

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

December 10, 2012
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:09 p.m., with Mayor Lee presiding.

2. Study Session

- (a) I-90 Tolling Update Presentation by Washington State Department of Transportation (WSDOT)

City Manager Steve Sarkozy introduced discussion regarding I-90 tolling, which was directed by the state legislature under House Bill ESHB 2109.

Transportation Director Dave Berg noted that this is the beginning of the conversation about I-90 tolling and is an opportunity to ask questions and express concerns. Staff will continue to provide periodic updates as the project moves forward.

Craig Stone, Assistant Secretary of Toll Division, Washington State Department of Transportation (WSDOT), introduced John White, Project Director for I-90.

Mr. Stone noted the interrelationship between the I-90 and SR 520 bridges crossing Lake Washington. He recalled that the SR 520 bridge opened in 1963. Current work to expand the SR 520 bridge is funded at \$2.72 billion, and work is underway on the east side of the bridge. The total project cost is estimated at \$4.13 billion. The portion between the western shore of the lake to I-5 is partially funded at this point, leaving a gap of \$1.4 billion.

Mr. Stone reported that SR 520 tolling, which began on December 29, 2011, has been meeting or exceeding traffic projections and meeting revenue forecasts. There are 378,000 active Good to

Go accounts. Improvements have been achieved in transit services and reliability, and the number of vanpools has increased.

Mr. Stone described the impacts of SR 520 tolling on regional traffic. Traffic on SR 520 has decreased by 33 percent; I-90 volumes have increased 11 percent; SR 522 volumes have increased 10 percent; I-5 traffic has increased approximately two percent through downtown Seattle; and I-405 traffic has increased approximately four percent. Mr. Stone said that traffic increased in the fall, and SR 520 traffic volumes are building in the westbound direction. This pushes more traffic over to I-90.

Responding to Councilmember Balducci, Mr. Stone said the most dramatic impact to I-90 is in the morning from Issaquah/Bellevue into Seattle. On SR 520, the evening westbound commute has increasing volumes which is causing drivers to travel I-405 south to I-90. Mr. Stone noted that construction on SR 520 is a factor as well.

Responding to Councilmember Wallace, Mr. Stone said overall I-90 traffic volumes have increased, with much of it being midday and off-peak times.

Continuing, Mr. Stone said tolling on both bridges has been under review since 2006. Tolling I-90 was recommended by the 2006 Expert Review Panel, 2008 SR 520 Toll Implementation Committee, and 2009 Legislative Work Group. Tolling on I-90 is recommended beginning in 2014 if federal or other funding does not become available for completion of the SR 520 project.

Councilmember Davidson questioned whether tolling can be implemented as easily on an interstate highway as on a state highway. Mr. Stone said that, prior to 1956, many turnpikes were tolled and grandfathered into the interstate program. For a long time federal regulations said a state could not toll an interstate route. However, the past two surface transportation bills contain different programs. Washington is one of 15 states identified for value pricing programs, which was required to initiate tolling on SR 520 due to partial federal funding. This same program would be used to toll I-90, and the State has been working with the U.S. Department of Transportation. Mr. Stone said Congress could change this law in two years, however.

In further response to Dr. Davidson, Mr. Stone said the value pricing program allows tolls in conjunction with the reconstruction of bridges and tunnels. Tolling can be used on I-405 because projects are adding capacity. The state legislature must authorize any tolling by formal action.

Responding to Mayor Lee, Mr. Stone said the State is studying tolling all lanes. Under the value pricing program, there must be variable tolls instead of a flat rate.

Responding to Deputy Mayor Robertson, Mr. Stone said a tolling agreement with the federal government will be required for the I-90 tolling program. However, some corridors would not require a federal agreement, including I-5.

Deputy Mayor Robertson questioned whether the federal government has ever allowed tolling on an interstate bridge in cases where the revenue generated is used for projects on a different

highway corridor. Mr. Stone said the tolling agreements with the Federal Highway Administration indicate that tolling revenue must be used for transportation. Tolling dollars would first go toward projects on I-90, and remaining funds can be used for general transportation purposes including transit.

Mr. Stone said early estimates indicate that perhaps \$1 billion or so would be generated by I-90 tolling. He explained that, before Sound Transit 2, the State was unsure about the ability to fund the full buildout of the HOV lanes (R8A alternative). Phases 1 and 2 have been built, and Phase 3 will provide the lanes between Mercer Island and Seattle. That is now fully funded so tolling revenues would not be needed for that project. However, additional I-90 projects have been discussed by a number of parties.

Mr. Stone said the State is conducting environmental clearance for tolling on I-90 between I-5 and I-405 to look at full tolling across Lake Washington. The State will also study certain improvements extending to Issaquah, which would involve additional environmental review. There is an existing route development plan between Bellevue and North Bend which could generate projects in need of funding.

Dr. Davidson noted that Sound Transit is using some of the East Subarea money to complete the I-90 coupling in support of light rail. He questioned whether tolling revenue could be used for that project. Mr. Stone suggested there would have to be a compelling argument before the state legislature to achieve that allocation.

Responding to Deputy Mayor Robertson, Mr. Stone said the State is interested in studying the use of express toll lanes out to Issaquah, which would involve converting existing HOV lanes.

Ms. Robertson observed that tolling discussions seem to exclude I-5 between SR 520 and I-90. Mr. Stone said the state legislature has authorized six facilities for tolling. Three are operational: SR 520, Tacoma Narrows Bridge, and SR 167. The other three are I-405 express lanes, I-5 Columbia River crossing, and the SR 99 Alaskan Way Tunnel. The state legislature has asked the State to study I-90, SR 509 extension, SR 167 extension, and express lanes on I-5. A report on I-5 was completed two years ago, and express lanes could potentially be implemented between Everett and Tacoma. Mr. Stone commented that I-5 is considered a lifeline through the state, and seven of 10 people live within 15 miles of I-5.

Mayor Lee observed that I-405 is a lifeline as well and that I-405 and I-5 need to balance each other. Mr. Stone noted that this area is topographically challenged due to the hills and bodies of water.

Mr. Lee questioned the criteria used to make decisions about tolling. He noted that tolling bridges causes many drivers to take alternate routes. Mr. Stone said the two reasons to toll are revenue and system performance (demand management).

Dr. Davidson observed that the State doubled general capacity when it rebuilt the Tacoma Narrows Bridge. On SR 520, two HOV lanes are being added and two bridges are going to be tolled to fund that. There is a difference between these two situations.

Continuing, Mr. Stone said the I-90 tolling environmental assessment has been initiated by the state legislature. He noted public meetings scheduled beginning in January and public hearings in the fall of 2013. The objective is to provide findings to the state legislature during the 2014 session.

Deputy Mayor Robertson questioned whether the environmental review will look at the cost-benefit analysis in terms of the cost of tolling versus benefit to traffic on I-90. Mr. White said there is an economic review section in the environmental work, and a number of potential impacts are assessed including environmental and social justice.

Ms. Robertson said tolling can have a significant effect on working families and questioned whether that will be part of the review. Mr. Stone said the term environmental justice was created by an Executive Order issued by President Clinton, and the State will be looking at that component. WSDOT staff worked with the University of Washington's School of Public Administration to explore the issue. He concurred that tolling can have an effect on many people at lower income levels. The UW program found that tolling has less of an effect on low income than the gas tax, and the gas tax has less of an effect than sales tax.

Deputy Mayor Robertson observed that much of the burden would likely fall on a large group of people between low income and the wealthy. Mr. Stone agreed. Ms. Robertson said the gas tax is more efficient in terms of the cost of collection. She prefers the gas tax approach over tolling.

Ms. Robertson questioned whether WSDOT is looking at the impact to businesses on both sides of Lake Washington related to tolling on both bridges. Mr. Stone said that aspect will be studied.

With regard to congestion and value pricing, Ms. Robertson questioned whether that analysis will look at how congestion will be affected by the removal of the center roadway lanes for light rail and the R8A project on I-90. She said those projects will change the dynamic and flow of traffic on that facility. Mr. Stone noted that the R8A project is targeted to open in fall of 2016. It is possible that the center roadway will need to be tolled.

Councilmember Wallace said he has not seen a study of I-90 impacts after the SR 520 tolling, R8A, and the time period before light rail is implemented. He recalled that the prior study he saw indicated four HOV lanes in the 10-lane option, but two lanes were removed for light rail. Mr. Stone said that is not his understanding. When R8A opens in the fall of 2016, Sound Transit will take over the center roadway. During that timeframe, SR 520 will reopen.

Mr. Wallace observed that the Sound Transit DEIS (Draft Environmental Impact Study) did not anticipate all of the different components now under study. He questioned whether the study will be updated. Mr. Stone said WSDOT will look at those factors and will work under the assumption that Sound Transit East Link is in place by the 2023 date. The State will then address

what will happen between 2016 and 2023. Mr. White noted that a number of alternative scenarios for phasing the projects will be studied.

Deputy Mayor Robertson noted the importance of studying the impacts of traffic diversion to local roads. Mr. Stone concurred. In further response, Mr. Stone said it was determined that optional express lanes on I-90 would not generate sufficient income for SR 520, so the current study is full tolling. Within that approach there are alternatives, however, including whether to toll only the portion across the water or to also toll the East Channel Bridge.

Councilmember Balducci said the challenge she has with all of this is that it seems to be a constantly moving target with regard to the objective of tolling (i.e., generating revenue, congestion management). She recalled that, in previous discussions about I-90 tolling, the criteria was to be based on the diversion impacts of SR 520 tolling. Now the stated purpose is to generate revenue for the SR 520 project.

Ms. Balducci said she has never agreed with the concept of tolling I-90 simply to raise money for SR 520. She questioned why not toll more roads to help fund SR 520. With regard to tolling the Alaskan Way tunnel, Ms. Balducci said there are alternate routes along that corridor and it therefore becomes difficult to implement tolling in a meaningful way without thinking of a system tolling approach. She observed that the state legislature needs to broaden its study to system-wide tolling and a new funding structure.

Mayor Lee said he appreciates Mr. Stone is acknowledging the distinction between tolling purposes (i.e., revenue and congestion management). Mr. Lee said the objectives and process should be clear in discussions by the state legislature as well.

Mr. Stone said that WSDOT is considering the broader picture of system tolling. However, the state legislature's approach is incremental in terms of granting approval of the components.

Councilmember Stokes observed that there is a perception that I-405 is not getting the same level of attention as I-5, and discussions about tolls on the Eastside add to that perspective. He said it is encouraging that WSDOT is thinking along the lines of a system approach in the future.

Councilmember Chelminiak expressed concern that the stated reason now for tolling I-90 is to close the funding gap for SR 520, and the funding gap relates primarily to the segment of SR 520 on the west side of the lake. He questioned the equity for drivers on I-90, including Eastside residents, paying for a transportation project on Seattle's Portage Bay. Mr. Chelminiak said the Eastside should have a voice in that decision.

Councilmember Wallace recalled that something he heard early on was advocacy for connecting the express lanes from I-90 to I-405. He questioned whether that is a serious proposal. Mr. Stone said he believes that has been discussed by the Eastside Transportation Partnership. Noting the Factoria interchange of I-90 and I-405, Mr. Stone said there has been discussion of flyover ramps connecting the Renton to Issaquah and Issaquah to Downtown Bellevue express toll lanes. He acknowledged that the express toll lane has not yet been approved for I-405 or I-90, however.

Councilmember Wallace questioned the status of the Portage Bay project. Mr. White said the environmental planning process has been completed. However, the community design process is ongoing. In further response, Mr. White said a decision on that is needed by 2014 to coincide with authorization for tolling on I-90 and the use of those revenues.

Councilmember Wallace gave WSDOT staff a list of Bellevue's legislative roadway priority projects. He referred to a statement that adding a lane on I-405 from Bellevue to Tukwila has a cost-benefit of 4.6, which is extremely beneficial. The total cost of that project is \$1.4 billion.

Mr. Wallace observed that the cost-benefit analysis excludes the benefits to arterials, where congestion would be reduced as a result of expanding capacity on the freeway. He reasoned that the converse is also true, that reducing general capacity on the freeway increases traffic volumes on local arterials. Mr. Wallace expressed concern about local roadway impacts, especially on Bellevue Way, as an alternative to I-405. He noted his ongoing request that WSDOT study those impacts and provide mitigation on the City's arterials.

Mr. Stone said that tolling on SR 520 is the product of a 30-year decision so that tolling will continue for some time. The question is whether to also toll I-90 and what effect that will have on the diversion of traffic. He opined that express toll lanes on I-405 would enhance its utilization and lessen the pressure on arterials.

Councilmember Balducci noted that Mr. Stone's role is a newly created position/division: WSDOT Assistant Secretary for the Toll Division. Ms. Balducci clarified that her earlier comments were not meant to communicate that tolling is a bad idea. She acknowledged that there needs to be a way to fund transportation projects.

Councilmember Davidson said there was an article in Sunday's paper about Bellevue starting to experience economic recovery. One of the paragraphs said that tolling will help Bellevue continue to grow and not hurt the community, which he found interesting.

Deputy Mayor Robertson said that, if more tolling is implemented for the Eastside, she hopes the Eastside will be given a high priority for investments when the new transportation package comes forward. She said the I-405 corridor is extremely important to Bellevue.

Mr. Stone said he believes, based on the direction of the state legislature, that tolling can leverage more improvements than the gas tax. He noted that the state legislature can identify and choose specific projects.

Mayor Lee thanked WSDOT staff for the presentation, and indicated that Bellevue wants to be actively involved in ongoing discussions.

- (b) Land Use Code Amendments related to Light Rail Overlay to Govern Permitting for the East Link Light Rail Project

City Manager Steve Sarkozy noted ongoing discussions regarding provisions in the draft Light Rail Overlay that would govern land use permitting for the East Link light rail project.

Mike Brennan, Director of Development Services, recalled that, last week, staff and the Council began talking about the more substantive requirements for design mitigation and the traction power substations (TPSS). Discussions will continue through January to address concrete and masonry structures, station design, the Bel-Red corridor (including the operations and maintenance base), other alignment elements (e.g., fences, lights, signals), and the overall process.

Deputy Mayor Robertson noted that Sound Transit is aware of the City's discussions and issues, and staff suggested it was not necessary to send a letter to the Sound Transit Board articulating the City's position. She said Sound Transit's attorney has been present in the audience of all Council meetings. Mr. Brennan confirmed this understanding.

Councilmember Wallace asked that staff organize ongoing design and mitigation topics by subarea/segments of the light rail alignment. He said that would be helpful in moving through the discussions.

Councilmember Davidson questioned whether there is a checklist for the Determination of Non-Significance. Carol Helland, Land Use Division Director, said the checklist available now related to the Land Use Code Amendment (Light Rail Overlay) is a non-project checklist because the matter is a legislative decision. She said a project level checklist will be attached to specific components such as the Park and Ride.

Ms. Helland clarified that a Determination of Non-Significance has not been made. Staff needs to know the context of the Overlay before making the appropriate determination under the State Environmental Policy Act (SEPA). This will be completed before the Council takes its final action on the Overlay.

Councilmember Stokes suggested it would be helpful to address elements of the checklist for each subarea/segment of the alignment. Mr. Brennan said staff will organize the topics and issues as requested by Councilmembers Stokes and Wallace.

Continuing with the presentation, Ms. Helland reviewed Council input from the December 3 meeting. The focus of the discussion was on linear alignment landscaping for the segment south of the Downtown. That discussion addressed at-grade, trenched, and lidded options, and staff hopes to talk about the elevated section tonight. Staff and the Council also talked on December 3 about the traction power substations (TPSS) and related landscaping and screening. Preliminary Council feedback appeared to favor street frontage landscaping where light rail is adjacent to the right-of-way, buffer and screening where light rail is adjacent to private property, and the flexibility to provide context-sensitive landscape solutions and/or artwork.

Ms. Robertson said it is important to her that solutions can combine landscaping and artwork/hardscape features.

Councilmember Chelminiak would like the Overlay to link noise issues and the Noise Code to the Land Use Code with regard to the traction power substations. He also believes that some type of screening is desirable even in more remote locations such as the Sweyolocken TPSS.

Moving on, Ms. Helland described a cross-section of the elevated segment of the light rail alignment near the Blueberry Farm on Bellevue Way SE, north of the South Bellevue Park and Ride. She suggested that the Council might want to consider landscaping guidelines for the area below the elevated rail.

Deputy Mayor Robertson stated her perspective that landscaping should be provided over dirt or gravel areas and should have a mixture of textures.

Councilmember Chelminiak suggested that taller vegetation might be appropriate as well along the elevated segment to soften the concrete structure. Ms. Helland said the City can stipulate the size of trees to be installed, up to the size at which replantings are not generally viable. Mr. Chelminiak reiterated that he believes it would be more attractive to use trees to hide the concrete structure as much as possible.

Councilmember Wallace observed that the elevated plan is potentially interesting but not necessarily consistent with the Comprehensive Plan, which refers to sidewalks and bike lanes on the roadway. He said it is important to have consistency between the Comprehensive Plan and the project, even if it means revising the Comprehensive Plan.

Mr. Wallace recalled his suggestion during the previous meeting about the use of a design review board. He said the light rail project provides an opportunity to create a grand gateway into Bellevue, and he suggested that the Overlay include this potential.

Moving on, Deputy City Attorney Kate Berens said the proposed Light Rail Overlay incorporates the Critical Areas Overlay (Part 20.25H of the existing Land Use Code) by reference and requires that the project meet all of the substantive requirements. Two procedural modifications apply in this regard and are described on pages SS 2-9 and SS 2-10 of the meeting packet. One is that a separate permit would not be required for critical areas regulations under the Light Rail Overlay. However, the critical areas decision criteria are included in the Light Rail Overlay.

Responding to Councilmember Davidson, Ms. Berens said that, generally speaking, development that is proposed in the Critical Areas Overlay District is subject to the applicable use chart. If the use is allowed in the critical area or buffer, certain substantive standards must be met. This type of analysis would apply to light rail. If the use would be allowed in the critical area or critical area buffer, impacts would need to be mitigated to permit any permanent or temporary impacts.

One of the two modifications with the Light Rail Overlay is that a separate Critical Areas Land Use permit would not be required. The other is that if the Council and Sound Transit agree on the alignment, and a portion of it passes through a critical area or critical area buffer, there is no

separate requirement through the permitting process to establish that there was no technically feasible alternative. Ms. Berens said that where the City says a public road project, for example, needs to pass through a critical area because it is connecting point A to point B, we require demonstration that there is no technically feasible alternative connecting A and B. The Light Rail Overlay has the same requirements to restore or enhance to cover permanent and temporary impacts, and the restoration plan requirements are the same.

Dr. Davidson said it bothers him to not require study of a technically feasible alternative. He is also bothered by language on page SS 2-9 of the meeting packet that this exception is consistent with the MOU. He said the MOU is a non-binding collaborative agreement which states that the City will consider this alternative but not that it will necessarily adopt it.

Councilmember Davidson said he reviewed the 1979 Conditional Use Permit for existing development (South Bellevue Park and Ride), which includes a rather detailed description of the land. He feels that description has not changed as the City has not developed around it due to wetlands. Part of the description states that 27 percent (3.22 acres) is in the shorelines, which is another overlay district. The CUP application covered a total of 11 acres. Dr. Davidson questioned whether shorelines regulations will be required by the Light Rail Overlay.

Ms. Berens said the Shorelines Overlay is incorporated by reference. The State Shoreline Management Act does not allow cities to waive shorelines permitting requirements. Any portions of the light rail alignment through shoreline jurisdiction in Bellevue will be subject to the regulations.

Dr. Davidson noted that the CUP for the Park and Ride limited the number of cars, and he questioned how that applies to plans to expand the Park and Ride. Ms. Berens said it is possible to change the conditions of the underlying CUP through the light rail permitting process. Ms. Helland said there is a modest amount of shoreline disturbance, which is actually wetland disturbance, in that area.

Councilmember Wallace said he is not in favor of an exception to not require demonstration of no technically feasible alternative. He believes it is important to identify all of the issues related to critical areas and shorelines and to figure out what can be put in place to mitigate the impacts.

Noting that the meeting is coming to an end, Ms. Helland said staff will be coming back with a process conversation later which will cover many of the questions, including the type of shoreline permit and whether a feasibility study is required. She suggested that the next discussion about the Park and Ride could focus on aesthetic issues, which would allow staff to advance the substantive sections of the code to address landscaping, screening, light/glare, structure heights, and noise.

Councilmember Balducci expressed concern that the discussions are getting bogged down in details instead of focusing on broader policy decisions that are time sensitive with regard to the East Link MOU with Sound Transit.

Mayor Lee acknowledged Ms. Balducci's comment and suggested that perhaps some of the details could be addressed offline. He understands the importance of the Light Rail Overlay in streamlining the permit process. However, the substance of the City's regulations must be incorporated.

Councilmember Stokes concurred that the discussion is becoming too detailed at this point in the process.

Councilmember Davidson expressed concern that the City is relieving Sound Transit of providing an environmental impact statement of substance. He feels that the Light Rail Overlay proposes bending the rules by not requiring an EIS.

Councilmember Chelminiak expressed frustration with the lack of progress in the discussion.

Deputy Mayor Robertson concurred with concerns about moving the discussions along and addressing the key policy issues. She opined that the Council's discussion is more detailed than usual in this case because the Council is acting in place of the Planning Commission, which would typically address this level of detail. While painful, she does believe it is necessary to go through the details.

Mr. Brennan said staff will review and modify the process to facilitate more efficient and productive discussions when the Council returns in January.

Mayor Lee thanked staff for the presentation.

At 8:07 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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