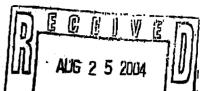
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Council CMO 6 to DANG TRUSPO PCD

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August 20, 2004

Mayor Connie Marshall Members of the Bellevue City Council City of Bellevue PO Box 90012 Bellevue, WA 96009

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Dear Mayor Marshall and Members of the City Council:

2004-487

On June 28, 2004, the Metropolitan King County Council approved an ordinance that provides \$1,520,000 in 2004-2005 funding for the 150th Ave. S.E. project in the Eastgate area. This joint County-City project, with the City serving as lead agency, will benefit the City and the Eastgate unincorporated area, which has been identified for some time as a Potential Annexation Area (PAA) for Bellevue.

The ordinance includes a proviso that expresses the Council's desire for a status/progress report on this project, prepared jointly by the King County Department of Transportation and the City of Bellevue. We understand that the County's share of project costs are projected to increase and we appreciate the City's willingness to evaluate possible cost eavings. Given the continued severe constraints on the Roads capital budget, this report will be most helpful to the Council as we prepare to review the 2005 County budget in October and November.

The restoration of funding for this and other projects in Potential Annexation Areas was achieved by using funds from an Annexation Incentive capital project reserve. From the Council's perspective, the decision to tap into the Annexation Incentive funds represents a good faith effort to encourage progress on annexation. While I and the undersigned Councilmembers would hope that annexation of the Eastgate area would occur in the near future, there is no intention by the Council via this ordinance to make funding for this important project contingent upon annexation of the Eastgate area. I trust that this will clear up any misunderstanding that might have existed among members of the Bellevue City Council or Bellevue staff.

ypry truly,

Larry Gossett, Chair

Budget and Fiscal Management Committee

Rob McKenng, Councilmember

Jane Hague, Councilmember