 2011 and \$2.4 million in 2012. Bellevue would actually generate higher sales tax revenues (\$8 million in 2011 and \$11.5 million in 2012), but that is different from the City's distribution. In further response, Ms. Carlson said that a large portion of the sales tax generated by Bellevue would go to King County and other cities.

Councilmember Wallace questioned whether the Bellevue City Council will be taking a position on this issue between now and November.

Mayor Davidson said he believes it would be premature to take a position at this juncture.

Councilmember Chelminiak requested information from staff about the statewide ballot measures related to liquor sales and their impacts on City revenue.

Responding to Deputy Mayor Lee, Ms. Carlson said Newcastle is the only city that she is aware of that has taken a position on the sales tax initiative. Newcastle took a general position opposing the sales tax.

- (d) Continued discussion of the opportunity for the City to join the Washington Water and Wastewater Agency Response Network (WARN), an interlocal mutual aid agreement that allows for voluntary sharing of public utility resources during emergencies.

Mike Jackman, Assistant Director of Utilities, recalled that information was provided to the Council during the June 14 Study Session regarding the Washington Water/ Wastewater Agency Response Network (Washington WARN), an interlocal mutual aid agreement that allows for the voluntary sharing of public utility resources during emergencies. He provided responses to questions raised by the Council at that time.

Mr. Jackman explained that Washington WARN is a network of 54 existing utility agencies. Bellevue's participation in the network would require 40 to 50 hours of staff time on an annual basis. FEMA funds would be distributed to the community in which a disaster occurs. Mr. Jackman noted that mutual aid involving utilities is rarely needed but can be critical when it is needed. So far, the City has never requested mutual aid related to utilities.

Regarding the proposed interlocal mutual aid agreement, Mr. Jackman said it is possible but unlikely that the agreement could be modified. It would require the approval of the other 54 parties.

Mr. Jackman said staff recommends that Bellevue join the Washington WARN network. Staff recognizes the issues of interest to the Council, which are to amend the agreement and to develop standard operating procedures to mitigate the risk. Staff believes that the aid, when needed, outweighs the risk of participating in the network. Staff suggests presenting an Ordinance for Council action on August 2.

Councilmember Degginger noted that he previously raised concerns about the agreement language. He acknowledged the compelling argument to participate because mutual aid is important in disasters. He suggested that when the Ordinance comes back to the Council for action, the Council should instruct staff to pursue modifications to the mutual aid agreement to address the Council's concerns.

Responding to Mayor Davidson, Lacey Madche, Assistant City Attorney, said staff considered the issues of indemnity and liability when it reviewed the proposed agreement. Legal staff proposed early language to rectify some of the ambiguity within the agreement. However, unfortunately some of the smaller jurisdictions, mostly those who would be the recipients of the aid, started adopting the agreement before discussions were completed, and therefore the proposed changes were not incorporated into the agreement. During the negotiations, some of the larger jurisdictions (e.g., Everett, Seattle, Tacoma) were going through personnel changes due to budget cuts. As a result, the consideration of this agreement was set aside in some jurisdictions. She feels there would have been more in-depth discussion of the issues if more key players had been involved.

Mayor Davidson concurred with Councilmember Degginger's suggestion about how to proceed. Dr. Davidson said he is not comfortable with the requirement for binding arbitration.

Councilmember Chelminiak suggested that perhaps the most effective approach to pursuing amendments to the agreement would be for the legal staff of cities and agencies to work together.

Deputy Mayor Lee said it is commendable to plan for mutual aid in the case of a disaster, even though Bellevue has not needed it to date.

Mayor Davidson directed staff to return with an Ordinance for Council action.

(e) Preliminary Engineering Contract for 120th Avenue NE Project

Deputy City Manager Brad Miyake introduced discussion of Resolution No. 8125, which is incorrectly labeled in Council's desk packet materials as Resolution No. 8120. The resolution authorizes the preliminary engineering design work needed for the City to apply for the TIGER II (Transportation Investment Generating Economic Recovery) federal grant within the short term.

Dave Berg, Deputy Director of Transportation, provided brief background information on staff's efforts to initiate a request for proposals, interview candidate firms, and negotiate a contract

scope and fee within a short timeframe. Staff is requesting Council approval of the consultant agreement to complete pre-design work and environmental review, in order to submit a TIGER II grant application by August 23.

Mr. Berg recalled that, in May, the Council approved work on Segment 2 of this corridor between NE 8th Street and NE 12th Street, to be completed by INCA Engineers. Staff plans to bring a supplement to that contract before the Council next week, to allow INCA to continue work on the conceptual engineering and 30 percent design.

Mr. Berg said the contract proposed tonight related to TIGER II grant funding will complete 30 percent design for the rest of the 120th Avenue corridor including all environmental review and survey work.

Responding to Councilmember Wallace, Mr. Berg said the rationale for splitting the work into two contracts was based on the expertise of PB Americas, Inc. (formerly known as Parsons Brinckerhoff) in certain areas, including the environmental review, and the need to meet an aggressive timeline.

Responding to Deputy Mayor Lee, Mr. Berg said staff will provide an update on the INCA contract next week. A dollar amount for the supplemental contract is still under negotiation.

Councilmember Balducci noted the community's requests for design work and improvements at 120th Avenue NE and NE 8th Street, and questioned whether this is addressed in the engineering work. Mr. Berg explained that the contract with INCA Engineers is looking at roadway alignments between NE 8th and NE 12th Streets.

Noting a chart showing project allocations in the area around 120th Avenue NE, Councilmember Balducci asked staff to provide more detailed information about budget items and expenditures.

Mr. Berg noted that the TIGER II grant application is related to work on 120th Avenue NE between NE 8th Street and Northup Way.

Responding to Councilmember Wallace, Mr. Berg clarified that the engineering work for the segment between NE 8th and NE 12th Streets is the INCA contract. Work associated with the overall TIGER grant application, including all of the environmental work and engineering design between NE 12th Street and Northup Way is part of this PB Americas, Inc. contract. Ultimately on August 23, the City will have a complete 30 percent design for 120th Avenue NE between NE 8th Street and Northup Way, as well as all of the environmental work completed for the TIGER II grant.

Responding to Councilmember Balducci, Mr. Berg said the work includes the intersection of 120th Avenue NE and NE 8th Street.

Responding to Councilmember Wallace, Mr. Berg said that the PB Americas, Inc. contract and consultant work does not address the light rail Hospital Station or its impacts to the surrounding area. Mr. Berg said he will consult with the Transportation Director and other staff on this issue.

Deputy Mayor Lee said he assumes that staff is looking at the bigger picture and what is the most efficient way to get things done without duplicating efforts.

Councilmember Chelminiak suggested that the potential configuration of a light rail Hospital Station and its impacts to the road network should be coordinated with the 120th Avenue NE project. He feels that both agencies should be planning on how the projects would connect and what the mutual impacts will be.

Responding to Councilmember Balducci, Mr. Berg said that the traffic modeling information has been updated for the Bel-Red Corridor.

→ Councilmember Degginger moved to approve Resolution No. 8125, and Councilmember Chelminiak seconded the motion.

→ The motion to approve Resolution No. 8125 carried by a vote of 7-0.

At 8:45 p.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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