

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

September 13, 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

Deputy Mayor Lee called the meeting to order at 6:00 p.m., and announced recess to Executive Session for approximately 15 minutes to discuss one item of labor negotiations.

The meeting resumed at 6:33 p.m., with Mayor Davidson presiding.

2. Communications: Written and Oral

- (a) Will Knedlik acknowledged the Council and Councilmember Balducci, Sound Transit Board Member, for their work. He urged Bellevue to show leadership in obtaining subarea equity for Sound Transit funds. He commended the clear leadership of South King County in this regard. He asked Bellevue to take the lead in urging Sound Transit to refund \$350 million of prematurely issued bonds that can save over \$50 million for the taxpayers, approximately \$12 million to \$15 million of which would become available to the East King County subarea by virtue of its payment of 27 percent of sales taxes. He praised Julia Patterson's work last week at the Sound Transit Capital Committee, in which she spoke on behalf of the South King County subarea and won a 6-0 vote in favor of funding equity. Mr. Knedlik wants the East and South subareas to stop subsidizing Seattle's bus service. He would like Bellevue to ask Sound Transit to allocate in its 2011 budget the next \$1.3 billion in federal grants to the East King County subarea. He urged Councilmember Balducci to advocate for the refunding (refinancing) of the \$350 million in bonds in order to gain considerable savings, which is what Bellevue has done recently in refunding some of its own bonds.

- b) Martin Paquette, a resident of the South Enatai neighborhood, said he is in favor of the B2 routings for the Sound Transit East Link project. He expressed concern about continued study of the B7 alternative, noting that the City has spent a considerable amount of money on additional studies already. He noted that the B7 will be studied further during Sound Transit's ongoing review process. He expressed concern with recent proposals involving new Park and Ride alternatives, which appear to be difficult and include condemning properties. As a separate issue, Mr. Paquette expressed concern about cell phone towers. He said that some of his neighbors asked him to encourage the City to develop policies for the siting of cell phone towers.
- (c) Gary Ritner, Brookshire Condominiums, expressed concern about an email he received today indicating that the Council is planning to allocate more money for the continued study of the B7 alignment. He noted that the Sound Transit Board voted 18-0 in favor of conducting extensive work on the B2 alignment. He feels that instead of spending more money on the B7, the City should use the funds for public safety or another function.
- (d) Leslie Lloyd, Bellevue Downtown Association (BDA), spoke about the downtown light rail tunnel. Noting that Bellevue voters supported light rail, Ms. Lloyd said the BDA wants to be sure that it connects in the best place possible, which is a downtown tunnel alignment. She supports minimizing impacts to neighborhoods but understands that some impacts are inevitable. She is concerned that if the Council continues to study the B7 option, Sound Transit might interpret this as the City stepping back from its commitment to contributing toward funding the tunnel. She is concerned that the community will then end up with an at-grade alignment through downtown Bellevue. The BDA needs and wants light rail in order to connect to the region, and the BDA wants to avoid costly litigation.

3. Study Session

(a) Council Business and New Initiatives

Councilmember Robertson attended a meeting of the Puget Sound Regional Council (PSRC) Growth Management Planning Board. Councilmember Robertson reminded staff that she had asked for more information about the ten-year tax holiday that Seattle has enjoyed. She would also like staff's perspective on Mr. Knedlik's information regarding the \$350 million in prematurely issued bonds and Sound Transit subarea equity.

Councilmember Balducci stated her understanding that typically Council Business is reported during the Regular Sessions, while new initiatives are introduced during Study or Extended Study Sessions.

Mayor Davidson noted that he wanted to mention the opening last weekend of the new Lake Hills Library, which is a wonderful facility at the Lake Hills Shopping Center.

Councilmember Balducci noted the City's involvement in encouraging and facilitating the redevelopment of the shopping center.

City Manager Steve Sarkozy recalled that the City and Council worked with the developer and neighborhood for a number of years to design a project that will serve the needs of residents and contribute to the future success of the center.

Councilmember Degginger commented that it took a great deal of time and effort, and several plans for the center before a consensus was achieved.

Councilmember Chelminiak recalled that the City was taken to the Growth Management Hearings Board on the shopping center project. He is pleased that forward thinking prevailed, and that the project will be an asset to the area.

Deputy Mayor Lee congratulated the East Bellevue community for its involvement in the project planning effort, and for working together with the City and developer to resolve issues.

- (b) Management Brief on Draft Resolution for sale of Limited Tax General Obligation (LTGO) Refunding Bonds at a Special Meeting on September 14.

Mr. Sarkozy recalled that on July 19, the Council adopted Ordinance No. 5954 authorizing the issuance and sale of Limited Tax General Obligation (LTGO) refunding bonds in an amount not to exceed \$13.7 million. The City recently completed a state audit in which there were no findings of concern, and the City retains its AAA bond rating. A Special Meeting is scheduled for tomorrow, September 14, to take action on the bond sale and final pricing.

Arnaz Bharucha, Treasury Manager, explained that the City will achieve significant savings by refunding the 1998 Marina bonds and the 2002 BCCA bonds. In July, staff estimated a combined net present value savings of approximately \$876,000. Today, based on pre-pricing information, the City has been informed that the savings will be nearly \$1.6 million. Regarding the state audit, Ms. Bharucha noted that only two larger cities other than Bellevue, Federal Way and Kent, completed the audit with no findings.

Mayor Davidson noted that the Special Meeting is scheduled for 2:00 p.m. on September 14.

Responding to Councilmember Wallace, Investment and Debt Manager Zemed Yitref said the bond rating agencies do not provide a specific threshold for maintaining the high ratings. They do take reserve levels into consideration, and noted that the City's reserve levels have gone down slightly. However, Bellevue's debt is lower than similar sized cities.

- (c) Summary Report on the Formation Analysis (Phase II) for the Proposed Wilburton Connections Local Improvement District (LID)

Mr. Sarkozy opened discussion regarding the formation analysis related to the proposed Wilburton Connections Local Improvement District.

Councilmember Degginger recused himself from participating in Council discussions on this matter, noting the involvement of his law firm on behalf of Home Depot. Councilmember Degginger left the table at 7:03 p.m.

Transportation Director Goran Sparrman introduced Eric Miller, Dan Stroh, Nancy LaCombe, Jen Benn and Monica Buck, all City staff, and consultant, Bob Macaulay. He explained that the purpose of creating the Wilburton Connections LID is to fund transportation projects identified in the Mobility and Infrastructure Initiative. He noted that this is the first time in 20 years that the City has considered the creation of a local improvement district, and a number of staff members have been involved in the project. The proposal responds to unprecedented growth in downtown Bellevue, the potential for expanded development within the Wilburton commercial district, and planned growth in the Bel-Red area. Mobility and Infrastructure Initiative projects include the extension of NE 4th Street, the extension of NE 6th Street, improvements to 120th Avenue NE, and the NE 15th/16th corridor project.

Mr. Sparrman said staff is seeking Council direction to prepare a final Resolution of Intent to form the Wilburton Connections LID for Council action on September 20. This Resolution initiates the process of considering an LID, but does not authorize its formation. Mr. Sparrman noted that the projects significantly reduce congestion and delays on NE 8th Street, especially at the intersection of 116th Avenue NE.

Mr. Sparrman reviewed the Mobility and Infrastructure Initiative finance plan, which was approved by the Council on January 20, 2009. The plan assumes LID revenue of approximately \$56 million over a 10-year period. Mr. Sparrman provided an update on the status of the NE 4th Street and 120th Avenue NE projects. Total costs are \$47.5 million, and there is a funding gap of \$26 million.

Eric Miller, Capital Programming Manager, explained that LIDs are a method of financing capital improvements that provide a special benefit to parcels in a defined district. They can be created through property owner petition or a Council-initiated Resolution. The formation process is defined in state law, and Chapter 15.04 of the Bellevue City Code adopts the state process.

Mr. Miller reviewed the proposed 2010 LID formation timeline. Should the Council direct staff to proceed with the LID process, the next key step is the Public Hearing in October. Mr. Miller reviewed the community engagement process which includes an open house on May 25, 2011; presentation of the property owner/tenant LID feasibility study on July 20; and presentation of the formation study on September 15.

Mr. Miller noted that staff is nearing the end of the design phase for the 120th Avenue NE project, which is scheduled to be completed in October. This is followed by the right-of-way phase, and ultimately advertising for construction late in the first quarter of 2011. Federal grant funds for the 120th Avenue NE project encourage moving forward as quickly as possible. Design is approaching the 60-percent level for NE 4th Street, and the grant obligation deadline for this project is April 2011.

Mr. Miller described the special benefit analysis to date as well as the determination of the LID boundary. He described the special benefit methodology, noting that the total estimated special benefit for the proposed Wilburton Connections LID is \$13.5 million. The special benefit study analyzed 111 parcels, and the proposed LID boundary includes 83 parcels. Staff recommends using special benefit assessments based on 75 percent of the special benefit to the parcels.

Dan Stroh, Interim Director of Planning and Community Development, described the relationship of the NE 4th Street/120th Avenue NE LID to the new, 2011-2017, Capital Investment Program (CIP). In following up on the Council's August 4 budget workshop, the recommendations of the CIP Panel/Leadership Team members would blend the base CIP Plan and Mobility and Infrastructure Initiative plan. The panel's recommendations would fully fund the remainder of the NE 4th Street extension and Segment 1 of 120th Avenue NE, which are the highest priority projects.

Total 2011-2017 CIP revenue is estimated at \$350 million, which includes approximately \$6 million for NE 4th Street and 120th Avenue NE. Total revenue included an assumption of \$3.7 million from the Public Works Trust Fund loan, which staff learned last week is not funded in the CIP Plan. Mr. Stroh reviewed the list of specific CIP projects.

Mr. Sparrman requested Council direction to prepare a Resolution of Intent to Form the LID, determine the LID boundary, and determine the preliminary assessment rate. If directed to do so, staff will present the Resolution for Council action on September 20 and schedule a Public Hearing for October 21. The Council will review the Hearing Examiner's recommendations in November and take action on a LID Formation Ordinance. The Ordinance will be published for a 30-day protest period.

Responding to Councilmember Wallace, Mr. Sparrman said an additional LID will be proposed in the future for the Bel-Red corridor area. In further response, Mr. Sparrman noted the analysis to identify the special benefits derived from each capital project. Areas outside of the LID boundaries will receive a general benefit but are not identified as special benefit parcels.

In continued response to Mr. Wallace, Mr. Sparrman said that the right-of-way component of the NE 4th Street extension project is estimated at \$24 million. These costs cover acquiring ownership of the necessary right-of-way and easements, as well as tenant relocations. Mr. Sparrman said KG owns a majority of the right-of-way associated with the NE 4th Street project.

Responding to Councilmember Balducci, Mr. Miller said the proposed LID boundary does not include any parcels with residential uses. One vacant parcel is zoned as residential. Councilmember Balducci stated her understanding that special benefit is based on the positive effect on property values, and not on potential benefits to business activities. She questioned the different special benefit assessments for parcels next to each other. Mr. Miller explained that the assessment involves a number of factors including frontage, public versus private uses, and access. Responding to Ms. Balducci, Mr. Miller said he will consult with the City Attorney's

Office about the Council's ability to alter the LID boundaries after the initial Public Hearing and additional analysis.

Mr. Sparrman explained that if the LID is formed, the City will borrow money to finance the project. Upon completion of the transportation investments, the special benefit assessments will be reviewed and refined. Property owners will have the option of paying in a lump sum or by financing through LID bonds.

Responding to Councilmember Chelminiak, Mr. Sparrman said the post office on 116th Avenue NE is exempt from LID assessment as a federal property. However, the facility is for sale and a future private use would be subject to assessment.

Responding to Councilmember Robertson regarding draft assessments provided on the City's web site, Mr. Miller said no input has been received to date.

Councilmember Robertson requested a summary of the legal costs associated with the creation of a LID. She noted past litigation associated with the formation of LIDs, and expressed concern about whether the formation of an LID is worth the risk of litigation. Mr. Sparrman said that in the past the courts had concerns about the City's methodology. However, the methodology used in the current analysis is the one recommended by the courts.

Mayor Davidson recalled that in the past the City based assessment on trip generation instead of property values. The LID was ultimately approved after the City changed its methodology for assessing special benefit.

Responding to Councilmember Robertson, Project Manager Nancy LaCombe said construction of the 120th Avenue NE project is anticipated to occur over nine months to a year. NE 4th Street is proposed to be completed in two phases totaling approximately two years. Mr. Sparrman said the City always works to minimize construction impacts. The plan is to first widen 120th Avenue NE, and to then build the NE 4th Street project in two phases.

Responding to Councilmember Robertson, Mr. Sparrman said he will consult with Finance staff about the potential impact of the LID on property taxes for individual owners. In further response, he identified the properties that are eligible for rezoning and new development potential. Responding to Councilmember Robertson, Mr. Miller said approximately 75 percent of the \$200,000 consultant contract has been spent to date.

Councilmember Chelminiak observed that if property taxes do increase for affected parcels, the City receives no net gain in revenue.

Mayor Davidson said it is unknown how the LID could affect property values as assessed by King County. He noted that some properties could be rezoned, which would likely have an impact on property taxes.

Mayor Davidson observed that the major intersection at NE 8th Street and 120th Avenue NE is not part of this LID. He questioned how this affects property values north of NE 8th Street.

Mr. Sparrman said a future phase on 120th extends the road through the existing triangle and provides significant changes to the intersection, and that project could be included in a future LID. He noted that the first phases of the 120th Avenue NE improvements modify the intersection somewhat to improve access to the north of NE 8th Street.

Responding to Councilmember Wallace, Mr. Miller said the City will be assessed for its two parcels within the LID boundary.

Mayor Davidson asked the Council to provide direction to staff.

- Deputy Mayor Lee moved to direct staff to bring back a Resolution of Intent to form the Wilburton Connections LID, with special benefit assessments within the recommended boundary at the 75 percent level. Councilmember Balducci seconded the motion.

Deputy Mayor Lee spoke to the motion. He believes this is a fair way to finance needed infrastructure investments, which will produce a benefit for property owners within the LID boundary. As a starting point, he is satisfied with the recommended boundaries. He expressed concern about the impact of also imposing impact fees for property owners, and suggested that a reconsideration of impact fees is warranted.

Mayor Davidson asked that those issues be discussed separately.

Councilmember Robertson expressed concern about the potential impact of the LID assessments on property tax assessments, as well as the impacts of additional transportation impact fees and assessments related potentially to a second LID in the future. She does not support the proposed LID as an appropriate funding source for investments that will benefit the broader community.

- The motion to direct staff to bring back a Resolution of Intent to form the Wilburton Connections LID, with special benefit assessments at the 75 percent level, carried by a vote of 4-2, with Councilmembers Robertson and Wallace opposed, and Councilmember Degginger recused.

At 8:06 p.m., Mayor Davidson called for a brief recess.

- (d) East Link: Review of Analysis Available on the B7 Alignment and Discussion of Next Steps to Advance the B7 Alignment

The meeting resumed at 8:14 p.m., and Councilmember Degginger returned to the table.

City Manager Sarkozy opened discussion regarding the B7 alternative and potential next steps for further study and analysis of this East Link light rail option.

Councilmember Degginger requested clarification regarding this agenda item. He recalled that the City recently spent \$300,000 on consultant studies, and the consultants concluded that the B7 option was treated equitably by Sound Transit in the Draft Environmental Impact Statement (DEIS). He asked why the letter addressed to Mayor Davidson and Councilmember Wallace was not included in the meeting packet.

Mr. Degginger observed that the scope of work distributed to the Council appears to be somewhat different from the scope of work described in the letter provided in the desk packet. The letter describes five phases of work, but the printed scope of work describes only a couple of phases. The letter refers to a description of the firm, resumes, and a budget – none of which were included in the materials provided to the Council. He questioned whether the Mayor requested a proposal, as noted in the letter from William Popp Associates. Mayor Davidson said he did not.

Responding to Councilmember Degginger, Councilmember Wallace said he has had ongoing discussions with Mr. Popp and has been working with him on a volunteer basis to try to refine a scope of work that could be considered by the City. He said there is a gap between what is in the packet and the letter. The letter/proposal from Mr. Popp to the Mayor and Mr. Wallace was provided for discussion purposes for the Mayor and City Manager. Mr. Wallace's thought was that what the City wanted to examine is reflected in the two phases described in the meeting packet, as a suggested scope of work.

Mr. Wallace believes that the overall goal is to say that the Council wants further study on a route that runs along the rail corridor and takes advantage of what has been learned from the KPFF study and the new A2 Station design. The scope of work in Attachment 9 of the meeting packet outlines a variety of concepts that are geared toward an alignment that is cooperative in nature. It puts the light rail stations close to where Sound Transit wants them to be.

Councilmember Degginger clarified that he is concerned that all Councilmembers are not starting from the same point in this discussion. He asked that the Council be provided the full submission by Mr. Popp for review, as well as the full correspondence trail that preceded his letter. Councilmember Degginger said that, in his experience, individual Councilmembers have never solicited proposals from consultants on their own.

Mayor Davidson, in response to Councilmember Degginger, explained that last week he requested discussion of the B7 alternative on this Study Session agenda. The letter from Mr. Popp was addressed to the Mayor and Councilmember Wallace, as Mr. Popp's idea about what could be studied. Mayor Davidson explained that Attachment 9 in the meeting packet represents staff's review of the letter and a proposed scope of work.

Responding to Councilmember Degginger, staff confirmed that they did not write Attachment 9 and that it was part of Mr. Popp's submittal.

Councilmember Degginger stated that the scope of work in the packet is lacking in context. Another concern is that the cover letter suggests the creation of a new alignment that is different from the B7 option voted on by a majority of the Council, as well as a change in assumptions

with respect to other elements of the route that the Council has endorsed. It states, "In Downtown Bellevue the alignment must be fully grade separated." Mr. Degginger observed that the Council has voted unanimously to pursue a downtown tunnel via alignment alternative C9T. He wondered whether the consultant understood that the Council supports the C9T.

Mayor Davidson said the consultant does understand there is unanimous support for the C9T.

Councilmember Degginger clarified that the Council specifically supports the C9T tunnel option, and it is inaccurate to state that the Council supports a grade-separated configuration.

Responding to Mr. Degginger, Mayor Davidson concurred, for the record, that the Council supports C9T specifically.

Councilmember Chelminiak recalled that the Council is unanimously opposed to an elevated configuration from 112th Avenue into the Downtown, even though it is a grade-separated option.

Following up to Mr. Degginger, Mayor Davidson said there are two studies, which have been interpreted differently by several people. He read from the OTAK report [Page 4; 1st paragraph], which states that Figure 4.8-1 in the DEIS misrepresents the presence and extent of the wetlands within Mercer Slough in three significant areas. Dr. Davidson read additional statements from the report about flooding in the office park adjacent to the slough and the fact that these areas are not identified as wetlands as they should be. The report states that the estimates of wetlands impacts cannot be considered accurate until the wetland edges are determined to be accurate by the City of Bellevue and the Army Corps of Engineers, who issue a jurisdictional determination.

Continuing, Dr. Davidson read: "At this stage of design, one cannot adequately assume which of the alternatives would have the largest physical impact on the wetlands, or which of those impacts could be mitigated over time through appropriate design and implementation of effective restoration and enhancement actions within the slough." Mayor Davidson concluded that there is insufficient information about option B7. He said he is curious about how Sound Transit made any considerations of B7.

Councilmember Balducci observed that the paragraph read does not suggest further study is needed, but indicates there is an error in the DEIS that should be revised. The results of the City's studies have been presented to Sound Transit and will be taken into consideration in the environmental impact study. Ms. Balducci does not see the OTAK report as suggesting that the City spend more funds on further study. She has heard the consultants' presentations to both the Council and the Sound Transit Board, and she has not heard any of them suggest that there is inadequate information on the B7 for the purposes of making decisions at this point.

Ms. Balducci recalled that the consultants have said several times that there is an adequate or industry standard level of information that would be expected at this stage in the process. A lack of resources makes it impossible to engineer all alternatives to the 30-percent or higher level, and it is inappropriate to spend excessive monies on engineering alternatives that are not likely feasible. She does not understand how Council can, on the one hand, say there is wholly inadequate information to even begin to assess the B7, while at same time apparently knowing

with the certainty of faith that the B7 is the superior route. She said the two statements are inconsistent, yet have been made repeatedly.

Councilmember Wallace stated that the problem he is having with the South Bellevue alignments is that Sound Transit started with the B3 and the B7 in the DEIS. The initial level of study gave equal treatment to all alignments. Since the time of the initial DEIS, Sound Transit has refined and changed the Bellevue Way-112th Avenue option. That has not happened with regard to the B7 route. The B7 flaws that have been discussed are that it does not stop at the South Bellevue Park & Ride and that ridership at the Greenbaum Station is believed to be unsatisfactory. In addition, it appears that the impacts to the nearby intersection cannot be mitigated. So, the B7 continues to be heading for defeat because no one will continue to refine the study.

Mr. Wallace said that some Councilmembers see an opportunity to take a look at improvements to the B7, which is what is reflected in the proposed scope of work for further study. The A2 Station alternative in the vicinity of the existing South Bellevue Park & Ride provides the same number of parking stalls and appears to provide better road mitigation. Mr. Wallace said that Attachment 9 in the meeting packet reflects the intent to try to advance the B7, improve ridership, evaluate costs, and most importantly, putting the train on a vacant rail corridor next to the freeway to avoid impacts to neighborhoods, the Winters House, and Bellevue Way. He feels an apples to apples comparison is not possible unless the City continues to study the B7 route.

- Councilmember Wallace moved to direct staff to issue a request for proposal (RFP) to further the study of the B7 route along the lines of the scope of work outlined in Attachment 9 in the meeting packet. Deputy Mayor Lee seconded motion.

Deputy Mayor Lee noted that the Council has been asking for alternatives, and from what he has seen, option B7 seems to be the best. He commended some of the Council for continuing to press for more information on the B7 route. He does not believe that the B7 has been given the necessary engineering and resources for a fair analysis. He supports looking at the B7 further, and giving it a fair analysis in order to be able to judge it on equal footing with the other alternatives.

Councilmember Chelminiak said he was surprised about the suggestion, at the end of the scope of work in the meeting packet, that a light rail suspension bridge across the Mercer Slough be evaluated in lieu of a pile-supported structure. He stated that he is philosophically opposed to consultants setting policy for the City. Given that the correspondence with the consultant involves only two Councilmembers, Mr. Chelminiak said he is opposed to having the ball hidden from potentially the five remaining Councilmembers. He noted that Mr. Popp, the consultant proposed by some Councilmembers, is an avowed advocate for dissolving Sound Transit entirely. Mr. MacIsaac, who is mentioned in the letter, is a member of an organization that is a petitioner in the lawsuit that will be heard by the State Supreme Court on Thursday in an attempt to stop light rail from coming to Bellevue across I-90. He questioned the wisdom of hiring Mr. Popp or Mr. MacIsaac as consultants, and he questioned whether this could be done without going through the normal bid process.

City Manager Steve Sarkozy confirmed that the City would follow the normal process.

Councilmember Chelminiak said he came prepared to talk tonight about how far along the City should advance the B7, but the proposed scope of work is now abandoning the B7 in favor of an apparent B-Suspension option. He does not want to debate the issue of what is contained in the consultant reports. He played a recorded clip from the OTAK presentation, in which the consultant addresses the B7 alignment, and describes how the pylons that are going to hold this elevated structure are probably going to be built with what are called auger-cast pilings, which is a giant steel shaft that is pounded into the ground. The soil inside the shaft is removed, and concrete is then poured into the steel structure. The consultant continues to explain that constructing this type of auger-cast piling requires huge cranes, which must be on extremely large stable, temporary bridge surfaces, which are also supposed by pilings.

Continuing in the recorded excerpt, the Mayor asked whether the wetlands are the same as has been presented by Sound Transit. The consultant replied that Sound Transit did an adequate job of assessing Mercer Slough, and both Sound Transit and the consultant assessed it as one wetland complex. The consultant said that Sound Transit has completed a very typical level of analysis in an EIS, and that this is the level of analysis used in the SEPA process. She said it is rare to see anything as high as 30-percent design in an EIS.

Councilmember Chelminiak summarized that the concept of a suspension bridge still requires pilings. He mentioned a cable-stay bridge (similar to suspension bridge) in Portland, which will have maximum bus and light rail speeds of 25 miles per hour. A similar bridge in Jerusalem does not work yet, and one of the complaints about it is that it is 70 percent more costly than a standard concrete structure. Mr. Chelminiak sees no reason to study this type of alternative. He is opposed to the motion, and concerned that the individuals setting policy for this City are the avowed opponents of light rail and Sound Transit. He does not support that direction.

Responding to Mayor Davidson, Councilmember Chelminiak said the plans for expanding the existing South Bellevue Park and Ride do not require pilings. Mr. Chelminiak recalled that Dr. Davidson previously supported expanding the facility within the current footprint.

Mayor Davidson said he had reflected back to 1979, when the City allowed the structure as a conditional use. It was not only considered wetlands, but considered out of the Master Shorelines Plan. It is limited to 400 parking stalls. The current plan is talking about 1,400 stalls on wetlands that have never been changed.

Councilmember Chelminiak noted that Jim MacIsaac was the engineer on that conditional use review.

Councilmember Balducci observed that this topic was presented in the meeting packet as a discussion item and not for Council action.

Mayor Davidson noted that the motion is to direct staff to come back with a scope of work.

Councilmember Balducci disagreed, noting that the motion adopts the proposed scope of work from Mr. Popp's letter.

Councilmember Wallace clarified that the motion was to direct staff to adopt a scope of work, based on Attachment 9 in the packet, in order to look at modifications to the DEIS B7 alternative that would improve ridership, reduce the cost, and basically to get the train off Bellevue Way, away from neighborhoods, and over onto the vacant rail corridor.

Councilmember Balducci asked whether the scope of work would be coming back for Council approval. She questioned the estimated cost of the work, and how the cost estimates were developed. City Manager Sarkozy responded that the estimated cost is less than \$200,000.

Councilmember Balducci questioned how staff arrived at that estimate. Essentially, the scope of work includes selecting, designing, and assessing a new alignment, or a drastically modified alignment, from the ground up to essentially a conceptual engineering level with a series of side projects such as the suspension bridge, which have not been previously studied. For the DEIS, Sound Transit spent \$15 million on 19 alternatives, or \$750,000 per alternative, and they were getting the benefit of economies of scale. She questioned how further study could be done in any credible way for \$150,000.

Mr. Sarkozy said the Transportation Director raised similar questions and advised that a detailed study would require more resources in order to advance the B7 to a preliminary design level of 5-10 percent design. Mr. Sarkozy said that is not the intent here, as he understands it.

Councilmember Degginger referred staff to the letter, which specifies a 5-10 percent design level and refers to achieving DEIS-level estimates. Mr. Sarkozy agreed that that level of study cannot be achieved for the estimated cost.

Councilmember Balducci observed that that is the level of design that would be needed to achieve an apples-to-apples comparison with Sound Transit's preferred alternative. She is concerned that the City cannot afford what is needed, and what the City can afford will be a substandard product and a waste of money. She would like to see an itemization of the estimated costs. She observed the lack of any mention about public outreach. All of the DEIS work by Sound Transit and the City involved outreach to the affected communities. Ms. Balducci said the City needs to start engaging affected residents in these discussions. She noted the references in the proposed scope of work to potential freight uses of the mainline, and questioned how this relates to the newly proposed B7 iteration.

Councilmember Wallace explained that the idea of a suspension bridge was to find alternatives to constructing the line across the slough with less impacts to the environment, because so many alternatives were raised in the OTAK report. The suspension bridge is one possibility. He said it has come to light that the rail corridor is in a rail banked status, and it ultimately could be used for freight rail operation.

Ms. Balducci feels that would be a good reason to avoid the B7 alignment.

Mr. Wallace said the directive in the scope of work is to take look at that issue. He acknowledged that there might be flaws with the B7, which is part of the reason for requesting further study.

Noting the reference to GMP, Councilmember Balducci questioned whether it would be appropriate or productive to negotiate with just one private freight company. She noted the concerns of the Washington State Department of Transportation (WSDOT) regarding the condition of the existing pilings on I-90. She asked that the City be required to consult with WSDOT on this issue before moving forward with further study of the B7.

Councilmember Balducci said the scope of work does not address the costs and tradeoffs of the extended tunnel. There is no mention of public outreach to property owners. She noted the same concern with regard to the East Main Street tunnel. She noted language about minimizing impacts to the Sheraton by running the alignment along the eastern edge of that property. She would want to have outreach to anyone impacted by the potential taking of their property. She said it would be important to know the financial impacts of takings related to hotels and other properties for the proposed alternatives.

Ms. Balducci referenced the proposed scope of work on page 3-90 of the meeting packet, Item 4, and suggested deleting the language about discussing possible policy positions with the consultant. She clarified that consultants provide information, and the Council takes policy positions. Item 5 suggests that the consultant: "Advise the Council as to the best of the above alternatives given costs and ridership, and select a preferred alignment after review with the City Council." She stated that consultants do not select preferred alignments, but the Council does. She concurred with Councilmember Degginger's concern that the scope of work was proposed by opponents to light rail, and that the source of this proposal was not initially identified for the Council.

Councilmember Balducci reiterated that detailed cost estimates for each element of the scope of work are needed. She questioned Item 9 and the meaning of "Compute annualized cost and ridership for presentation of cost effectiveness for the preferred alignment," and whether this has been done for other alignments. Regarding Item 12, she suggested that elevation drawings should include the perspective from the Enatai neighborhood. Ms. Balducci noted Item 14, "Adjust scope and budget for Phase 2 and 3 as necessary based on input from above." She said it took her a while to realize that these phases refer to Mr. Popp's letter. She expressed concern that this means the City is giving the consultant the authority to adjust his own scope and budget. Ms. Balducci summarized additional concerns related to the evaluation of impacts and mitigation as governed by NEPA, as well as other legal analysis indicated in the scope of work that should appropriately be done by the City Attorney's Office and not by an engineering consultant.

Councilmember Balducci will vote against the motion. She characterized it as an ill-conceived attempt to move beyond advocating for a specific alignment, to trying to stop the light rail project. She will not support this direction, as East Link was approved by the voters. She is concerned about the lack of itemized cost estimates, and with a scope of work that staff cannot

vouch for which is coming from a consultant who opposes light rail. The identity of this consultant was not initially shared with the Council. Ms. Balducci said this is not how Bellevue has traditionally conducted its policy review and decisions, and it is not how Bellevue developed its reputation as an effective local government.

Councilmember Robertson said she agrees with a lot of the comments related to the scope of work. She did not know where it came from, and would have liked more information in the packet. However, she plans to support the motion because it will allow the process to keep moving and to achieve a better scope of work. While it is interesting that a consultant wrote the scope of work, she does not care where it comes from if it ultimately results in something that is worth doing. She supports in general looking further, and doing more work on costs and engineering, to better assess the B7.

Ms. Robertson reviewed her reasons for supporting the B7. She said it is important to protect the Downtown and adjacent neighborhoods, and she is opposed to at-grade configurations. She is concerned that Sound Transit favors the B2M, even though the Council has not supported this option. She wants a good scope of work, and agrees that the proposed scope needs refinement and more information about costs. She would like the City to look at six years of construction impacts. She noted a study in Renton about the impacts to auto dealers from temporarily closing I-405. She wants further study of the noise impacts of the A2 station, and agrees with the need for outreach to Enatai neighbors.

Councilmember Degginger questioned the cost of conducting the proposed study of the B7.

Transportation Director Goran Sparrman estimated a cost of \$750,000 to complete the planning work associated with the proposed scope of work. Last spring, Sound Transit estimated the cost of taking the B7 to the 15 percent engineering level at \$2 million. City staff estimates \$2 million to \$3 million. Spending \$750,000 to \$1 million would be needed to do a thorough job up to the five percent engineering level. Above five percent, the survey and geotechnical work becomes very expensive.

Responding to Mr. Degginger, Mr. Sparrman estimated a time period of four to nine months to conduct additional analysis. Councilmember Degginger questioned the ability to attract consultants to do this work. Mr. Sparrman observed that despite the slow economy, the City has not been overwhelmed with interest from consultant firms to do work on this subject.

Councilmember Degginger said he agrees with the concerns raised about the scope and proposal at this late date to create a new B7 alternative. There has been no Council vote as to whether this is something the Council wants to do, and no outreach to neighborhoods to be affected by the new alternatives. The Council is being asked to establish a new base for analysis, which involves a great deal of work yet does not propose to analyze the noise, environmental, and traffic impacts on the neighborhood where this structure would be built. Councilmember Degginger said the scope of work does not analyze these impacts even along the B7. He agrees with Councilmember Balducci that this is not the way that Bellevue has traditionally conducted business. He

questioned the source of funds for the proposed study, and said the Council cannot keep doing further study until it gets the answers it wants. He will not support the motion.

City Manager Sarkozy responded that staff will bring back more information, but clearly the City will have to pull monies from other CIP projects.

Councilmember Degginger urged the Council to be realistic and productive.

Mayor Davidson recalled that the previous four consultant studies were completed for approximately \$50,000 each. He said the current proposal is for a similar scope of work. He noted \$290,000 left from the tunnel study, and the budget monies described in tonight's packet. Dr. Davidson supports refining the scope of work to something that is less than \$200,000. He is alarmed that Sound Transit is moving to 30 percent design for B2 and B3. Are they going to wait for the EIS until April, or continue with design, with or without Bellevue, at a cost to Bellevue tax payers with millions of dollars going into that study? He noted that Sound Transit took some time to produce a right-of-way map that he requested.

Councilmember Degginger stated that this Council strategy is flawed, and it will not achieve the goal articulated by Councilmember Robertson. The Council needs to start thinking about changing its strategy. The City is spending money it does not have and is ending up with the same answers.

Councilmember Robertson agreed that the City needs to look at A2 more, but the Council did include it in its last letter to Sound Transit. She disagreed that this strategy is aimed at further study until some Councilmembers get the answers they want. She just wants the information. If the motion passes and the scope of work comes back, she would like to phase the scope of work and to have periodic check-ins with the Council. She is interested in more information on freight rail and on the stability of I-90.

Deputy Mayor Lee said it is time to be real. He noted this is a very divisive issue, and many good points have been made. He observed that the Council would not be here today if Sound Transit had done its job properly. He feels the Council should conduct its own due diligence on this critical issue. It is not a political issue for him, and he will support the motion.

Councilmember Balducci commented that the \$50,000 consultant studies were for peer review, and did not buy design and engineering work. It is not realistic to expect that the proposed scope of work could be completed for \$150,000. She does not understand the continued insistence that there are not dimensions for the B7 which are actually contained in the DEIS.

Regarding Mr. Lee's comments concerning Sound Transit, Ms. Balducci said the City's consultants concluded that Sound Transit did a fair analysis of the 19 alternatives in the DEIS. The City's consultants said that an unusually high number of alternatives were considered by Sound Transit. Ms. Balducci expressed concern about the Council's history of asking Sound Transit to study things. Sound Transit studied the B3S at the Council's request, and started to look at the B7M as requested by the Council until the Council told them to disregard that request.

Sound Transit developed the C9T at the City's request. Ms. Balducci acknowledged that Sound Transit has not done everything requested by Bellevue. However, the agency has been responsive to and collaborative with the City.

Ms. Balducci expressed concern that the persistent support of the B7 alternative is essentially faith-based policy making. It appears to be a perspective that if the information does not support one's position, the information must be wrong and it must be supplemented. She is concerned about the extensive amount of time that has been spent by the Council discussing Segment B, and consequently ignoring discussion of the Downtown tunnel and how it will be funded. Councilmember Balducci said the Council urgently needs to be talking about the tunnel, and that funding should be focused on that issue.

Councilmember Chelminiak reiterated the comment by the Bellevue Downtown Association (BDA) to keep our eye on the ball - to get Sound Transit light rail through the City, guided by the Best Practices Committee's Report. The goals are a Downtown tunnel, service through the Bel-Red corridor to Overlake and Redmond, and overall effectiveness within the region. Mr. Chelminiak observed that tonight's discussion is a tacit admission that the B7 option, in all of the studies to date, is a flawed route. Additional analysis of the B7 has identified more flaws. The proposed scope of work does not bring the B7 alternative to the 15 percent or 30 percent level, but it brings the analysis of a new alternative to barely the five percent level.

Mr. Chelminiak strongly supports a focus on mitigation. He stated that the DEIS is not a final document, but it explicitly states that it will be used to help guide FTA, Sound Transit and WSDOT to prepare the Final EIS. Upon conclusion of the FEIS, the Sound Transit Board will select the project to be built. The FTA will then issue a Record of Decision, which will state the FTA's decision on the project and list Sound Transit's mitigation commitments to reduce or avoid impacts. Mr. Chelminiak said Sound Transit will base its decision on factors beyond the FEIS including public comments and other information that it develops. He read from a motion approved by the Sound Transit Board: "The identification of a preferred alternative for the Final EIS is a statement of the Board's current intent."

Mr. Chelminiak expressed concern that the Council continues to pursue the B7 option, whether or not that is a realistic direction. He said it is time to get serious, work with neighborhoods, figure out mitigation, plan for construction, and work for the tunnel. He encouraged the Council to focus on realistic solutions.

Mr. Chelminiak noted that he was recently at a Bellevue Chamber of Commerce function, which presented an award to the Bellevue Business of the Year. The B7 route condemns that business. He referred interested parties to the DEIS for confirmation.

Councilmember Chelminiak said the Council cannot simultaneously support and fund activities related to both the B7 and a Downtown tunnel. He noted that Sound Transit Board members have indicated that a combined B7-C9T is not feasible.

Councilmember Wallace said that the idea of the motion is not to fully engineer the work. The C14E study was privately funded with a budget of \$40,000. That is the level he is talking about here, to get discussion going on possible modifications to the B7 route. The benefits are to avoid impacts to the Surrey Downs and Enatai neighborhoods. He does not understand what the Council is afraid of, as this is an effort to explore what Sound Transit has not studied.

- Councilmember Wallace offered a friendly amendment to his motion, which is to cap the additional study at \$200,000. Deputy Mayor Lee seconded the amendment.

As a point of order, Councilmember Degginner suggested that this should be a separate motion. He asked Councilmember Wallace to withdraw the amendment, stating that he would prefer to instead ask staff to evaluate the real costs of conducting the proposed study.

Councilmember Balducci noted her concern that this is only the beginning of an analysis that would cost closer to \$3 million if done properly.

- Councilmember Wallace withdrew his amendment.

City Clerk Myrna Basich read the main motion: To direct staff to issue a request for proposal (RFP) along the lines of that provided in Attachment 9 of the meeting packet.

Mayor Davidson said he will support a motion to bring back a scope of work and budget for Council consideration and action.

Councilmember Robertson offered to make a substitute motion to bring back a scope of work and budget, consistent with tonight's discussion, to refine the B7 option and to conduct a comparison using the A2 Station.

Responding to the Council, Mr. Sparrman said staff can bring back a couple of options, because the potential scope of work is quite broad.

Councilmember Degginner noted the interest of some in an apples-to-apples comparison, and questioned what that might cost for the newly proposed B7 alternative. He would like to see a map of the new alternative, for himself and the community.

Mayor Davidson acknowledged that apples-to-apples means 30 percent design, and he does not think that is the intention.

Councilmember Degginner recalled that that was the language that he heard last week, and it is also the language in Mr. Popp's letter. Councilmember Degginner read from the letter – “enabling an apples to apples comparison with the Sound Transit preferred alternative.”

Councilmember Chelminiak observed that the letter refers to other information. He would like to see all correspondence leading to this letter.

- Councilmember Wallace moved to direct staff to develop a scope of work for analyzing the B7-C9T alignment, with modifications that would improve ridership and analyze those costs, including looking at the A2 station, moving the alignment east off of the Greenbaum Furniture site and eliminating that station, running the alignment along the frontage road, and taking a look at whether cost savings can be achieved at the East Main site by putting it at-grade and also looking at an elevated option going over Main Street, and looking at a tunnel portal either on the Sheraton site (if going under the bridge at Main Street) or at about 111th Street (if going elevated over the bridge), and the evaluation of how to use the rail corridor to reduce cost and improve ridership to the greatest extent possible.

Councilmember Balducci observed that the motion contains new elements beyond Attachment 9. She questioned whether a motion is necessary to direct staff to draft a scope of work based on Attachment 9 and tonight's discussion. The motion itself is causing confusion and hampering discussion.

City Manager Sarkozy said staff will craft something that responds to the general discussion, which the Council can refine at its next meeting.

- Councilmember Robertson seconded Councilmember Wallace's motion.

The City Clerk read Councilmember Wallace's motion for the record: "Motion to direct staff to develop a scope of work for the B7-C9T alignment with modifications to improve ridership, analyze costs, look at the A2 Station, move the alignment off the Greenbaum site and eliminate that station, running along the frontage road with at-grade and elevated options, with a tunnel portal at the Sheraton, if under Main is selected, or at 111th Street, if elevated; and to look at how to use the rail corridor."

Councilmember Balducci clarified that no reference to a suspension bridge is included.

Mayor Davidson confirmed no suspension bridge.

Councilmember Balducci observed that the motion is now including the Downtown segment, which significantly expands the discussion.

Councilmember Wallace called the question.

- The motion carried by a vote of 4-3, with Councilmembers Balducci, Chelminiak and Degginger opposed.

Deputy Mayor Lee responded to the earlier characterization of his support as faith based, as he is proud of his faith.

- Councilmember Wallace moved to restrict further study of the B7 alternative and A2 Station to a maximum cost of \$200,000. Deputy Mayor Lee seconded the motion.

Councilmember Degginger said he prefers to ask staff what it will cost to conduct the scope of work, instead of setting an artificial limit. He opposes the motion.

- The motion failed by a vote of 3-4, with Councilmembers Davidson, Lee, and Wallace voting in favor.
- Councilmember Wallace moved to extend the meeting by 15 minutes, and Deputy Mayor Lee seconded the motion.
- The motion to extend the meeting carried by a vote of 6-1, with Councilmember Robertson opposed.

(e) Photo Enforcement Pilot Program Update

Major John Manning introduced Captain Denny Bronson, the traffic commander now in charge of this project.

Captain Bronson provided an update on the use of traffic safety cameras and the number of citations at Stevenson Elementary, Lake Hills Elementary, and additional locations. He presented performance measure statistics for 2009, 2009, and 2010 related to vehicle collisions, pedestrian and bike collisions, injuries, and fatalities. Captain Bronson noted that Bellevue is still too early in its program to notice an appreciable decrease in collisions. However, other jurisdictions have experienced declines in incidents after one to two years.

Captain Bronson reviewed video clips of specific violations. He noted that the City expanded its signage about speed limits before implementation of the photo enforcement project. He presented comparison data from the City of Renton, which has a tiered system of fines based on the speed above the speed limit.

Recalling a comment from the Council during the June 7 presentation about the high ticket count at Stevenson Elementary, Captain Bronson said the Police Department issued a media release at the beginning of the school year to enhance public awareness.

Major Manning recalled a question from the Council about what the City has done to publicize the photo enforcement project. He noted the City's signage, press releases, emails through the school district, school newsletters, and other means of notifying the public.

Responding to Mayor Davidson, Captain Bronson said there has been an overall speed reduction of 34 percent at Lake Hills Elementary, although a similar decrease has not yet occurred at Stevenson Elementary. The experience of other jurisdictions indicates it can take close to two years to have a measurable impact.

- Deputy Mayor Lee moved to extend the meeting by 10 minutes, and Councilmember Chelminiak seconded the motion.

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

Deputy Mayor Lee appreciates the attention to Stevenson Elementary, and believes that red light enforcement is good. However, he is less supportive of issuing speeding tickets without the benefit of an officer, especially in areas with an abrupt change in the speed limit.

Captain Bronson said there are flashing lights indicating school zones, and cameras operate only if the flashing lights are active. The City has asked the vendor, American Traffic Solutions (ATS), about the possibility of adding a second set of flashing lights that will show up in photos. With regard to the role of an officer, Captain Bronson said the camera footage is reviewed by staff and citations are authorized by an officer. The focus is to encourage compliance with the law.

Councilmember Robertson noted situations in which someone might not stop completely before making a right-hand turn, for example late at night, and there is no other traffic and therefore not a safety concern.

Major Manning reiterated that officers review the footage before issuing tickets, and sometimes make a judgment against issuing a ticket. However, he said it is important to always obey traffic laws because drivers will not always see everything until it is too late. He noted that Bellevue issues fewer tickets than other jurisdictions using photo enforcement.

Responding to Councilmember Robertson, Captain Bronson said the current program is scheduled for five years, with the option of being extended. The City could opt out of the program but would owe fees to the vendor if it terminates before the end of the five years.

Chief Pillo recalled that the Council recommended a one-year pilot program. The first cameras were installed in September 2009, and live ticketing at the elementary schools began in October. The three red light cameras on 148th Avenue were activated in January 2010. Staff is requesting Council direction to proceed with adding the remaining two red light cameras and a School Zone speed camera.

- Deputy Mayor Lee moved to extend the meeting by 10 minutes, and Councilmember Robertson seconded the motion.
- The motion to extend the meeting carried by a vote of 7-0.

Captain Bronson reviewed the revenue received through the photo enforcement program.

Responding to Councilmember Robertson, Captain Bronson said no school children have been involved in accidents since the cameras were installed. There have been injury accidents in the past. He noted that surveys indicate that the public is generally in favor of photo enforcement cameras.

Councilmember Degginger said this is encouraging information but he believes that the data is thin. He said he would be interested in hearing the opinions of District Court judges about photo enforcement cameras. Staff said they will provide correspondence from the Court in this regard.

Responding to Councilmember Chelminiak, Major Manning observed that it is helpful when the prosecutor is present in the court. However, he feels that the best evidence is the videos.

Staff responded to additional brief questions of clarification. Major Manning stated that additional cameras will provide more data to analyze the effectiveness of the cameras.

- Councilmember Degginger moved to direct staff to place this item on the next Consent Calendar, subject to the Council receiving the information requested. Councilmember Balducci seconded the motion.
- The motion carried by a vote of 7-0.

Mayor Davidson feels that the City should advertise the cameras a little bit more. He agrees with the importance of the cameras in terms of protecting pedestrians.

At 10:31 p.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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