## `CITY OF BELLEVUE CITY COUNCIL

## **Summary Minutes of Study Session**

December 6, 2010 6:00 p.m.

Council Conference Room Bellevue, Washington

PRESENT: Mayor Davidson, Deputy Mayor Lee, and Councilmembers Balducci,

Chelminiak, Degginger, Robertson, and Wallace

ABSENT: None.

## 1. Executive Session

Deputy Mayor Lee called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately 40 minutes to discuss one item of labor negotiations and one item of potential litigation.

The meeting resumed at 6:40 p.m., with Mayor Davidson presiding.

## 2. Study Session

(a) Proposed Contract with ARUP North America Ltd. to develop Conceptual Engineering and Conduct Environmental Screening Assessment of the B7 Revised Alternative

City Manager Steve Sarkozy introduced discussion regarding a proposed contract with ARUP North America Ltd. to develop conceptual engineering and conduct an environmental screening assessment of the B7 Revised Alternative for the East Link light rail project.

Transportation Director Goran Sparrman acknowledged that this is an urgent item for the Council, which will be asked to take action tonight to proceed with the consultant's work. He introduced Maher Welaye, Project Manager, and gave a brief background on the development of the B7 Revised alternative. Mr. Sparrman recalled Council direction at the September 13 meeting to prepare a scope of work to allow an apples-to-apples comparison of the B7 alignment with modifications. On October 4, Council approved the scope of work and directed staff to proceed with Phase 1 (Five percent Conceptual Engineering and Concept Design Report).

Mr. Sparrman reviewed the proposed process and phases for the study. Phase 1 will prepare a Concept Design Report, at an estimated cost of \$670,000 over six to seven months. Phase 2 is an

environmental analysis with an estimated cost of \$450,000 over a four to six month timeframe. Phase 3 is 15-percent conceptual engineering, with a cost of \$2.5 million over 12 to 24 months. The focus of this presentation is the Concept Design Report.

Mr. Sparrman described the B7 Revised alignment, which assumes that the South Bellevue Park and Ride, including a light rail station, will be relocated to the south to be on the west side of Bellevue Way and north of I-90. This is known as the A2 station alternative. The alignment crosses the Mercer Slough in an elevated configuration and hooks into the existing BNRR alignment. The alignment travels along I-405 to a station at the Red Lion hotel site at Main Street. The rail would travel under Main Street at 114<sup>th</sup> and enter a downtown tunnel portal somewhere north of Main Street to connect to the C9T alignment.

Dave Berg, Deputy Director of Transportation, described the consultant selection process, which was in accordance with the City's contracting policies and state law that focuses on the most qualified firm to perform the services. An interdisciplinary team reviewed and ranked the three proposals submitted based on established evaluation criteria. ARUP North America Ltd. was selected as the firm that best encompasses all required disciplines, with a well developed approach and a team that can address the critical aspects and challenges associated with the B7 Revised concept study and report.

Mr. Berg reviewed the timeline and draft milestones presented by the consultant during the interview process. He highlighted a "tipping point" in the process identified by the consultant, which is a milestone for checking in with the Council and determining whether and how to continue to proceed. The contract amount is \$670,723. There are two funding options, and staff recommends funding Option 1, which is funding the work through the East Link Analysis and Development project. This project has a 2010 available balance of \$270,000, and the remaining amount would be funded from the 2011-2017 Capital Investment Program (CIP) Plan. Mr. Berg said that the 2011-2012 CIP proposal allocated approximately \$1.3 million for consultant studies at the direction of the Council and City Manager, which leaves approximately \$900,000 for the two-year period. The second funding option is to draw from the Council Contingency Fund.

Councilmember Chelminiak observed that the budget proposal does not make sense. The City Manager's Preliminary Budget was prepared prior to this moving forward and would therefore have already calculated the carry forward amount. Mr. Chelminiak said this does not leave \$900,000, but that it actually leaves nothing for consultant studies like this in PW-R-159 because \$640,000 is allocated to that in the 2011 budget (which would have included the carry forward). There is then \$400,000 in 2011 that is allocated to station studies, approximately \$900,000 allocated in 2012 for station area studies, and \$250,000 allocated to legal services. His understanding is that the legal services amount has been transferred to the operating budget, so there is \$250,000 for legal services but not for consultant studies.

Mr. Chelminiak said that, by his calculation, this spends all of the money. By staff's calculation, it might leave \$200,000, but he sees nothing left for East Link consultants other than doing station area location work. Councilmember Chelminiak referred staff to the memo to Council for the October 25 meeting.

Mr. Sparrman said he has in front of him a more detailed description of what is in the CIP Plan for Council adoption later tonight, which is the \$6.2 million CIP project that funds a number of activities. This includes \$650,000 per year for 2011 and 2012, which is identified as City Council and City Manager Studies, for a total of \$1.3 million. Mr. Sparrman said there are a number of purposes for that money including all external studies and analysis the City might choose to do to deal with East Link related issues. Certainly the ARUP contract will expend a significant portion of that. However, staff believes there is \$1.3 million for the two-year plan of that process.

Councilmember Chelminiak stated that the first \$650,000 will be expended by June 2011, leaving no consultant money to deal with other issues, including the downtown tunnel. He highlighted that this expenditure is only Phase 1. There are additional funds for station planning, and maybe the City will not do much station planning.

Mr. Sparrman said there is no question that the contract will consume the first year's allocation for Council-initiated external studies. He noted the option to draw on the \$650,000 allocated for 2012 later in 2011, if directed by the Council. Mr. Sparrman acknowledged that there is a tradeoff involved here.

Councilmember Chelminiak said he remains concerned that this is using the entire 2011 budget for East Link consultant work.

Mayor Davidson referred to page 41 of the budget, which is titled, "East Link Analysis and Development." He questioned where it indicates what is proposed to be spent.

Councilmember Chelminiak replied that the study spends the \$650,000 in 2011 on the consultants, which does not cover the entire contract. There is \$250,000 for legal, which is moving to the operating budget, and \$400,000 is planned for station area planning in 2011, for a total of \$1.2 million. The rest is a transfer to the operating budget to fund 10.5 FTEs for East Link, and an additional 3.25 FTEs focused primarily on tunnel funding. That accounts for \$2.6 million and \$850,000 over the biennium.

Mayor Davidson said he reads the numbers differently.

Councilmember Chelminiak noted that Mr. Sparrman just confirmed Mr. Chelminiak's understanding of the accounting.

Responding to Mayor Davidson, Mr. Sparrman said none of the \$6.2 million proposed for the 2011-2012 budget has been spent or obligated.

Responding to Mr. Chelminiak, Mr. Sparrman said that if the Council approves the contract, the goal is to accomplish the work within the next six months and the bill for that work is approximately \$650,000.

Deputy Mayor Lee said that Mr. Chelminiak might be right that, at this current level, there might not be money. However, the \$6.2 million is in the proposed budget. Mr. Sparrman confirmed that understanding, noting that the \$6.2 million is in the budget for Council action tonight.

Responding to Mr. Lee, Mr. Sparrman said if that is approved, the \$6.2 million is available for East Link work. Mr. Sparrman said that the \$6.2 million was an estimate that staff produced. Staff looked in great detail at what the City needs to do over the next biennium to deal with East Link, which was completed before the B7 Revised analysis was introduced. Staff developed the \$6.2 million cost estimate to provide all services, including staff time, to complete the work. There is a detailed work program for the \$6.2 million. Mr. Sparrman said that some of the work program was submitted as part of the larger budget packages. However, there has not been an opportunity for a detailed presentation to Council on the work program.

In further response to Deputy Mayor Lee, Mr. Sparrman said that Councilmember Chelminiak is correct about the implications of using half of the discretionary money for the B7 Revised analysis by ARUP. In continued response to Mr. Lee, Mr. Sparrman said if the Council approves the \$6.2 million item in the budget, it will maintain control over expenditures. Mr. Sparrman envisions frequent updates with the Council on the East Link project.

Mr. Lee stated that if the study for \$670,000 is approved, money will be moved in 2011 from staff's work plan for the \$6.2 million. Mr. Sparrman confirmed this understanding.

Councilmember Robertson said that her interpretation of the information in the slide presentation is that \$270,000 is left in the 2010 budget to start the ARUP study, along with an additional \$650,000 for 2011 and \$650,000 for 2012. Mr. Berg confirmed that this is his understanding. The \$270,000 that has not been obligated in 2010 will be obligated to the ARUP study, and the additional \$400,000 will come from the new 2011 monies.

Councilmember Robertson said she would like to speak to this in a more general way. If you look at \$670,000, it is not a small amount. However, it is less than one-quarter of one-tenth of one percent of the East Link money. Getting this segment right is worth the investment. This is a challenging segment of the East Link alignment, and she feels it is worth spending the money to do the project correctly. She supports moving forward with the consultant work.

If the contract is approved tonight, Ms. Robertson suggests sending a letter to Sound Transit letting them know that Bellevue has approved this contract work and is moving forward in a timely manner. At that time, the Council can formally ask them to work with us and to allow us to inform them of the results of the study prior to any final decision.

Ms. Robertson said she spoke to the Sound Transit Executive Director at an event the previous week, and the Executive Director thought it would be important for the Bellevue City Council to let the Sound Transit Board know that it is moving on the contract, and moving with great speed.

Councilmember Degginger stated that the contract amount is approximately the equivalent of what a two percent property tax increase would raise in the first year.

Referring to page 2-1 of the meeting packet, Mr. Degginger notes that PW-R-159 allocated \$1,070,000 for the East Link project. Mr. Sparrman recalled that the expenditure for the previous consultant studies was \$250,000, and approximately \$100,000 was spent on legal counsel. The ARUP contract spends an additional \$270,000 from the same CIP Plan project.

Councilmember Degginger noted that, out of the \$1,070,000, the Council will have spent \$620,000, primarily on the East Link B7 alternative. Mr. Sparrman concurred, adding a clarification in lieu of Finance staff being present to comment. When his staff put together the proposal, they were looking at the expenditure side of things. However, the Council is asking questions about revenue, and he is unsure as to how to answer those questions. Mr. Sparrman said that, typically, money that is not spent in the operating budget basically counts as new revenue for the next year. For the capital budget, he is not sure if the \$270,000 is in addition to the \$650,000, or if it is part of the \$650,000.

Councilmember Degginger stated that the slide presentation indicates that \$270,000 is separate from the \$650,000. Mr. Sparrman said he knows the expenditures. However, he is not sure of the assumptions of the Finance Department in terms of how they are counting the \$270,000 – whether it is a revenue to the next year or a separate amount.

Jason Bentosino, Assistant Budget Manager, arrived and explained the underlying assumptions. The 2010 allocation was for \$1,070,000. If Transportation spends \$800,000, this leaves \$270,000 available to fund the ARUP contract. The 2011-2012 allocations would be used to fund the \$400,000.

Councilmember Chelminiak questioned whether the \$270,000 was a carry forward from 2010 into the 2011 Preliminary Budget developed by the City Manager. Responding to Mr. Chelminiak, Mr. Bentosino said the total project is budgeted, from life to date, at \$7.2 million. The \$6.2 million is in the new CIP Plan.

Deputy Mayor Lee agreed with Councilmember Robertson that the Council needs more B7 study. He noted that the allocation of \$6.2 million and the \$270,000 are estimated based on the plan developed by City staff, and they include a lot of things. At this time, he cannot say that he agrees with everything in the plan for the \$6.2 million, because he is not sure of all of the elements. He feels a number of concerns have already been addressed. There is a need for B7, and therefore the Council needs to use some money from the plan that has been developed. Mr. Lee wants to have the flexibility to adjust spending in the future. He feels it is appropriate, with Council approval, to allocate \$670,000 for this study. He is concerned that if the Council appropriates the \$6.2 million, any expenditures need Council approval. He urged Council support of the B7 Revised study.

Councilmember Balducci recalled that the City hired a number of consultants in 2008 and 2009 to address numerous issues related to light rail. Each time a prospective consultant was discussed, the Council was cautious to examine the consultant's independence and objectivity.

Mr. Balducci questioned whether the consultant is currently employed by any Councilmember. Councilmember Wallace responded in the negative.

Mr. Sparrman said this is a broader issue, when dealing with complex technical and planning issues, to ensure that consultants' analyses are unbiased and independent. The City attempts to manage all of its contracts to ensure objectivity, and this is always a consideration in the consultant selection process.

Mr. Berg said that ARUP made it clear that they are bringing fresh eyes to the study and to the alignment. They understand that their job is to focus on the facts, and that the Council will make the decisions. They are not here to make recommendations, but only to present the facts. One thing that impressed the interview team is that one of the sub-consultants said that the first question ARUP asked them was whether they had any biases related to the project.

Responding to Ms. Balducci, Mr. Berg said ARUP is not currently doing work for Sound Transit.

Ms. Balducci recalled that with the last round of consultants, there was a commitment that the City's project manager would be the point of contact for the consultants, and that Councilmembers would not contact the consultants directly.

Mr. Sparrman explained that it is very important for scope and cost control to have one source of contact with the consultant team. The intent is not to shut off the Council or community from information. There will be frequent updates to the Council, along with opportunities to ask questions. Mr. Sparrman said this is a complex project on an aggressive time schedule. Having more than one point of contract would add to costs and distract the consultant's work.

Councilmember Balducci said she has learned that the City's prior studies, although presented at Sound Transit, were not submitted to Sound Transit within the comment period for the DEIS, so they are not currently part of the Final EIS study. However, the City has the opportunity now to submit the results for consideration as part of the Supplemental DEIS process.

Mayor Davidson noted that the Council asked a number of questions when the consultants presented their work, and he has not had answers to those questions by the consultants. He is concerned that the Council has not had a chance to thoroughly review those reports. Dr. Davidson said he has clarified the wetlands issues.

Councilmember Balducci noted that the City spent money on the studies. The Council should either submit them or admit that they are not something that Sound Transit needs to respond to or rely on. She suggested that the Council make a decision one way or the other.

Ouncilmember Balducci moved to submit the previous consultant studies, for what they are, understanding that they might not be the final product that the Council wants them to be. Councilmember Chelminiak seconded the motion.

Councilmember Robertson suggested putting the topic on the agenda for the Council's first meeting in January, which is prior to the end of the SDEIS comment period. She said she will likely support sending them to Sound Transit.

Councilmember Wallace suggested meeting next Monday to talk about the \$6.2 million and what is going to happen with it; how we are going to respond to the SDEIS; whether we are going to send the four studies recently contracted, along with the traffic studies on downtown traffic impacts that occurred after the comment period. He noted the need for a Council understanding of all of this information, in order to provide direction to staff for 2011. Councilmember Robertson concurred.

Mayor Davidson called the question, reiterating that the Council has not adopted the reports because questions have not been answered.

Councilmember Balducci said it feels like the Council wants the reports swept under the carpet because it does not like what they said.

- → The motion carried by a vote of 4-3, with Mayor Davidson and Councilmembers Robertson and Wallace opposed.
- Ouncilmember Wallace moved to schedule a Study Session item for next week's meeting to discuss the East Link \$6.2 million work plan, the Supplemental DEIS, and what documents to send to Sound Transit, in addition to the previous consultant reports, including the analysis of traffic impacts. Councilmember Robertson seconded the motion.

Councilmember Degginger noted that the Mayor will not be attending the meeting in person next week. Responding to Mr. Degginger, City Clerk Myrna Basich reviewed current agenda items for the December 13 meeting. The topics reflected in the motion can be addressed during the East Link agenda item already scheduled.

Deputy Mayor Lee stated that his intent, as chair of next week's meeting, is to address the many East Link issues that have come to light. He does not want to leave anything out.

Councilmember Balducci agreed to the suggested discussion topics.

Councilmember Degginger cautioned that the list of items might require more time than is typically scheduled for the Study Session.

Mayor Davidson noted that the SDEIS comment period ends January 10.

Mr. Degginger feels that each topic warrants an adequate amount of time.

The motion to address additional specific East Link items during the December 13 Study Session carried by a vote of 7-0.

Councilmember Wallace asked staff about the contract dollar amount before reaching the identified "tipping point." Mr. Berg said he can provide that level of detail after the meeting, but he indicated that it is not the full \$670,000.

Mr. Wallace reported that he retained ARUP to develop the Vision Line/C14E alignment one year ago, and they received a low five-figure sum for that study. He retained them because they were recommended to him as a global engineering firm with light rail expertise. ARUP advised Cascadia on the viaduct tunnel. They have worked on light rail projects in different countries, and have a high level of credibility within their field. Mr. Wallace said that the study he financed was very small relative to ARUP's overall business.

Regarding the appropriateness of the B7 Revised study, Mr. Wallace feels that the \$670,000 should be spent in 2011, and the Council can then decide how to proceed from there. The study is about protecting neighborhoods, roads, and businesses, and about coming up with a cooperative light rail alignment with Sound Transit. For him, the B2M route is unacceptable, and he feels it is critically important to find a solution that works for both agencies. Mr. Wallace expressed support for the study.

Councilmember Chelminiak observed that there is no reason to doubt ARUP's good work. One of the things that they are supposed to do is to locate tracks based on an independent legal analysis of rail banking status. He asked who is doing that analysis. Mr. Sparrman said the analysis will be conducted with the City Attorney's Office and potentially outside legal experts. Responding to Mr. Chelminiak, Mr. Sparrman said that independent, in that context, meant separate from the consultant's work. Mr. Chelminiak would like to see a scope of work before hiring any outside legal counsel.

Responding to Mr. Chelminiak, Mr. Berg said the open house on the A2 station conceptual design will be scheduled once the contract is approved. Mr. Chelminiak observed that, if the meeting is to occur within the first month, he is concerned that it will be set too close to the holidays and people will not know about the meeting and/or be able to participate.

Mr. Chelminiak said he will defer his other questions given the time. However, he suggested that if \$270,000 of 2010 monies is to be used for the study, the consultant should do 41 percent of its work in the next 23 days.

Councilmember Robertson said she has a lot of questions about the Hearing Examiner's report related to the next agenda item. She requested rescheduling the item for the following week or a January meeting to allow more time for discussion.

Mayor Davidson suggested proceeding with the staff report.

(b) Consideration of the Hearing Examiner's Findings, Conclusions and Recommendation regarding the proposed Wilburton Connections Local Improvement District (LID) for the purpose of constructing an extension to NE

4th Street between 116th and 120th Avenues NE and constructing improvements to 120th Avenue NE between the NE 4th Street extension and NE 8th Street.

Councilmember Degginger noted that this matter involves a party that has retained his law firm. He recused himself from the discussion, noting that he will rejoin the Council for the Regular Session.

Mr. Sparrman recalled that the City has been working toward establishing a Local Improvement District (LID) for the Wilburton Connections project, beginning with the Council's endorsement of the Mobility and Infrastructure Initiative and Finance Plan on January 20, 2009. The Council passed a Resolution of Intent to Consider LID Formation in September 2010. A formation hearing was held before the Hearing Examiner on October 21 and 28, 2010, and the purpose of tonight's agenda item is to review the Hearing Examiner's recommendation.

Mr. Sparrman said staff anticipates presenting the formation of the LID for Council action in January. If approved, interim financing bonds will help pay for part of the project. The Wilburton Connections project will take a couple of years. By 2014/2015, when the project is completed, the City will know the costs and will again conduct a special benefit analysis. At that point, the Council will set the final assessment roll.

Mr. Sparrman said the Hearing Examiner is asked to provide a recommendation regarding the formation of the LID and what properties should be included in the LID boundary. The hearing does not address specific assessments. The boundary incorporates 83 parcels. Thirteen of the 49 affected property owners participated in the hearing, and six of the nearly 400 tenants participated as well.

Overall, the public comments expressed that the project provides a general benefit versus special benefits, questioned the level of special benefit, and involved questions regarding the City's traffic analysis, environmental review, and adopted financial policies. Staff believes that the project provides both a general benefit to the area and special benefits to properties within the district. More than 75 percent of the project costs are to be funded by General CIP monies and state and federal grants. Less than 25 percent is to be funded through LID assessments. The City's consultant determined that the project provided a special benefit to each parcel in the proposed boundary, and no expert testimony was introduced to the contrary.

Monica Buck, Assistant City Attorney, reviewed the Hearing Examiner's conclusions and recommendation. There is considerable disagreement among property and business owners about whether the proposed LID boundary is appropriate. The Hearing Examiner found that the assessment methodology was appropriate. The Hearing Examiner concluded that the LID should be formed if the boundary, special benefit, and ingress/egress impact issues are resolved. Most of the hearing's participants opposed the LID formation. The Hearing Examiner recommended that more work should be done to address issues raised by existing business and property owners during the hearing, before making a final decision about boundaries and formation of the Wilburton LID as currently proposed.

Ms. Buck reviewed staff's observations regarding the process. The City held numerous project open houses and LID workshops. All property owners and tenants were provided notice and given the opportunity to participate in the formation hearing, which was held on October 21 and October 28. All issues were adequately aired at the hearing, and there is a sufficient basis in the record upon which the Council may make a decision on formation. Ms. Buck said there is a 30-day protest period, followed by a 30-day legal challenge period. If the LID is formed, it can be stopped if property owners representing at least 60 percent of the estimated special benefits protest the LID's formation. The decision to form an LID is legislative in nature and it will be upheld absent a showing that the decision was arbitrary and capricious.

Mr. Sparrman said staff plans to return to Council in January to request action on an ordinance authorizing the formation of the Wilburton Connections LID.

Councilmember Robertson said she is surprised by staff's recommendation to proceed with formation of the LID, given the Hearing Examiner's recommendation about addressing certain issues. Ms. Robertson noted that in evaluating whether the properties within the LID boundaries receive a special benefit, the property owners of Home Depot and Best Buy argue that they would receive no special benefit due to CCR restrictions on their properties that limit maximum development. Finding number 60 of the Hearing Examiner's decision states that staff did not know that Best Buy has parking rights on Home Depot's site, which will effectively be precluded by the construction of NE 4<sup>th</sup> Street. It further states that staff did not know or consider that the Home Depot/Best Buy reciprocal parking agreement and existing CCR conditions restrict the stores to single-level retail. However, the City believes that the ability to rezone the property to a more intensive use would benefit the properties, and could be accomplished in the negotiation of new CCR provisions by the parties.

Continuing, Ms. Robertson said she is seeking clarification about the City's determination that the properties are receiving a special benefit, while failing to consider the bifurcation of the shared parking. Ms. Buck said the City's consultant was not initially aware of that fact. However, in later conversation with the consultant, he indicated that it might impact the special benefit, but that would be determined at the final assessment roll hearing. It would not result in a determination of no special benefit.

Ms. Robertson observed that the City's determination that these parties receive a special benefit assumes that the currently binding real estate restriction recorded on the property titles can simply be changed. How much control does the City have with regard to private contracts that are solely between private entities? She noted that she is referencing finding 45.

Ms. Buck said the City would not, but there is a provision in their agreement that it can be amended by the consent of the parties.

Ms. Robertson referred to finding 61 in which the Hearing Examiner notes that staff does know about some franchise agreements that affect some of the businesses within the LID boundary, and that those agreements should be reviewed in more detail if the LID is formed. Councilmember Robertson questioned whether it would be prudent to know more about these

agreements before forming the LID, since they could affect the special benefit analysis and thus impact the boundary.

Ms. Buck said that issue is similar to the CCR issue, and she believes it is something the consultant would review at the time of the final assessment roll.

Ms. Robertson said the findings indicate that the special benefit analysis relied on the assumption that the properties within the LID boundary would be rezoned. She noted findings 34 and 39, which relate to the special benefit assessment and the assumption about rezoning and increased density within the Wilburton area. However, finding 65 clarifies that the upzone is not an automatic process, even if the LID is formed and the road is constructed.

Ms. Robertson asked staff to describe the rezone process. Mr. Sparrman said staff will provide detailed information on the process. He noted that the rezones are predicated on the infrastructure being available, which is a key issue for the property owners who want to see this project.

Dan Stroh, Planning Director, explained that when the Wilburton Comprehensive Plan amendments were completed a few years ago, it was anticipated that this property would be eligible for a rezone. The Comprehensive Plan amendment adopted at that time was a split GC (General Commercial)/CB (Community Business) designation.

Councilmember Robertson indicated that she was involved in drafting that code as a member of the Planning Commission. She questioned the assumption about rezoning, when it is not an automatic process. She reiterated her interest in knowing the steps of the rezone process, the application costs, and how long it takes.

Mr. Stroh said there are options as to how that could work. A requirement of the state Growth Management Act is that the Comprehensive Plan and zoning need to be consistent. His interpretation would be that at the time that the road goes through, which is a contingency for the rezone, the City would review zoning at that point. This could result in a City-initiated rezone, as one mechanism. Mr. Stroh said staff will provide more information. The assumption was that once the contingency was met, the City would need to review the rezone at that point for GMA consistency.

Continuing, Councilmember Robertson noted another assumption about the special benefit and reduced traffic congestion, improved traffic flow, and aesthetic enhancements [Finding 34]. She is confused by this statement because the Transpo study done by the City appears to say the opposite. It appears to demonstrate that the roadway improvements actually increase congestion for this area, while also decreasing ingress/egress opportunities for existing businesses. She questioned how this meets the special benefits test.

Mr. Sparrman said the analysis shows that, by providing the infrastructure, accessibility to properties is improved. Providing the NE 4<sup>th</sup> Street extension and increased capacity on 120<sup>th</sup> Avenue NE, even though it will attract more general purpose traffic, does accrue a specific

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benefit due to improved circulation, more travel choices, and the relief of congestion at certain spots including NE 8<sup>th</sup> Street.

Ms. Robertson said she has no doubt that the project increases the traffic flow and ability to get in and around Wilburton and NE 8<sup>th</sup> Street. However, she questions whether that provides a special benefit to this area, because it seems that the traffic is worse with the project for the commercial properties in the area.

Mayor Davidson announced that the Council needs to move to the Regular Session. He suggested taking up this topic next week.

Responding to Ms. Robertson, Mayor Davidson said it will likely be too late to return to this item following the Regular Session.

At 8:00 p.m., Mayor Davidson declared recess to the Regular Session.

Myrna L. Basich, MMC City Clerk

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