

CITY OF BELLEVUE
BELLEVUE TRANSPORTATION COMMISSION
MINUTES

October 12, 2006
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Young, Commissioners Bell, Northey, Wendle

COMMISSIONERS ABSENT: Commissioners Glass, Holler, Yuen

STAFF PRESENT: Franz Loewenherz, Chris Dreaney, Eric Miller, Kristi Oosterveen, Kris Liljeblad, Jen Benn, Department of Transportation

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:35 p.m. by Chair Young who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioners Glass, Holler, and Yuen, all of whom were excused.

3. STAFF REPORTS – None

4. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None

5. REPORTS FROM COMMISSIONERS – None

6. PETITIONS AND COMMUNICATIONS

Ms. Margo Knight, address not given, said she is a Bellevue business owner. She urged the Commission to recommend funding the project for creating bike lanes from Factoria through Eastgate. She said she is a regular bicycle commuter between Seattle and Bellevue. The jurisdictions of Seattle and Mercer Island have created excellent bike facilities, but getting through Factoria and Eastgate is very difficult and dangerous. She said she was hit by a car in August and was injured.

7. STUDY SESSION

A. Capital Investment Program (CIP) Update

Kristi Oosterveen, CIP Coordinator, reminded the Commissioners that the revenue forecast, supplied by the budget office for the entire city, was \$65 million for the 2007-2013 CIP. The

transportation portion of the total was \$36.3 million, or 55.8 percent. Since May, staff has worked to recost all of the current CIP projects by utilizing inflation factors and updated cost estimates continuing all ongoing programs for the next two years of the plan, including all Council actions taken through August 2006. The recosting included the changes to the overlay program allotment previously discussed with the Commission as needed to cover the increased costs of the program.

Continuing, Ms. Oosterveen said the Commission discussed in June new investment recommendations. The resulting list included 15 new investments, which were presented to the City Council on July 17 by Chair Young. The projects on the list submitted to the Council totaled \$36.7 million in 2006 dollars.

The Commission-approved list of investments was reviewed by staff to determine how it could be programmed into the 2007-2013 plan, adjusted for inflation and meshed to staffing resources. The inflation factor added \$6.3 million, bringing the total to approximately \$43 million. This \$6.3 million deficit was determined to be entirely a Transportation Department responsibility.

Each city department worked through recosting process of the existing CIP, the result of which was a shortfall of \$11.1 million citywide; the transportation portion of that total was 55 percent or \$6.1 million. Altogether, the Transportation Department's share of the overall deficit was \$12.4 million.

Commissioner Bell commented that the basis of the overlay program has always been to maintain the status of the street system at a certain level. He noted that at one point the city was losing ground, so more money was put into the program. He asked if the current funding level for the program is adequate to maintain pavement ratings and suggested the Commission should be given an update on the program. It was agreed the information could be supplied to the Commission in written form.

Ms. Oosterveen explained the process for reducing the transportation CIP by the necessary \$11.3 million. She said un-inflating previously inflated placeholder amounts freed \$2.4 million. Reducing the placeholder amount for the NE 2nd Street project from \$3 million to \$2 million freed \$1 million. Ramping up the new maintenance program gradually over three years, starting at \$50,000 in 2007, then going to \$200,000 in 2008 before getting to the full \$400,000 in 2009 (annual inflation bumps will be applied beginning in 2010). This resulted in a savings of \$750,000. Decreasing the new funding proposed for a wheelchair ramp program yielded \$1.75 million. Removing the lowest priority fully funded project from the list – NE 40th Street between 140th Avenue NE and east of the 14500 block – freed \$2.9 million, and reducing the Phase 2 Forest Drive project as approved by the Commission in June freed \$2.5 million.

With regard to the wheelchair ramps program, Ms. Oosterveen explained that staff had proposed increasing the program budget by \$300,000 per year for ADA compliance-related purposes. Mr. Miller said the addition was made without direction from Council; it was considered just a part of doing business. Backing off from that assumption will free the funds.

Answering a question asked by Chair Young, Mr. Loewenherz said in the coming weeks the Council will be briefed on citywide ADA compliance efforts. It is possible the Council will elect to add the funds back into the budget. Kris Liljeblad, Assistant Director, Transportation

Planning added that part of the cost of doing business will include addressing curb ramps as part of the overlay program, which will mean the program will purchase fewer lane miles. Currently, the CIP project description for the overlay program does not address investments in curb ramps, so that will need to be changed ultimately to make sure the costs are reflected in the program, and that may occur before the end of the year.

Mr. Miller allowed that the recommendation to reduce the Phase II scope of the Forest Drive project has not been approved by the Council. The Commission concluded that the scope reduction is merited, but if the Council chooses to fund it, another \$2.5 million will need to be found from other projects, unless other revenues are identified.

Ms. Oosterveen said the preliminary transportation CIP for 2007-2013 has a total of 54 projects, 15 of which are new investments. Of the new investments, one was recommended for inclusion by staff and involves right-of-way preservation for a new east/west road between 116th Avenue NE and 120th Avenue NE at a placeholder cost of \$100,000. The transportation CIP totals \$137.6 million.

The Commissioners were informed that the preliminary budget will be presented to the City Council on October 23. The Council's final public hearing is slated for November 13, and final budget adoption is scheduled for December 4.

Commissioner Northey asked if the Commission will have an opportunity to put into the record any priorities different from what the staff has chosen to do. Mr. Miller said that would be up to the Commission, noting that testimony can be provided formally at any Council meeting during reports from boards and commissions or through communication to the Council at the budget public hearing. Commissioner Northey pointed out that taking that approach would not affect the document to be presented to the Council on October 23.

Ms. Oosterveen said the need to reduce the transportation CIP was brought to the attention of staff during August when the Commission was on its summer break. A short turnaround time was allowed for balancing the deficit.

Chair Young asked if the Commission will be having additional review prior to the final Council public hearing on November 13. Mr. Miller said that could be scheduled. Ms. Oosterveen added that all of the proposed changes have been outlined; the only additional changes would be tied to action by the Council.

Commissioner Bell suggested the action of staff to revise the list as proposed takes the Commission out of the loop. He said the Commission should either approve the proposal of staff or make recommendations for changes before it is forwarded to the Council. He allowed that while the changes appear to be reasonable, there should be some justification shown for each.

Commissioner Northey stressed the need to continue to fund pedestrian improvements in the city. The city has put an enormous amount of money into downtown improvements over the last five years; during that time less has been put into the pedestrian system. The traffic computer system upgrade would be a nice thing to have, but some of the funding could possibly be redirected; the same is true of the ITS master plan implementation program. It is the job of the Commission to do some of that wrestling. The Commission did meet twice in September and it would have been appropriate to have spent some during those meetings

focused on the CIP.

Commissioner Bell agreed and stated that while staff was working on the issue the Commission should have been informed.

Mr. Miller pointed out that there are five new fully funded stand-alone walkway/bikeway projects on the updated list representing more than \$14.5 million in new investments. To that could be added the West Lake Sammamish Parkway and Northup Way corridor improvement placeholders. Commissioner Northey said her frustration is aimed primarily at whether or not the role of the Commission is to provide policy direction.

Mr. Miller commented that the Commission forwarded its recommendation to the Council in July, and said there is no reason that recommendation must be changed. Any Commission proposed revisions could be brought to the Council by staff, and it would then be up to the Council to determine which projects should fall off the recommended list in order to bring the totals in line with the budget office numbers.

Commissioner Wendle suggested the approach taken by staff is reasonable and respects the priorities established by the Commission. He stressed, however, that the Council should understand that leaving the funding levels for transportation projects constant will not work as costs are increasing and the backlog of transportation project needs is growing as the community grows. He suggested the Commission should go before the Council to say it was difficult to trim the list to get to the original recommendation and that no further cuts should be made.

Commissioner Bell proposed making the argument outlined by Commissioner Wendle both by memo and in person before the Council.

Commissioner Bell added that the city does a very good job of establishing how much to spend on the ongoing programs. However, because the city is facing a substantial budget crunch, the funding levels for those programs should be reviewed to make sure the right amounts are being spent in proportion to new projects.

Chair Young proposed putting that on the schedule for a future meeting.

B. Transportation Impact Fee Program Update

Mr. Miller said the transportation impact fee program began in 1990 with the adoption of the first Transportation Facilities Plan. Since then, the fees have been updated four times. The impact fee program replaced the prorata share calculation method that was implemented through SEPA and which required calculating the trips for every single proposed development and the intersections they impacted. Because the calculations were time consuming, projects were often a long way through the development review process before the city could inform a developer what the impact fee would be. The impact fee program does the modeling only once for the projected growth in the TFP plan period, then each development that comes along can fit within it. The cost of development review is thus reduced to both the city and the developer.

The Commission is charged with presenting to the Council an updated TFP every two years. Within six months of that submission, the Commission must also present an updated impact fee

project list, and within another six months must develop and present to the Council a new impact fee schedule.

Development Review Manager Chris Dreaney explained the steps involved in developing the impact fee costs. She said the costs are calculated by Mobility Management Area (MMA), and the model uses the project improvement list, which contains the capacity projects from the TFP; the land use forecasts for the TFP years; and the roadway network. The first step is to define the facility groups within the MMAs, and the second step is to run select links for the timeline land use.

Kris Liljeblad, Assistant Director, Transportation Planning, explained that the principle of the select link analysis is to use the model to identify the trip ends for the trips that would use each of the TFP projects on the impact fee project list. The purpose is to identify which trips are benefited by each of the specific improvements.

Ms. Dreaney said the third step is to identify the Bellevue growth percentage of the overall traffic growth, which is what determines the share development must pay. Step four is the allocation of trips among the impact fee areas. Steps 5, 6 and 7 comprise the cost allocation analysis. In the fifth step, the facility group costs are multiplied by the Bellevue growth percentage, yielding the facility growth cost. Sixth, the impact fee cost is multiplied by the area trip percentage, yielding the area growth cost. Finally, the area growth cost is divided by the PM peak hour trip generation, which yields the average cost per trip.

When the impact fee program first began, the fees and per trip costs were calculated for each individual impact fee area. The result was huge swings in the fees for any particular type of use from one area to another; an impact fee for a single family home in one area could vary by as much as a thousand dollars from the impact fee for a single family home in another area. At some point, a policy decision was made to base the fees on four areas of the city; that approach was subsequently changed again to yield a dollar per trip average for the entire city.

The impact fees for each area are not the same, however, because the average trip length for each area varies by area.

Ms. Dreaney said a spreadsheet is created using the dollar per trip number for each impact fee area. The rate schedule is then produced by multiplying the dollar per trip by the characteristic trip rate per square foot for each type of development use and then by the percentage of new trips and the trip length.

Commissioner Wendle asked if the impact fees make it more expensive to develop in areas where the city would prefer to see development occur. Mr. Liljeblad said effort is put into being supportive of economic development; accordingly, there has always been a cautious approach taken in setting the fees to make sure development is not penalized for occurring in Bellevue. Bellevue compares very favorably with other jurisdictions. There is the added advantage that the process reduces costs for developers in that they do not have to conduct an cumulative environmental analysis for each individual project. The amount of revenue generated is not as high as it could be.

Mr. Miller said the current impact fee structure was adopted in November 2004 and has as the citywide average \$1.14 per square foot and \$469.00 per PM peak trip. The current rate is by far the lowest it has been since the program began. Between 1996 and 2005, the target

calculated developer share of the total project cost has averaged 16 percent; the actual amount collected has averaged only eight percent, however.

In determining impact fee project costs, the practice has been to only include local revenues, not all revenue sources such as grant revenues. The City Attorney, however, has concluded that the project cost can include all revenue sources. Additionally, in some cases the project costs have included only placeholder amounts in the financially constrained TFP rather than the full project cost; the City Attorney has interpreted that the full project cost can be included given that it is the intent of the city to implement the full project.

Mr. Miller said the City Attorney was also asked for an interpretation regarding which projects can be included on the impact fee project list. Historically, only those projects in the current TFP have been included. The code, however, is clear that projects that have been completed can be left on the impact fee project list so long as they are continuing to provide benefit to the developers being charged an impact fee.

Commissioner Bell allowed that while there is some question as to how long completed projects should be left on the list, they should be included in fairness to all developers. Mr. Miller said the length of time projects remain on the list could be arbitrary, such as two years, two TFP updates, or based on whether the projects are on a principal arterial or minor arterial. Another approach would be to leave projects on the list for 12 years, matching the TFP time span. No one approach will be without an argument.

Mr. Miller provided the Commissioners with three scenarios: 1) the current practice of including only TFP project costs and local revenues; 2) the current approach plus non-local revenues and the full project costs; and 3) those items plus completed projects. He pointed out that under the three scenarios, the developer cost percentage does not change much, though the fees collected do change as the total impact fee project cost increases.

Ms. Dreaney shared with the Commissioners information about how often neighboring jurisdictions update their impact fees and when their last updates occurred. She also noted that about half of the jurisdictions include non-local revenue sources, and all but Bellevue include the full project costs. The bag is mixed with regard to retaining completed projects on the list. Auburn, King County and Sammamish keep the projects on the list until the capacity is used up; Kirkland, Issaquah, Redmond and Bellevue remove the projects at their next update if the project has been completed.

Ms. Dreaney proposed that the practice used by some to keep projects on the list until the capacity is used up is an approach Bellevue could adopt.

Commissioner Northey noted that the range of fees imposed by Redmond and Issaquah are very large and asked what distinguished between the low and high ends of the scale. Mr. Liljeblad pointed out that Redmond has seven impact fee areas and Issaquah has 100. He added that they may not use the same averaging methodology used by Bellevue.

Commissioner Wendle observed that the current impact fee rate is low because the city's spending on transportation projects was reduced. He suggested that number should be shown in 2006 dollars to give it some realism. The numbers from the start of the program should be averaged and adjusted to include inflation to allow for some perspective. He also proposed revising Scenario 1 to include non-local revenue sources, making the steps between the three

scenarios more gradual.

Chair Young agreed that the gradation between the scenarios should be less pronounced.

Ms. Dreaney commented that the highest impact fees on the schedule are for the large office buildings in the downtown. The biggest impact as far as revenue generation is concerned will result from the larger developments in the downtown.

Mr. Miller said the Commission has in the past held a public hearing as the impact fee schedule was updated, though not every time. He said the Council will be given an overview on October 23 of where the process is to update the schedule. Hopefully a new schedule will be ready for adoption in December.

Answering a question asked by Commissioner Northey, Mr. Liljeblad said staff does not yet have any feedback from the City Manager or the City Council on the topic. There is certainly some recognition of the city's growing capital needs and the need to generate revenue.

Motion by Commissioner Northey, second by Commissioner Bell, to forward Scenario 3 to the Council as the recommendation of the Commission; the motion carried unanimously.

There was consensus that projects should be left on the list for one 12-year TFP cycle.

Commissioner Wendle suggested the Commission should offer to conduct a public hearing. Mr. Miller held that a presentation could also be given to the Chamber of Commerce and the Bellevue Downtown Association, highlighting the recommendation of the Commission.

C. Americans with Disabilities Act (ADA) Transition Plan

This item will be rescheduled to a later meeting.

8. OLD BUSINESS

With regard to the role the Commission should play relative to light rail serving the city, Commissioner Bell suggested the Commission should approach the Council asking to have a voice in the discussions. He suggested Chair Young should approach Mayor Degginger to discuss the matter.

Commissioner Bell asked what has happened to the recommendation of the Commission to reconfigure the ped/bike CAG. Mr. Loewenherz said his understanding is that the recommendation of the Commission never made it to the City Council. Mr. Loewenherz added that staff is in the process of scoping the process to update the ped/bike plan. The thinking is that there will need to be some advisory input in the planning effort; the CAG may provide that input, or it may come about through a series of planning charrettes.

There was agreement to put the matter on the agenda for an upcoming meeting for additional discussion.

9. NEW BUSINESS

Commissioner Wendle asked if there is a project planned to address the concerns raised during

petitions and communications. Mr. Liljeblad observed that there are currently striped bike lanes on both Eastgate Way and SE 36th Street all the way up to 150th Avenue NE. The Factoria Area Transportation Study includes a project to construct a trailhead Factoria Boulevard and SE 36th Street; that will give the I-90 trail more of a presence, making it more visible to motorists.

- 10. PETITIONS AND COMMUNICATIONS – None
- 11. APPROVAL OF MINUTES – None
- 12. REVIEW CALENDAR
 - A. Commission Calendar and Agenda

The Commission reviewed the items scheduled for discussion in upcoming meetings. It was agreed not to schedule a meeting on October 26.

- B. Public Involvement Calendar
- 13. ADJOURNMENT

Chair Young adjourned the meeting at 9:09 p.m.

Secretary to the Transportation Commission

Date

Chairperson of the Transportation Commission

Date