

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

October 4, 2010
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Davidson and Councilmembers Balducci, Degginger, Robertson, and Wallace

ABSENT: Deputy Mayor Lee
Councilmember Chelminiak (Excused)

1. Executive Session

The meeting was called to order at 6:03 p.m., with Mayor Davidson presiding. There was no Executive Session.

2. Study Session

- (a) Human Services Commission Recommended Use of 2011-2012 Human Services General Fund and 2011 Community Development Block Grant (CDBG) Funds

City Manager Steve Sarkozy opened discussion regarding the Human Services Commission's funding recommendations for the 2011-2012 General Fund and 2011 Community Development Block Grant (CDBG) Funds. He reported that the Commission worked particularly hard to address the needs of the community, in light of these challenging economic times.

Patrick Foran, Parks and Community Services Director, opened staff's presentation. He said the Council will be asked to take action on the Community Development Block Grant (CDBG) portion of the recommendations on October 18. The City's General Fund recommendations will be considered as part of the overall 2011-2012 Operating Budget review. He noted that tonight's presentation will focus on the CDBG funding recommendations.

Mr. Foran introduced staff and Nancy Huenefeld Gese, Human Services Commission Chair. He said the City's Human Services General Fund has been steady and reliable, but its stability is currently compromised by the instability of the City's federal CBDG funds over the past few years and by localized challenges.

Joseph Adriano, Human Services Grant Coordinator, described the overall decrease in CDBG revenue over the past few years, and the increase in human services funding requests. While CDBG entitlement amounts increased somewhat for 2010, funding is well below the peak of funding in 2003. The Commission appreciates Council's human services funding formula of base plus inflation adjustment plus population increase, which adds \$66,861 to the Fund.

Mr. Adriano reviewed the needs update presented to the Council in January 2010, which highlights the Bellevue School District's free and reduced lunch program and homeless students program; mental health services; affordable housing; domestic violence; unemployment; Hopelink's emergency financial assistance; and the increase in Notice of Trustee sales. Ethnic diversity continues to increase. More than 30 percent of Bellevue residents are foreign born, and nearly 33 percent speak a language other than English at home. There has been a significant increase in families living at the poverty level between 2000 and the 2006-2008 time period.

Emily Leslie, Human Services Manager, said the recommended spending plan totals \$3.56 million for the combined Human Services General Fund (\$2.7 million) and CDBG funding (Estimated at \$881,000). CDBG funds include \$100,000 in income that the City anticipates will be generated through the repayment of loans to the Home Repair Program. Ms. Leslie reviewed Attachment B in the meeting packet outlining the 2011 CDBG recommendations. Capital and other programs total \$589,000; two public service programs total \$132,000; and administration and planning funding total \$160,000. Funding reductions were made in the Home Repair Program and CDBG administration. The YWCA Family Village, one of the public service programs, was funded at its full request, which is lower than its 2010 allocation.

Ms. Leslie noted additional materials in the meeting packet including Attachment A, a spreadsheet of all Human Services Fund recommendations. The requests for services exceeded the amount available by approximately \$500,000, or 19 percent. Attachment D outlines the criteria used by the Human Services Commission to review the service applications.

In terms of contracting efficiencies, Ms. Leslie recalled that approximately six years ago, Bellevue began a pooled funding pilot project with six other cities. That project is expected to include 24 programs in 2011, with 10 participating cities.

An efficiency in the application process is the joint application form available through eCityGov. Eight cities from South King County joined this effort, for a total of 17 cities using the same application.

Ms. Leslie noted that the Human Services Commission completed its recommendations process by the end of July in order to coordinate this information with the City's new Budget One process. The human services contracts with nonprofit agencies was ranked as the Number One proposal within the Innovative, Vibrant and Caring Community Outcome.

Nancy Huenefeld-Gese, Human Services Commission Chair, thanked the Council for its support of human services funding, and its use of the funding formula that takes into consideration inflation and population growth. She reported that the Commission used the 2009-2010 Human

Services Needs Update as a foundation for its review. The recommended funding package totals \$3,561,119 for 2011. All General Fund contracts will be increased in 2012 by the rate of inflation and population growth, which are projected at 1.9 percent and 1.2 percent, respectively.

The Commission focused on intervention programs serving those most affected by the economic recession and services gaps identified in the 2009-2010 Human Services Needs Update including basic needs (e.g., Food, Emergency Services, Financial Assistance, and Housing for the Homeless) and services directly affecting employment (e.g., Child Care, Mental Health, and Medical Care). The Commission's secondary focus was on programs in which Bellevue funds are used to leverage dollars from other funding sources and programs and/or which demonstrate significant formal partnerships with programs within and outside the agency (e.g., Public or Private Organizations and Faith-based communities).

Ms. Huenefeld-Gese said that currently funded programs that have met contracted goals are recommended for continued funding at the 1.8 percent cost-of-living adjustment. In addition, the Commission recommends funding above the inflation level for nine programs categorized as services for the homeless and others experiencing difficulties related to the economic recession (including Domestic Violence); services to strengthen and support families, including case management and health services; and access to human services through the 211 communication line. The Commission recommends funding for the following new programs within these categories: 1) Sophia Way (Member of Eastside Interfaith Social Concerns Council), which has programs to assist single homeless women with both overnight shelter and housing, in conjunction with case management and life coaching; 2) St. Andrews Housing Group (housing project at St. Margaret's Episcopal Church, Factoria); and 3) Sea Mar Community Health Center (Crossroads area).

Ms. Huenefeld-Gese explained that, during the Commission's review, Councilmember Chelminiak encouraged the Commission to submit a special request for programs that address the most prominent needs related to the recession. This request is detailed in Attachment C in the meeting packet and is seeking \$45,000 for basic needs (Food, Rental Assistance); \$44,000 for employment support services (Child Care and Health Care); and \$23,000 for facilitating access to services through the Chinese Information Service Center's Cultural Navigator program and the Crisis Clinic's 24-Hour Line.

Ms. Huenefeld-Gese noted that the CDBG recommendations are based on anticipated funding. To accommodate a potential increase or decrease in the amount received, the Commission outlined a contingency plan to restore funds or make further reductions [Attachment B in meeting packet]. She thanked the Council for its support of a broad spectrum of human services, especially in these difficult economic times.

Mayor Davidson stated that Councilmember Chelminiak is the Council's liaison to the Human Services Commission, and the Mayor asked Mr. Foran to summarize Mr. Chelminiak's preferences with regard to the funding requests. On Councilmember Chelminiak's behalf, Mayor Davidson requested the Council's consideration of the special request for recession impact funding described in Attachment C. This funding is not currently included in the budget, but

Mayor Davidson suggests that the Council debate and discuss Attachment C along with other budget considerations.

Councilmember Robertson thanked Commission members for their work. She expressed support for the funding recommendations. Given drastic cuts anticipated in King County human services funding, she questioned how this will impact agencies to which Bellevue provides support.

Ms. Leslie said the programs most at risk of losing King County findings are those focused on domestic violence and sexual assault, as well as some programs funded through the Children and Family Commission. Bellevue funds the Eastside Domestic Violence Program and the King County Sexual Assault Resource Center. Both receive some funding from United Way, and they have the capacity to raise funds from the community. EDVP is holding a fund raising breakfast on Friday. Councilmember Robertson noted the importance of the ability of these agencies to deliver their services.

Councilmember Degginger thanked the Commission for its hard work. Noting the support of programs in the Bellevue School District, he questioned whether the City conducted outreach to the Issaquah School District. Alex O'Reilly said the City has reached out to the Issaquah School District. She will provide information on their reduced lunch program. Ms. Huenefeld-Gese noted that a member of the Human Services Commission has children in the Issaquah School District.

Councilmember Degginger highlighted the need for increased mental health services during this difficult recession. He acknowledged funding for targeted mental health services (e.g., Youth), and questioned the availability of similar funding for this new group of adults who have found themselves in situations that they would have never thought they would experience.

Ms. Leslie said Bellevue funds Sound Mental Health, Asian Counseling Referral Service, and Hero House. Some agencies, for example Youth Eastside Services, provide mental health services for the entire family. Mr. Adriano noted that often needs are brought to light through youth, which then leads to adults in the family receiving services. Ms. Huenefeld-Gese noted the work done by Kindering, which works with families and recognizes that any issue is compounded by the recession. Ms. Huenefeld-Gese said she is a psychologist and shares in Councilmember Degginger's concern.

Councilmember Balducci stated her appreciation for the Commission's work. She recalled that the Council provided additional funding in the past related to the recession. She hopes the Council will support funding the special recession impacts request. With regard to the online application process, she questioned feedback from agencies and whether the process helps to report on how funding is helping individuals.

Mr. Adriano explained that agencies funded by the North and East King County cities are using a common written reporting form regarding individuals who are served. A next step with eCityGov is to add a reporting function to the online application portal.

Councilmember Wallace said he appreciates the Human Services Commission's process. Responding to Mr. Wallace, Ms. Leslie said the City's web site has a Recession Resources section, which includes information on both seeking and offering help. This includes information about how to volunteer and make donations. She said that the United Way and 211 service can also guide people to opportunities to donate time, money, or goods.

Responding to Councilmember Degginger, Mr. Foran said he is not sure if B-TV provides similar information. However, this information has been provided in issues of *It's Your City*.

Councilmember Robertson added that citizens are invited to email Volunteer@bellevuewa.gov for information as well.

Mayor Davidson added his thanks to the Commission. He noted that CDBG applications must be submitted before completion of the City's budget process. Observing that there are no apparent objections to the CDBG funding recommendations, they will be submitted to the Council for action on October 18.

- (b) East Link: Continued Discussion on East Link B7 Alignment Analysis and Next Steps to Advance B7 Alternative

City Manager Steve Sarkozy recalled Council's direction to staff to begin developing a request for proposals related to additional study of the East Link light rail B7 alternative.

Transportation Director Goran Sparrman explained that staff has developed a proposed scope of work to study a new B7-C9T (B7 Revised) light rail alignment alternative. He reviewed the City Council's previously identified preferred alternative following the B7-C9T-D2A alignment. The Sound Transit Board of Directors' preferred alternative follows the B2M-C9T(or C11A)-D2A alignment.

Mr. Sparrman recalled the Council's interest in being able to achieve an apples-to-apples comparison of the B7 Revised alternative with the B7 and B2M options. The proposed scope of work includes a concept report, environmental analysis, and 15-percent conceptual engineering. Mr. Sparrman described the concept report phase, which has an estimated cost of \$670,000 and a timeframe of six to seven months to complete the work. The concept report work produces civil engineering drawings up to approximately five-percent design. However, Mr. Sparrman said this phase is not comparable to an environmental impact statement (EIS) analysis.

Mr. Sparrman said staff suggests frequent reviews with the Council to ensure that the analysis is proceeding as the Council envisions. He reviewed the environmental analysis phase/component of the scope of work, which would study all impacts and considerations including land use, displacements, transportation, housing, aesthetics, air quality, noise, watershed, and geology. This work would not involve all of the activities associated with a formal DEIS in terms of scoping, the public process, and the legal requirements for a DEIS. But the content of the analysis will be comparable to DEIS-level analysis. The estimated cost is \$450,000 over a period of four to six months.

Mr. Sparrman described the third phase in the scope of work, which would bring the B7 Revised alternative to roughly the same design level (15 percent conceptual engineering) as the B2M alternative. The cost of this work is estimated at \$2.5 million, over a timeframe of 12-24 months. Mr. Sparrman noted the public involvement activities that would accompany the work including open houses, public workshops, stakeholder meetings with affected property owners, and the dissemination of information using mailings and the City's web site.

Mr. Sparrman reviewed Sound Transit's East Link project timeline. The Supplemental DEIS, which analyzes new alternatives identified since the initial DEIS was released 18 months ago, is targeted for release in November. The Final EIS is scheduled for April 2011, and the Sound Transit Board anticipates selecting a final project alignment in May/June 2011. Sound Transit plans to start construction in 2013/2014.

Responding to Mayor Davidson, Mr. Sparrman said Sound Transit's Supplemental DEIS studies the B7 alternative that was defined in the DEIS completed 18 months ago. The analysis will be updated based on changed conditions including the widening of I-405 and recent developments along 118th Avenue SE.

Mayor Davidson questioned whether the City and Sound Transit could work together to study the B7 Revised alternative now identified for additional study by the Council.

Councilmember Balducci observed that this is a policy level question. She recalled that the Council has proposed several modifications to the B7 alternative, including new modifications that are now being proposed. She noted that the City's proposed scope of work will define the B7 Revised alignment in 6-7 months. She does not see how Sound Transit might be able to take the City's proposed scope of work and incorporate it into its Supplemental DEIS, which is based on work that started at least two years ago.

Mayor Davidson said he had thought the Supplemental DEIS was going to focus only on 112th Avenue SE, until he read tonight's packet materials. He feels it would be beneficial for the City and Sound Transit to work together on further analysis of the B7 Revised alternative.

Councilmember Balducci said the Supplemental DEIS includes a variety of things, including an analysis of C14E which was not included in the original DEIS. While it does not include everything the City has requested, it includes elements requested by the City.

Responding to Ms. Balducci, Mr. Sparrman said the Supplemental DEIS is scheduled to be released in late October. He confirmed Ms. Balducci's comments that this work is primarily an update of the original DEIS, which was prepared over a three-year period.

Councilmember Robertson noted the timeline of Sound Transit's decision process, and questioned the relationship between the proposed scope of work and Sound Transit's schedule.

Mr. Sparrman stated that the cost and time estimates presented tonight have been developed by City staff. If Council chooses to proceed, a request for proposals (RFP) will be issued and the final contract will be selected based on the candidates' qualifications. The City and the successful consultant will then negotiate a scope of work, cost, and schedule. The goal would be to complete the work as soon as possible. However, staff estimates that a 6-7 month time period would be required, which targets the completion of the first phase by July 2011.

Responding to Ms. Robertson, Mr. Sparrman said staff's goal would be to have a firm under contract by the end of the year. The City would need to advertise for 3-4 weeks, and would then spend several weeks to screen and interview the candidates. Mr. Sparrman noted that negotiations regarding scope of work and costs typically require a minimum of two to three additional weeks.

Dave Berg, Deputy Director of Transportation, said the advertisement, interview, and selection steps are key to the bidding process. The City's contracting policy, especially for projects that might later involve federal monies, requires a minimum of three weeks to advertise the bid. Mr. Sparrman noted that once the request for proposals is advertised, consultants need time to review it and to prepare a detailed proposal.

Responding to Ms. Robertson, Mr. Sparrman said it is possible that a consultant could be chosen and working by mid-December. However, that would leave very little time for contract negotiations.

Councilmember Robertson feels it is important to be able to have something to give to Sound Transit by April. She opined that the proposed scope of work is more a matter of optimizing work that has already been done, except for the A2 station option. She would like the consultant to be able to work a little faster.

Mr. Sparrman said the scope of work includes significant changes beyond the A2 station including: 1) Defining the B7 Revised alignment, 2) Determining where to place the tracks within the BNSF right-of-way, which has significant cost and other implications, and 3) Working out how the alignment will be configured as it goes north past the Wilburton Park and Ride, under Main Street, and then returns to the street grade.

Councilmember Robertson suggested advertising Phase 1 only at this time. If it is not feasible to be able to complete the work in time to provide input to Sound Transit, she does not support using time and resources on Phases 2 and 3.

Referring to the description of Task C in Phase 1 of the proposed scope of work, Councilmember Robertson suggested including Bellevue's Light Rail Best Practices Committee's Report as a guiding document.

Councilmember Degginger thanked staff for doing a thorough job of laying out what the majority of the Council had requested. He said it is important to see the steps necessary to do a thorough analysis. Two fundamental issues are ridership and costs. He noted that Phases 2 and 3

are necessary to achieve an apples-to-apples comparison of the B7 Revised and B2M alternatives.

Mr. Sparrman explained that at a lower level of engineering, there are a number of contingency factors. As more engineering work is completed, contingency factors are typically reduced. Staff believes that the five-percent design level would provide cost numbers that would be comparable to the cost estimates for the existing B7 and other alternatives in the DEIS. At 15 percent, the cost numbers would be comparable to what Sound Transit is currently using for the B2M and other alignments.

Responding to Councilmember Degginger, Mr. Sparrman confirmed that the B7 endorsed by a majority of the Council is the alternative that was studied in the DEIS. Responding to Mr. Degginger, Mr. Sparrman confirmed that the B7 Revised alternative goes underneath Main Street and continues north, with a connection to a tunnel portal at roughly NE 2nd Street. Mr. Sparrman confirmed that it does not connect to the C9T, which has been endorsed by the Council and reviewed by Sound Transit in the EIS process.

Councilmember Degginger questioned the work item involving a legal analysis of the BNSF right-of-way rail banking status. Mr. Sparrman explained that Sound Transit's B7 alignment involves ensuring that there is enough space for future freight rail, as well as a regional non-motorized trail. The B7 Revised option places light rail in the center of the ROW, which would likely reduce construction costs. However, the legal question is whether this is compatible with the rail bank status of the corridor. If rail banking is required, what is the design conflict and/or compatibility between light rail and future freight rail? Can they operate on the same tracks? In further response, Mr. Sparrman summarized that the proposed scope of work would determine whether light rail could be placed in the center of the ROW and preempt future freight rail usage.

Councilmember Degginger noted that the scope of work does not accommodate a trail along the rail corridor. He recalled that the Council adopted an interest statement on July 26, 2010, regarding the BNSF corridor, which articulates the Council's support for preserving the public right-of-way for multiple public uses including a regional trail system and passenger commuter rail purposes. Mr. Degginger observed that the proposed scope of work is inconsistent with the adopted BNSF interest statement.

Mr. Sparrman said that the proposed scope of work would make a regional trail more difficult and more expensive to provide along the ROW. He questioned whether, if light rail were built through the middle of the corridor, it would be possible to also build a trail along the route. Mr. Sparrman confirmed that the scope of work omits the regional trail issues from the analysis.

Councilmember Degginger reiterated that the scope of work is in conflict with the Council's adopted BNSF interest statement.

In further response to Mr. Degginger, Mr. Sparrman said the acquisition of the BNSF ROW would be part of the proposed analysis. However under current plans, the BNSF ROW is not

being acquired by Sound Transit. A regional consortium is working to acquire it from the Port of Seattle. Mr. Sparrman said this issue raises cost implications for the B7 Revised alignment.

Responding to Councilmember Degginger, Mr. Sarkozy said staff proposes moving ahead with only Phase 1 at this time. Staff will work with the Council to identify funding from the Capital Investment Program (CIP) Plan.

Mr. Degginger expressed concern that Phase 1 will not answer the questions being raised by Councilmembers.

Mr. Sarkozy said Phase 1 will provide high-level cost and ridership comparisons based on the five-percent design level, which is comparable to the level of analysis in the DEIS. The data will give the Council an idea of how the B7 Revised compares to the original B7 and B2M options.

Councilmember Degginger reiterated that an apples-to-apples comparison would require completing Phases 2 and 3 of the proposed scope of work as well.

Councilmember Balducci questioned the objective of the scope of work and the funding source. Her understanding is that some Councilmembers are interested in considering a new B7 alternative, given that Sound Transit's analysis of the original B7 option indicated that it does not compete well in terms of cost, ridership, and environmental and other impacts.

Mayor Davidson opined that if the new alignment might overcome some of the challenges of the original B7, he feels it is worth further study. He would like to see development to the five-percent design level because Sound Transit decided early on to not conduct further analysis of the B7. If the results of the analysis of the B7 Revised option are favorable, he hopes that Sound Transit might be willing to consider the revised B7 alternative.

Councilmember Balducci restated that she is hearing that the purpose of the analysis is to take the original B7 alternative and change it in some material ways that, had it been studied further beginning in 2006/2007, it is hoped that the B7 Revised will be more competitive than a B2 alignment. She questioned the funding source for the \$670,000.

City Manager Sarkozy said that one source is the Council Contingency Fund, which could involve a combination of 2010 and 2011 dollars.

Councilmember Balducci summarized that, to date, it appears that the B2 alignment costs roughly \$75 million less than the B3S (Side-Running), and the B3 is estimated to cost less than the original B7. She estimated the gap between the B7 and a B2/B3 alignment to be approximately \$100 million. Given the proposed scope of work placing light rail in the middle of the BNSF ROW, she noted the issue of the ownership of the rail corridor, and questioned the impact of this alignment on the hotels. She has been told that light rail and freight rail can use the same corridor, as long as they operate during different time periods (i.e., freight rail running at night). Ms. Balducci asked staff if they see a savings of \$100 million in the B7 Revised alternative.

Mr. Sparrman said there are so many variables that it is difficult to predict actual costs. There are some significant risk elements as well on other sections of both B7 alignments. Both B7 alignments run very close to the hotels between 118th/114th and 112th Avenues SE. If these were judged to be total takings, the costs would be significant and these were not assumed in the original B7 analysis. Another unknown factor is the A2 Station and Park and Ride facility, which needs more work to determine its compatibility with freeway operations and costs. Staff's opinion is that significantly more work is needed to begin drawing any conclusions.

In terms of tasks in the scope of work that are being done by other agencies, Councilmember Balducci said that WSDOT is conducting borings in the Mercer Slough. She suggested identifying what additional items might be underway or planned by other agencies. She questioned the public outreach associated with additional analysis and said the City should not proceed without issuing public notice on the new alternative.

City Manager Sarkozy agreed that outreach would need to be initiated as soon as possible, to ensure transparency regarding the City's activities. With regard to costs, Mr. Sarkozy said there are \$270,000 remaining in the East Link planning budget item.

Ms. Balducci stated that the City will need to spend much more than that, however.

→ Councilmember Wallace moved to approve the proposed scope of work, with the understanding that the City will proceed with only Phase 1 funding at this time. Councilmember Robertson seconded the motion.

Councilmember Wallace observed that the scope of work is much more than what is needed. He recalled Council's interest in a DEIS level of analysis. He sees the needs as a map showing the opportunity as well as cost and ridership estimates. He believes that staff could do this work. Sound Transit has a cost estimating model that outlines how they look at costs. He believes the cost estimates are overstated. He feels it would not take a whole lot of effort to refine their cost estimates and determine how to make it work better for Enatai and how to reduce costs. Staff could then look at various adjustments for lower costs and better ridership.

Mr. Wallace would like to develop a common understanding between the City and Sound Transit as to whether the A2 and B7 Revised are viable. He does not see the need for a two-year study costing \$3 million. He is looking for an opportunity to protect neighborhoods. The City has spent four years studying light rail, including the work of the Light Rail Best Practices Committee. The Committee's themes were good ridership and the protection of neighborhoods, roads and businesses. Sound Transit is looking at cost and ridership, as well as a mandate from voters for light rail. Bellevue's job became how to influence the project.

Mr. Wallace recalled extensive analysis and discussion which led to the Council's endorsement of the B3S alternative as a first choice, and the B7 as a backup option. He believes that a majority of citizens support B7. After new Councilmembers were elected, a majority of the Council changed its support to the B7. The problem with the original B7 is ridership. The

Council addressed this issue and identified a potential B7 modification, which was later determined to be unworkable. Mr. Wallace feels, however, that this should have not changed support for a B7 alignment. He noted that one of the City's consultants identified a potential A2 Station to replace the existing Park and Ride, which connects better to I-90 and likely provides the same ridership as the existing Park and Ride.

Mr. Wallace stated that the Council has consistently been opposed to a 112th Avenue alignment. He believes that the proposed B7 Revised alternative is an opportunity to develop a higher level of ridership at a lower cost than other alternatives. He disagrees with building a mile-long retaining wall to have a 70-foot wide trail, because there was nothing in the light rail ballot measure about building a trail. He encouraged the local community, region, and state to work together toward a good option. Mr. Wallace expressed concern about impacts to neighborhoods. He would like to find less expensive ways to accomplish the analysis he would like to see.

Mayor Davidson stated that the 112th Avenue route removes 46 homes. He questioned the rationale for placing a regional trail on the rail line, when there is a regional trail on 118th Avenue SE. He will support the motion.

Councilmember Degginger stated his concerns, noting however, that time does not permit him to address the litany of items heard in support of the motion. He suggested that the comments reflect some level of revisionist history. He is concerned that the scope of work does not study the original B7, but an entirely new alternative. With regard to neighborhood protection, the B7 Revised option places an eight-story garage in the middle of a neighborhood, and reroutes traffic in ways that will impact the neighborhoods. Mr. Degginger said the issue is a matter of choosing which neighborhoods will be impacted. All options will have impacts, but to different communities.

Mr. Degginger is worried about the idea of only studying or funding the first phase of work, because impacts are not addressed until the second phase. Phase 2 looks at land use, displacements, transportation, housing, aesthetic, air quality, and noise impacts. If the Council is not willing to fund at least Phase 1 and Phase 2, the study will not achieve its stated goals of providing an apples-to-apples comparison.

Mr. Degginger observed that this is an unusual way for the Council and City to conduct business. The Council adopts interest statements, which involves extensive time and discussion by staff and the Council. He has never seen the Council disregard a previously adopted interest statement without having a thorough discussion. He is concerned about setting policy in this manner.

Mr. Degginger observed that the Council has not answered the question of what projects will not be funded in order to fund the study of a new light rail alternative. There are extensive needs in the community, and the City is facing reductions in public safety, parks maintenance, and community center operations. He expressed concern that Bellevue is losing credibility in the region because it is making yet another change in its request for a design analysis.

Mr. Degginger expressed concern that the Council is not spending time discussing and studying a downtown tunnel, which is supported by a majority of the Council. There has not been a study session on that issue since the vote. He is concerned that the Council is making choices that will have future adverse consequences. Councilmember Degginger summarized that he is concerned about policy issues, and he is concerned about funding only Phase 1 because it does not address impacts. He is concerned about what the proposal is trying to accomplish as well as the underlying motive.

Mayor Davidson noted that Phase 1 does include a noise analysis to predict potential noise levels associated with B7 Revised.

Councilmember Degginger called attention to tonight's presentation, which lists the analysis of impacts under Phase 2 work. He asked staff to clarify the issue of noise analysis. Mr. Sparrman said that noise analysis is included in both Phase 1 and Phase 2. Initial work in Phase 1 sets the stage for the drivers that go into the Phase 2 detailed noise analysis.

Kevin O'Neill added that Phase 1 is intended to screen the alternative against several criteria including cost, ridership, and some traffic, noise and aesthetics analysis. However, like the concept design reports completed by Sound Transit for downtown and 112th Avenue, this is not at a full DEIS level. A full analysis occurs in Phase 2. Mr. Sparrman said that construction impacts will be addressed in Phase 2.

Councilmember Balducci concurred with Councilmember Degginger, and stated that she will not support the motion. She observed that this initiative is based on continuing to study the B7 alternatives until the Council hears the answers that it wants to hear. She noted that one historical item that has not been mentioned is that the City already spent \$300,000, which concluded that the DEIS work by Sound Transit was a typical DEIS analysis that equitably addressed the alternatives. She finds it offensive to continue to treat residents on 118th Avenue SE and in south Enatai as though they do not exist, and to omit acknowledging that the B7 Revised does impact neighborhoods.

Councilmember Balducci noted the extensive human services needs in the community, and tonight's presentation indicating the significant benefits that can be achieved with the Human Services Commission's special request for \$100,000. At the same time, the scope of work for the B7 Revised option spends nearly \$1 million in Phase 1 to pursue conclusions that are unlikely, based on analysis to date.

Councilmember Balducci noted comments that the November Council election was based entirely on the issue of the B7 alignment. She does not recall the B7 being mentioned in the voters pamphlet. Although it has been stated that there was a public process related to the Council changing its position from the B3S/B2 to the B7 alternative, there has not been any public process by the City since last November. Sound Transit has conducted public outreach, but this has not formally involved the Council. The Council is now talking about an A2 Station and Park and Ride in the South Enatai neighborhood, without public notification. Ms. Balducci noted that the public process since last November has been lacking.

With regard to comments questioning the motives of the proposed scope of work, Councilmember Robertson said such personal attacks are not appropriate. She corrected that the Council never expressed a preference for the B2 alternative. Ms. Balducci acknowledged her error in reporting that fact.

Ms. Robertson said that the purpose of the proposed analysis is to optimize the B7 alternative, and to determine whether it can be built in a meaningful way that does what is needed for the region and that is cost effective for Sound Transit. The Council has talked about this being a 100-year project, and that we want to do this once and do it right. If ridership can be increased for the B7, while satisfying the intent of the Best Practices Committee, the City should conduct the analysis. She encouraged public outreach on the A2 Station.

Councilmember Robertson said she would be willing to fund all three phases of the study if Sound Transit grants the City adequate time to complete the work. However, she feels that Phase 1 will provide worthwhile information. She compared the cost to potentially \$150 million for the downtown tunnel, as well as to costs related to projects in the Bel-Red corridor. She feels that \$670,000 is small within the context of these projects and the entire East Link budget. She believes that failing to fund the study indicates a lack of consideration for the neighborhoods south of downtown.

→ The motion to approve the scope of work for the B7 Revised alternative, and to fund Phase 1 at this time, carried by a vote of 3-2, with Councilmembers Balducci and Degginger opposed. [Deputy Mayor Lee and Councilmember Chelminiak absent.]

Councilmember Balducci noted that last week she requested an update on the status of the work related to Segment C and the C9T tunnel alternative, and specifically on the City's negotiations for a memorandum of agreement with Sound Transit. She is interested in discussing funding issues associated with that work.

City Manager Sarkozy said staff can provide a brief update tonight during the Regular Session under the City Manager's Report.

Councilmember Balducci expressed concern that Bellevue will no longer have a choice with Sound Transit, if it does not move forward with negotiations and identifying funding.

Councilmember Balducci noted that there have been accusations of conflicts of interest on the Council. She would like a public discussion to lay the issues on the table, and to provide the opportunity for Councilmembers to talk about themselves in this regard.

Mayor Davidson suggested placing that topic on next week's agenda. He noted that he has spoken with the City Attorney about Councilmember Degginger, and he was satisfied with the City's position on his situation. Mr. Sarkozy said he will try to schedule that item.

Councilmember Wallace stated that the City Attorney's Office has been consulted on all of the conflict of interest allegations.

Councilmember Balducci reiterated that a public discussion would help to air and clarify the issues.

At 7:58 p.m., Mayor Davidson declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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