

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

April 18, 2016
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak, and Councilmembers Lee, Robinson, Slatter, and Wallace

ABSENT: Councilmember Robertson

1. Executive Session

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

2. Study Session

(a) State Legislative Session Update – Representative Joan McBride (48th District)

Mayor Stokes welcomed Representative Joan McBride to provide an update on the state legislative session.

Representative McBride provided an update on proposed legislation regarding fire insurance premium distribution, which affects 44 cities in Washington including Bellevue, Kirkland and Redmond. She said the Governor vetoed that portion of the bill and Bellevue will not lose the estimated \$200,000.

Ms. McBride said she worked on a number of affordable housing bills, all of which failed. However, the proposed legislation raised awareness about the need to address affordable housing and local options for cities to encourage affordable housing. She said there will be a stakeholder meeting with cities, developers, realtors, affordable housing advocates, and the Sound Cities Association (SCA) to discuss forming a united Eastside voice.

Representative McBride said she sponsored a bill to provide relief to local agencies from harassing and overly broad public records requests. Her partner in this effort, Representative Terry Nealey from Eastern Washington, will hold a stakeholder meeting in Pasco. Ms. McBride will hold a meeting on the Eastside. Representative McBride said they want to be ready to go

into the next legislative session to achieve some level of relief for cities, counties, and local agencies related to public records requests, while respecting transparency in government and the public's right to access information.

Representative McBride said Bellevue received \$1.4 million in capital funding for its emergency homeless shelter for men. The City of Kirkland received \$350,000 to build a shelter facility for women and families. The City of Redmond did not request funding for its youth shelter.

With regard to the SR 520 regional trail grade separation, Ms. McBride said the 2016 Transportation Budget moves up the \$10.7 million previously secured to include early design money in this biennium and provides flexibility regarding future funding.

Representative McBride said the legislature worked hard to address tolling on I-405. Under the guidance of Representative Judy Clibborn, Chair of the House Transportation Committee, ten representatives signed a letter to the Washington State Transportation Commission requesting that they discontinue tolling during non-peak hours, weekends, and holidays. This change has been implemented. Additional issues include adjusting toll lane access points, addressing needed structural changes at SR 522 and SR 520, improving customer service and billing, and enhancing system monitoring and reporting. Ms. McBride said the toll revenue will provide financial resources to address those issues.

Ms. McBride said two bills she sponsored were passed by both the House and Senate and are awaiting the Governor's signature. HB 2971 provides flexibility for REET (Real Estate Excise Tax) funds. HB 2396 will allow school counselors and nurses to give consent for homeless students to access primary, non-emergency health care.

Representative McBride said she looks forward to serving the City of Bellevue and its citizens during the next legislative session.

Deputy Mayor Chelminiak thanked Ms. McBride for her role in securing funding for the shelters in Bellevue and Kirkland. Ms. McBride noted that the bill also provided \$5 million for sheltering across the state.

Councilmember Slatter thanked Representative McBride for prioritizing homelessness and affordable housing. Ms. Slatter observed that having sufficient time appears to be an issue in some of the legislative work. She questioned whether there was anything the City could do to support Ms. McBride in the timing of the issues.

Ms. McBride said she and other legislators will be working with stakeholders to discuss issues before the next session to formulate a better coordinated Eastside approach. She said there were a number of proposals addressing affordable housing, and even a highly supported bill did not pass.

Councilmember Wallace said that, in addition to the need for better access to the I-405 toll lanes, there is also a need for better egress from the lanes. On southbound I-405, vehicles leaving the

toll lanes and crossing lanes to exit to SR 520 for Seattle cause congestion in the general purpose lane. Mr. Wallace encouraged a focus to resolve the traffic flow at that location.

Councilmember Wallace expressed concern about the potential impacts of the McCleary decision and acknowledged that it will be a high priority during the next legislative session. Fish passage/culverts requirements and mental health legislation are likely to require funding as well. He questioned the potential need for increasing tax rates.

Representative McBride said the obligation related to the McCleary decision is estimated to be \$1 billion to \$4 billion. The bill passed this session is essentially a commitment to addressing financing during the next legislative session. Ms. McBride said there are exceptional schools on the Eastside, and the challenge will be to maintain high-quality programs if funding is reduced for Bellevue. She said legislators realize that money cannot be taken from school lunches or homelessness. She said there will be a need for more revenue.

In continued response to Mr. Wallace, Ms. McBride said the federal mandate to replace culverts on all Washington State Department of Transportation (WSDOT) roads is a significant challenge. She said the legislature made changes this year related to Western State Hospital, and a relatively large amount of money was set aside for mental health during the previous session. However, Ms. McBride acknowledged that this will be an ongoing challenge and priority.

Councilmember Lee thanked Representative McBride for the update and for her work, which benefits from her experience in local government. Mr. Lee said it is taking him longer to get to City Hall with the implementation of the I-405 toll lanes. He said affordable housing is an important issue for Bellevue and the solutions should be tailored for different communities. Councilmember Lee observed that investing in human infrastructure is critical. With regard to education, he said the challenge is to try to bring other schools up to Bellevue's standards.

Representative McBride said she would like to provide the Council with a copy of the Education Opportunity Gap Bill passed this year, which tries to address the disparities in education. She noted that one of her goals for affordable housing is public-private partnerships. Ms. McBride said the State needs to invest in economic development to generate opportunities for public benefit.

Mayor Stokes thanked Representative McBride for coming. He said he appreciated her understanding of local issues and her passion for affordable housing and homelessness. He said the Council is working to develop an Affordable Housing Strategic Action Plan this year. He commended her leadership with the City of Kirkland in that area. Mr. Stokes said it is important to continue to work to protect cities and counties from mandates regarding state-shared revenues.

(b) Update from Sound Transit Staff on the Draft Sound Transit Phase 3 (ST3) System Plan

City Manager Brad Miyake said Sound Transit is developing a Sound Transit Phase 3 (ST3) system plan and package to be placed on the November ballot. He recalled that the Council

discussed and provided feedback on the ST3 list of candidate projects in December and January. The ST3 Draft System Plan was released on March 24, and the public comment period ends on April 29. Mr. Miyake said no formal action is requested this evening.

Dave Berg, Transportation Director, said staff is working with the Council to draft and submit a comment letter regarding the ST3 System Plan by April 29. He recalled that Sound Transit provided a briefing to the Council on June 8, 2015 regarding the plan, and Eastside cities worked together to create a joint interest statement. On July 14, 2015, Bellevue submitted its ST3 Interest Statement, Bellevue comment letter, and the Joint East King Cities Interest Statement.

Ric Ilgenfritz, Sound Transit, said he and Councilmember Lee recently attended an event to accept awards from A Regional Coalition for Housing (ARCH) for the 130th Avenue affordable housing project identified in the Sound Transit-City of Bellevue East Link Memorandum of Understanding (MOU).

Mr. Ilgenfritz said the University Link light rail segment opened and is averaging 59,000 riders daily. He said Sound Transit will break ground on the East Link project on April 22.

Mr. Ilgenfritz described the ST2 map, which is the starting point for ST3 planning. The Northgate Link will open in 2021, followed a few years later by East Link, Lynnwood, and Kent-Des Moines. Mr. Ilgenfritz said Sound Transit has been developing the ST3 System Plan over the past few years. The Sound Transit Board has made a preliminary decision on the ST3 plan, which extends over 25 years. It will roughly double the size of the light rail system, continue investing in the Sounder commuter rail system, implement bus rapid transit (BRT), and maintain the commitment to Sound Transit Express bus service.

Mr. Ilgenfritz said light rail can carry up to 16,000 riders per hour and has the capacity to accommodate the projected growth for the region. He described the ST3 Draft Plan for the 112-mile regional system extending from Everett to Tacoma, east to Issaquah and Redmond, and west to Ballard and West Seattle. The system plan adds 35 new stations.

Mr. Ilgenfritz highlighted key elements of the plan including Sounder train south line improvements, bus transit on highway shoulders (I-5, I-405, SR 518, SR 167), access improvements to Link and Sounder stations, and BRT on I-405 and SR 522.

The ST3 Draft System Plan completes the East Link project to Downtown Redmond by 2028. Additional light rail projects extend to Kent-Des Moines, Federal Way, Tacoma, West Seattle, Lynnwood, Ballard, Everett, and Issaquah. Bus rapid transit in the I-405 corridor will operate with 10-minute headways during peak hours and 15-minute headways during non-peak periods. Mr. Ilgenfritz said Sound Transit is interested in using the Eastside Rail Corridor for transit (i.e., BRT and light rail) in the future. He said parking will be added at Renton and at Totem Lake in Kirkland. He noted future plans for transit lanes along SR 518 for buses between I-5 and Burien.

Mr. Ilgenfritz said the project proposed to serve Issaquah includes two added stations in Bellevue: Richards Road/Factoria and Eastgate/Bellevue College.

Mr. Ilgenfritz said Sound Transit will continue to operate express bus service along the I-90, SR 167 and SR 520 corridors as the ST3 investments are built. He said the I-405 and SR 522 BRT investments are early deliverables as well and will begin operations by 2024. The ST3 package includes studies of the north Lake Washington corridor, extension of light rail to White Center and Burien, commuter rail extension to Orting, and an extension to Everett Community College.

Mr. Ilgenfritz said funding sources for the ST3 plan include the sales tax, motor vehicle excise tax, property tax, and other revenue. The total estimated funding is \$50 billion. This reflects an additional \$200 per year in taxes per adult.

Mr. Ilgenfritz highlighted the list of upcoming public meetings in Seattle, Tacoma, Everett, West Seattle, and Federal Way. A meeting is scheduled at the Old Redmond School House on April 27. Adoption of the Final ST3 System Plan is scheduled for June in anticipation of a November ballot measure.

Councilmember Robinson questioned the tax impact for a family in Bellevue. Mr. Ilgenfritz said the rate is 25 cents per \$1,000 assessed valuation, which is approximately \$200 per adult or \$390 per household. Ms. Robinson said she would like to know the specific amount for Bellevue households.

Responding to Councilmember Robinson, Mr. Ilgenfritz said the light rail segment to Issaquah serves the employment density in the Factoria and Eastgate areas, including Bellevue College, and connects riders to the East Link system and to Seattle.

Ms. Robinson said she is surprised that the BRT service does not have more stops in Renton. Mr. Ilgenfritz said the system is designed to serve three cities on the south end of the lake (i.e., Renton, Tukwila, Burien). He said there is lower development density between Renton and South Bellevue.

Councilmember Wallace questioned Sound Transit's objectives for tonight's meeting. Mr. Ilgenfritz said the purpose of the agenda item is to share the Sound Transit Board's proposals and preliminary plans.

Mr. Wallace noted Sound Transit's estimate of an annual tax impact of \$200 per adult under the ST3 package. He said his calculations indicate a tax increase of approximately 250 percent. Mr. Wallace said he has not seen any analysis of the Sound Transit subarea equity outside of the Washington Policy Center.

Mr. Ilgenfritz said the Sound Transit Chief Financial Officer will review the draft financial plan with the Board beginning in May. He said the financial plan will be developed concurrent with the final ST3 plan. Sound Transit has concluded that the program is consistent with existing financial policies including debt coverage policies and subarea equity. As the Board finalizes project phasing, Sound Transit will be able to finalize the financial plan and report the full and

complete picture. He said this is consistent with how the agency built the plan to support the ST2 program.

Councilmember Wallace said subarea equity is an important priority for Bellevue and other cities. He observed that money raised in this area should be used for projects in this area. He said there is a BRT segment identified as East Subarea that goes from Tukwila to Burien, which is not part of the East Subarea.

Mr. Wallace said Sound Transit's information indicates that 80 percent of the \$50 billion cost is spent on capital projects. The East Subarea's proportion of the total is approximately 25 percent, and the North Subarea is 30 percent. Mr. Wallace observed that the North Subarea package should equal approximately \$12 billion and the East Subarea should receive \$10 billion in projects. He said it does not appear that the East Subarea will receive that level of investment. However, in Seattle, the light rail lines serving Ballard and West Seattle are \$10 billion.

Mr. Wallace said it is important to continue to focus on subarea equity. He does not understand why the East Subarea should agree to allowing its money to be spent in Seattle.

Mr. Wallace expressed support for BRT along I-405. He observed that there is an opportunity to collaborate with the Washington State Department of Transportation to use money approved by the state legislature in the last transportation package to make it a robust system serving the Eastside. He would like to see some discussion about how that could work on I-90 as well. He said Kirkland is not interested in extending light rail to Totem Lake. Mr. Wallace would be interested in considering BRT service between Bellevue and Issaquah instead of light rail. He expressed an interest in the cost of BRT and the timeline for implementation.

Mr. Wallace said there appears to be two options for light rail between Bellevue and Issaquah. One travels via SE 8th Street to the East Main Station, and the other follows the Eastside Rail Corridor to the Hospital/Wilburton Station. He expressed concern about the adverse impacts of the East Main Station route on the Surrey Downs neighborhood, which has already taken a number of light rail impacts.

Mr. Ilgenfritz said the ST3 draft plan includes the alignment to the East Main Station. The Board determined that it would be preferable to provide direct service to the Downtown instead of requiring a connection at the Wilburton Station to reach the Downtown. He said the two alternatives have similar costs.

Deputy Mayor Chelminiak said the route via the East Main Station would result in an elevated alignment, which is inconsistent with the decision for a road-over-rail configuration along 112th Avenue for the East Link alignment. He said the City designed the BelRed Corridor for light rail. The Wilburton Station is ideal for a multi-modal hub, and the City is beginning a major land use study of the Wilburton Subarea. He said the area will be significantly different in 2041 than how it looks today.

Mr. Chelminiak concurred with Councilmember Wallace that Wilburton would be the most appropriate route for light rail connecting to Issaquah. He suggested that, by 2041, it might make sense to have a light rail connection at Main Street on the east side of I-405 as well.

Deputy Mayor Chelminiak said the plan for I-405 BRT sounds more like regional express bus service than true rapid transit with in-line stops. Mr. Ilgenfritz said the 37-mile BRT corridor would operate in an exclusive right-of-way for 30 of the 37 miles.

Mayor Stokes reiterated that Bellevue and other cities along I-405 have advocated for true BRT service. He said it is important to work through the subarea equity issue as well.

Councilmember Lee said it is difficult to know which choices will be best for the future because things will change. He would like to see the flexibility to accommodate new technologies in the future.

Mr. Ilgenfritz observed that the East Link project is an example of where flexibility was exercised. Sound Transit is asking voters which corridors it would like light rail and transit to serve (e.g., Redmond, Issaquah, I-405). The current East Link project is very different than the project described in the original voter package because of the need to work with the City of Bellevue to ensure that the project complements its goals. Mr. Ilgenfritz said he believes there is flexibility in Sound Transit's ability to consider alternatives.

Councilmember Slatter said the original comment letter to Sound Transit referred to BRT in-line stops at Canyon Park and at 112th, and these are not included in the ST3 Draft System Plan.

Mr. Ilgenfritz observed that the Sound Transit Board was trying to listen to the cities as much as possible. He said the opportunity to connect Issaquah to the system was compelling to the Board as well. The City of Kirkland communicated to the Board that it wanted Sound Transit to focus on a BRT in-line station at NE 85th as well as on the east-west arterial performance in that area. The City of Renton wanted to relocate its facility, and the City of Burien had concerns about the use of the right-of-way.

With regard to BRT service, Councilmember Slatter said the City wants the most effective, mobile, predictable, and reliable spine along I-405. She said in-line stations provide greater reliability. She suggested focusing on how to make the I-405 corridor the most effective it can be if it is going to be incorporated into the ST3 plan. She encouraged talking about transportation being reliable and effective versus basing the decision only on resources.

Ms. Slatter said she believes there will be some flexibility in how Sound Transit will assess its resources between now and 2041. She supports implementing BRT as early as possible. She questioned whether more express bus service could be added as an interim measure.

Mayor Stokes thanked Mr. Ilgenfritz for the presentation.

Moving on, Mr. Berg recalled the Council's January 21 comment letter to the Sound Transit Board. The letter focused on connections within the Eastside, the completion of light rail to Redmond, the implementation of BRT on I-405 (Seatac to Lynnwood), BRT on SR 522, and a new transit center and parking garage in Renton.

Mr. Berg noted the Council's interest in greater Park and Ride capacity farther away from the center of the transit system. The plan does not include the North Sammamish Park and Ride lot suggested by Bellevue. Mr. Berg recalled the Council's interest in the coordination of planning between Sound Transit, Metro, and WSDOT.

Mr. Berg described a map of the I-405 BRT line. He noted sections at the north and south ends of the corridor in which the buses use the general purpose lanes. He said the Council expressed an interest in a station at the 112th Avenue SE Park and Ride, and that is not in the plan. There are currently no stops between Renton and Bellevue in the BRT plan. He confirmed the Council's interest in a BRT in-line stop and expanded parking garage at Canyon Park, which is not in the draft plan.

Mr. Berg acknowledged Council comments about considering BRT between Bellevue and Issaquah. He said the draft plan does not include an elevated non-motorized crossing of NE 8th Street at the Wilburton Station. He said staff will draft a comment letter based on input from the Council since its January letter to Sound Transit. He said he heard Council comments encouraging a focus on making I-405 BRT as reliable and effective as possible and suggesting the early delivery of items where possible (i.e., more regional express bus service as an interim measure on I-405).

Mr. Berg said staff would like to finalize the letter next week in order to submit it by the April 29 deadline.

Councilmember Robinson observed that the ST3 light rail alignment between Bellevue and Issaquah looks like redundant infrastructure. She expressed support for Councilmember Wallace's suggestion for BRT to and from Issaquah, perhaps connecting at the South Bellevue Station and Park and Ride garage. She said a dedicated bus lane is necessary for BRT to be successful. She supports an elevated structure crossing NE 8th Street as well.

Councilmember Wallace said the package is too big and the tax revenues are too high. He would like language in the City's letter asking Sound Transit to scale back its ST3 package. At a minimum, he said it is important to remove the property tax resource from the plan, especially in light of the potential impact of future education funding on property taxes. Mr. Wallace said property tax revenues represent only \$3 billion of the \$50 billion ST3 plan, and he believes it can be eliminated.

Mr. Wallace said it is important that the letter reaffirm Bellevue's position on subarea equity. With regard to BRT, Mr. Wallace suggested completing the HOT lanes on I-405 and placing BRT in those lanes. He said Sound Transit should work with WSDOT to correct all of the issues throughout the I-405 corridor from the airport to Lynnwood.

With regard to the light rail extension to Redmond, Councilmember Wallace said Sound Transit's current cost estimate is \$2 million higher than it was in the Final Environmental Impact Statement (FEIS). He said Sound Transit is estimating \$100 million in cost savings on East Link, as well as significant cost savings on other projects. However, he observed that Sound Transit is not likely to return the City's \$150 million contribution. Mr. Wallace opined that Sound Transit should use some of the savings to complete the Redmond extension as soon as possible. He said Sound Transit's interest rate assumptions continue to be 5.3 percent, while the agency is borrowing money at two percent.

Mr. Wallace suggested asking Sound Transit to compare the costs and timeline for providing BRT versus light rail for connecting Kirkland to Issaquah.

Deputy Mayor Chelminiak said he would not support serving Issaquah only through the South Bellevue Park and Ride/Station. He would prefer a connection to the Wilburton Station, which is closer to the Downtown and provides the opportunity to make other connections in the future. He is interested in BRT as an interim solution to Issaquah, but he suspects light rail will be important in the long run to complete the regional system. Mr. Chelminiak shared Councilmembers' concerns about the lack of a BRT station between Bellevue and Renton.

Councilmember Slatter said traffic mobility and transportation are key elements in economic development. She suggested language in the letter to encourage a stronger emphasis on collaboration between Sound Transit and WSDOT for I-405 BRT. With regard to the property tax to support the ST3 package, she questioned whether there would be a way to phase in the property tax over time.

Ms. Slatter noted that Mr. Ilgenfritz indicated that certain aspects of I-405 BRT are not included because money is going to light rail stations and projects. She would like to see, before April 29, the math of where the money is going.

Councilmember Lee observed that Sound Transit is intent on providing light rail. He thinks it is important to consider other options. He concurred with Deputy Mayor Chelminiak that Issaquah transit service should connect to Downtown Bellevue. Mr. Lee agreed with Councilmember Wallace's comments on using the property tax. He cautioned that property tax dollars paid by Bellevue residents would be used for projects in other areas. Mr. Lee encouraged finding a way to provide a strong, cost-effective transit system.

Mayor Stokes said the Council needs to try to keep its discussions at a broader policy level. He said the ST3 Draft System Plan provides general concepts for the Council to consider in finalizing its comment letter next week. He thanked the Council for the discussion and noted that he agrees with much of what Councilmember Wallace articulated.

Mr. Berg said staff is working with other Eastside agencies to develop a joint comment letter on the ST3 plan as well.

At 7:58 p.m., Mayor Stokes declared recess to the Regular Session.

Kyle Stannert
City Clerk

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