

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

March 15, 2010
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: Deputy Mayor Lee

1. Executive Session

Councilmember Degginger called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately 45 minutes to discuss one item of potential litigation and one item of labor negotiations.

The meeting resumed at 6:50 p.m., with Mayor Davidson presiding.

2. Study Session

- (a) East Link – Downtown Bellevue Light Rail Alignment Alternatives and City Council Preferences

City Manager Steve Sarkozy opened discussion regarding the Downtown light rail alignment alternatives. Staff will be requesting direction to prepare a letter to send to Sound Transit articulating the Council's preferred Downtown alternative. Staff's draft letter will be reviewed by the Council next week.

Councilmember Balducci noted that she will be absent next week due to a long-planned vacation. She requested that Council postpone its final approval of the letter until she returns.

Mr. Sarkozy said that perhaps a draft letter could be provided to Ms. Balducci by mid-week.

Councilmember Chelminiak suggested the option of Councilmember Balducci participating via telephone, although that it is not currently covered by the Council rules.

Responding to Mayor Davidson, City Clerk Myrna Basich said the Council may vote to suspend the rules to accommodate this situation. A super-majority vote of the Council is required to suspend the rules.

Councilmember Degginger recalled that the Council addressed a topic last week in order to accommodate Deputy Mayor Lee's absence this evening. He noted the longstanding practice of extending this courtesy to all Councilmembers when major actions are on the table.

Mayor Davidson suggested entertaining a motion during the Regular Session to suspend the rules for the March 22 meeting.

Transportation Director Goran Sparrman noted that tonight's discussion will focus on a comparison of at-grade and grade-separated options. He briefly reviewed the development of Downtown alignment alternatives. In February 2009, the Council communicated its preference for a grade-separated alternative to Sound Transit. Following value engineering and further analysis of Segment C, three new alternatives were identified and these have been presented to the Council. The C14E alternative was then added.

Mr. Sparrman reviewed the four options: 1) C9T involving a tunnel under 110th Avenue NE, 2) C9A, an at-grade configuration along 110th Avenue NE, 3) C11A, an at-grade option along 108th Avenue NE, and 4) C14E, an elevated option along 114th Avenue NE with a crossing of I-405 at NE 6th Street. He described how downtown growth is anticipated to occur. He reviewed the walk analysis comparing the four alternatives, which was previously presented to the Council.

Mr. Sparrman briefly reviewed additional comparison information related to ridership, travel times, and traffic operation impacts. He explained that traffic operations data has been updated since the last discussion of this information with the Council. The updated information indicates an even greater difference between traffic impacts for at-grade versus grade-separated options.

Responding to Councilmember Wallace, Mr. Sparrman said the analysis was refined but the underlying assumption giving priority to surface street traffic did not change.

Mr. Sparrman continued to review and compare the traffic operations data. The at-grade options reflect significant deterioration in traffic flow and intersection throughput, especially for the southeast quadrant of the Downtown. Mr. Sparrman reviewed and compared travel times associated with alignment alternatives. He reminded the Council that the data reflects the evening peak period in 2030.

Councilmember Balducci stated that it is important to acknowledge background traffic. With or without light rail, Bellevue will be seeing longer travel times on surface streets as development continues through 2030. However, light rail is one way to address this growth.

Mr. Sparrman summarized the implications of the Downtown traffic analysis for 2030. The traffic analysis shows that, based on assumptions in the model for land use growth and the

assumed transportation network, the Downtown will be very congested in 2030. It is clear that at-grade light rail alternatives will significantly increase traffic congestion, and will slow down the light rail's travel times as well. In addition, at-grade systems are more susceptible to service disruptions (e.g., due to traffic accidents) than grade-separated systems. Mr. Sparrman noted that Downtown Bellevue will continue to grow beyond 2030, and the light rail alignment must serve the region well beyond the next 20 years.

Mr. Sparrman summarized that the 110th Avenue NE tunnel (C9T) is most consistent with the Council's preferences that were identified in February 2009. The alternative serves the downtown core, eliminates street impacts, provides stations Downtown and in the hospital district, reflects high ridership, and creates minimal adverse environmental impacts. He noted that a funding shortfall of \$285 million exists for the C9T alternative.

Responding to Councilmember Chelminiak, Mr. Sparrman confirmed that 2,000 boardings in the C9T alternative that do not occur for the C14E option represent people who are traveling by some other mode.

Responding to Mayor Davidson, Mr. Sparrman confirmed that the model is forecasting the lower number of boardings for the C14E option due in part to the additional walking distance between the alignment and the Downtown core.

Councilmember Robertson asked whether staff has analyzed her previous question about the impact of adding a South Main station to the C14E alternative. Mr. Sparrman said staff has not added that to the model. However, staff looked at this question in terms of the closest analysis provided in the draft environmental impact statement (DEIS) as well as the geometry and feasibility of adding a station there. He noted that the elevation is fairly high and it would therefore be fairly difficult and expensive to construct a station at that location. The DEIS reflects relatively low ridership for stations in that vicinity, compared to other station locations and alternatives.

Councilmember Wallace recalled staff reporting in a previous presentation that forecasted downtown trips were 700,000 for a day and 100,000 for the evening peak period. He opined that this probably explains why 2,000 boardings does not make much of a ripple in the data.

Responding to Councilmember Degginger, Mr. Sparrman said a Main Street station along C14E would be elevated and would need to travel above Main Street, which arches over I-405. Such a station would be located at roughly the current Red Lion site.

Moving on, Mr. Sarkozy recalled that the funding gap for a downtown tunnel was estimated at \$500 million last year. Sound Transit conducted additional study, which identified new alternatives that reduced the funding gap to approximately \$285 million. Mr. Sarkozy said the City proposes closing the gap in part by collaborating with Sound Transit to reduce risks and construction costs, potentially committing in-kind resources (e.g., land), and collaborating on some of the scope of work elements including, potentially, the mutual purchase of properties.

Mr. Sarkozy said the City has engaged a CEO group to review the funding issues and advise the City on this matter. The City is working with Sound Transit staff to address the funding gap, and has hired a tunnel consultant to review Sound Transit's estimates.

The City is recommending a four-pronged approach: 1) Identify savings in the Bellevue sections of the overall East Link alignment, 2) Conduct value engineering for the tunnel design, 3) Find new funding from the federal government and other sources, and 4) Local contributions. Mr. Sarkozy said the City's position is that funding responsibility should be shared and allocated appropriately based on the benefits. New and existing local resources should be evaluated as well. All of these avenues should be pursued before considering the use of Bellevue's Capital Investment Program (CIP) resources.

Mr. Sarkozy reported that the CEO Advisory Committee concluded that the funding gap can be resolved using both Sound Transit and City tools. City tools include contributing the sales and B&O tax revenue that would be received by the City for the construction of the project, minimizing costs to the project associated with City-owned property, and streamlining permitting processes to reduce costs, time, and risk for Sound Transit. Sound Transit tools include value analysis of the C9T option, utilizing a corridor budget approach rather than budgeting by segment, seeking additional federal funding, extending the project timeframe, and using financial tools that were used on other projects (i.e., Seattle light rail). Mr. Sarkozy noted that the gap of \$285 million increases to \$325 million with the additional costs identified by Sound Transit in the connection between Segments C and D.

Mayor Davidson commented that Sound Transit is being very cooperative and the funding gap is being filled through a number of approaches.

Councilmember Degginger expressed appreciation for the work of the CEO group. He noted that a tunnel is still the preferred solution. It goes where people want to go, and is the best long-term solution from an aesthetic and functional standpoint. A tunnel offers the greatest benefit to regional operations as well. Mr. Degginger said it is important to consider this as a 50 to 100 year decision.

Responding to Mayor Davidson, Mr. Sarkozy said Sound Transit reviewed the option of utilizing NE 2nd Street instead of Main Street. This option was omitted by Sound Transit due to the high cost of property acquisition along that route. There were also some design issues related to the sharp curves coming off of 112th turning onto westbound NE 2nd Street, and then entering a tunnel portal in the vicinity of 111th. Mayor Davidson said he has wondered whether this could work if the light rail line was turning from 114th instead of 112th.

Councilmember Balducci recalled that the Council had a lengthy and good discussion approximately a year ago about the benefits of a tunnel and the challenges of building a system through downtown Bellevue. Much of the reasoning that applied then still applies now. She highlighted the benefits of a grade-separated system in terms of optimizing both transit and the road system. Ms. Balducci continues to support a grade-separated configuration. The proposed shorter tunnel is appealing because it avoids the big conflict at NE 8th Street in the Downtown,

and it appears to be feasible and do-able. Ms. Balducci thanked the CEO group for their work. She is pleased with the work that has been done on the alternatives and the funding strategies.

Councilmember Balducci opined that if the City can achieve Sound Transit's support for the C9T as the preliminary preferred alternative, it will be possible down the road to analyze additional cost-saving opportunities and value engineering components.

Councilmember Chelminiak stated that a tunnel makes good sense, as does requesting value engineering and the further analysis of options related to the tunnel portal location. He noted that the City has come a long way in closing the funding gap. He supports the C9T alternative. Mr. Chelminiak thanked Mayor Davidson and Councilmember Balducci as well as City and Sound Transit staff for their work to get to this point in the process.

Councilmember Robertson said she has long supported a tunnel through the Downtown, as did the Light Rail Best Practices Committee. She feels this will serve the region and Bellevue best, and avoid conflicts between train and vehicle traffic. She supports asking Sound Transit to look at the NE 2nd Street curve, which would avoid some of the problems on Main Street and make the tunnel shorter. In addition, the City could partner with Sound Transit to implement some of its own projects as part of a collaborative effort. Ms. Robertson expressed support for the C9T alternative.

Councilmember Wallace briefly reviewed the history of the process and the consideration of alternatives. He recalled that he led a group of citizens who developed the C14E, or vision line, alternative. This line provides good light rail service within Sound Transit's budget, and it mitigates impacts by keeping the trains off the roads and away from businesses and residences. Mr. Wallace said there is a huge traffic impact that cannot be mitigated by Sound Transit due to limited road capacity. Mr. Wallace said the vision line (C14E) provides an option that is affordable and does not impact roads.

Mr. Wallace said he can support the C9T alternative if costs can be reduced to a point at which Bellevue's tax revenue is not used to fund it. He believes that this can be achieved, based on a review of the cost information provided by Sound Transit. Mr. Wallace opined that Sound Transit's cost information is bloated, overloaded, and unrealistic, and that it contains so many contingencies that once the scope of work is narrowed, it is clear to him that there is enough money to do the C9T with the tunnel portal on the Red Lion site. He speculated that there might be enough money to build the C2T alternative, given the high levels of contingency reserves in the cost estimates.

Councilmember Wallace further stated that he will not support the C9T if the elevated portion will hang over the Surrey Downs neighborhood. He said it is feasible from an engineering standpoint to put the portal on the Red Lion site. He noted that Sound Transit estimates an additional \$35 million to do this. Mr. Wallace opined that Sound Transit over-estimates real estate costs and then added 40 percent, for a total estimate of \$201 million. Mr. Wallace estimates real estate costs to be below \$100 million. He said that Sound Transit's budget does not reflect any residual value for properties that are restored upon the completion of the light rail

tunnel, yet these properties will have value. Mr. Wallace said that placing an elevated line above the Red Lion site destroys the property value. There is no residual value because nothing can be built underneath an elevated rail line. If the tunnel portal is dropped below 112th, the property above can be developed for a station.

Councilmember Wallace explained that Sound Transit's contingencies for professional fees are calculated as a percentage of the base cost. Sound Transit's agency administration is six percent of the base construction costs, or \$23 million. Another \$28 million is included for right-of-way administration. Sound Transit's documents reflect a total of \$61 million for these two categories. However, Mr. Wallace said this is an error of \$10 million.

Mr. Wallace feels it is more than reasonable at this point to ask Sound Transit to put the tunnel portal on the Red Lion site, and to find a way to pay for it in order to protect the Surrey Downs neighborhood.

Mr. Wallace said he has taken a careful look at the NE 2nd Street tunnel and Sound Transit's calculation of costs. He is confident that there is a way to follow the path of the C8E along the freeway over Main Street, with a station at the Red Lion site, and turning up NE 2nd Street to a portal at 111th Avenue NE. This connects to a station at the same location as the C9T. This line is shorter than the C9T, has less tunnel, and does not hang over the Surrey Downs neighborhood. The real estate costs are a little higher, perhaps \$10 million more, but the cost of going from tunnel to elevated is so much different that it would be reducing tunnel construction costs by tens of millions of dollars.

Mr. Wallace suggested working with Sound Transit to fully vet these numbers. He feels that his suggested alignment costs less and can be done with Sound Transit's budget. He suggested that Sound Transit look at not putting the station under NE 4th Street, but rather tunneling under NE 4th Street and surfacing to a station where the C9A station is located. A tunnel station is approximately \$38 million less than an at-grade station, and this \$38 million becomes \$99 million in the Sound Transit budget due to the addition of significant contingencies.

Before giving up the City's tax revenue, Councilmember Wallace would like the City to hire a consultant to continue to work with and translate Sound Transit's information, work on win-win situations, and to collaborate with Sound Transit and WSDOT on partner projects, all toward the overall goal of finding a solution that stays off our roads, brings the station closer to the Transit Center, and does it all within Sound Transit's budget.

Mayor Davidson acknowledged the Council's unanimous support for alternative C9T, as well as suggestions regarding possible variations to this alternative. Mayor Davidson asked the City Manager to direct staff to draft a letter expressing the Council's preference, for ultimate submittal to Sound Transit.

Councilmember Degginger commented that as a general rule, he recommends not including any non-negotiable items in this type of letter. He asked Councilmember Balducci, as a Sound Transit Board Member, to offer any additional recommendations.

Councilmember Balducci reviewed her understanding of the relative roles and positions of the City Council and the Sound Transit Board. The Sound Transit Board is preparing to make a decision to potentially change its preliminary preferred alternative. The significance of this is that they will start spending engineering dollars on this alternative. The Sound Transit Board vote is scheduled for April 22, and Ms. Balducci does not sense any desire to move that date because it has been already been pushed back.

Councilmember Balducci suggested that the letter should be written to maximize the possibility that the preliminary preferred alternative will be the C9T alternative. If this happens, Sound Transit will start working on this alignment, and the City can then work on all of the issues and suggestions that are being raised. Ms. Balducci noted that the Council can then also negotiate with Sound Transit about funding responsibilities. She feels it is most important at this time to convey that the Council is strongly unified behind a Downtown tunnel and that there is no other alternative under consideration by the Council. Ms. Balducci recommended that the Council's letter indicate an interest in continuing to work with and to negotiate with Sound Transit.

At 8:02 p.m., Mayor Davidson declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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