

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

April 27, 2009
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

PRESENT: Mayor Degginger, Deputy Mayor Balducci, and Councilmembers Bonincontri, Chelminiak, Davidson, and Lee

ABSENT: Councilmember Noble

1. Executive Session

The meeting was called to order at 6:00 p.m., with Mayor Degginger presiding. There was no Executive Session.

2. Oral Communications

- (a) Bill Hirt submitted his comments in writing and spoke in opposition to the Sound Transit East Link light rail project. He opined that the draft Environmental Impact Statement is flawed. He said current and future transportation demands will not be met by limiting vehicle traffic to the outer lanes of the I-90 bridge and running light rail tracks through the center of the roadway.
- (b) Dale Miller, President of the Bellevue Philharmonic Board of Directors, thanked Councilmembers for their consideration of the orchestra's emergency funding request. He noted Board members, musicians, and staff in the audience, and thanked the Bellevue Arts Commission for working with them over the past few months.
- (c) Hal Ferris, a Bellevue Planning Commission Member, spoke regarding transportation impact fees. He expressed concern that the proposed \$5,000 fee rate will discourage development in the Bel-Red corridor, particularly with the current economic conditions. He noted that the Bel-Red Plan contains a strong transit emphasis. He encouraged the Council to ensure that the finance plan and impact fees are based on actual evening peak-hour trips (not on square footage or the number of units) as this captures the benefits of transit-oriented development and the public investment in infrastructure. Mr. Ferris

noted that the Bel-Red Plan emphasizes both transit and affordable housing, which reduces the contribution of development projects to evening peak-hour trips.

- (d) Joe Rosmann, representing the Surrey Downs Community Club and Surrey Downs East Link Committee, spoke regarding light rail planning and submitted copies of the Committee's April 23 letter to the Sound Transit Board. The Committee encourages a modification to the B7 alignment option to incorporate an elevated station and park and ride structure over SE 8th Street at I-405. He described how traffic from both directions on I-405, as well as on surface streets, would be routed through and around the facility using separate lanes. He reviewed the benefits of the modification including lower construction and mitigation costs and minimal environmental impacts.
- (e) Scott Lampe, Surrey Downs East Link Committee, thanked the Council for considering the proposal. Residents will be meeting with City Transportation staff over the next few days to discuss the concept.
- (f) Kevin Wallace announced his intent to run for a seat on the Bellevue City Council. He expressed concern that the proposed \$5,000 transportation impact fee will have a negative effect on development and economic growth. He noted that the current rate is less than \$500 and increasing project costs could stifle development and redevelopment.
- (g) Jim Hill, Kemper Development, expressed concerns regarding the proposed transportation impact fee increase.
- (h) Roger Parisotto, BelGreen Development, said his company is eager to have the final zoning designation approved for its site on 156th Avenue NE. He urged the Council to move forward with the Bel-Red Land Use Code amendments.

3. Study Session

(a) Council Business and New Initiatives

- Councilmember Davidson moved to reappoint Ticson Mach and Keith Swenson to the Environmental Services Commission, and Councilmember Chelminiak seconded the motion.
- The motion to reappoint Ticson Mach and Keith Swenson to the Environmental Services Commission carried by a vote of 6-0
- Councilmember Bonincontri moved to reappoint Doris Burrell and Delores Robertson to the Library Board, and Councilmember Chelminiak seconded the motion.
- The motion to reappoint Doris Burrell and Delores Robertson to the Library Board carried by a vote of 6-0.

(b) Management Brief – American Recovery and Reinvestment Act

City Manager Steve Sarkozy opened discussion regarding the American Recovery and Reinvestment Act, which provides a number of opportunities for local funding. Puget Sound jurisdictions are working together to determine how best to utilize these funds.

Sheida Sahandy, Assistant to the City Manager, explained that the newly formed Puget Sound New Energy Solutions group is working together to address energy efficiency and clean mobility priorities. The goals are to maximize environmental and economic development outcomes by leveraging resources, create a foundation of work that puts the region in a strong position for future anticipated funding opportunities, and accelerate the region's drive to creating a clean energy economy. The approach focuses on the three areas of energy efficiency, clean mobility, and smart grid, as well as on the interactions between them.

This forum has not yet developed a formal identity or governance structure. However, King County has been leading the effort with the active participation of a broad set of stakeholders, both public and private, including counties, cities, utilities, the Bonneville Power Authority, Pacific National Labs, and the Washington State Department of Community, Trade, and Economic Development (CTED). A subset of the group comprised of seven Eastside cities (C7 cities) is focusing on municipal issues.

Mayor Degginger stated that the energy efficiency block grant component of the stimulus package was proposed by the U.S. Conference of Mayors approximately a year and a half ago. Acknowledging the value of planning, Mr. Degginger said he would like to move toward adopting policy choices that will guide the City's use of these funds (\$1.3 million grant). He asked staff to add this topic to Council's agenda in the near future.

Councilmember Lee expressed support for the regional efforts, and requested more information on the priorities of the C7 group.

Responding to Councilmember Bonincontri, Ms. Sahandy said the funding allows 18 months to secure a project contract, and an additional 36 months to utilize the funds. The funds can be used for a broad range of activities from planning to implementation. A separate science and research funding source is provided for research and development work.

Councilmember Davidson noted that the recovery act was discussed at the recent National League of Cities conference. He also recently participated in a trip to Portland and a meeting geared toward sustainable or green cities. He is encouraged by these efforts to address energy efficiency and environmental objectives.

Mayor Degginger said the stimulus package is a good opportunity to deliver some value into the community. He thanked staff for the update.

(c) Arts Commission 2009 Funding Recommendations

Betina Finley, Arts Commission Chair, presented the Commission's recommendation for 2009 funding allocations and requested Council approval. The Commission received a total of 31 applications, 16 through the Eastside Arts Partnership and 15 for Special Projects funding. She recalled that earlier this year the Council approved the funding criteria, which are listed on page 3-4 of the meeting packet.

The Eastside Arts Partnership is an organizational funding program that takes into consideration everything an organization is doing for the whole year. EAP organizations are based in Bellevue and have most or all of their activities occurring here. These include Bellevue Arts Museum, KidsQuest Museum, Bellevue Downtown Association, and the Bellevue Philharmonic Orchestra. Special Projects applications represent a wider variety of groups and activities including youth educational programs and a Spanish language arts and cultural magazine. Chair Finley said the Arts Commission voted unanimously to endorse the funding recommendations forwarded to the Council.

Ms. Finley noted that the Bellevue Philharmonic Orchestra appeared before the Commission last week with an urgent funding request. The Commission voted to increase BPO's allocation from \$3,000 to \$13,000. In addition, the Commission unanimously supports Bellevue Philharmonic's direct request to the City Council for \$35,000 in emergency funding.

Councilmember Lee thanked Arts Commission members for their hard work.

Deputy Mayor Balducci encouraged Council to consider the request submitted by the Bellevue Philharmonic Orchestra. She further suggested that the Council develop a policy basis for responding to this type of emergency request.

Councilmember Davidson supports considering the emergency request as well. Responding to Dr. Davidson, Mr. Sarkozy observed that there is not a ready source of available funds to respond to this request. However, staff could explore potential options. Dr. Davison expressed concern about setting a precedent in how it responds to this request. He requested an update on the City's current financial situation.

Mayor Degginger observed that this raises policy questions in terms of the Commission's position on this item within the larger context of arts funding, and how providing the funding could affect other arts priorities.

Chair Finley explained that the Commission's allocation committee generally tries to maintain organizations at their same funding level. The Commission's recommendation to increase the allocation from \$3,000 to \$13,000 is based on returning the Bellevue Philharmonic's funding to its previous level. However, the Arts Commission could not identify funding for the additional \$22,000 to meet the request for \$35,000. She said increasing an allocation for one organization would create funding difficulties for the other smaller groups that receive allocations.

Councilmember Chelminiak feels it is important to consider the request within the context of funding to other organizations such as the KidsQuest Museum and Bellevue Arts Museum. He is interested in the financial stability of organizations seeking funding, and he is impressed with the Bellevue Philharmonic Orchestra's financial and business plan. However, the Council must also look at what the City can realistically fund as well as analyze the public benefit reflected by the funding allocation. He noted the memo from Mary Pat Byrne, Arts Specialist, reporting that members of the BPO Board have chosen to contribute financially to help secure the organization's operating loan.

Councilmember Bonincontri concurred with Mr. Chelminiak's observations. While she acknowledges that the City's resources are limited, she would like to find a way to meet the funding request.

Mayor Degginger noted that the musicians have demonstrated their commitment to the organization as well through financial sacrifices.

Councilmember Lee concurred with Mr. Chelminiak, and noted that he is comfortable with assisting the orchestra in this financial emergency based on the Arts Commission's analysis.

- Deputy Mayor Balducci moved to direct staff to implement the recommended 2009 Eastside Partnership Funding and Special Projects allocations. The motion was seconded by Councilmember Bonincontri.
- The motion to direct staff to implement the recommended 2009 Eastside Partnership Funding and Special Projects allocations carried by a vote of 6-0.

With regard to the Philharmonic's special request, Mayor Degginger summarized that two issues need to be addressed: 1) Is a funding source available? and 2) Are all of the purposes for the funds as provided in the organization's request appropriate and legal uses for public arts funding?

City Manager Sarkozy requested two weeks for staff to explore the issues and prepare a response. While the matter of what is legal and appropriate is relatively straightforward, time is needed to analyze the impact to other funding agencies, as well as the related implications of State budget cuts and spending within the City's capital budget.

Councilmember Bonincontri noted that the BPO is requesting the funds by May 1. She asked that staff provide information as soon as possible.

(d) Regional Issues

- (1) PSRC Metropolitan Transportation Plan Update (Destination 2040) and Selection of Bellevue Representative to General Assembly Meeting

Diane Carlson, Director of Intergovernmental Relations, provided introductory comments to the presentation on the Puget Sound Regional Council (PSRC) Metropolitan Transportation Plan update (Destination 2040).

Mike Cummings, PSRC Program Manager, described the objective of the Vision 2040 update to align with the regional growth and economic strategies. PSRC will continue to analyze alternatives and compile public input throughout the next year. Adoption of the plan is anticipated in the spring of 2010. Mr. Cummings reviewed employment, population, and commute trends. He reviewed Seattle's ranking in comparison to other cities in the areas of population, population density, rate of growth, home ownership affordability, and travel patterns.

Mr. Cummings explained that the major factors affecting the Transportation 2040 plan are sustainable funding, environmental considerations, mobility, and economic vitality. He reviewed the need for additional federal funding, which is one of many revenue sources including the state gas tax, local transit taxes, and City-County General Funds. The region is expected to add 1.4 million people and 1.1 million jobs by 2040.

Concepts guiding the selection of the range of alternatives to be studied include the representation of different constituent group interests, a SEPA (State Environmental Policy Act) process reflecting a broad range of alternatives and environmental impacts, financing and investment strategies, phased transportation strategies, and an integrated package of investments. The draft environmental impact statement (DEIS) is targeted to be released in May/June 2009. Mr. Cummings briefly reviewed the criteria to be used to evaluate alternatives. Costs and benefits for each subarea will be analyzed. In June/July, direction from the PSRC Transportation Policy Board will be requested regarding key areas including user fees and tolls and greenhouse gas emissions.

Responding to Councilmember Davidson, Mr. Cummings said PSRC's model is based primarily on 2005-2006 data, except that the economic data carries through 2008. Dr. Davidson expressed concern that more recent data is not being used, particularly given the current economic climate.

Deputy Mayor Balducci served as the Vice Chair of the Pricing & Tolling Subcommittee, which identified the tolling elements that go into this analysis. She noted the committee's extensive discussions regarding the appropriate criteria to be used, and will be interested in seeing how the tolling options compare based on the criteria. The subcommittee has been merged with the Destination 2040 committee so she will continue to be involved in the discussions. She encouraged a focus on ways to reduce peak commute trips to potentially reduce the need for expensive infrastructure investments where possible.

Mayor Degginger commented that this raises the questions of how the region wants to ration the use of the transportation system, and how to determine the most fair way of balancing commute trip reduction measures with infrastructure investments to ensure regional equity.

Responding to Councilmember Lee, Mr. Cummings explained that the plan allocates more than 40 percent of the funding to local streets. He noted a chart depicting approximately 2,000 lane

miles of freeway and 10,000 miles of arterials. Mr. Cummings commented that congested traffic is spilling over onto local streets, and some areas of significant growth such as Covington, Carnation, and Duvall do not have a highway system. The plan is exploring local traffic signal synchronization, incident management on the arterial system, arterial HOV programs, and transit reliability.

Councilmember Lee would like to see a stronger emphasis in the area of system change (i.e., transit) rather than building more roadway capacity.

Councilmember Bonincontri noted the objective of moving away from oil dependency, and questioned whether the PSRC model addresses sustainability and moving toward alternate energy sources. In addition, will these goals influence where growth will geographically be encouraged or discouraged?

Mr. Cummings said discussions about tolling, congestion management, and a vehicle miles traveled charge include the concept that people might be using roadways for which they are not directly paying a fee. With regard to tail pipe emissions, PSRC staff did run a model to determine the impact of eventually converting to all electric vehicles. In further response to Ms. Bonincontri, Mr. Cummings said PSRC is one of the first regional councils to utilize urban simulations in which the vision is tested through a travel demand model and land use model to understand how it influences land use patterns for each of the alternatives.

- Deputy Mayor Balducci nominated Councilmember Chelminiak to serve as the Bellevue representative to the Puget Sound Regional Council (PSRC) General Assembly meeting. Mayor Degginger seconded the motion.
- The motion to designate Councilmember Chelminiak to serve as the Bellevue representative to the PSRC General Assembly meeting carried by a vote of 6-0.

(2) Memorandum of Understanding Establishing the Allocation of 2009
Byrne Memorial Justice Assistance Grants to Agencies in King County

Ms. Carlson explained that staff is seeking Council action to authorize the signing of the proposed memorandum of understanding (MOU) designating the allocation of 2009 Byrne Memorial Justice Assistance Grant (JAG) funding to King County and 18 local municipalities. Receipt of the funding is dependent upon the unanimous support of all cities and King County. Attachment 1 [Page 3-25 of meeting packet] provides a list of the proposed grant allocations. Ms. Carlson noted a letter in Council's desk packet from King County Executive Ron Sims regarding allocations for King County and the City of Seattle.

Responding to Councilmember Bonincontri, Ms. Carlson said in the past the grant monies were shared by King County and the City of Seattle, and they have been able to reach agreement in the past. This is the first year that municipalities will receive grant funds.

Responding to Councilmember Davidson, Ms. Carlson said the original allocations were specified by the federal government based on population and crime statistics. A portion of the City of Seattle's allocation recognizes its role as the fiscal and administrative agent.

Responding to Councilmember Lee, Ms. Carlson said the uses of grant funds must be described in the grant application, and decisions regarding these uses are to be made by the City Council. The Police Department is developing a proposal for the use of grant funds. Approved uses are listed in the King County letter in the desk packet.

Responding to Mayor Degginger, Mr. Sarkozy said staff will return with its recommendation in a couple of weeks.

Deputy Mayor Balducci noted her job with the King County jail system, and recused herself from taking part in this discussion and vote.

- Councilmember Bonincontri moved to approve the Memorandum of Understanding as part of an application for a 2009 Edward Byrne Memorial Justice Assistance grant. Councilmember Chelminiak seconded the motion.
- The motion to approve the Memorandum of Understanding as part of an application for a 2009 Edward Byrne Memorial Justice Assistance grant carried by a vote of 5-0, with Deputy Mayor Balducci recused and Councilmember Noble absent.

(3) State and Federal Legislative Updates

Ms. Carlson referred Council to the state legislative update beginning on page 3-27 of the meeting packet. The 2009 state legislative session ended late last night. Ms. Carlson provided a brief update on changes that occurred after the packet materials were printed. House Bill 2211, the SR 520 tolling bill, was approved with an amendment authorizing the use of toll revenues only for projects related to the floating bridge component of the overall SR 520 project. Design monies for Eastside components are still available, but construction funding must be identified in the future. Ms. Carlson noted that the bill does not set toll rates, as that decision will be made by the State Transportation Commission.

Mr. Carlson briefly reviewed highlights of the transportation budget and responded to questions of clarification.

HB 1422 regarding the taxation of brokered natural gas was not approved, but it is possible it will be brought back if the governor calls a special session. HB 1481 regarding electric vehicles passed, which includes provisions for electric vehicle-related infrastructure in parking facilities. SB 5321 providing the annexation sales tax credit was approved as well.

Ms. Carlson credited Representative Eddy for getting the 124th Avenue project language into the transportation budget.

Mayor Degginger said the City received an allocation of \$2 million related to Children's Hospital, thanks to the help of Representative Hunter.

Ms. Carlson moved to provide an update of the federal legislative session.

Councilmember Chelminiak noted his employment with The Wilderness Society, which he discussed with the City Attorney. Mr. Chelminiak will not receive any compensation if the Alpine Lakes Wilderness additions and Pratt and Middle Fork Snoqualmie Rivers wild and scenic designations are approved or denied. The City Attorney advised that there is no reason for him to not participate in these discussions.

Alison Bennett, Policy Program Manager, provided an overview of legislation proposed by Congressman Reichert and Senator Murray to expand the Alpine Lakes Wilderness Area and to designate the Pratt and Middle Fork Snoqualmie Rivers as wild and scenic. The Washington Wilderness Coalition is seeking letters of support from local elected officials, which they did last year as well [The Council's 2008 letter is on page 3-45 of meeting packet.].

Mayor Degginger noted a Council consensus to continue to support this legislation. He recalled his work on the original legislation in 1976 to establish the wilderness area.

At 8:20 p.m., Mayor Degginger declared a brief recess. The meeting reconvened at 8:28 p.m.

(e) Transportation Impact Fees

City Manager Steve Sarkozy noted that tonight's agenda item continues last week's discussion regarding transportation impact fees. The Bel-Red Subarea Plan involves significant infrastructure investments, which in part will be funded through impact fees.

Transportation Director Goran Sparrman reviewed the highlights of the previous week's presentation for the benefit of Councilmembers Davidson and Noble, who were absent, and for the public. The 2009-2020 Transportation Facilities Plan (TFP) contains 71 projects, 35 of which are impact fee (Roadway/Intersection capacity) projects totaling \$381.5 million. The maximum transportation impact fee rate legally allowed is \$8,667 per evening peak-hour trip generated by a development project.

Planning and Community Development Director Matt Terry briefly reviewed the mobility plan revenue model, which assumes revenues of \$299 million over 10 years. Impact fees are one of the revenue sources, and last week three possible revenue scenarios were presented. Staff recommends a conservative approach that assumes prolonged economic recovery and essentially no new development for the next year and a half. Mr. Terry explained that within the scenario, staff analyzed three impact fee options with rates ranging from \$2,000 to \$5,000 per evening peak-hour trip generated by a development project. Over a 10-year period, \$22.7 million would be generated with a \$2,000 rate, \$45.7 million would be generated with an approach that phases the rate from \$2,000 to \$5,000, and \$56.8 million could be generated with an impact fee rate of \$5,000.

Deputy City Attorney Kate Berens described proposed amendments to the Bellevue City Code [Chapter 22.16] to update the Transportation Impact Fee Program and Fee Schedule. A proposed amendment to section 22.16.080 clarifies the fee calculation methodology, which will be used with each update of the Transportation Facilities Plan to calculate the maximum impact fee allowed by law.

Ms. Berens referenced correspondence received from a developer asking the Council to consider a development agreement with a provision allowing a different impact fee structure, for example allowing a vested impact fee schedule. She noted that the proposed Code amendments include placeholder language to allow this type of flexibility. The City Council has the authority under the Growth Management Act to modify certain development regulations through a development agreement.

Mr. Terry summarized that staff is seeking Council direction on the following issues:

- What is an appropriate impact fee rate?
- What is an appropriate effective date for the updated fees, and should there be a phased fee schedule?
- Should the impact fee schedule incorporate automatic cost indexing between updates of the Transportation Facilities Plan, which forms the basis for impact fees?
- Should staff return in May with proposed legislation to update the impact fee program?

Mayor Degginger asked staff to respond to comments from the public that impact fees could discourage development activity. Noting the public comment regarding affordable housing, Mr. Terry said if the speaker defines affordable housing using the City's definition of 80 percent or less of median income, those units are categorically exempt under the current and proposed impact fee ordinance. While there is no direct impact, Mr. Terry acknowledged that one could argue that there is inflationary pressure created by the adoption of an impact fee that adds cost to development projects, including housing.

Councilmember Davidson expressed concern that higher impact fees will stifle development. He is leaning toward the option that starts out with a \$2,000 impact fee rate and increases over the 10-year period. Responding to Dr. Davidson, Mr. Terry said staff can provide periodic reports of development activity to the Council. However, it is difficult to attribute fluctuations in development growth to any one variable, such as impact fees.

Mr. Terry recalled that staff's economic analysis of Bel-Red land use development assumed local improvement district (LID) assessments, a \$5,000 impact fee rate, and implementation of the incentive zoning system. Given residual land values and adjustments to be proposed through the Bel-Red catalyst project concept, staff's position is that all of the proposed development types for the Bel-Red area are economically feasible in a normal market environment. Staff's analysis compared fees of all types between jurisdictions and studied the factors used by companies in making location decisions. The cost of space ranked lower than other factors such as an educated workforce.

Responding to Dr. Davidson, Mr. Terry said the incentive zoning proposal for Bel-Red includes the \$15 per square foot charge, LID assessments, and transportation impact fees.

Responding to Councilmember Bonincontri, Mr. Sparrman said staff uses the most recent data available as well as the Institute of Transportation Engineers Handbook to calculate trip generation rates. This involves making certain assumptions about the type of development that is expected. Rates are calculated differently in the downtown, however, where more transportation choices (e.g., transit) are available.

Responding to Councilmember Chelminiak, Mr. Sparrman explained that the purpose of the indexing credit for downtown development is to preserve the purchasing capacity of the impact fee relative to construction costs.

Councilmember Chelminiak reflected on the numerous policy decisions that have been made to create the Bel-Red Plan and to encourage and plan for growth. Council has worked to balance issues and priorities including affordable housing, environmental enhancements, the appropriate approach for financing infrastructure, and citywide benefits versus local area benefits. Mr. Chelminiak noted his interest in determining a reasonable impact fee level based on how it fits into the overall development and redevelopment process as well as the regional investment that needs to be made.

Councilmember Lee suggested a gradual increase of impact fees based on the economy and development climate.

Deputy Mayor Balducci supports moving forward with a phased approach to increasing impact fees based on realistic expectations of conservative growth in the near future. She wants to ensure that the lifestyle and environmental elements envisioned for the Bel-Red corridor are preserved. She encouraged implementing updated impact fees as soon as possible.

Councilmember Bonincontri stated her position that transit use will increase in the future, which will lessen the demand for transportation capacity projects. She feels the impact fee model is based on experience to date within the community, but that transportation and living patterns will change. She supports a \$2,000 impact fee at this point and reevaluating again in two years.

Councilmember Chelminiak supports the phased impact fee approach, beginning with a \$2,000 fee and gradually reaching a fee of \$5,000. He noted that development activity is a choice while other funding mechanisms, such as a LID assessment, do not involve a choice by property owners.

Councilmember Davidson expressed support for the phased impact fee approach and for periodic review of the fees.

Responding to Mayor Degginger, Mr. Terry said the updated impact fee schedule will be implemented as adopted unless it is modified by the Council throughout the schedule term.

Mayor Degginger stated that the meeting minutes should reflect Council's interest in reviewing impact fees in two years. He concurred with the Council that the phased impact fee approach is an appropriate way of proceeding given the current economic conditions. He thanked Council and staff for identifying a rate structure that is both reasonable and fair.

Responding to Councilmember Davidson, Ms. Berens said the impact fee charged is based on the schedule in effect when a building permit is pulled for the portion of the development that generates the fees.

(f) East Link Work Program and Implications for other Work Program Priorities

Transportation Director Goran Sparrman explained that the work program associated with the Sound Transit East Link light rail project makes it necessary to examine overall priorities and reallocate resources. Staff will be involved in key activities over the next 12-18 months to support Sound Transit's final Environmental Impact Statement (FEIS) process.

Bernard van de Kamp, Regional Projects Manager, briefly reviewed the project schedule. The Sound Transit Board is expected to identify a preliminary preferred alternative for the East Link project in May, which will initiate preparation of the final EIS. Preliminary engineering and the FEIS are to be completed by the summer of 2010, at which time the Sound Transit Board will confirm a final alignment.

Mr. van de Kamp said staff will work with Sound Transit throughout the FEIS process in the areas of engineering review, station area planning, impact mitigation, and developing an interlocal agreement between the City and Sound Transit.

Mr. van de Kamp explained that a key area of concern at this time is the at-grade light rail alternative for downtown Bellevue, which is likely to be carried forward into the final EIS. Staff recommends that the City conduct its own analysis to supplement Sound Transit's work.

Mr. Sparrman said the resource needs anticipated to support this work program during 2009 and 2010 are five Transportation and three Planning and Community Development full-time equivalent (FTE) positions (split among several existing staff). Participation from other department staff will be needed as well, along with consultant expertise in the areas of engineering and station area planning.

Mr. Sparrman briefly reviewed staff's recommended adjustments to the Transportation and PCD work programs to accommodate the East Link project:

- Defer Eastgate Subarea Plan work, and reallocate \$295,000 currently in the Capital Investment Program (CIP) Plan to East Link planning.
- Modify staff's work on the 2011 Comprehensive Plan update to some extent.
- Minimize work on other regional projects.

- Focus downtown transportation planning work to update the model to 2030 and conduct an analysis of the surface light rail alternative.

Mr. Terry recalled that the Eastgate Subarea Plan update is to address commercial development along I-90 and the annexation of areas south of I-90. These work items would be delayed for two years.

Councilmember Lee noted his disappointment with the proposed work plan and his continued interest in the East Link B7 light rail alignment alternative.

- At 10:00 p.m., Deputy Mayor Balducci moved to extend the meeting to 10:15 p.m. Councilmember Chelminiak seconded the motion.
- The motion to extend the meeting carried by a vote of 6-0.

Councilmember Chelminiak expressed concern about delaying work on the Eastgate Subarea Plan.

Deputy Mayor Balducci endorsed Sound Transit planning as a top priority, and expressed support for staff's proposal. She noted the importance of retaining community retail business uses in the Eastgate area, however, and would like to move forward with the subarea work if possible.

Mayor Degginger concurred with Council's interest in moving forward with work on the Eastgate Subarea Plan update if possible, while maintaining light rail planning as a high priority. Responding to Mr. Degginger, Mr. Sarkozy explained that staff is reviewing the capital budget on an ongoing basis as the City experiences declining revenues. He suggested a full discussion of capital priorities in the near future to respond to serious constraints.

Councilmember Davidson noted community interest in further analysis of the B7 light rail alignment alternative. He feels Sound Transit did not adequately address the environmental impacts associated with the B3 option, and he would like to keep B7 under consideration. Councilmember Lee concurred.

At 10:18 p.m., Mayor Degginger declared the meeting adjourned.

Myrna L. Basich
City Clerk

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