Item No. 3(e)
June 25, 2012

CITY COUNCIL STUDY SESSION ITEM

SUBJECT:
East Link: City Council Recommended Cost Savings Meaures.

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POLICY ISSUES:
The City and Sound Transit entered into a Memorandum of Understanding (MOU) in November 2011 that describes Bellevue's contributions to a downtown tunnel. The cost savings concepts presented for Council action tonight were previously discussed with Council on March 21, April 23, May 29, and June 4 and presented to the community at open houses on April 26 and June 5. On June 11 the Council heard and discussed the recommendations of the Collaborative Design Process (CDP) Steering Committee and Leadership Group. On June 18 the Council discussed the Cost Savings Work Plan and proposed transmittal to the Sound Transit Board. Council is now being asked to endorse cost savings measures meriting further analysis to the Sound Transit Board in advance of the Board's anticipated June 28 direction on which measures to advance for additional engineering and environmental review. Measures that are further developed and analyzed will be revisited by the Council and Sound Transit Board of Directors in late 2012 and/or 2013 to determine whether they ultimately become components of the project to be built.

DIRECTION NEEDED FROM COUNCIL:
_X_ Action
___ Discussion
___ Information

Staff is seeking Council direction to transmit the Cost Savings Work Plan (Attachment A) to the Sound Transit Board of Directors prior to their June 28 meeting. Attachment B is a proposed cover letter from Mayor Lee to the Sound Transit Board, and Attachment C is a proposed Implementation Principles document to include with the transmittal.

BACKGROUND/ANALYSIS:
The City and Sound Transit have been working together since early February to identify and evaluate potential cost savings measures that hold promise to reduce the overall cost of the East Link light rail project within Bellevue. This effort is consistent with the MOU, the subsequent

CDP, and Council's direction. The evaluation of potential cost savings measures progressed with better information about the options, with refined cost estimates, and information about potential environmental consequences. Project cost reductions within the Bellevue portion of East Link may translate to a reduction of the City's $60M contingent contribution. It is in the mutual interests of Bellevue and Sound Transit to identify more than $60M in savings in order to offset upward pressure on costs (e.g. inflation, design modifications) prior to establishing the new project baseline cost at completion of 60% design.

Council has discussed the cost savings concepts at previous meetings. On June 18 the Council discussed the Cost Savings Work Plan in detail, including a change to the text of that document proposed by Councilmember Chelminiak. That change is shown in strikedraft in Attachment A. Due to the lateness of the hour and the need to discuss the form and content of any companion transmittal to the Sound Transit Board, Council postponed action on the motion to approve the Work Plan. Tonight's discussion focuses on finalizing the content of the Work Plan and associated documents, and Council's final direction on what combination of materials to transmit to Sound Transit.

Next Steps

Following the City Council and Sound Transit Board of Directors endorsement of the work plan in June regarding which cost savings measures to pursue further, a value engineering process will begin in July. The value engineering process will include the entire alignment, with specific focus on more detailed design of the Council- and Sound Transit Board-endorsed cost-saving concepts and the balance of the project. The Design and Value Engineering Technical Working Group, which includes City and Sound Transit staff, will be involved in the value engineering process per the CDP.

Project work for the last half of this year will mark the beginning of the 60% design phase of the project, which includes further development of the preferred cost-saving measures, as well as the remainder of the entire East Link project. This next phase of review for the preferred cost-saving measures, including additional engineering design and impact and mitigation analysis consistent with requirements under NEPA and SEPA, will occur in the latter half of 2012 and into 2013.

Setting of the baseline cost estimate identified in the MOU is anticipated to occur early in 2014. The sequencing of construction (i.e. what facilities are constructed and when) will be determined as part of the 60% design work that is currently scheduled to be completed about the end of 2013. Passenger service is scheduled to begin in 2023.

Suggested Process for Tonight's Discussion:

Three documents are attached for Council consideration tonight:

- Attachment A, the proposed Cost Savings Work Plan, developed through the Collaborative Design Process with Sound Transit. This document is intended to direct the City and Sound Transit staff work in the coming months and includes broad direction to continue review of the identified cost savings options;
- Attachment B, a proposed cover letter from the Mayor to the Chair of the Sound Transit Board. This letter includes some of the background and other sections from the proposed transmittal memo that was included as Attachment C in the June 18 materials.
- Attachment C, a document entitled "Implementation Principles" that provides additional detail about Bellevue's particular concerns and interests as the Work Plan is implemented over the coming months. The content of this document was developed from that portion of the June 18 proposed transmittal memo entitled "Specific Comments and Concerns".

The content has been streamlined and edited for redundancy and clarity from the content that appeared in the June 18 materials.

Council may want the option of working through each of the three proposed documents to finalize language prior to taking a final action on which documents to approve for transmittal to Sound Transit. At the June 18 meeting, Council voted to postpone a motion made by Councilmember Stokes and seconded by Deputy Mayor Robertson to approve the Work Plan, with a change to certain text, as shown in strikedraft in Attachment A.

In order to allow the Council to discuss and finalize the text of each document prior to taking a final vote on which combination to approve and send to the Sound Transit Board, staff is recommending the following approach:

1) Finalize the text of the Cost Savings Work Plan (Attachment A). The motion to approve the Cost Savings Work Plan, as amended on the floor at the June 18 meeting and shown in Attachment A, is before Council for the vote. The Chair will call for any additional amendments to the Work Plan language before proceeding with the vote on the content of this document. The motion to approve the Work Program document, as amended, does not direct transmittal of the document to the Sound Transit Board.

> Move to finalize the text of the Cost Savings Work Plan, as amended by Council by vote on June 18, as shown in Attachment A [*possible insertion*: and as again amended tonight], without directing transmittal of the Work Plan to Sound Transit.

2) Finalize the text of the cover letter to the Sound Transit Board (Attachment B). Following any discussion, and introduction and disposition of any proposed amendments to that text, a motion to finalize the cover letter could be made as follows:

> Move to finalize the text of the cover letter to the Sound Transit Board as shown in Attachment B [*possible insertion:* and as previously amended tonight], without directing transmittal of the cover letter to Sound Transit.

3) Finalize the text of the Implementation Principles (Attachment C). Following any discussion, and introduction and disposition of any proposed amendments to that text, a motion to finalize the Implementation Principles could be made as follows:

> Move to finalize the text of the Implementation Principles as shown in Attachment C [*possible insertion*: and as previously amended tonight], without directing transmittal of the Principles to Sound Transit.

4) Take final action to endorse the Work Plan and approve a set of documents to transmit to Sound Transit. This final action could be pursued as a single, consolidated motion on a package of documents if there is general consensus on which of the documents to transmit. Alternatively, each document could be approved for transmittal to Sound Transit by separate motion, and only those that receive a majority vote would be transmitted. Options for proceeding with approval of these documents are detailed below.

OPTIONS:

1. Approve Cost Savings Work Plan, cover letter and Implementation Principles for transmittal to Sound Transit Board;

2. Approve Cost Savings Work Plan and some other combination of other documents for transmittal to Sound Transit Board;

3. Approve Cost Savings Work Plan only for transmittal to Sound Transit Board; or,

4. Decline to approve Cost Savings Work Plan and provide alternative direction to staff.

RECOMMENDATION:

Approve Cost Savings Work Plan, cover letter and Implementation Principles for transmittal to Sound Transit Board.

MOTION:

Move to approve Cost Savings Work Plan, cover letter and Implementation Principles for transmittal to Sound Transit Board.

ATTACHMENTS:

A. Cost Savings Work Plan
B. Proposed Cover Letter to Sound Transit Board
C. Implementation Principles

Attachment A

Sound Transit and City of Bellevue Cost Savings Work Plan

(DRAFT)

This joint work plan identifies Cost Savings ideas for further development. It is not a final decision, and in no way alters the East Link Project as approved by the Sound Transit Board and reflected in the Record of Decision issued by the Federal Transit Administration and the Federal Highway Administration, but rather is an indication that the ideas have sufficient merit to continue to invest resources to review. The next phase of review, including additional engineering design and impact and mitigation analysis consistent with requirements under NEPA and SEPA, will occur in the latter half of 2012 and into 2013.

A final decision to incorporate any one or more of these Cost Savings Ideas into East Link would not occur until this additional review is complete; and only after the Sound Transit Board and the City Council determine, in light of the cost savings available and the impacts on the Project and surrounding neighborhoods (including ridership, system impacts, noise, traffic and visual impacts) that these Cost Savings Ideas are consistent with the shared Project goals.

Winters House

Advance for further development options that replace the retained cut by the Winters House with an at-grade light rail alignment.

Design options: ~~If the City Council in July 2012 decides to include a Bellevue Way HOV lane in the City's Transportation Facilities Plan environmental review and continues to make progress towards implementation, then s~~Study shifting Bellevue Way west with the cost of the project addressed as set forth in Section 7.2 of the MOU (Idea 1a). ~~If~~ If the City Council in July 2012 decides to include a Bellevue Way HOV lane in the City's Transportation Facilities Plan environmental review such study should include options for coordinating construction of the projects for maximum efficiencies and benefits. If Idea 1a after further review is not feasible~~If not~~, then study relocating the Winters House. (Idea 1b)

Other design considerations:

- Noise and visual mitigation for increased length of above grade guideway
- Reduce the added length of elevated guideway
- Optimize the access location for the blueberry farm and Winter's House
- If alternative 1a advances, it should include an HOV lane

Advantages to this approach:

- Lower cost and risk
- Better LRT profile for operations
- Potentially overall reduction in cost and construction impacts for the City and Sound Transit if Bellevue Way HOV lane and LRT construction properly sequenced

112th

Advance for further development an at-grade alignment the length of 112th with a crossing from the east to the west-side at SE 15th below a new road overpass (Idea 2b). No further development of the MOU option of an elevated fly-over at SE 15th and to the extent possible the retained cut at SE 4th.

Design options: Continue to study location for optimal access to the Surrey Downs neighborhood including options from 112th which do not require a gated crossing with bells.

Other Design considerations:

- Work with the community on a package of changes in park use, neighborhood traffic control, other measures to mitigate change in access
- Reduce the height of the reconstructed 112th Ave SE over light rail by depressing light rail tracks to the extent prudent given soil conditions
- Use landscaping to screen the road overpass and LRT
- Noise mitigation for at-grade LRT
- Evaluate pedestrian access to the E. Main Station from the neighborhood and kiss-and-ride access from 112th

Advantages to this approach:

- Responds to Leadership Group criteria for 112th with respect to cost, visual, noise, and avoidance of retained cut
- Lower cost and risk
- Provides grade separated LRT operations

Downtown Station

Advance for further development both a Tunnel Station and the NE 6th Station to refine and better distinguish the difference in potential cost savings.

Design issues to examine with Tunnel Station:

- Optimize configuration to minimize impacts to surface traffic while retaining entrances north and south of NE 4th
- May involve stacked tunnel with one entrance setback from street and mitigation for loss of turn pocket south of NE 4th or further optimization of PE design with mezzanine

Design issues to examine with NE 6th Station:

- Reach agreement on impacts to City Hall and damages payment prior to further design
- Determine acceptability of design deviation (curve at 110th/NE 6th)

Advantages to this approach:

- Allows limited additional time to vet actual cost differences. Relocating the Station to NE 6th should only be advanced further if it has substantially more savings as it has operational and ridership impacts.

Attachment B

CITY OF BELLEVUE

P.O. Box 90012 • Bellevue, WA • 98009-9012

June 25, 2012

The Honorable Pat McCarthy
Chair, Sound Transit Board of Directors
Union Station
401 S. Jackson Street
Seattle, Washington

Re: East Link Project Cost Savings Work Plan

Dear Chair McCarthy:

On behalf of the Bellevue City Council, I am pleased to transmit the Cost Savings Work Plan to the Sound Transit Board. The Work Plan reflects those cost savings ideas that merit further refinement and review to determine whether they offer cost savings for the project while still furthering the City's and Sound Transit's principles for the East Link project. In addition, the Council has developed a set of Implementation Principles that will guide us as we move forward with this process, which are also attached for your information.

We understand that the Sound Transit Board is considering the Work Plan at your meeting on June 28. The Work Plan reflects the hard work of our two agencies, following the principles of the Collaborative Design Process that we outlined in the Memorandum of Understanding (MOU). We look forward to that continued collaboration as we implement the Cost Savings Work Plan in the coming months.

Background

Since the beginning of this year, the City and Sound Transit have been working through the Collaborative Design Process to identify potential project cost savings within Bellevue, culminating in the *Draft Cost Savings Report* published earlier this month. The need to identify substantial cost savings for the project is driven by multiple factors, including the mutual recognition of the benefits of a tunnel through downtown Bellevue and the recognition that cost savings and refinements are necessary to make the project financially feasible given available resources.

The *Draft Cost Savings Report* identified and described a number of cost savings. Some of those ideas were refinements of the adopted Project alignment and have already been forwarded for further engineering review. A number of those cost savings ideas, however, would require modifications to the adopted MOU Project before they could be incorporated into East Link. Through the Collaborative Design Process, the City and Sound Transit developed the Cost Savings Work Plan from this set of ideas. Because these concepts would modify the MOU Project description, additional review of impacts and identification of mitigation is required before any final decision to incorporate any one of them into the Project. While we are narrowing the options from the cost savings effort in the attached Work Plan, we understand that the design process presents continuing opportunities for modifications, which may include value engineering and other means to save costs.

Evaluating Cost Savings Alternatives:
Design and delivery of the East Link Project involves balancing a number of potentially competing interests. The cost savings effort that led to the attached Work Plan is no different. In broad terms, the City and Sound Transit share the desire to reduce costs, maintain or improve system performance, and avoid or mitigate project impacts. It is difficult to find a single cost-saving concept that maximizes all three of these goals. In most cases, there is not sufficient information to make a final determination about how the concepts in the Work Plan perform with respect to these three goals and how to appropriately balance these, at times competing, interests. Implementation of the Cost Savings Work Plan will focus on developing that information.

Endorsing the concepts in the Work Plan is recognition by the City that ideas appear feasible and have the potential, based on information available so far, to out-perform the adopted alignment in one or more of the above three areas. Endorsing these concepts for further review is by no means a final decision or even a preliminary decision to incorporate the changes into the Project. Because no final decisions are being made, it is our understanding that work on the ideas in the Cost Savings Work Plan will not prevent whatever continued work on the adopted Project as is necessary to maintain the overall schedule. The one exception to this approach is the design of the light rail crossing on 112th, in approximately the location of SE 15th. We understand that Sound Transit will cease any further design work on the light rail flyover in this location, in favor of the concept included in the Cost Savings Work Plan.

We also reiterate our desire to build community acceptance for the East Link project. We know that the Sound Transit Board, like the City Council, understands the need to try to resolve open issues quickly, and for that reason, the Council was committed to narrowing the options moving forward in the Work Plan. There remain a number of unresolved issues for neighborhoods most impacted by the concepts included in the Work Plan, and we ask for Sound Transit to join us in our commitment to those communities to continue pushing forward the work that is necessary to get answers to their difficult questions.

Additional Considerations for Cost Savings Concepts:
The Cost Savings Work Plan includes some direction to staff for design refinements for implementation in the next phase of design and review ("Design options" and "Other Design considerations"). This broad direction appears sufficient to ensure that staff works creatively to find design solutions that are sensitive to the surrounding areas and to the concerns that the Council and Board have articulated to date. In addition to the guidance contained in the Work Plan, the City Council has developed a set of Implementation Principles that will guide the City's work in the coming months.

The Cost Savings Work Plan also includes a summary of the perceived advantages of each of the concepts being endorsed for further consideration ("Advantages to this approach"). It is important to include this information in the Work Plan to provide the summary of the key reasons that these concepts are being carried forward to the next phase while the other concepts included in the *Draft Cost Savings Report* are not. However, it is also important to make clear to the community that this summary of advantages is preliminary only. The information that will be generated through implementation of the Work Plan in the coming months will ultimately show whether these preliminary beliefs bear out. The technical work outlined in the Work Plan, the Implementation Principles, engineering and environmental review

processes, and community outreach will provide the information that the City Council and Sound Transit Board will need to assess these cost savings concepts against the current Project description and to make final conclusions about advantages and disadvantages.

Suggested Next Steps:
We understand that an implementation schedule for the Cost Savings Work Plan will be developed and the Council and Board will be updated about that schedule in the near term. Critical issues that may prove a concept to be infeasible should be resolved in the near term, and priority should be placed on resolving other crux issues identified in the Work Plan, for example, the work to optimize access issues for Mercer Slough Park and the Surrey Downs neighborhood from 112th.

The Collaborative Design Process represents a new and unprecedented level of coordination between Sound Transit and a local host jurisdiction, and we believe this collaborative model has allowed for creative solutions to the difficult job of balancing system needs with neighborhood impacts. We are hopeful that the continued review outlined in the Work Plan and Implementation Principles will lead to similar successes, resulting in not only a more cost-effective system, but one that combines operational efficiency with community support and a neighborhood-sensitive design.

Sincerely,

CITY OF BELLEVUE

The Honorable Conrad Lee
Mayor

Encl.

Cc: Steve Sarkozy, City Manager
Brad Miyake, Deputy City Manager
Myrna Basich, City Clerk
Joni Earl, Sound Transit CEO

Attachment C

East Link Cost Savings Work Plan

City of Bellevue Implementation Principles

These Implementation Principles are intended to guide the next phase of work associated with the Cost Savings Work Plan. The below principles are organized by segments of the alignment.

Bellevue Way Alignment at Winters House

The Council endorses continued review of idea 1a (shift Bellevue Way west) as described in the Joint Work Program because of the potential for cost savings, the potential for operational improvements, the potential to avoid or minimize construction impacts on portions of Mercer Slough and the Winters House, and the potential to minimize risk associated with trench construction. Consistent with the above principles, a number of impacts will need to be further identified and design options explored to minimize or mitigate those impacts:

- Reduce the elevated portion of guideway north of the South Bellevue Park and Ride to a distance similar to the MOU project description
- Develop creative solutions to access to Mercer Slough Park
- Mitigate visual impacts of segment for neighborhood west of Bellevue Way to similar level provided by trench
- Mitigate noise impacts through variety of techniques, including review of potential for decreasing noise through measures that eliminate or contain noise at the source, such as depressing tracks below grade
- If Bellevue decides to implement the Bellevue Way HOV lane through a separate capital project review process that is already underway, include consideration of ways to phase construction of the two projects to maximize benefits and minimize costs of both projects.

If idea 1a is determined to be infeasible, explore idea 1b (Move Winters House). Additional work with third parties, including federal and state agencies, is needed to determine the feasibility of idea 1b.

112th Ave SE Alignment:

The Council endorses continued review of the concept for crossing 112th Avenue SE at approximately SE 15th Street with the train at or slightly below grade, with 112th Avenue SE reconstructed to cross over the tracks. This concept appears to provide for some decrease in visual impacts while still allowing for grade separation of vehicular and light rail traffic at the crossing. Along the west side of 112th Avenue SE, the Council endorses further review of raising the elevation of the trenched segment. Elevating the alignment out of the trench would save costs, reduce risks, and could improve system performance. We have concerns about how this change in elevation along 112th Avenue SE affects noise, visual and traffic impacts. The following comments and concerns should be addressed in the next phase of review:

- Maintain one location for neighborhood access from 112th unless an appropriate alternative exists when considering travel time and cut-through traffic
- Continue commitment to no gates/bells along 112th
- Mitigate visual impacts of segment for neighborhood west of 112th to a similar level provided by trench
- Mitigate noise impacts through variety of techniques, including review of potential for decreasing noise from train wheels through measures that eliminate or contain noise at the source, such as depressing tracks below grade
- Prepare alternatives for consideration of early property acquisition in this area as part of design process
- Consider options for developing and providing noise and visual mitigation early in the construction phase
- City staff is directed to examine future Surrey Downs park functions.

Downtown Station Design:
This station, whether an underground or above ground station, should be considered the centerpiece of the East Link system. Wherever this station is ultimately located, access should remain convenient and available to riders, as this station serves the major employment center in the city as well as our fastest growing neighborhood. The next phase of review for any downtown station alternative should include a detailed look at the construction-period traffic impacts and mitigation and a review for consistency with the City's long-term initiatives for Downtown growth and development.

The effect of the Cost Savings Work Plan is to advance three alternatives for this centerpiece station. We are committed to continuing to identify cost savings on the current station design and location. In addition we are moving forward 3b (stacked tunnel configuration) and 3c (downtown station in parallel aerial alignment on NE 6th). All three station designs should:

- Ensure that station design is of the quality consistent with its status as the centerpiece of the Downtown transit network
- Ensure that the rider experience is one that includes safe and comfortable facilities
- Ensure that the station is consistent with City's land use and mobility plans
- Include further refinement of walkshed and ridership analysis to allow for full consideration of the level of service each station provides for the downtown transit system.

We endorse continued review of 3b based on potential cost savings and minimal operational impacts. As this concept is carried forward, we understand that it may impact the feasibility and/or magnitude of savings available with some of the tunnel optimization concepts that are already being reviewed through the engineering process. Prior to any final decision on a downtown tunnel station configuration, we would need to see the package of ideas for an underground downtown tunnel station that provides the greatest savings consistent with our other principles. Refinements to 3b should also include modifications to avoid or mitigate any

loss of lane capacity on 110th Avenue NE to ensure that the overall road grid capacity is maintained.

The Council also endorses further review of 3c, moving the downtown station parallel to NE 6th Street and in alignment with the Downtown pedestrian corridor and transit center. We understand that 3b and 3c are mutually exclusive alternatives, but believe that further exploration in the short term of whether a station in this location presents urban design and cost savings opportunities is warranted. The next phase of review on this alternative should:

- Focus in the short term on the significant unanswered questions about the magnitude of the impact of this design on the City Hall public safety garage and functions and explore mitigation alternatives for that impact
- Consider design features for the outdoor station to improve rider comfort, including weather protection and connections to the transit center.