

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

November 24, 2003
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger¹ and Councilmembers Creighton, Lee, Mosher and Noble

ABSENT: Councilmember Davidson²

1. Executive Session

Mayor Marshall opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 30 minutes to discuss two items of potential litigation.

The Study Session resumed at 6:35 p.m. with Mayor Marshall presiding.

2. Oral Communications

- (a) Greg Sivertsen, representing the West Bellevue Community Club, spoke in opposition to the proposed expansion of the Lochleven Substation. He noted the next two speakers are registered professional engineers in Washington with a combined 50 years of experience in electric utility engineering and management. Mr. Sivertsen is alarmed that the substation, which is near Downtown Park, Bellevue Square, Bellevue Boys and Girls Club, and Meydenbauer Park, could be expanded from 130 feet to 310 feet of street frontage. He feels the proposal is inconsistent with the quiet, upscale neighborhood and the "City in a Park" concept.
- (b) Rich Wagner encouraged the City to delay approval of Puget Sound Energy's permit application to expand Lochleven Substation, which will primarily supply power to the Lincoln Square development project and other downtown properties.
- (c) Robert Sheehan, Board Member of the West Bellevue Community Club, said the proposed expansion of Lochleven Substation is not in the best interest of the community. He suggested: 1) Bellevue's central business district power needs should be supplied by secure substations fed underground from at least two remote sources, 2) the City should conduct its own independent study to identify the best way to serve the long-term needs

¹ Mr. Degginger arrived at 6:29 p.m.

² Dr. Davidson joined the meeting via telephone for Agenda Item 5, Executive Session.

of Bellevue, and 3) a formal Environmental Impact Statement (EIS) should be prepared. He asked the City to include in its CIP (Capital Investment Program) a plan for undergrounding all overhead utilities on 99th Avenue NE from Lake Washington Boulevard to NE 8th Street.

- (d) Victor Amira, President of Ashley House Homeowners Association, explained that Ashley House is a 32-unit condominium project directly across the street from the Lochleven Substation.

Mayor Marshall noted Council rules allow only three speakers on any one side of an issue. She thanked Mr. Amira for attending and encouraged him to submit his comments in writing.

3. Study Session

(a) Council New Initiatives

Deputy Mayor Degginger noted the City's recent receipt of an assessment for \$69,000 from Puget Sound Clean Air Agency along with a four-color calendar. He suggested Council write a letter to the agency urging them to use funds for specific projects and not calendars.

Mayor Marshall explained that she participated in interviews of Library Advisory Board candidates and the following individuals are recommended for appointment to the board:

- Kayla Weinstein to serve a four-year term ending May 31, 2007, and
 - Dr. Robert Viens to serve the remainder of a four-year term ending May 31, 2006.
- ☛ Mr. Noble moved to approve the appointment of Kayla Weinstein and Dr. Robert Viens to serve on the Library Advisory Board, and Mr. Mosher seconded the motion.
- ☛ The motion to appoint Kayla Weinstein and Dr. Robert Viens to the Library Advisory Board carried by a vote of 6-0.

Ron Langley, Public Information Officer, distributed DVDs to Council of the Bellevue history documentary produced by BTV (Channel 21) and hosted by Lori Matsukawa, a KING-TV anchor and Bellevue resident. The documentary will be shown several times on BTV, and DVDs are available for purchase (\$15) by emailing 50fest@ci.bellevue.wa.us.

(b) East Creek/Kamber Road Flood Control and Road Improvement Project

City Manager Steve Sarkozy opened staff's update on the Richards (East) Creek Culvert Reconstruction and Kamber Road Improvements project.

Nora Johnson, Transportation Assistant Director, said the project is being managed jointly with the Utilities Department. Staff will meet with the Sunset Community Association Board tomorrow to update residents on the project.

The Richards (East) Creek Culvert Reconstruction portion of the project will replace three small culverts with a large box culvert, reduce (but not eliminate) road flooding, and improve fish passage. Kamber Road improvements will provide sidewalk and bicycle lanes. The upper portion of the project (137th Avenue to 145th Place) has been completed, and the final phase will be combined with the Utilities project.

Ms. Johnson said three utilities relocations presented a major challenge for the project: 1) Qwest fiber and copper cables, 2) Olympic 20" fuel pipeline, and 3) possible Seattle 36" water pipeline. The project was redesigned to avoid the relocation of the water pipeline. The Olympic pipeline was relocated in August 2001, despite problems with flooding and damage to sewer mains.

Ms. Johnson explained that a dye test was recently conducted to identify the cause of pavement holes on the north shoulder of the road. The dye quickly showed up in Bellevue and King County Metro sewer lines, indicating the need to repair the lines. The City has asked the Washington Utilities and Transportation Commission to conduct an independent analysis of Olympic's pipeline. The City will repair holes in the pavement along the north shoulder and determine the viability of the new Qwest conduits.

Ms. Johnson said a portion of the remaining project work is targeted for 2004, depending upon completion of the independent analysis of Olympic's pipeline and repairs of King County Metro's manhole and sewer pipe. The work will be restricted to July and August of 2004 due to regulations of the Endangered Species Act to protect Chinook salmon. Remaining City work on sidewalk and bicycle lanes, culvert replacement, and road paving is scheduled for July/August 2005.

Ms. Johnson reviewed the key project delays:

- Roadway project delayed to follow culvert project.
- U.S. Army Corps of Engineers permit delayed after Chinook salmon was listed as a threatened species under the Endangered Species Act.
- Project redesigned to address Olympic Pipeline.
- Repair and relocation of other utilities after Olympic's relocation and soil settlement.
- The need to determine the current condition of the pipeline and how to protect it during construction.

Project costs will be updated as part of the 2005-2011 Capital Investment Program (CIP) Plan.

Mr. Mosher thanked staff for the report and acknowledged the complexity of this local project which has been affected by federal regulations, utilities relocations, and unforeseen events.

Deputy Mayor Degginger inquired about any interim plans to resurface the road. Transportation Director Goran Sparrman explained that patching the road now would not stop the current problem of underlying erosion and could actually cause a bigger problem. Staff will continue to monitor and address soil migration in order to ultimately resolve the problem.

Mayor Marshall thanked staff for updating Council prior to the planned meeting with residents.

(c) New City Building – Conclusion of Schematic Design

Mr. Sarkozy opened discussion of the schematic design for the new City building.

Matt Terry, Planning and Community Development Director, recalled the completion of the 50-percent schematic design in June. At that time, the Technical Advisory Committee (TAC) appointed by Council to develop recommendations regarding the building's redevelopment proposed a project scope and preliminary budget of \$102.4 million. Council approved TAC's recommendation and the purchase and sale agreement for the existing City Hall campus in July. In October, Council approved the selection of Lease Crutcher Lewis as general contractor/construction manager (GC/CM) for the project. Council also recently took action on a Comprehensive Plan amendment and Land Use Code amendment to allow the sale of automobiles on the current City Hall site. The site has been sold to the local Lexus dealer. The sale transaction will close on December 31 and beginning January 1, 2004, the City will be a tenant on the site.

Mr. Terry explained that the architect and general contractor recently developed independent cost estimates using the design documents. At the same time, the City confirmed technology and other project costs. The two separate estimates were then reconciled and every component was analyzed.

Chris Raftery, Lease Crutcher Lewis, noted his firm originally constructed the new City building for US West approximately 20 years ago. Major components of the redevelopment project include seismic upgrades, additional parking, mechanical and electrical upgrades, and the addition of a 911 communications center. When completed, the building will be one of the few designated as an essential facility in the Pacific Northwest in terms of its ability to withstand a natural disaster.

Mr. Raftery described his involvement in developing the seismic cost estimate as part of the overall project cost estimate. Lease Crutcher Lewis worked with SRG Partnership's independent cost estimator to resolve all project estimates. As SRG proceeds with the design development phase, Lewis Crutcher Lewis will continue with a value engineering approach to refine and decrease costs.

Mr. Raftery said the 16-month construction schedule is targeted to begin in early 2004. He is pleased with the project team including the architects and City staff.

Mr. Mosher commended the work to develop independent cost estimates and noted the challenge to develop something more than a typical office building. Mr. Raftery feels the building is well suited to the City's use and that the City made a good decision in purchasing the building. He noted a similar current project in another West Coast city with an estimated cost of \$146 million as a comparison.

Responding to Mr. Lee, Mr. Raftery said the cost of the seismic upgrades is approximately 10 percent of the overall construction budget, which he characterized as relatively inexpensive due

to the building's existing concrete structure. Upon completion of the upgrades, the building will perform well in an earthquake.

Responding to Deputy Mayor Degginger, Mr. Raftery said as an experienced contractor, there will inevitably be unanticipated items during the building's redevelopment. However, the cost estimate includes appropriate contingency and insurance funds to safeguard the overall budget. As design development continues to progress, design contingencies will likely decrease and actual items will be reflected in an itemized cost estimate.

Mayor Marshall questioned the ability to reprogram or recover unused contingency funds. Mr. Terry said the project team will continue to look for cost savings as they proceed through design development. The use of cost savings will be subject to Council discretion. Mr. Terry said the bid climate is still considered favorable in terms of the potential to achieve competitive bids from subcontractors for project components. Mr. Raftery concurred but noted costs will increase as the overall economy improves.

Responding to Mr. Degginger, Mr. Raftery attributed the increased cost estimate for the green roofs to the highest quality materials that will prevent leaks.

Responding to Mr. Lee, Mr. Raftery said Lease Crutcher Lewis is both optimistic and reasonably comfortable with the current project estimate/budget. He feels it is realistic that costs could be decreased as well. However, costs could also increase if the project schedule is not followed.

Mayor Marshall thanked Mr. Raftery for his presentation and clear explanations.

Carla Weinheimer, Project Manager, provided a design update. She displayed plans for the plaza at the northwest corner of the site, across from Bellevue Transit Center, and overall site landscaping. Underground parking will be added under the plaza with pedestrian access directly into the building. Ms. Weinheimer displayed a drawing of a proposed gateway treatment at the southeast corner of the site along NE 4th Street. Additional features include the "Service First" concourse, Council Chambers, and public meeting space. Ms. Weinheimer reviewed plans for public safety improvements and features.

Mr. Terry reviewed the project budget. He noted cost increases for the underground garage and improvements to the public safety program. Additional cost increases are related to relocating the 911 communications center. The current 911 center will eventually serve as a backup emergency communications facility. Mr. Terry noted the project team's commitment to stay within the budget direction set in June for a total project cost of \$102.4 million. Therefore, cost increases were offset by reductions in other areas to maintain the budget. Mr. Terry reviewed project contingencies (design, buyout, GC/CM, owner's construction, City costs) totaling \$9.9 million.

Mr. Terry identified the following potential cost reduction strategies: 1) value engineering, 2) other revenue sources (e.g., grants), 3) contingency savings, 4) schedule/process savings, and 5) buyout savings. He explained that the 911 communications center and enhanced backup

communications center are good candidates for Homeland Security grants now available for local communities.

Mr. Terry said staff recommends proceeding with the design development phase within the scope and preliminary budget of \$102.4 million established by Council in June, continuing to pursue cost reductions, and revising the finance plan to reflect the revised single bond issuance strategy and updated financial data.

Mr. Terry reviewed the following project milestones:

- January/February 2004 – Next Council briefing at Council Retreat.
- March – Design development budget reconciliation by project team.
- March – Council update on design development phase.
- May – Council to approve maximum allowable construction cost (MACC).
- Summer/Fall – Construction to begin.
- December 2005 – Construction completed.

Councilmember Creighton encouraged Council and the project team to maintain an emphasis on the exterior appearance of the building, noting that many citizens never go into City Hall but will see it from the outside. Mr. Raftery agreed with the importance of providing a welcoming environment, including landscaping, on the outside of the building.

Mr. Lee noted his desire to manage and reduce project costs while still providing a high quality building for the community. Mr. Raftery confirmed City staff's commitment to achieving the best value for the City's dollars.

Deputy Mayor Degginger expressed concern about cost estimates for the green roofs and Council Chambers. He would like to discuss these items in greater detail at the Council Retreat early next year. Mr. Terry said the cost estimates will be further refined throughout the design development phase and the scope of these items can be adjusted if desired by Council.

Mr. Mosher looks forward to a project that will be an asset to the downtown and feels landscaping should be a high priority. He supports the schematic design and likes the idea of public meeting space.

4. Upcoming Items

- (a) Application of CamWest Development–Albright Rezone, File No. 03-108738-LQ

Mr. Terry introduced Matt Jackson, Associate Planner, and noted that Council approved a Comprehensive Plan amendment in the summer of 2002 which enabled this rezone request.

Responding to Mr. Degginger, Mr. Jackson said there are sensitive areas on the site including wetlands, slopes, and a stream. However, the applicant can likely develop the full potential of the site by providing smaller, clustered lots.

5. Executive Session

(a) Property acquisition

At 8:26 p.m., Mayor Marshall announced recess to Executive Session for approximately two hours to discuss one item of property acquisition. Dr. Davidson participated in the session via telephone.

At 10:25 p.m., the Executive Session was concluded and the meeting was adjourned.

Myrna L. Basich
City Clerk

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