

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

July 11, 2011
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

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

ABSENT: Mayor Davidson

1. Executive Session

Deputy Mayor Lee called the meeting to order at 6:02 p.m., and declared recess to Executive Session for approximately one hour and 20 minutes to discuss one item of potential litigation and one item of pending litigation.

The meeting resumed at approximately 7:14 p.m., with Deputy Mayor Lee presiding.

2. Communications: Written and Oral

- (a) Sue Baugh, representing Move Bellevue Forward, commented on the East Link light rail project. She said that this citywide group of residents and businesses is encouraged by the Council's decision to not spend any additional funds on studying light rail alternatives. Ms. Baugh said Move Bellevue Forward is uncertain, however, about what the Council means by the term "exceptional mitigation" used during last week's meeting. She encouraged the City to be open and transparent about its discussions with Sound Transit. Move Bellevue Forward continues to support a tunnel as the best alternative for the Downtown.
- (b) Irene Plenefisch, Government Affairs Manager for Microsoft, said that Microsoft is a strong supporter of public transit and encourages its employees to use public transit whenever possible. Microsoft also provides its own connector transit service to reduce single-occupancy trips. Microsoft has 40,000 employees on the Eastside and supports light rail service. She encouraged the City to continue working with Sound Transit on a preferred alignment.

- (c) Betina Finley acknowledged the City Council and staff for leading the community through the process of East Link light rail planning. She is encouraged by the City's negotiations for exceptional mitigation. She said that she and Bill Thurston of the Bellevue Club have met with Councilmembers, Sound Transit staff and Board members, and Bellevue residents during the past year to demonstrate the opportunities of an extended westside running alignment along Bellevue Way.
- (d) Renay Bennett, Building a Better Bellevue, spoke in opposition to the B2M light rail alignment, noting concerns regarding noise mitigation. She said that Sound Transit has been unable to resolve its noise pollution problems with the Central Link system. She said that a Sound Transit consultant has consistently told the public, Sound Transit, and the Federal Transit Authority that all noise impacts will be mitigated. This consultant explained to her that mitigation involves windows and insulation, but does not necessarily mitigate areas outside of structures. Ms. Bennett described additional items related to the consultant and the federal Record of Decision for Sound Transit light rail. Ms. Bennett expressed concern that Sound Transit comply with Bellevue's noise codes. She noted Building a Better Bellevue's continued support of the B7 alignment.
- (e) Greg Russell, Downtown Action to Save Housing (DASH), requested Council approval of final funding for the Evergreen Court Apartments project [Agenda Item 3(d)]. He noted the initial review by ARCH (A Regional Coalition for Housing) and an independent management company, as well as the second independent review provided for tonight's meeting. DASH has issued a request for proposals (RFP) for a new management company and received three responses.
- (f) Loyd Jacobs praised the Council for working together to move forward on the East Link light rail project, and for dropping consideration of the B7 route and working with Sound Transit on the B2M alignment. He requested transparency in, and the ability to comment on, the final negotiations with Sound Transit. He thanked Councilmembers for their work.

Responding to Councilmember Degginger, City Manager Steve Sarkozy said Sound Transit staff are scheduled to attend the July 18 Council meeting to present preliminary ideas for exceptional mitigation along the B2M route.

Deputy Mayor Lee encouraged the audience to remain for the East Link discussion tonight under Agenda Item 3(c).

3. Study Session

- (a) Council Business and New Initiatives

City Manager Sarkozy requested postponing action on the appointment to the Parks and Community Services Board. Councilmember Robertson confirmed that she would like to postpone the item.

Councilmember Chelminiak referred to a July 1 letter to the Mayor related to the Valley Public Hospital District. The letter from University of Washington Medicine indicates that the district is not interested in removing the portion of Bellevue encompassed in that hospital district. Mr. Chelminiak reported that the district is soliciting nominees for individuals to serve as trustees for the five-member Board. He noted that the district defines its service area beyond the specific district boundaries. Mr. Chelminiak suggested that the Council might want to consider nominating an individual for the Board.

Deputy Mayor Lee thanked Councilmember Robertson for previously raising this issue. He asked the City Manager to take a look at potential nominations.

Councilmember Wallace requested an update on the NE 4th Street and 120th Avenue NE projects.

(b) Eastside Pathways

City Manager Steve Sarkozy opened discussion regarding the Eastside Pathways “cradle to career” program. The Bellevue School District endorsed the initiative on May 24, 2011.

Parks and Community Services Director Patrick Foran introduced Bill Henningsgaard, a member of the Eastside Pathways Core Team. Mr. Foran noted the Council’s support since 2004 of the Wrap-Around Services program, which provides a range of services to youth and their families. He recalled a Resolution approved by the Bellevue School District Board and the City Council in 1994 stating the common mission to meet the educational, recreational, cultural, social, and human services needs of the community by focusing on schools as community resource centers.

Mr. Henningsgaard said that he represents a group of volunteers who have been working with the School District, the City, and nonprofit organizations to initiate Eastside Pathways. He noted that Bellevue is known for its strong schools and that 31 percent of Bellevue residents are foreign born, and 31 percent of students are English language learners (ELL). Mr. Henningsgaard commented on the achievement gap between low-income and non-low-income students, and between ELL and non-ELL students.

Mr. Henningsgaard said the program is modeled on one that has been effective in Cincinnati for the past six years. He reviewed the Eastside Pathways framework, activities, and timeline. He requested the City’s endorsement in working as a key partner in the program.

Responding to Councilmember Robertson, Mr. Foran said there is no request for City funding associated with the proposal. Eastside Pathways is more focused on mobilizing the community as a whole around this ambitious goal and does not view itself as a funding organization. Projecting ahead, Mr. Foran said staff would hope that the program has the same budgetary impact as the Wrap Around Services program, and that is to maximize current investments.

Responding to Councilmember Robertson, Mr. Henningsgaard said the organization is not incorporated yet and therefore cannot receive funds, including grant funds. A number of

organizations have pledged support, however. The plan is to raise \$200,000 to \$250,000, but the overall goal and purpose of the program is to stretch community resources through collaboration and cooperation.

Councilmember Robertson noted her interest in a joint meeting between the City Council and the Bellevue School District Board in the fall. She questioned whether Mr. Henningsgaard would be prepared to provide a presentation during that meeting. He agreed that a joint meeting would be a great opportunity to discuss the initiative with both bodies.

Councilmember Robertson expressed support for the program and encouraged the Council to support it as well.

Councilmember Degginger expressed support for the approach and noted the benefits of the Wrap Around Services program. He encouraged Mr. Henningsgaard to also reach out to the Issaquah School District and Renton School District. Mr. Henningsgaard said he has spoken with the Issaquah School District. He noted that Renton is involved in a similar South Seattle effort.

Councilmember Balducci expressed support for the approach, which has been well thought out and proven in other areas. She likes that Eastside Pathways is similar to, but expands upon, the Wrap Around Services program in terms of the coordination of education and human services. She would like to have the opportunity to provide input on performance measurement as the program is developed.

Councilmember Chelminiak said he is interested in how Eastside Pathways looks at the whole child and the whole community. Mr. Henningsgaard said the program is focused on both the health and education of children, and includes partners providing a wide range of services.

Regarding Ms. Balducci's question, Mr. Henningsgaard said the group is just beginning to discuss performance measures, and he noted the challenge of measuring non-academic qualities and competencies.

Councilmember Chelminiak said the City is a national leader in performance measurement and could be helpful in that area. He noted the strength of building on existing partnerships with Eastside Pathways.

Deputy Mayor Lee endorsed the concept of making a better use of resources through collaborative efforts, as with the Wrap Around Services program. He noted that he serves on the Bellevue School District fiscal planning team. With regard to statistics in the presentation about the percentage of foreign-born residents and ELL students, Mr. Lee observed that neither of those two demographics necessarily equates to youths needing special services. He commented that a child's needs and challenges are generally based on a more complex set of factors, and he encouraged Mr. Henningsgaard to reflect that in Eastside Pathways documentation.

Deputy Mayor Lee expressed strong support for the program, as well as an interest in performance measures and the organization's budget. He thanked Mr. Henningsgaard for the presentation.

Councilmember Wallace observed that the presentation sounds like a good start.

Councilmember Balducci questioned whether the existing Wrap Around Services program will ultimately merge into the Eastside Pathways program. Mr. Foran said the specifics will need to be worked out farther down the road, but the programs clearly have overlapping goals. Mr. Henningsgaard said that the Wrap Around Services program is a strong model to build upon. He noted that the impetus for the Eastside Pathways effort came from a presentation about the Wrap Around Services program that he attended at one of the grade schools. Noting the similarity to the larger scaled Cincinnati initiative, he felt that this provided a good foundation for broadening the scope and range of services.

Deputy Mayor Lee said it is important to preserve the specific critical elements of the current Wrap Around Services program.

(c) Introduction of Final Environmental Impact Statement (FEIS) for East Link Light Rail Project

City Manager Sarkozy reported that the Final Environmental Impact Statement (FEIS) for the East Link light rail project became available online on July 7. The report will be reviewed with the Council during several upcoming study sessions.

Bernard van de Kamp, Regional Projects Manager, reviewed the project schedule. The Sound Transit Board is expected to take action on a preferred alignment on July 28. The Sound Transit Board capital committee will receive a briefing on July 14. Formal publication of the FEIS report is scheduled for July 15, which triggers the two-week period for SEPA (State Environmental Policy Act) appeals. The Federal Transit Administration anticipates issuing a Record of Decision in the fall.

Mr. van de Kamp recalled the release of the Draft EIS in 2009, followed by a number of studies since that time by the City and consultants. The FEIS studied 24 alternatives, compared to the no build alternative. Sound Transit identified a preferred alternative in the Supplemental Draft EIS last year, which is A1-B2M-C11A or C9T-D2A-E2. Segment C goes through Downtown Bellevue. The C9T is a tunnel, and the C11A is an at-grade alternative. Segment D travels through the Bel-Red corridor, and Segment E extends to Redmond. A new concept reflected in the FEIS is a potential station location south of Main Street at 112th Avenue, as part of the transition from Segment B (Between I-90 and Downtown) to the C9T/Downtown Tunnel alternative.

Kate Berens, Deputy City Attorney, described the 4(f) analysis related to parks impacts and required by federal law. Section 4(f) of the U.S. Department of Transportation Act of 1966 requires protection for park lands impacted by projects receiving federal funds. The Federal

Transit Administration (FTA) cannot approve or fund a project affecting parks until the 4(f) analysis is completed and a determination about impacts is made. If impacts exist, the project might be allowed if the impacts are determined to be de minimis, which is a common understanding of minimal impacts after considering any mitigation or enhancements for the park.

If a project would have more than a de minimis impact, the agencies need to look at a couple of things including whether there are any reasonable and prudent avoidance alternatives. If not, an analysis considers seven different factors to determine which alternative would have the least overall harm on the park. The project must consider all possible planning to avoid and mitigate impacts.

Ms. Berens noted that this analysis is included in the FEIS in Appendix B. The FEIS addresses the potential parks impacts of all of the alternatives/alignments for the Mercer Slough, Surrey Downs, the NE 2nd Street pocket parks, and McCormick Park. The Sound Transit preferred alignment does not impact McCormick Park, but it does impact the other three park areas.

Ms. Berens said that the end result of this analysis is the identification of 11 possible combinations of Segments B and C that would meet what Sound Transit and the FTA are calling the threshold of the least overall harm to those particular parks. The FTA could choose any of the 11 alignments and be in compliance with Section 4(f). The analysis has been forwarded for comment to the City as the jurisdiction owning the parks. There is a 45-day comment period following the July 15 publication of the FEIS.

Ms. Berens reviewed federal requirements pursuant to Section 106 of the National Historic Preservation Act. The Act requires any federal project to consider potential impacts to properties that are either listed in or eligible for listing in the National Register of Historic Places. For historic properties that are publicly owned, there is also a tie to Section 4(f) requirements. Five historic properties in Bellevue are the Winters House, Pilgrim Lutheran Church, the potential Surrey Downs Historic District, the former downtown Safeway store, and the former Bellevue Fire Station in the Bel-Red area.

Sound Transit's preferred alignment impacts the Winters House and Surrey Downs. The next steps for compliance with Section 106 is that the National/State Historic Preservation Officer, FTA, and Sound Transit enter into a memorandum of agreement (MOA) to document how Sound Transit will avoid and/or mitigate the potential impacts to historic properties. A draft of that document is included as an attachment to the FEIS. The City is invited to comment on the MOA and could choose to be a party to the agreement.

Mr. van de Kamp explained that staff's strategy in addressing the FEIS centers around the major themes related to impacts and mitigation for transportation, parks, noise, critical areas, visual/urban design, construction, neighborhoods, and compliance with City codes and regulations. The City submitted approximately 1,000 comments on the DEIS and SDEIS, and each are responded to in the FEIS. Staff is reviewing how well construction impacts are documented and coordinated with City projects as well.

Councilmember Balducci commented that it is important to acknowledge this major milestone. She noted the Council's advocacy for a Downtown Tunnel and the identification of a more affordable option (C9T). She reflected that the City has done a great deal of work over the past five to six years, and she believes that the City is well positioned for continued important discussions. Responding to Ms. Balducci, Ms. Berens confirmed that the FEIS does not include a Section 4(f) analysis of alternative B7.

Councilmember Wallace said he continues to hear comments that Bellevue caused delays in the process. He recalled that when the DEIS was released in 2008 during the holiday season, the City responded within 75 days. This initiated a series of discussions about trying to move the downtown options from NE 12th Street to NE 6th Street, and Sound Transit introduced more options as well, to which the City responded. Last summer, Sound Transit introduced the B2M alternative, which was followed by a public outreach effort. The SDEIS was completed last November. The current FEIS contains new information, such as moving the station from SE 8th Street to Main Street. Mr. Wallace questioned whether Sound Transit has expressed that the City has been causing delays in its process. And if so, what is the extent of and reasons for the delays?

Mr. van de Kamp recalled that the DEIS reflected a lack of workable solutions for Downtown Bellevue due to the conflicting goals of a Downtown Tunnel and financial resources. This spurred additional analysis by Sound Transit and the City extending over four to five months. This was followed by both the 112th Avenue Concept Design Report and the Hospital Station Analysis completed in 2010. Mr. van de Kamp summarized that the blame for delays depends on one's perspective.

Councilmember Wallace observed that the City rushed through the ARUP Study, which states that the B7-Revised route is a viable option and that the ridership is approximately the same as Sound Transit's preferred alternative (B2M). Mr. Wallace believes that the FEIS provides the opportunity and obligation for engaging in cooperative discussions with Sound Transit. He said the City has not eliminated the B7 route from consideration, and it is still the Council's preferred alternative. As the permitting authority, the City is focused on exceptional mitigation, which could result in a determination that the B7 route has the least costs, or that the B2M route could be changed from its current unacceptable design.

Mr. Wallace noted concerns expressed by citizens about a lack of transparency regarding current discussions. He explained that negotiations with Sound Transit are moving fairly quickly. The Council is elected to represent Bellevue citizens and obligated to engage in conversations with Sound Transit, and the substance of the discussions will be publicly vetted after the parties have the opportunity to reach an agreement.

Deputy Mayor Lee commented that the East Link project is a major project with consequences far into the future. Discussions have been contentious at times, and the City has encountered a number of changes and challenges. Mr. Lee noted issues with poor communications earlier in the process. However, communication with the public has improved over time.

Mr. Lee said the ARUP report indicates that the B7 route is viable. The Council is keeping all options open, and is now in a good position for negotiations with Sound Transit. The City must come up with best route for Bellevue and Bellevue citizens with regard to the least impacts of noise, traffic, costs, and neighborhood protection. Mr. Lee stated, for the record, that the City Council has always gotten the job done and made the right decisions for Bellevue.

Councilmember Robertson thanked staff for the presentation, and commented that she looks forward to reviewing the FEIS in greater detail. Pursuant to Councilmember Wallace's earlier comments, Ms. Robertson said she read a quote by the East Link Project Manager approximately one month ago stating that Bellevue is not the cause of delays. She noted questions since last week about the City's intentions with regard to engaging in negotiations with Sound Transit. She stated that the Council owes it to its constituents to see how close the City can get to a cooperative route, and she noted that the City is the permitting authority.

Ms. Robertson recalled a question during Oral Communications about the definition of exceptional mitigation. She explained that the term was coined during the Light Rail Best Practices Committee's work, and it is focused on ensuring that the alignment fits well with Bellevue and that impacts are properly mitigated.

With regard to transparency, the Council has discussed negotiations in Executive Session, and two Councilmembers have been meeting with Sound Transit. Ms. Robertson does not intend for this to be a closed door process. If the City and Sound Transit are able to agree to a solution, it will be shared with the public to solicit input. Ms. Robertson hopes that Sound Transit will wait until after the Council's August break to select its preferred alignment, to allow the agencies to continue to work together and to engage the public.

Councilmember Degginger concurred with Ms. Balducci that this is an important milestone in the overall process. He recalled that 58 percent of voters in Bellevue supported bringing light rail to Bellevue. The project is an opportunity to provide another mode of transportation to connect Bellevue with the largest economic center in the region. Although many studies have been completed, there have not been extensive discussions about mitigation until now. Mr. Degginger looks forward to continuing to work toward a solution that is good for the Bellevue community. He noted that a consensus for a Downtown Tunnel has enabled everyone to work better together toward that goal.

Councilmember Chelminiak reflected that the Council was engaged in light rail planning long before the DEIS was published in 2009. The Council has unanimously asked Sound Transit to study routes on both the east and west sides of the Mercer Slough. He observed that the process is reaching the end in terms of the Council's ability to be effective in influencing Sound Transit's preferred alignment decision. He would like for Sound Transit to postpone its decision until after the August break; however, they have indicated that they will make the decision this summer.

While options remain on the table, time is up and it is important for the community to come together in resolving the selection of an alignment. Councilmember Chelminiak thanked Councilmembers Degginger and Wallace for participating in negotiations with Sound Transit.

Mr. Chelminiak noted that he was knocking on doors over the weekend, and at least six residents indicated to him that it is time to make a decision about light rail and to move forward cooperatively with Sound Transit. All six individuals favor an alignment along the west side of Mercer Slough, but are equally interested in reaching an agreement with Sound Transit in the very near future.

- (d) Assessment of DASH (Downtown Action to Save Housing) Evergreen Court Apartments' Management Plan and Operating Budget, as a condition of Bellevue funding for an amount of \$938,547 [Resolution No. 8234 adopted on May 16, 2011].

City Manager Sarkozy opened discussion regarding the assessment of DASH (Downtown Action to Save Housing) Evergreen Court Apartments management plan and operating budget. The evaluation was directed by the Council as a condition for the funding request of \$938,547.

Arthur Sullivan, Program Manager for ARCH (A Regional Coalition for Housing), briefly reviewed background information related to the funding request. He explained that Steve Inman of Tamarack Property Management was retained by DASH to conduct this review. Tamarack manages a substantial portfolio of subsidized and low-income housing tax credit properties. The review evaluated the operating budget, revenue projections, maintenance and rehabilitation issues, and the draft request for proposals (RFP) to solicit potential property managers. The results of the report are summarized on pages 3-52 and 3-53 of the meeting packet, and the full report was provided to the Council.

Mr. Sullivan said that Tamarack provided a presentation to the ARCH Citizen Advisory Board, which was followed by a lengthy discussion with Mr. Inman. Tamarack believes that overall operating costs could be reduced, and the report provides a line item analysis. Tamarack stated that the property is well located and that a good number of services are provided on site. Their report indicates that the property has a favorable long-term potential in terms of the housing units and services. The report includes suggestions for improving the RFP for management services. The ARCH Advisory Board would like Mr. Inman and ARCH staff to be directly involved in screening the candidates, and suggested certain questions to be included in the interviews.

Mr. Sullivan noted that Mr. Inman recommended that the property owner carefully monitor the complex and remain engaged in the operation and maintenance of the property. He suggested that the DASH Board have regular monthly meetings with property management staff, and that minutes of the meetings are forwarded to ARCH.

Councilmember Wallace commended staff for their efforts. He expressed support for the funding request, which fits within the scope of Bellevue's affordable housing goals. He appreciated the additional efforts to evaluate the proposal, and hopes the project will be viable into the future.

→ Councilmember Balducci moved to approve that the independent assessment of the DASH Evergreen Court Apartments management plan and operating budget meets

Condition of Funding No. 11, as amended in Resolution No. 8234. Councilmember Robertson seconded the motion.

Councilmember Balducci commented that the project provides needed housing and services, including affordable housing units. She believes that the Tamarack evaluation fulfills the condition for funding previously established by the Council.

Councilmember Chelminiak thanked the Bellevue Network on Aging for its interest in this project and its comments in favor of funding.

Deputy Mayor Lee concurred that there is a need for this type of housing and he will support the motion.

→ The motion carried by a vote of 6-0.

At 9:18 p.m., Deputy Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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