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CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL MEETING

Monday, July 19, 2004
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Hansen, Deputy Mayor Jepsen, Councilmembers Fimia, Grace, Gustafson, and Ransom

ABSENT: Councilmember Chang

1. CALL TO ORDER

The meeting was called to order at 7:30 p.m. by Mayor Hansen, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Hansen led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present, with the exception of Councilmember Chang.

Upon motion by Councilmember Fimia, seconded by Councilmember Ransom and unanimously carried, Councilmember Chang was excused.

(a) Proclamation of "National Night Out 2004"

Mayor Hansen proclaimed August 3 as the 21st annual National Night Out and presented the proclamation to Police Chief Tony Burt, who urged citizens to get out and meet their neighbors and the City's police officers.

3. CITY MANAGER'S REPORT

Steve Burkett, City Manager, noted that since the City has received a response to the Council's letter to Transportation Secretary Douglas MacDonald, staff will assume the issues of median design, signalization on 149th Street, and left-turn lane configuration for southbound Aurora Avenue left turns to eastbound 145th Street are resolved. He said that staff would continue as planned on the first Phase of the Aurora Project.

Mr. Burkett also explained the intent of Resolution No. 221 on the consent calendar, noting that it will allow the City to purchase Aurora Corridor property up to \$150,000 without returning to Council for each individual purchase. He also confirmed that the proposed purchase of the Ekins property had gone through a thorough public process prior to tonight's action.

Continuing, Mr. Burkett supported setting a hearing date for the Midvale Street vacation, which the Planning Commission has asked not be set at this time, noting that the hearing is the opportunity for both sides to debate the merits of the proposal. Finally, Mr. Burkett noted his memo regarding the Interurban Trail bridge, which summarized last week's Council direction to proceed with Option #2 as the basic bridge design, while looking at components of Option #3 as bid alternatives.

4. REPORTS OF BOARDS AND COMMISSIONS

Councilmember Ransom stated that at least two businesses are still interested in having a meeting between the City Council and a representative of the Washington State Department of Transportation regarding aspects of the Aurora project design, including BAT lanes. On another topic, he noted that the former parks director was working on several potential open space purchase proposals near Paramount Park. He asked about other opportunities to purchase parcels in this vicinity. Mr. Burkett noted there are no other willing sellers at this point. Councilmember Ransom requested a discussion of the Interurban Trail bridge as part of the CIP discussion.

Councilmember Fimia commented on the WSDOT letter and said she wished to discuss the response later in the meeting. She expressed her preference that the Midvale Avenue vacation be removed from the consent calendar, and that the Interurban Trail bridge item be placed on the agenda for a formal vote.

5. PUBLIC COMMENT

(a) Arnie Alseth, Shoreline, urged the Council to reconsider the plan to redevelop the Seattle City Light property on Aurora Avenue in order to build the Interurban Trail. He explained that his business, Monarch Appliance, would be required to relocate under the proposed plan. He described the history of his business and its contributions to the community. He said he could rationalize moving his business to redevelop Aurora Avenue, but not to build the Interurban Trail.

(b) Jerry Evergreen, Center for Human Services (CHS), thanked the City for its financial support of the Family Counseling Program. He said the City's support allows the Center to respond quickly to urgent needs. He assured the Council that CHS is a good steward of City funds.

(c) Gary East, Shoreline, urged the Council to consider the long and deliberative process that has accompanied the North City project. He said the people that support the project are not a "special interest group" as has been alleged by the opposition. He felt that government should not make decisions based on petitions, since people could produce any number of signatures supporting or opposing a given issue. He urged the Council to stand by the process it has taken for the North City project.

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(d) Alan Sharrah, Frank Lumber, asked the Council to reduce the scope of the North City project. He asserted that a majority of business owners and citizens in North City are strongly opposed to this project, noting that he is receiving an average of 175 letters per week expressing this view. He urged the Council not to ignore these letters and to preserve the four-lane traffic configuration along 15th Avenue NE.

(e) Catherine Tamaro noted that the North City project was a major factor in her decision to build an 88-unit apartment complex in North City. She said the addition of her residential development and the accompanying change in neighborhood character might warrant slower traffic speeds on 15th Avenue NE, which is already used by Seattle commuters as a cut-through corridor. She felt the North City project as proposed would be an asset to both the business district and the residential community.

(f) Jim Abbott, Shoreline, expressed support for Resolution No. 220, setting a public hearing regarding the potential vacation of Midvale Avenue N. As one of the owners of the Gateway Plaza property, he distributed site drawings and identified the area subject to the resolution. He said Gateway Plaza owners have agreed to allow the City to use approximately 17,000 square feet to reroute Midvale Avenue through the property. He said the site design also accommodates the City's request for property for the Aurora Corridor project. He said he is available to answer questions about the property if the Council decides to remove the item from the consent calendar.

(g) Kimber Waltmunson, Shoreline, said she decided to buy a home in North City primarily because of the North City project. She believed that the project is an opportunity for the City to build a strong community and take care of its citizens.

(h) Lora Vickrey, West Seattle, owner of the Hotwire Online Coffeehouse, expressed strong support for the North City project. She read several customer comment letters she received praising her business. She said if so many people say this about her small business, one can only imagine the impact the North City project will have on the whole community. She urged the Council to listen to the community and support the North City project.

(i) David Anderson, Shoreline, said the North City project does not increase the amount of on-street parking on 15th Avenue NE, as has been asserted. He also felt the 15-minute limit for on-street parking in front of certain North City businesses was not an adequate amount of time. He felt the sidewalks at intersections should be moved back because they do not provide enough space for large vehicles to turn. He noted that a Seattle police officer was killed at a similar intersection by a hit-and-run driver. He also suggested that trees be placed in planter boxes instead of in the sidewalk to reduce costs and damage to the street.

(j) Marlin Gabbert, Shoreline, encouraged the Council to move forward on the North City project, noting that North City has changed from a pedestrian-oriented shopping district to a "drive-through" business area. He said although the commercial area has been in decline, the North City project promises to offer a more livable and

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viable business district. He felt the project would result in a "windfall" to business owners and create a pedestrian-friendly corridor with safe traffic flow because traffic statistics show that three-lane configurations are safer and more efficient than four-lane configurations. He said catering to those who reject the extensive public process would hurt the practice of participatory planning. While he supports the project, he felt the Council should resolve the issues related to bus turnouts and neighborhood traffic mitigation.

6. APPROVAL OF THE AGENDA

Councilmember Ransom moved to approve the agenda, removing Item 7(e) from the consent calendar and discussing it as Action Item 8(a). Councilmember Grace seconded the motion.

Councilmember Fimia moved an amendment to add discussion of the WSDOT letter and direction on the Interurban Trail bridge as Items 9(d) and 9(e). Councilmember Ransom seconded the motion, which carried 4-2, with Mayor Hansen and Councilmember Gustafson dissenting.

A vote was taken on the motion, which carried unanimously and the amended agenda was approved.

7. CONSENT CALENDAR

Upon motion by Councilmember Gustafson, seconded by Councilmember Ransom and carried 6-0, the following consent calendar items were approved:

Minutes of Regular Meeting of June 28, 2004

Motion the authorize the City Manager to execute amendments to the Interlocal Agreement with the Fire Department to reflect changes resulting from the adoption of the International Fire Code

Resolution No. 221 delegating purchasing authority to the City Manager up to \$150,000 for property acquisition required for right-of-way, Aurora Corridor Improvement Project, N. 145th Street – N. 165th Street

Motion to authorize the City Manager to execute a purchase agreement for the Ekins property on undeveloped NE 148th Street consisting of 17,043 square feet of open space for \$96,000

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

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- (a) Resolution No. 220 initiating a vacation of a portion of Midvale Avenue N. between N 183rd and N 185th Streets and setting a public hearing on the vacation

Deputy Mayor Jepsen moved approval of Resolution No. 220. Councilmember Ransom seconded the motion.

Councilmember Ransom commented on the Planning Commission's unusual step of submitting a letter to the City Council asking that it delay action on Resolution No. 220. He felt that Planning Commission members, property owners, and staff should be allowed to comment so the public can understand the Planning Commission's position.

Mayor Hansen said the purpose of this item is to determine whether or not to schedule a hearing so the public process can begin. He felt this was not an opportunity to discuss the merits of the development associated with Midvale Avenue N., which should be reserved for the public hearing.

Councilmember Fimia moved a substitute motion to delay action on Resolution No. 220 and direct staff to work with the Planning Commission on analysis of the consistency of the proposed vacation and associated development scenarios with the Comprehensive Plan and the draft Central Shoreline Subarea Plan. Councilmember Ransom seconded the motion, which failed 1 – 5, with Councilmember Fimia voting in the affirmative.

Councilmember Grace felt that not supporting Resolution No. 220 would accomplish the same objective as Councilmember Fimia's substitute motion. Councilmember Fimia pointed out that her substitute motion included direction to the Planning Commission. Councilmember Grace was reluctant to provide direction to the Planning Commission because he felt the Council should not make decisions before the Planning Commission has a chance to deliberate the issue.

Councilmember Ransom asked that the City Attorney clarify the legal requirements for a street vacation.

Ian Sievers, City Attorney, stated Council should not discuss the merits of the street vacation tonight. He noted that while most vacations are initiated by petition, this resolution stipulates that the Council can initiate the process of considering a street vacation. He pointed out that the Planning Commission has not had a chance to hold a public hearing on the issue, so he felt the only action the Council should take tonight is to set a hearing date. As with most land use actions, the Planning Commission develops a recommendation through the public hearing process, which it then forwards to Council for consideration.

Councilmember Fimia asked if setting a hearing date signals Council approval of the street vacation.

Mr. Sievers said setting a hearing date simply signals Council's approval of allowing this proposal to go through the hearing process so the Planning Commission can develop a recommendation. He noted that the recommendation may be to approve, approve with conditions, or deny, the street vacation.

David Harris, Planning Commission Chair, was asked to comment on the Planning Commission's letter, but said the City Attorney advised that it might present appearance of fairness issues if he did so.

Councilmember Fimia confirmed that passing the resolution did not mean the City Council would be signaling support for the street vacation.

Deputy Mayor Jepsen commented on the Planning Commission letter, noting that he would expect the public hearing process to resolve the concerns that were addressed. Mr. Sievers concurred.

A vote was taken on the motion, which carried unanimously and Resolution No. 220 was adopted and the hearing date set.

Councilmember Fimia thanked the Planning Commission for their efforts to perform due diligence.

- (b) Amending the Comprehensive Plan by adopting Ordinance No. 357, authorizing the 2005-2010 Capital Improvement Plan and proposed amendments to the Capital Facilities Table CF-1: Twenty Year Capital Facilities Plan

The motion postponed from July 12 (moved by Deputy Mayor Jepsen, seconded by Councilmember Grace) to pass Ordinance No. 357 was on the table for discussion.

Councilmember Fimia provided the Council with a table of the CIP amendments she planned to propose. Amendments were categorized according to applicable capital fund: 1G-6G (General Capital), 7R-14R (Roads Capital), 15W (Surface Water Capital), and 16M-17M (Miscellaneous).

Councilmember Fimia moved amendment 1G, to cap the total amount for the City Hall project at \$17 million. Councilmember Ransom seconded the motion.

Responding to Councilmember Ransom's question about how \$3 million in savings could be achieved, Councilmember Fimia said this could happen by reducing the General Fund contribution back to the \$17 million in last year's CIP. She said she would like to provide the public with certainty about how much the City intends to spend on City Hall. She noted that citizens rated City Hall as a low priority.

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Councilmember Grace pointed out that the CIP is a program, not a budget. He was comfortable with the \$20 million figure for City Hall for the purposes of planning.

Councilmember Gustafson was comfortable with the proposed CIP and did not support Councilmember Fimia's amendments. He noted that there are still many opportunities to revise individual projects when developing the budget.

Councilmember Ransom felt the CIP should reflect \$20 million for City Hall due to the uncertainty about project costs.

A vote was taken on the motion, which failed 1-5, with Councilmember Fimia voting in the affirmative.

Councilmember Ransom moved an amendment to eliminate the 2005-2006 funding for the Richmond Beach Master Plan. Councilmember Fimia seconded the motion.

Councilmember Ransom explained that the City could save \$241,000 in General Fund money by moving master plan funding toward the end of the CIP (2010). He noted that the City is already committing \$700,000 to improve Richmond Beach Park.

Councilmember Gustafson felt the Council should wait until the Parks Master Plan is completed before making reductions to the CIP.

Responding to Deputy Mayor Jepsen, Councilmember Ransom clarified that he is not recommending that the Richmond Beach Master Plan be put on a future bond measure, nor is he suggesting that other parks master plans be delayed.

Councilmember Fimia, felt that involving the public rather than using consultants could reduce the master plan budgets. She also felt master plans could be submitted as a bond measure since the public has not identified them as priorities. She felt master plan funds could be better spent on Hamlin Park open space acquisition or to build new sidewalks.

A vote was taken on the motion, which failed 2-4, with Councilmembers Fimia and Ransom voting in the affirmative.

Councilmember Fimia moved amendment 3G, to eliminate the remaining 2004 and 2005 funding for the Ronald Park Master Plan. Councilmember Ransom seconded the motion, which failed 1-5, with Councilmember Fimia voting in the affirmative.

Councilmember Fimia moved amendment 4G, to eliminate funding for the Twin Ponds Park Master Plan from 2007 and 2008. Councilmember Ransom seconded the motion, which failed 1-5, with Councilmember Fimia voting in the affirmative.

Councilmember Fimia moved amendment 5G, to delay expenditures for one year on the Cromwell Park Master Plan. Councilmember Ransom seconded the motion.

Councilmember Ransom said he favors waiting on Cromwell Park at least one year because of uncertainties related to City Hall and other projects.

A vote was taken on the motion, which failed 3-3, with Councilmembers Fimia, Ransom and Grace voting in the affirmative.

Councilmember Fima moved amendment 6G, to move acquisition of Hamlin Park Open Space up to 2005. Councilmember Ransom seconded the motion.

Councilmember Ransom felt the longer the acquisition process is delayed, the more the property may end up costing. He suggested moving forward with the acquisition as quickly as possible.

Mayor Hansen felt the current CIP provides an adequate acquisition schedule.

Responding to Councilmember Grace's question of why Hamlin Park Open Space Acquisition was scheduled for 2006 instead of 2005, Bob Olander, Deputy City Manager, explained that the City has the right of first refusal to the property that Seattle Public Utility is holding in reserve for the City. Therefore, there is no an immediate risk of sale to another party.

A vote was taken on the motion, which failed 3-3, with Councilmembers Fimia, Grace and Ransom voting in the affirmative.

Councilmember Fimia moved amendment 7R, to cap expenditures on the Interurban Trail Pedestrian and Bicycle Bridges at \$3.5 million. Councilmember Ransom seconded the motion.

Councilmember Ransom commented on the fact that the City has been successful in obtaining grants totaling 87 percent of the project costs for the Interurban Trail. He noted that staff identified an additional \$400,000 in grant funds the City could likely obtain to build the \$4 million bridge alternative identified at last week's meeting. He wished to avoid spending additional General Fund money on the project. He opposed the amendment because he felt that additional grant funds would allow the City to consider other options.

Mayor Hansen noted that this item is on tonight's agenda for discussion. He felt this amendment would be a reversal of last week's consensus to pursue the bridge alternatives.

Councilmember Fimia said even though she has been a major proponent of the trail, she could not, in good conscience, recommend spending such a large proportion on bridge crossings when there are other needs such as trail connections. She felt the City could save money by building enhanced at-grade crossings, and then use General Fund savings and/or grants to improve sidewalk connections to the trail.

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Mr. Burkett noted that the Aurora Corridor project includes a functional and attractive at-grade crossing at NE 155th Street.

Deputy Mayor Jepsen was skeptical about being able to reprogram grant funding for other projects.

A vote was taken on the motion, which failed 1-5, with Councilmember Fimia voting in the affirmative.

Councilmember Ransom moved to increase funding for sidewalks around schools by \$1 million in years 2007 through 2010. Councilmember Fimia seconded the motion.

Councilmember Ransom said his motion responds to the survey results that ranked sidewalks as a high priority in Shoreline, especially near elementary schools. He said the Public Works Department estimated it would take \$5.5 million to add the necessary sidewalk inventory, so this increased funding would accomplish this goal.

Deputy Mayor Jepsen wondered which funding source would accomplish this proposal. Councilmember Ransom suggested that the savings obtained from reduced capital projects that are not a high public priority could be used to fund sidewalks. He felt it was important to make a commitment on a high public priority.

Mayor Hansen pointed out that the proposed CIP includes approximately eight miles of sidewalk construction projects.

Responding to Councilmember Grace, Councilmember Ransom clarified his motion that the \$1 million for sidewalks around schools would begin in 2007.

Councilmember Fimia felt that sidewalks rank second only to public safety as the most important thing a city can provide for its citizens. She said even though she would have proposed a more aggressive sidewalk plan, this proposal definitely moves in the right direction.

Councilmember Gustafson agreed that sidewalks are important, particularly around schools. He had mixed feelings about the best approach to building sidewalks throughout the City. He raised the possibility of working with the school district on a bond issue. He also suggested that property acquisition might be an appropriate area to consider a bond issue.

Councilmember Grace expressed concern that increasing sidewalk funding in the CIP without an identified funding source could create unmet expectations. He hoped the Council would be able to identify a source to fund this item.

A vote was taken on the motion, which failed 3-3, with Councilmembers Fimia, Grace and Ransom voting in the affirmative.

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Councilmember Fimia moved amendment 9R, to increase expenditures on the annual road surface maintenance program to \$700,000 per year. Councilmember Ransom seconded the motion.

Councilmember Fimia explained that \$700,000 is the amount that staff identified as the recommended level to properly maintain City roads. She felt that master plans should not be funded at the expense of annual road surface maintenance.

Councilmember Ransom said it would cost the City much more to replace roads later if they are not properly maintained now. He noted that the Council approved additional funding last year to increase roads maintenance funding from \$500,000 to \$700,000 following reductions resulting from the Eyman initiative. He urged the Council to support this amendment, noting it would result in long-term savings for the City.

Mayor Hansen said the Council could choose to amend the budget to include the extra \$200,000, as it has done in the past. Mr. Burkett noted that the Council used one-time funding from reserves to fund street maintenance in 2003 and 2004. He did not think it was a good financial plan to continue using one-time money for ongoing expenses.

Councilmember Fimia said her amendment should be approved now, so staff has direction for preparing the operations budget in the fall.

Mayor Hansen felt Councilmember Fimia's amendments represent minor modifications to a carefully developed and balanced CIP. He said the Council can continue to respond to problems as they arise through the annual budget. He expressed general opposition to the proposed amendments.

Councilmember Fimia said the amendments are a reflection of the Council's duty to oversee the budget process.

Deputy Mayor Jepsen felt there were only four sources that could be used to fund an increase in roads maintenance: Real Estate Excise Tax (REET), General Fund, Arterial Street Fund – Fuel Tax, and Investment Interest.

Debbie Tarry, Finance Director, said Council would have to shift funding from projects such as North City, Aurora Corridor, Interurban Trail, or other smaller programs in order to increase funding to roads maintenance.

Deputy Mayor Jepsen said although he would oppose the amendment due to the failure to identify applicable funding sources, he would look for ways to support additional funding for roads maintenance in the annual budget. Mayor Hansen and Councilmember Gustafson concurred.

A vote was taken on the motion, which failed 3-3, with Councilmembers Fimia, Grace and Ransom voting in the affirmative.

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Mr. Burkett said staff would try to determine if there are any unanticipated revenues that could be allocated to roads maintenance when developing the annual budget.

Councilmember Fimia moved amendment 10R, to eliminate the funds in the "Transportation Improvements CIP Project Formulation" category, totaling \$657,733. Councilmember Ransom seconded the motion.

Councilmember Fimia felt that the work described under this item is really staff time that should be included as part of the various master plans.

Mr. Burkett said this line item is a way to account for staff hours and expense that is not directly tied to specific capital projects. He said money is allocated in this fund to allow staff to respond to miscellaneous issues or requests, or to conduct analysis for future projects. He said it is a way of putting ongoing costs in the capital budget as opposed to the operating budget.

Paul Haines, Public Works Director, noted that this fund includes most of the engineers' time, as well as the time allocated for grants procurement. He said it makes it easier to recover costs when these expenses can be documented within the capital fund.

Responding to Councilmember Fimia, Mr. Haines explained that this fund also captures projects of less magnitude than those included in the Transportation Master Plan. He said it is an account for all the miscellaneous activities that have yet to be categorized as specific projects.

A vote was taken on the motion, which failed 1-5, with Councilmember Fimia voting in the affirmative.

Councilmember Ransom moved an amendment to reduce funding in the Neighborhood Traffic Safety Program by half to \$872,000. He pointed out that the NTSP allocation was a projection of what might be needed. He felt that since the NTSP has not effectively utilized its funding, it could be reduced and used for road maintenance or other higher priorities. The motion died for lack of a second.

Councilmember Fimia moved amendment 11R, to maintain present funding for the NTSP but to restrict planning and design to no more than 20 percent of the total construction budget. She felt that the planning/design portion of the NTSP budget was disproportionately high compared with the actual construction costs of traffic devices. This motion died for lack of a second.

Councilmember Fimia moved amendment 12R, to cap the overall expenditure on the Aurora Corridor project to \$15-20 million per mile, including undergrounding of utilities, and to reprogram the remaining first mile dollars to sidewalks or the second or third miles of the project. This motion failed for lack of a second.

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Councilmember Fimia moved 13R, to cap the overall expenditure on the Aurora Corridor project to \$15-20 million per mile and to reprogram the remaining dollars in the second and third miles to other projects. Councilmember Ransom seconded the motion.

Councilmember Ransom expressed concern about cutting the project budget before the City even knows how much will be required for Phase 1. He suggested that the project could experience cost escalations as has the North City project, which may require an additional \$3-4 million in General Fund dollars. He did not support the amendment.

Councilmember Fimia emphasized the importance of living within the budget and only spending what the City can afford. She said her amendment would provide more predictability and allow the movement of more funds around the City to connect capital projects. She also felt this funding would be needed to address additional needs identified by the master plan process. She expressed concern that the City would not have the necessary funding to respond to these needs if it allocates too much to the Aurora Corridor.

A vote was taken on the motion, which failed 1-5, with Councilmember Fimia voting in the affirmative.

Councilmember Ransom moved to freeze the North City allocation at the current level, and that no additional funds be allocated to that project out of General Fund. Councilmember Fimia seconded the motion.

Councilmember Ransom provided a brief background on the North City project, noting that it was initially projected to cost the City \$1 million, with the remainder being funded by grants. However, this did not happen. He noted that the costs have grown from a preliminary estimate of \$5.5 million to over \$9 million. He felt the Council should not approve funding above the current level since it is coming exclusively from the General Fund. He also expressed concern about the amount of funding being used to improve such a small business district.

MEETING EXTENSION

At 9:59 p.m. Deputy Mayor Jepsen moved to extend the meeting to 11:00 p.m. Councilmember Grace seconded the motion, which carried unanimously.

Deputy Mayor Jepsen pointed out that the North City Project includes much more than improvements to the business district. **Deputy Mayor Jepsen moved a substitute amendment to cap spending at \$9.3 million and aggressively pursue funding by the telecommunications agencies. Councilmember Gustafson seconded the motion.**

Mayor Hansen did not feel strongly about the amendment because the North City project would be specifically discussed and addressed as part of the annual budget. He reiterated his view about the difference between the CIP and the annual budget.

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After Councilmember Grace pointed out that the North City project would be discussed in more detail later in the meeting, **the motion and second were withdrawn.**

A vote was taken on Councilmember Ransom's motion (which reflects what is in the proposed CIP), which carried 4-2, with Deputy Mayor Jepsen and Councilmember Fimia dissenting.

Councilmember Fimia moved amendment 16M, to create a new Major Maintenance Fund in the CIP. This motion died for lack of a second.

Councilmember Fimia moved amendment 17M, to create a new Emergency Management Mitigation Projects Fund. This motion died for lack of a second.

Referring to page 83 of the proposed CIP, Councilmember Fimia pointed out that the 20-year revenue forecast (\$87 million) for the draft Transportation Master Plan is approximately the same amount that the CIP's Roads Capital Fund projects to spend in six years.

Mr. Haines commented that the estimates for the CIP are far more accurate than the twenty year plan. He said there is still considerable work to refine these numbers.

A vote was taken on the motion to pass Ordinance No. 357 amending the Comprehensive Plan to add the 2005-2010 Six-Year Capital Improvement Plan and update the Capital Facilities Table CF:1: Twenty Year Capital Facilities Plan, which carried 5-1, with Councilmember Fimia dissenting.

9. NEW BUSINESS

- (a) North City Project contract bid opening results and update

Paul Haines, Public Works Director, outlined the alternatives that staff is discussing to address the fact that the bids for the North City project were substantially above the engineer's estimate and beyond the resources allocated for this portion of the full 15th Avenue NE corridor project. He explained the factors in the bidding climate that contributed to this outcome. His presentation included the following key points:

- A check of 94 recent regional road project bids with an engineer's estimate showed that 54 percent had engineer's estimates at or below the low bid and 46 percent above the low bid. Over half of the engineer's estimates that were below the low bid were between 10 percent and 67 percent under the bid, with an average being 31 percent.
- If the choice is made to award to the low bid, the total CIP project estimate would be \$9,126,044, including all previous project expenses.

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- The difference between the available resources and those projected for full completion of the CIP scope for the corridor is \$1,603,056. This projected shortfall is made up of several components, including market increases, contingency, and telecommunication undergrounding costs.
- Wilder Construction, the low bidder, has agreed to extend the award date to August 31. The last available scheduled Council meeting during this award period is August 23.

Mr. Haines concluded by requesting that staff be provided additional time to review the bid and thoroughly analyze the City's options.

Councilmember Grace stated that he is not interested in awarding the bid and appropriating funds for project completion, rebidding the existing project, or postponing the project until it can be reprioritized with other capital needs. He supported a reduction in the scope of work or phasing the improvements. He also suggested that the City sponsor community meetings to gather additional public input before the item comes back to Council in late August.

Referring to page 2 of the staff report, Deputy Mayor Jepsen said he would consider "Construction management and staff construction time" and "2004 engineering and staff PM services" to be the same expense.

Mr. Haines explained that everything up to the point of construction is contained in the "2004 engineering and staff PM services" line item. Construction management is a separate contract for services during project construction. He clarified that this contract has already been negotiated and is not based on a percentage of the bid.

Councilmember Fimia asked if the project included sidewalks on both sides of the street.

Mr. Haines said sidewalks would primarily be built from NE 175th Street to NE 180th Street, but there would be a variety of other pedestrian facilities throughout the project. He noted that sidewalks would be rebuilt on the west side of 15th Avenue down to NE 172nd Street, and the only place lacking sidewalks is the east side from NE 150th to NE 165th.

Councilmember Ransom asked if there was any proposal to build sidewalks on the east side along Hamlin Park and Fircrest.

Deputy Mayor Jepsen pointed out that during the community meetings for this project, the public opposed cutting down trees to build sidewalks on the east side of the street.

Mr. Haines noted that the City obtained a grant for sidewalks along Hamlin Park, but had to turn it back because the grant lapsed before the project went to construction. He affirmed that the City would continue to seek grant funding to construct sidewalks.

Councilmember Fimia agreed with Councilmember Grace's suggestion to reduce the project scope and seek additional public input. She suggested that the public process include the City Council and that it focus on the original goals of the project. She felt the project could achieve the needs of the business community and the overall goal of an enhanced, pedestrian-friendly neighborhood. She felt there were other methods to reduce traffic speeds besides narrowing lanes.

Deputy Mayor Jepsen felt the City should either appropriate the money to award the bid or reduce the scope by working with the existing low bidder. He felt contractors would avoid bidding on a previously bid project.

Mayor Hansen felt detractors of the project were mainly opposed to the three-lane road configuration. He did not think there were many objections to sidewalk widths or underground utilities. He noted that the water district intended to capitalize on the undergrounding opportunity to upgrade its water mains to meet fire suppression standards. He asked staff to analyze the impacts of leaving the project as a four-lane configuration, and how a different design would affect the construction schedule.

Mr. Haines said leaving the design as a four-lane configuration would require a notable amount of engineering due to the change in sidewalks and driveways. He said a different design would also involve timing and coordination with Seattle City Light, noting that 2004 was the last year SCL included underground funds in its budget. He said construction would start after Celebrate Shoreline if the bid were awarded.

Councilmember Ransom noted that street parking is prohibited in Seattle during peak hours to increase traffic flow. He wondered if the North City project could be designed similarly. Mr. Haines said it is certainly possible, although it would require significant design changes.

Mayor Hansen asked that the traffic engineer analyze the four-lane configuration in terms of traffic impacts, neighborhood impacts, and pedestrian safety.

Mr. Burkett said if Council chooses to reduce the scope, the choices would be difficult because most of the costs are for basic construction and undergrounding. Mr. Haines pointed out that the low bidder, Wilder Construction, has a reputation for delivering quality products.

Mayor Hansen commented on construction cycles, noting that the past few years have been at a low point in the cycle and, unfortunately, there is now an upturn in costs. He felt that a lot of money has already been expended on this project and the City should do it "first class" or not at all. He said costs can only go up if the project is postponed.

Councilmember Ransom raised the issue of whether a three-lane configuration would accommodate the number of cars using 15th NE in future years.

Councilmember Ransom left the Council table at 10:45 p.m.

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Councilmember Gustafson supported awarding the bid. He suggested negotiating with the low bidder for scope reductions. Mr. Burkett and Mr. Sievers clarified that state law prohibits this approach. If the scope is changed, the project must be rebid.

Councilmember Fimia agreed with Councilmember Ransom that traffic impacts should be reassessed. She felt the design should remain as a four-lane configuration, noting that the redevelopment of Fircrest will add considerable traffic in that area.

Mr. Haines said staff would return on August 23rd with a recommendation.

- 8(b) Status of Comprehensive Plan Update and Master Plans
- 8(c) Capital Improvement Plan Quarterly Update

Deputy Mayor Jepsen suggested that due to the lateness of the hour, everyone should refer to the staff reports in the packet for these items.

Tim Stewart, Planning and Development Services Director, outlined the schedule for Planning Commission consideration of the Comprehensive Plan and master plans.

- 9(d) Response to WSDOT letter
- 9(e) Direction on Interurban Trail bridges

Councilmember Fimia stated that the CIP discussion resolved her issue regarding Council direction on the Interurban Trail bridges. She offered to move item 9(d), Response to WSDOT letter, to the August 16 agenda.

10. ADJOURNMENT

At 10:58 p.m., Mayor Hansen declared the meeting adjourned.

Sharon Mattioli, MMC
City Clerk