

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

March 5, 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

Deputy Mayor Robertson called the meeting to order at 6:01 p.m., and declared recess to Executive Session for approximately 20 minutes to discuss one item of potential litigation.

The meeting resumed at 7:05 p.m., with Mayor Lee presiding. Mr. Lee suggested that Agenda Item 2(b) be deferred for further staff work before bringing it back for Council discussion. Mr. Lee indicated that the item will likely be reviewed within the context of the budget discussions beginning later in March.

2. Study Session

(a) NE 4th Street Alignment Options and Selection for Final Design

City Manager Steve Sarkozy opened discussion regarding the NE 4th Street project and the selection of the alignment for final design. This follows up on the last discussion with the Council on February 13, at which time staff presented the shifted alignment alternative.

Dave Berg, Transportation Director, reviewed that staff has been meeting with property owners affected by the NE 4th Street project, identifying the potential risks for each alignment, and completing the engineering feasibility study for the shifted alignment. Staff has also been consulting with legal counsel and negotiating with the Port of Seattle and King County regarding the rail corridor issues related to the shifted alignment.

Nancy LaCombe, Capital Projects Manager, recalled staff's presentation on February 13 of the two alignment designs for the NE 4th Street project. She described the current alignment and its impact on the Best Buy store's loading dock. This alignment essentially does not impact the

Home Depot site. Ms. LaCombe noted that there is a reciprocal parking agreement between Best Buy and Home Depot.

Ms. LaCombe said there were recent Burlington Northern corridor acquisitions involving both the City of Kirkland and Sound Transit, which presented the possibility of using the rail corridor for the mitigation of parking impacts.

Responding to Councilmember Wallace, Ms. LaCombe said the shared parking is anticipated to remain in place with the extension of NE 4th Street.

Ms. LaCombe briefly described the shifted alignment and the City's efforts with Best Buy and Home Depot to consider relocating some parking stalls to the rail corridor. She noted that either alignment will require relocating a 72-inch diameter sewer line.

Ms. LaCombe reported that the current alignment is at the 60 percent design level, and the shifted alignment is at approximately five percent design. Project funding is estimated at \$31.7 million. The estimated cost of the current alignment is \$27.7 million, and the estimated cost of the shifted alignment is \$30.3 million.

Ms. LaCombe compared the two alignments in terms of engineering and technical issues, right-of-way (ROW) issues, and risks or unknown factors. She said there is significantly more risk associated with the shifted alignment, primarily related to the use of the Burlington Northern rail corridor and the high risk of losing a federal grant.

Mr. Berg said that staff recommends advancing the current alignment for final design, property acquisition, and construction. This alignment provides relatively less risk than the shifted alignment alternative.

Mr. Berg reviewed upcoming Council actions related to this project.

Beginning with the March 12 City Council meeting and continuing through April, staff will be seeking direction on a variety of project financing tools (e.g., impact fees, Local Improvement District, etc.). Mr. Berg said additional funding sources are the Surface Transportation Program (STP) regional competition and Public Works Trust Fund loan.

Mr. Berg said the deadline for notifying the Puget Sound Regional Council (PSRC) about the City's intent to submit applications for STP grants is March 6. Two projects identified by staff as good candidates for grant applications are 120th Avenue NE Stage 2 and the South Bellevue Way HOV lane. He acknowledged that the HOV lane is not in the City's Capital Investment Program (CIP) Plan. The project proposed for pursuing grant funds is the segment of Bellevue Way between the South Bellevue Park and Ride lot and I-90.

Mr. Berg said the City will be resubmitting the NE 4th Street project for the State-administered Public Works Trust Fund loan program. Staff envisions a loan of \$5 million to \$7 million, and the interest rate is 0.5 percent.

Responding to Councilmember Davidson. Ms. LaCombe said there are a number of blanket easements across the entire rail corridor including Puget Sound Energy, Sound Transit, and King County Trails. King County is open to relocating the sewer line, and staff is drafting a memorandum of understanding (MOU) regarding this item.

Responding to Deputy Mayor Robertson, Mr. Sarkozy said that, if Council directs moving forward tonight, staff will bring back the formal alignment for condemnation authority next week.

Responding to Councilmember Chelminiak, Mr. Berg confirmed that Sound Transit includes the South Bellevue Way HOV lane in its light rail project, but the project is not currently in the City's Transportation Facilities Plan.

Responding to Mr. Chelminiak, Mr. Berg said there are currently three grants for the NE 4th Street project, one of which has not been accepted by Council. Ms. LaCombe said there is also a construction grant for the 120th Avenue NE project.

Councilmember Wallace questioned the estimated \$10 million in impact fee revenue reflected for the NE 4th Street project. Mr. Berg said the intent is to issue general obligation bonds that would be repaid through future impact fees.

Noting the funding challenges and updated housing and employment projections, Councilmember Balducci questioned whether staff has updated its determination regarding the need for the project. Mr. Berg explained that staff reevaluated the need for the roadway over the next 20 years when it recently compared the current alignment to the shifted alignment. The analysis continues to indicate a fairly significant benefit to NE 8th Street and 116th Avenue NE with the extension of NE 4th Street.

Mayor Lee noted Council direction to move forward with the current alignment option. Mr. Sarkozy said the next request for Council action will be March 19.

- (b) Coordinated Planning for Downtown Transportation Plan, Downtown Livability Study, and possible future Land Use Code Amendments (LUCAs)

[Item postponed.]

- (c) Management Brief providing the NPDES Municipal Stormwater Permit Annual Report [*Agenda Item 5(b), Regular Session*]

Utilities Director Nav Otal provided an update on the National Pollutant Discharge Elimination System (NPDES) permit activities. She reported that the City is prepared to submit its NPDES Annual Report to the State Department of Ecology by the March 31 deadline. A resolution authorizing the City Manager to sign and certify the NPDES Annual Report is scheduled for Council action on March 19.

Ms. Otal said the City's Environmental Services Commission held three meetings to review the report, and held a public meeting on January 5 to gather input from the public. The Commission unanimously recommends submittal of the 2012 Stormwater Management Program.

Responding to Councilmember Davidson, Ms. Otal said the State's current work regarding low impact development relates to the next renewal of the NPDES permit. The current permit has been extended to August 2013.

Councilmember Balducci questioned the opposition to Senate Bill 6406, which addresses low impact development, by environmental groups. Ms. Otal said she will have Joyce Nichols, Interim Director of Intergovernmental Relations, provide information to the Council.

Dr. Davidson observed that many citizens and groups do not understand the full implications of requiring low impact development as proposed by the State. He said that low impact development is not always feasible due to the natural environment, and it is very costly to implement this type of standard for the City's infrastructure.

Councilmember Chelminiak said he believes there has been some concern over mandatory versus optional provisions within the legislation. He concurred that individuals do not often understand that low impact development is not feasible in all situations.

Councilmember Wallace observed that Bellevue and many cities are already taking actions to protect the environment and to properly manage stormwater. He said it is important to take the time to come to an informed decision before adopting low impact development requirements.

Mr. Wallace mentioned the current Shoreline Management Program review by the Planning Commission. He believes it would be helpful to that discussion to have a list of City and regional efforts to further water quality and habitat protection, in order to be able to take a broader view of those issues. He would appreciate a list for the Planning Commission and City Council to consider.

Councilmember Stokes concurred with Mr. Wallace's comments. He believes it will be helpful to take a look at the bigger picture.

Mayor Lee recalled that Bellevue was one of the first cities to implement a stormwater management program.

Mayor Lee announced that Councilmember Stokes will be the new liaison to the Environmental Services Commission.

(d) Council Business [*Agenda Item 6, Regular Session*]

Councilmember Stokes reported that he attended a meeting of the Environmental Services Commission.

Councilmember Davidson said he attended the Bellevue Downtown Association (BDA) Breakfast presentation about the sports arena proposal. As Chair of the WRIA 8 Salmon Recovery Council, Dr. Davidson traveled to Olympia to speak to the Puget Sound Partnership.

Deputy Mayor Robertson said this is the 100-year anniversary of the Girls Scouts, and she is a Troop Leader and Troop Cookie Manager.

Councilmember Chelminiak attended the BDA breakfast on the proposed arena. He met with Larry Wright, Managing Director of the Bellevue Arts Museum (BAM). Mr. Chelminiak encouraged everyone to visit the current exhibit called Push Play.

Councilmember Balducci reported that she also met with Mr. Wright. She noted that the Artistic Director function was split from the Managing Director role, and the new Artistic Director is Stefano Catalani. Ms. Balducci highlighted a meeting of the Sound Transit Board.

Councilmember Wallace said he met with Mike Brennan, Director of Development Services, for a demonstration of the City's online permitting system. The newest component allows the electronic submission of plans. Mr. Wallace said he is meeting with other City staff as well, including the Police Chief and the Fire Chief.

Mayor Lee attended the Bellevue Neighborhood Forum, which was the first in a series of three events. Mr. Lee had lunch with the Chancellor of UW Bothell, who suggested that the City might want to consider partnerships or projects with the University of Washington graduate school. Mr. Lee believes that they would like to have a presence in Bellevue.

At 8:01 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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