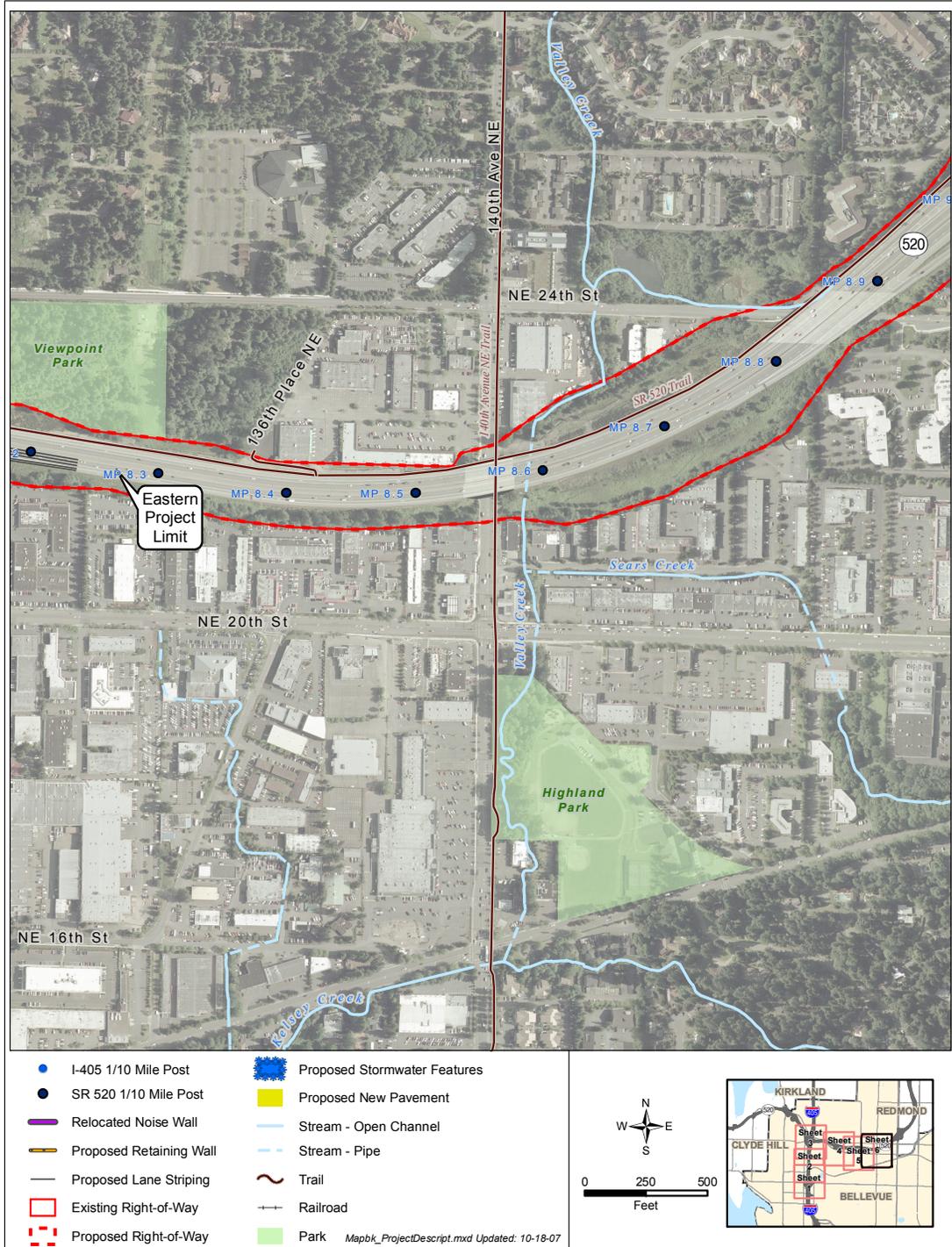


I-405, NE 8TH STREET TO SR 520 IMPROVEMENT PROJECT
ECONOMICS DISCIPLINE REPORT

Exhibit 2-3: Project Features - Sheet 6 of 6



Southbound I-405 to SR 520 Improvements

- Realign the southbound I-405 to eastbound SR 520 loop ramp.
- Realign eastbound SR 520 to match the proposed improvements.

Construction Staging

Construction funding is currently available for only some of the proposed improvements in the Build Alternative. Consequently, the project will be constructed in stages. The funded first stage will include the northbound I-405 improvements, including the braided ramps, the NE 12th Street bridge reconstruction, and the northbound NE 10th Street on-ramp. Additionally, one of the three proposed collector-distributor lanes from northbound I-405 to eastbound SR 520 will be constructed. This collector-distributor lane will cross over the existing NE 124th Street on-ramp before merging with SR 520. Construction of these funded improvements is scheduled to begin in 2009 and will be completed in approximately 3 years.

The unfunded project improvements include the remaining two lanes of the three-lane collector-distributor system, improvements from southbound I-405 to the eastbound SR 520 collector-distributor, and the improvements from eastbound and westbound SR 520 to southbound I-405. Construction of these remaining improvements depends on when project funding becomes available.

Stormwater Management System Improvements

Stormwater for the I-405, NE 8th Street to SR 520 Improvement Project will be managed for both water quality and quantity using currently accepted best management practices (BMPs).

The I-405 Project Team is designing the stormwater management facilities to comply with the WSDOT *Highway Runoff Manual* (HRM),¹ M 31-16, and *Hydraulics Manual*,² M 23-03. The Department of Ecology has conditionally approved WSDOT's revised HRM for use as an equivalent

¹ WSDOT, 2006a.

² WSDOT, 2006b.

approach to Ecology's *Stormwater Management Manual for Western Washington*.³

Runoff from existing paved surfaces on I-405 and SR 520 within the project limits is generally discharged to streams and ditches without treatment. The project will provide water quality treatment for all of the new impervious surfaces and a portion of the existing untreated impervious surfaces. Existing conveyance facilities will be modified as required to satisfy water quality treatment and flow control design standards noted above, while maintaining existing flow patterns to each of the receiving water bodies.

What are peak flows?

The maximum instantaneous rate of stormwater flow during a storm, usually in reference to a specific design storm event.

The I-405, NE 8th Street to SR 520 Improvement Project will also manage peak flows and duration in accordance with the WSDOT *Highway Runoff Manual*. The stormwater management facilities will also manage peak flows and durations in accordance with the HRM. Six new flow control facilities and one existing facility (constructed as part of the NE 10th Street Bridge Project) will be used to provide stormwater detention. The proposed locations of these facilities are shown in Exhibit 2-3.

Wetland and Stream Mitigation Sites

To compensate for the permanent effects on wetlands, WSDOT will provide mitigation at a wetland mitigation site that is about one mile southeast of the southern project limit. Mitigation at this site was approved as part of the I-405, Bellevue Nickel Improvement Project and has been constructed. The wetland mitigation site is within the boundaries of Kelsey Creek Park (Exhibit 2-1). The site is located north of the intersection of Richards Road SE and the Lake Hills Connector. The mitigation site is an upland area adjacent to a large wetland complex that will be transformed to an emergent wetland. Its wildlife habitat will be enhanced by constructing habitat structures and replanting adjacent upland areas with forest-type vegetation.

We will also mitigate for unavoidable effects on the unnamed tributary to Sturtevant Creek. The mitigation will be in-kind and will be located within WSDOT right-of-way on the east side of I-405 south of NE 4th Street (Exhibit 2-3). Stream mitigation for permanent effects to the unnamed tributary to

³ Ecology, 2005.

Sturtevant Creek will occur at Sturtevant Creek and will be designed to meet specific goals. Stream mitigation goals include:

- Increased hydrologic connectivity with two small riparian wetlands;
- Increased fish rearing habitat; and
- Improved riparian buffer conditions.

WSDOT will meet these goals by installing large woody debris and other in-stream channel enhancements. The stream's buffer will be revegetated with plant species native to the area, and invasive vegetation will be removed.

We provide more detailed information about mitigation efforts planned in conjunction with the I-405, NE 8th Street to SR 520 Improvement Project in the Water Resources and Ecosystems Discipline Reports.

Does this project relate to any other improvements on I-405 or connecting highways?

In 1998, WSDOT joined with the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), Central Puget Sound Regional Transit Authority (Sound Transit), King County, and local governments to develop strategies to reduce traffic congestion and improve mobility in the I-405 corridor. In fall 2002, the combined efforts of these entities culminated in the I-405 Corridor Program NEPA/SEPA Final Environmental Impact Statement (EIS) and Record of Decision (ROD).

WSDOT created the I-405 Corridor Program as a comprehensive strategy to reduce congestion and improve mobility throughout the I-405 corridor. The corridor begins at the I-405/I-5 interchange in the city of Tukwila and extends northward 30 miles to the I-405/I-5 interchange in the city of Lynnwood. The program's purpose is to provide an efficient, integrated, and multimodal system of transportation solutions.

The I-405, NE 8th Street to SR 520 Improvement Project is one of several I-405 projects (see links to WSDOT's project-specific web pages at <http://www.wsdot.wa.gov/projects/>). Other projects along the I-405 corridor and connecting highways include:

- Renton Nickel Improvement Project, 1-5 to SR 169 (under construction)
- Renton to Bellevue Project, SR 169 to I-90 (proposed)
- South Bellevue Widening (112th Avenue SE to SE 8th Street) Project (under construction)
- NE 10th Street Bridge Crossing Project (under construction)
- SR 520 Bridge Replacement and HOV Project (proposed)
- SR 520 to I-5 Widening Project (proposed)

What are express toll lanes?

An express toll lane is a limited-access freeway lane that is actively managed through a variable toll system to regulate its use and thereby maintain express travel speeds and reliability. Toll prices rise or fall in real time as the lane approaches capacity or becomes less used. This ensures that traffic in the express toll lane remains flowing at express travel speeds of 45 to 60 miles per hour. Toll prices may differ for carpools, transit, motorcycles, and single-occupant vehicles. Tolls are collected electronically using overhead scanners that read a transponder inside the vehicle and automatically debit the operator's account.

In addition to improvements along I-405 and SR 520, WSDOT has planned projects on SR 167, I-90, and SR 522 as recorded in WSDOT's *Highway System Plan*.⁴ This plan forecasts transportation needs for the next 20 years. The Metropolitan Transportation Plan for the central Puget Sound region, *Destination 2030*, revised in 2003, defines the region's action plan for the next 30 years.

The I-405 Corridor Program EIS identified possibilities to better manage the corridor through tolling. WSDOT could achieve this through the use of express toll lanes that would be managed through a variable toll system to regulate their use and thereby maintain express travel speeds and reliability. The footprint of the project identified in this document would not preclude implementation of express toll lanes. The freeway system would, however, operate differently if express toll lanes are used. If express toll lanes are to be implemented in the future, additional operational analysis and any necessary environmental documentation would be prepared. Therefore, an operational change to express toll lanes would be a future decision.

What is the No Build Alternative?

The No Build Alternative assumes the new NE 10th Street bridge across I-405 that is being constructed as part of another project will be in place. The No Build Alternative assumes that only routine activities such as road maintenance, repair, and minor safety improvements would take place over the next 20 years. The No Build Alternative does not include improvements that would increase roadway capacity, reduce

⁴ WSDOT, 2007a.

congestion, or improve safety on I-405 or SR 520. For these reasons, it does not satisfy the project's purpose—to reduce congestion created by weaving traffic on I-405 and SR 520.

The No Build Alternative has been evaluated in this discipline report to establish a reference point for comparing the effects associated with the Build Alternative.

SECTION 3 STUDY APPROACH

WSDOT evaluated economic activity to identify potential substantial adverse and beneficial effects of the project on the local and regional economies. This analysis complies with the National Environmental Policy Act (NEPA), State Environmental Policy Act (SEPA), and local and state planning policies.

What is the study area and how was it determined?

The I-405, NE 8th Street to SR 520 Improvement project is located within the city of Bellevue, which is the study area for this Economics Discipline Report. The I-405 Team evaluated the effects of project construction and operation, business relocations, and changes in access on the City's economy. Major transportation projects can affect local and regional economies (such as with effects on traffic mobility and congestion); thus, economic effects were also analyzed for King County.

What policies or regulations are related to effects on economics?

Relevant policies and regulations include federal, state, and local plans and policies governing economic development, land use, and transportation planning adopted by jurisdictions within the study area. Local policies and goals related to economic development depend on the implementation of certain transportation policies. For this reason, the major transportation plans of the region were also reviewed.

I-405 Corridor Program Final EIS:⁵ In 2002, WSDOT completed an environmental review of a range of alternatives for improving I-405 on a corridor-wide basis. The Economic Impacts section describes the affected environment and the potential construction and operational effects that each Corridor Program alternative would have on businesses along the corridor and in the region.

⁵ WSDOT, 2002.

Federal

U.S. Department of Transportation (DOT), FHWA: FHWA's *Guidance for Preparing and Processing Environmental and Section 4(f) Documents*⁶ was used to guide the economic analysis. According to FHWA, the analysis should discuss the following for each alternative commensurate with the level of impacts:

- The economic effects on the regional and/or local economies such as the effects of the project on development, tax revenues and public expenditures, employment opportunities, accessibility, and retail sales.
- The effects on the economic vitality of existing highway-related businesses (such as gasoline stations, motels, etc.) and the resultant effect, if any, on the local economy.
- The effects of the proposed action on established business districts, and any opportunities to minimize or reduce such effects by the public and/or private sectors.

State

WSDOT *Environmental Procedures Manual (Economics)*:⁷ WSDOT has developed guidelines to help interpret and implement the National Environmental Policy Act (NEPA) and State Environmental Policy Act (SEPA). The guidelines for economics are consistent with the FHWA guidance discussed above.

Local

City of Bellevue Comprehensive Plan:⁸ The comprehensive plan serves as a guideline for designating land uses and infrastructure development, as well as developing community services. The Economic Development chapter of the plan states that in order to have a strong local economy consistent with a sustainable natural environment and a high quality of life, economic opportunities for residents, vibrant commercial areas, and a solid tax base to support local services must be provided.

⁶ DOT, FHWA. 1987.

⁷ WSDOT, 2007b.

⁸ City of Bellevue, 2006a.

Destination 2030:⁹ *Destination 2030* is a comprehensive transportation action plan developed by the Puget Sound Regional Council (PSRC) for making traffic better, keeping pace with growth, and supporting the region's economic and environmental health.

How was information collected about the local economy for this report?

The project team gathered data describing existing economic conditions from local, county, state, and federal agencies. We also collected data from local and regional organizations involved in economic development and commerce. The data evaluation covered the historical and the most current population, households, and employment; the area's major employers and industries; the current income levels in the study area; and the major sources of revenue for the City of Bellevue.

We contacted the following organizations for relevant data:

- Puget Sound Regional Council
- Washington State Office of Financial Management, Employment Security Department, and Department of Revenue
- U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, and Bureau of the Census
- King County Department of Assessments
- Bellevue Chamber of Commerce
- City of Bellevue

How were effects on the local economy evaluated?

Data sources included a combination of secondary data and field surveys. The project team reviewed published studies evaluating the relationship between transportation investment and economic growth, and reports on the effect of congestion and the economy of the study area.

We conducted windshield surveys in local business districts to gauge the effects of project construction and operation on

⁹ *Puget Sound Regional Council, 2001.*

businesses, and collected data to estimate retail sales and employment of local business districts and businesses potentially displaced by the project. We used the results of the Transportation Discipline Report, published economic and demographic data, and land use model results to qualitatively assess the economic effects of the project on goods transportation in the region. Information from the Transportation Discipline Report was also used to qualitatively assess the project's effects on congestion and mobility. We used information from the *Social, Environmental Justice, Public Services and Utilities Discipline Report* to estimate the effects on property tax collections, and to estimate the number of businesses to be displaced by the project.

Short-term Construction Effects

The project team conducted a qualitative assessment of the potential for a temporary increase in jobs and income in the region resulting from construction spending using published information about such effects, and data compiled for similar projects in the state and the I-405 Corridor.

We estimated the effects from construction-related traffic delays on the basis of a review of construction techniques, a review of aerial photos, site visits, and information about transportation effects from the *Transportation Discipline Report*.

Long-term Operational Effects

The project team estimated the fiscal effects associated with the loss of taxable property using parcel-level information about displacements, and tax information about those parcels from the King County Department of Assessments.

We estimated localized effects on businesses by reviewing project design drawings, conducting windshield surveys of businesses, and evaluating likely project effects on affected businesses.

Indirect Effects

The overall level of economic activity in the region and changes in development locations that may result from operation of the project are considered indirect economic effects. We evaluated indirect effects using forecasted changes in regional mobility and access patterns from the Transportation Discipline Report, data from published studies evaluating the relationship between transportation investment and economic growth, and the estimated potential for induced

growth from this project as reported in the Land Use Discipline Report.

Cumulative Effects

The project team did not evaluate cumulative effects on the local economy. In accordance with Council on Environmental Quality (CEQ) guidelines, an analysis of cumulative effects is not needed for every discipline studied in NEPA and SEPA documentation. Disciplines selected for cumulative effects analysis should be determined on a case-by-case basis early in the NEPA process, generally as part of early agency coordination and scoping. For the I-405, NE 8th Street to SR 520 Improvement Project, the disciplines evaluated for cumulative effects were air quality, surface water, wetlands, and fish and aquatic habitat. (Refer to the project *Cumulative Effects Analysis Technical Memorandum*.)

SECTION 4 EXISTING CONDITIONS

What general economic characteristics exist in the study area?

Population and Housing

Exhibit 4-1 presents historical and forecasted population data for the city of Bellevue, King County, and the state of Washington. Between 2000 and 2030, the PSRC estimates that the city and county population will grow at similar average annual rates of 0.9 percent and 0.8 percent, respectively. In comparison, the state is forecasted to grow at a slightly higher average annual rate of 1.3 percent.

Exhibit 4-1: Population Forecast

Area	Total Population		Average Annual Growth Rate 2000-2030
	2000 (actual)	2030	
City of Bellevue ^a	104,033	137,692	0.9%
King County ^a	1,737,034	2,234,775	0.8%
Washington State ^b	5,894,121	8,637,637	1.3%

^a PSRC, 2006.

^b Office of Financial Management (OFM), 2006.

Exhibit 4-2 presents historical and forecasted housing data for the county and city. Between 2000 and 2030, the PSRC expects a higher average annual growth rate of household formation in the county and city than the annual rate of population growth. This means that the number of persons per household will decline. This is relevant because travel demand typically correlates more closely to household formation than to population.

Exhibit 4-2: Housing Forecast

Area	Total Households		Average Annual Growth Rate 2000-2030
	2000 (actual)	2030	
City of Bellevue	43,779	66,831	1.4%
King County	710,916	997,326	1.1%

Source: PSRC, 2006

The U.S. Bureau of the Census estimated that the median housing value in the city was \$434,100 in 2005. This is higher than the county median housing value of \$345,300 and the state median housing value of \$227,700.

Local Economic Trends

In the past two decades, Bellevue's economy has become less dependent on natural resources and more dependent on a diverse mix of industries, of which the retail and service industries are the largest. As a result of this diversification, the economy is less likely to be affected by downturns in a single industry. Bellevue is also a major trading center internationally and within the Puget Sound region for products and services such as software, legal services, architectural and engineering design and consulting, product importing, food and beverage exporting, and many others. The safe and efficient movement of people and goods to and from the area is an important factor in the long-term health of the local and regional economies.

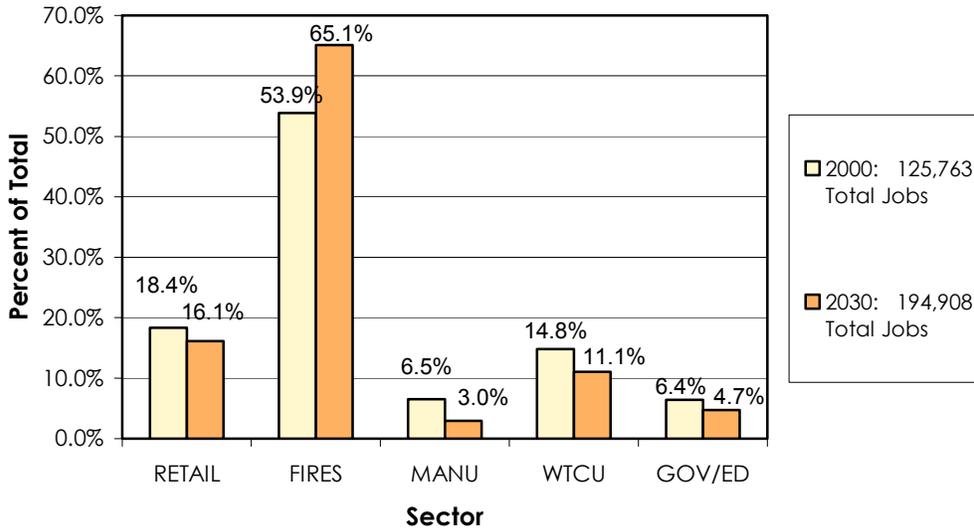
Employment

Exhibits 4-3 and 4-4 present historical and forecasted employment by sector, in total, and on a percentage basis, for the city of Bellevue and King County in 2000 and 2030. As shown, the PSRC estimates that total jobs in the city will increase from 125,763 jobs in 2000 to 194,908 jobs in 2030.

The sectors in the city with the largest shares of total employees are finance, insurance, real estate, and service industries (FIRES), and retail. In 2000, FIRES and retail sectors accounted for approximately 53.9 and 18.4 percent, respectively, of all jobs in the city.

PSRC forecasts that each sector, with the exception of FIRES, will decrease its share of total jobs within the city by 2030. The most notable decrease is forecasted to occur in the WTCU sector, which is composed of wholesale trade, transportation services, communications, and utilities, with a decrease of 3.7 percent of total jobs between 2000 and 2030. The FIRES sector is forecasted to increase its share of total jobs in the city by 11.2 percentage points by 2030. As shown in Exhibit 4-4, the trend toward a relative increase in FIRES employment also occurs elsewhere in the county.

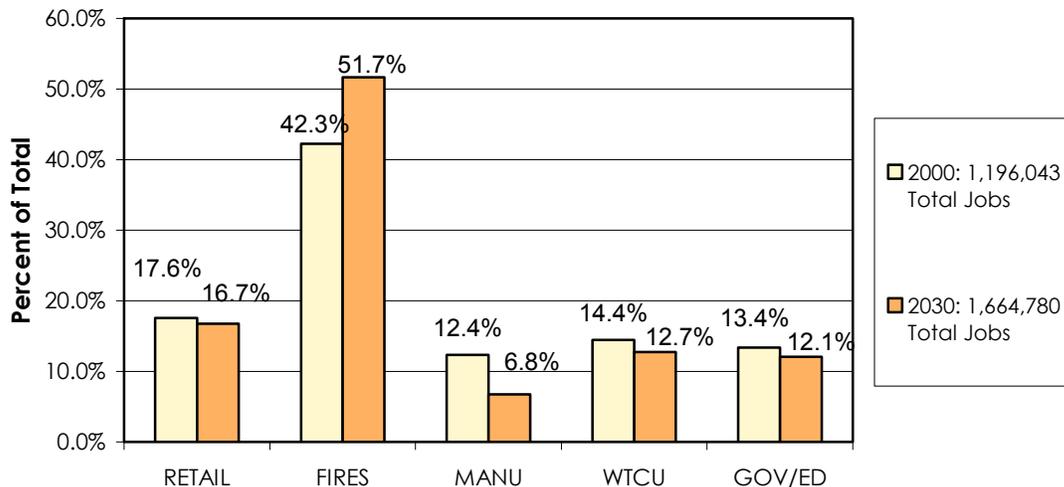
Exhibit 4-3: Percent of Total Employment by Industry – City of Bellevue



Source: PSRC, 2006.

Notes: RETAIL = Retail Trade; FIRES = Finance, insurance, real estate, and services; MANU = Manufacturing; WTCU = Wholesale trade, transportation services, communication, and utilities; GOV/ED = Government/Education

Exhibit 4-4: Percent of Total Employment by Industry – King County



Source: PSRC, 2006.

Notes: RETAIL = Retail Trade; FIRES = Finance, insurance, real estate, and services; MANU = Manufacturing; WTCU = Wholesale trade, transportation services, communication, and utilities; GOV/ED = Government/Education

This is relevant for this study because this change affects travel demand. In general, retail and service businesses generate more trips per employee than manufacturing facilities.

Exhibit 4-5 presents a list of the major employers in the city of Bellevue. This list represents businesses from a variety of sectors illustrating the diverse economy of the city. Exhibit 4-6 shows the location of each of these businesses. Each of these businesses is located near a major freeway (either I-405 or I-90), which demonstrates the desire of businesses to locate in an area with good access and mobility for its employees and customers.

Exhibit 4-5: Largest Employers in Bellevue

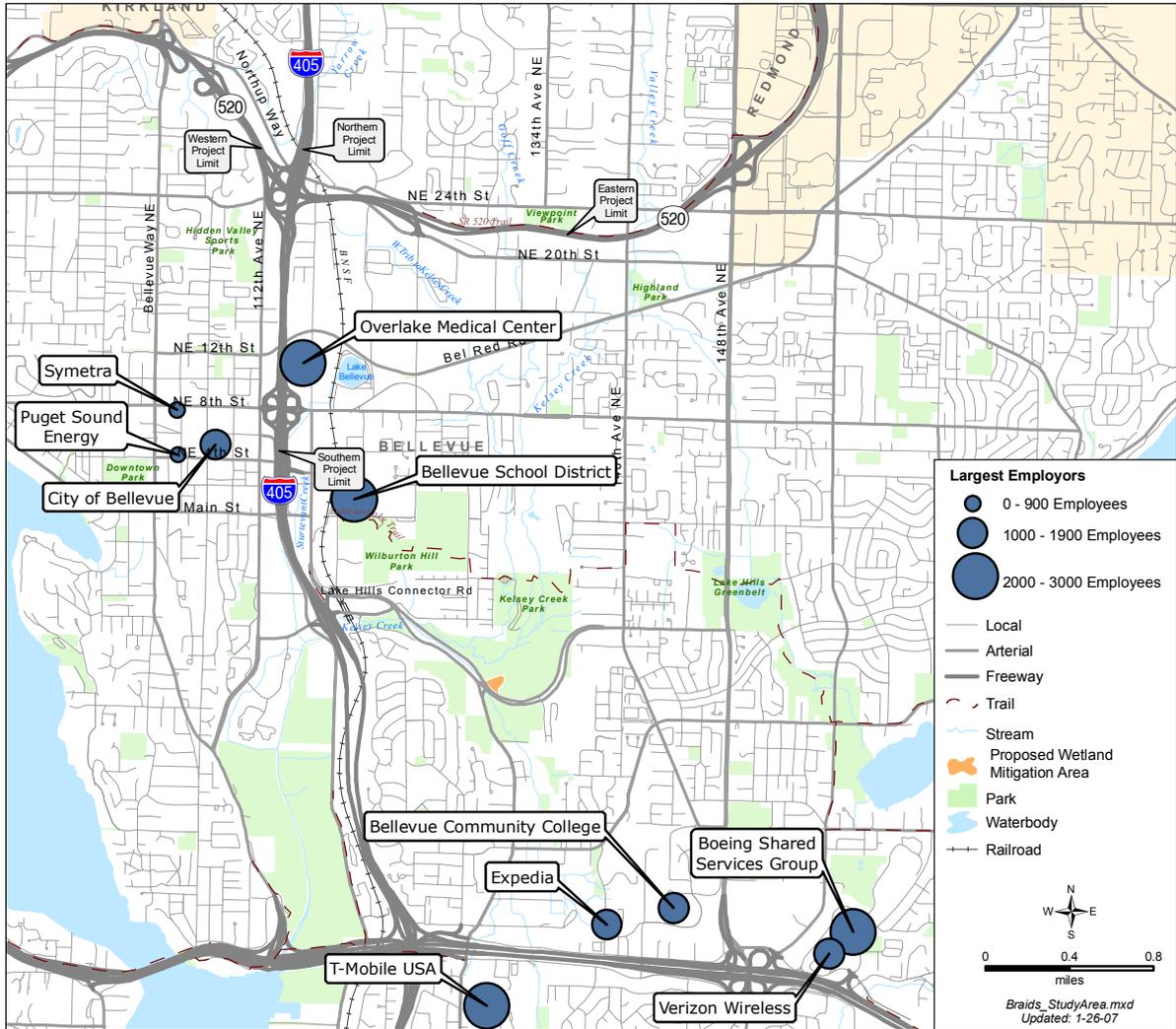
Employer	Employees
Boeing Shared Services Group	2,800
T-Mobile USA	2,400
Overlake Medical Center	2,200
Bellevue School District	2,000
City of Bellevue	1,600
Verizon Wireless	1,500
Bellevue Community College	1,300
Expedia Inc.	1,300
Symetra	900
Puget Sound Energy	900

Source: City of Bellevue, 2005.

Unemployment

Exhibit 4-7 presents unemployment rate trends for Bellevue, King County, Washington State, and the United States. From 1998 to 2000, the city's unemployment rate was lower than that of the county, state, and nation; however, between 2002 and 2004 it was similar to the county and nation. Since 2003, the city's unemployment rate has again tended to be lower than the county, state, and nation.

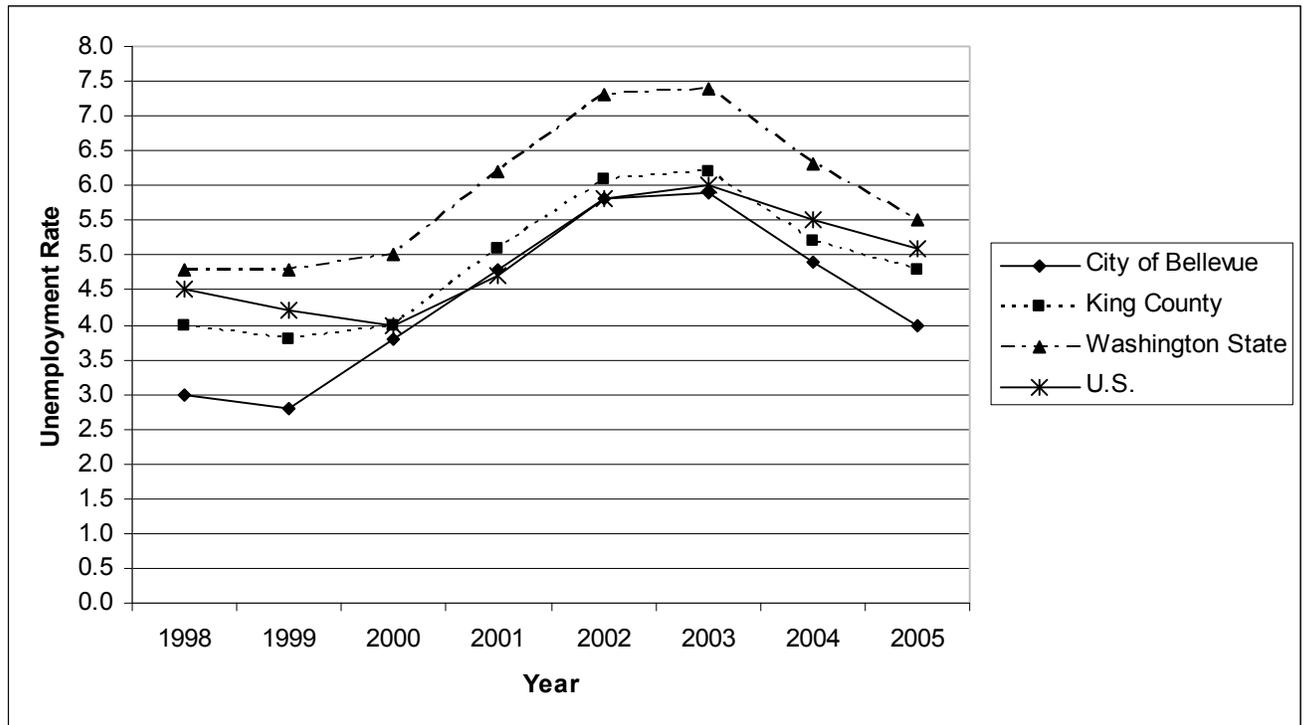
Exhibit 4-6: Largest Employers in Bellevue by Location



Household Income

Median household income in Bellevue is higher than the county and state average. According to the U.S. Bureau of the Census, median household income for the city was approximately \$69,880 in 2005. Median household income was \$58,370 in King County and \$49,262 state-wide in 2005. Income levels in the city, county, and state have increased by 60, 90, and 47 percent, respectively, when compared to 1990 U.S. Census levels.

Exhibit 4-7: Unemployment Rates, 1998 - 2005



Source: U.S Bureau of Labor Statistics, 2006.

Retail Sales

Retail sales in King County and the city of Bellevue are presented in Exhibit 4-8. Retail sales declined in 2001 and 2002, but on the whole between 2000 and 2005, retail sales in Bellevue increased by an average annual rate of 0.1 percent, 1.3 percentage points less than the county as a whole.

Revenue Sources

The City of Bellevue relies heavily on tax revenues to fund essential services. The City's revenue sources are presented in Exhibit 4-9. The largest sources of tax revenues are sales tax and property tax. Of the City's total revenues, sales taxes and property taxes account for 26.1 percent and 18.5 percent respectively. Total tax revenue to the City is estimated to account for 75 percent of the City's total revenues.

Exhibit 4-8: Historical Retail Sales

Area	2000	2001	2002	2003	2004	2005	Average Annual Growth Rate
							2000-2005
City of Bellevue	\$4,724,293,184	\$4,217,493,939	\$4,074,500,477	\$4,085,175,178	\$4,252,105,515	\$4,744,045,120	0.1%
King County	\$37,771,529,228	\$36,113,326,150	\$35,156,210,451	\$35,370,831,017	\$37,253,103,540	\$40,463,996,808	1.4%

Source: Washington State Department of Revenue, 2006.

Exhibit 4-9: City of Bellevue Revenue Sources

Source	Adopted Budget 2005-2006 (thousands of dollars)	Preliminary Budget 2007-2008 (thousands of dollars)	2007-2008 % of Total
Sales Tax	\$62,304	\$71,556	26.1%
Property Tax	\$47,928	\$50,752	18.5%
Business & Occupation Tax	\$32,578	\$35,119	12.8%
Utility Tax	\$38,363	\$41,611	15.2%
Other Tax ^a	\$6,609	\$7,480	2.7%
Licenses & Permits	\$359	\$626	0.2%
Intergovernmental Services	\$29,555	\$34,466	12.6%
Charge for Services	\$22,068	\$26,050	9.5%
Fines & Forfeitures	\$758	\$351	0.1%
Miscellaneous ^b	\$2,372	\$3,599	1.3%
Operating Transfers	\$1,826	\$2,749	1.0%
Total	\$244,720	\$274,359	100.0%

Source: City of Bellevue, 2006b.

^a Other taxes include criminal justice sales tax, admissions tax, and business tax penalties.

^b Miscellaneous includes investment and other revenues.

Why is I-405 important to the local economy?

Businesses in the manufacturing, WTCU, retail, FIRES, and government and education sectors rely heavily on mobility along I-405 and local arterials for the movement of people and goods. Distributors and manufacturers who provide goods to regional or national markets need to transport goods to their facilities in a cost-effective and predictable manner. Also, regional retail and service centers require good access and mobility to draw customers and employees. These types of

businesses are most interested in locating in an area that is convenient and accessible for distributing goods and attracting potential customers and employees.

SECTION 5 PROJECT EFFECTS

How will project construction affect the local economy?

Construction of transportation projects usually results in increased employment and spending in the surrounding area during construction. The extent of these effects depends on the source of project funding and the makeup of work crews used during project construction. Funds from local or regional sources are transfers that could be spent by residents and businesses on other economic activities. Federal or state funds that are new to a region can have a measurable economic effect on employment and income gains resulting from project construction. The State will provide the funds for the I-405, NE 8th Street to SR 520 Improvement Project, resulting in some income and job benefits that would otherwise not occur. Project construction is anticipated to begin in 2009.

FHWA estimates that 25,330 full-time jobs are created per billion construction dollars spent (2003). Construction costs for the Build Alternative are estimated at \$183 million.¹⁰ Using the FHWA estimates, project construction will result in approximately 4,636 full-time jobs. Of the 4,636 total jobs, 1,327 are direct jobs and 3,309 are indirect jobs. Direct jobs are those created directly from project construction (e.g., construction workers), and indirect jobs are those created through the purchase of commodities and services that support project construction (e.g., concrete suppliers).

During construction, some construction products will be purchased locally and some local firms and workers within the study area will be involved in construction. However, firms located outside the study area will provide most of the workers and supplies, thus reducing these beneficial effects in the study area.

The construction of the project will temporarily increase congestion, which will change access for businesses and residents in the vicinity of construction activities. Various retail and medical-related businesses on the Overlake Hospital Medical Center property may experience a small reduction in revenue from project construction compared to what would

¹⁰ WSDOT, 2006c.

otherwise occur without construction. However, these effects are likely to be minor and temporary.

While every effort will be made to maintain parking and access during construction, it is possible that parking and access to some businesses in the vicinity of construction activities will be impeded.

Property Tax Revenues

WSDOT will acquire the additional right-of-way needed to construct the project from taxable property within the city. This taxable property will be removed from the City of Bellevue’s tax base, with the potential for decreasing property tax revenues.

Exhibit 5-1 shows the initial property tax decrease for the City. The assessed value of the additional right-of-way is approximately \$15,109,200. Of this additional right-of-way, approximately \$2,546,953 is taxable. After applying the 2006 Bellevue tax levy rate, the taxable property within the right-of-way generates approximately \$2,948 in revenues for the City, which is very small compared to the 2006 budgeted property tax revenues of approximately \$50 million. The initial property tax decrease will not have a substantial effect on the City’s overall tax revenues.

Exhibit 5-1: Estimated Property Tax Effect

	Estimated Assessed Value	Initial Property Tax Decrease	% of Budgeted 2006 Property Tax Revenues
Right-of-Way Property	\$15,109,200	\$2,948	0.01

Source: King County Department of Assessments, 2006.

The total initial property tax effect includes partial encroachments. The tax effect of the partial encroachments was calculated by multiplying the actual 2006 property tax collected for the parcel by an estimate of the percentage of the parcel taken for the project.

How will project operation affect the local economy?

During operation, the Build Alternative will improve overall traffic circulation and access and reduce congestion in the

study area. This will somewhat increase the geographic scope of customers likely to access local businesses and will shorten the commute time for employees of businesses within the study area and the city. Businesses will also likely benefit from improved freight mobility to and from the study area. This is likely to result in a small improvement in the economic prospects of businesses in the corridor.

Businesses along the corridor might experience a modest increase in retail sales activity because of the improved circulation and access. The congestion relief provided by the project will likely entice some customers who are equally able to shop in another area. To the extent that these customers will spend money that would not otherwise be spent in the city, sales tax revenues in the city will increase. However, the overall effect on the City's tax revenues will likely be small.

The roadway improvements will improve access to some businesses in the area, which could make properties more attractive for businesses and new development.

Access and Parking

Access to a business at the northeast corner of 120th Avenue NE and Northup Way will be relocated as a result of right-of-way acquisition. The new access will be configured to minimize the effect on this business to the extent practicable. This business has an additional access point and is an office building that does not rely heavily on drive-by customers; thus, it is unlikely that it will experience a substantial adverse effect.

A loss of parking and access will occur at one retail business located at the southwest corner of 120th Avenue NE and Northup Way. The current site configuration produces 361 compliant parking spaces some of which are presently used to display palletized material which presumably could be accommodated elsewhere. The access will be reconfigured to minimize the effect on this business to the extent practicable. The effect on parking can be eliminated by restriping the parking lot.

How many businesses will be relocated?

This project will require the relocation of an estimated 61 businesses on 13 parcels. Exhibit 5-2 shows the relocations by business type. Although the entire affected parcel is shaded,

only those businesses located in buildings fully or partially within the dashed right-of-way area will require relocation. Other businesses within the shaded parcel, but outside of the right-of-way area, will not require relocation.

Relocated businesses include commercial and medical offices, educational facilities, and non-profit organizations. These businesses do not rely on drive-by traffic to attract customers and should be able to relocate within the same vicinity or to another location within the city. Seven of the business relocations are building owners and the rest are tenants.

Does the project have other effects that may be delayed or distant from the study area?

An effect is considered “indirect” when it occurs later in time or is farther removed in distance from the original project action. The improved access and mobility resulting from the project will have a positive effect on commercial activities in the areas of King County that rely on mobility through the study area.

The proposed improvements will also indirectly make properties in the study area more desirable, and therefore, more attractive to businesses. During construction, additional economic benefits could occur as wages paid to workers in construction trades or supporting industries are spent on locally and regionally produced goods and services.

Were potential cumulative effects on the local economy considered?

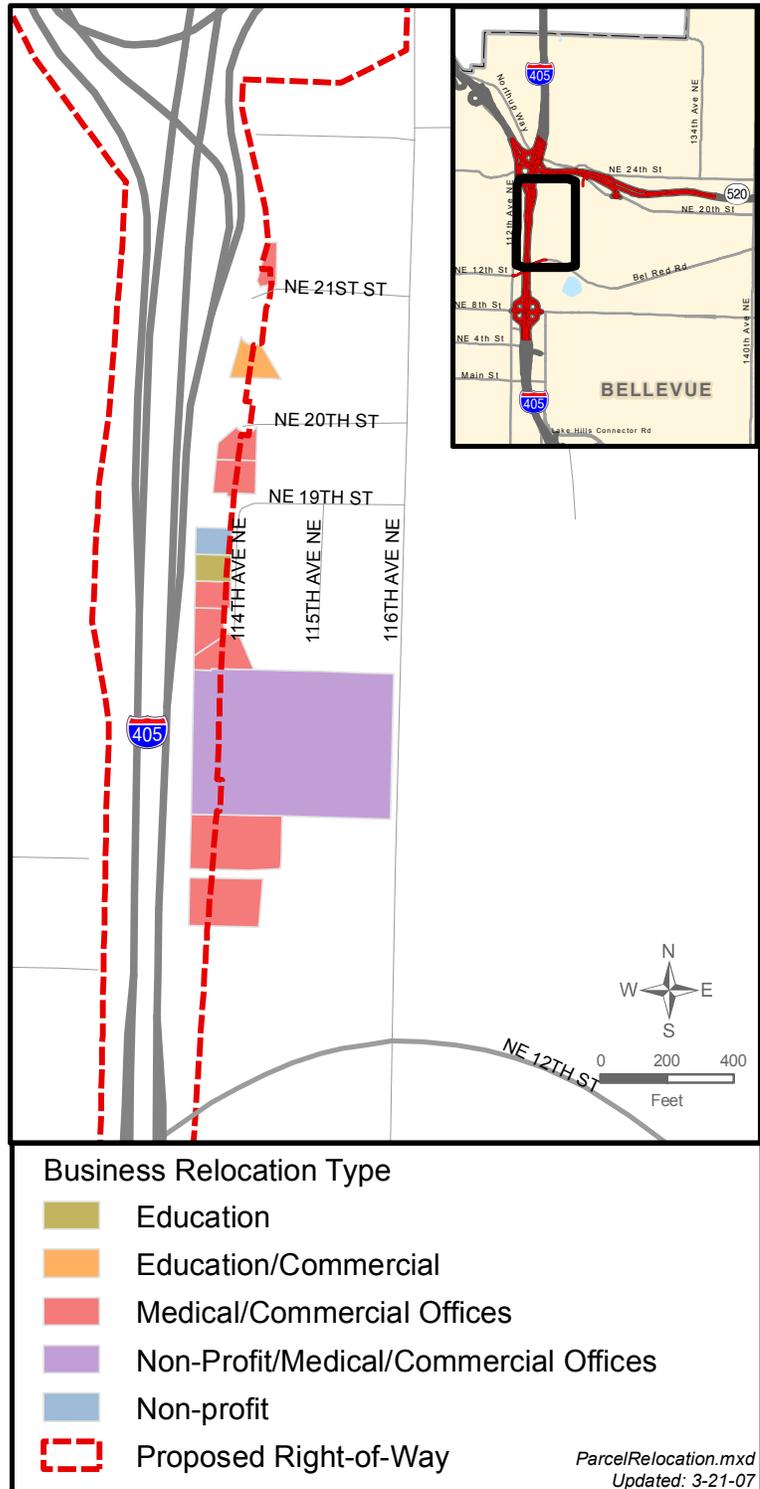
The project team did not evaluate cumulative effects on the local economy. In accordance with Council on Environmental Quality (CEQ) guidelines, an analysis of cumulative effects is not needed for every discipline studied in NEPA and SEPA documentation.

Disciplines selected for cumulative effects analysis should be determined on a case-by-case basis early in the NEPA process, generally as part of early agency coordination and scoping. For the I-405, NE 8th Street to SR 520 Improvement Project, the disciplines evaluated for cumulative effects were air quality, surface water, wetlands, and fish and aquatic habitat. (Refer to the project *Cumulative Effects Analysis Technical Memorandum*.)

What effects would occur under the No Build Alternative?

Under the No Build Alternative, no additional facilities would be constructed. Right-of-way acquisition would not displace any businesses nor result in a decrease of property or sales tax revenue or lost jobs. Economic development in the area will be negatively affected if business owners are reluctant to locate in an area with poor access and mobility for employees and customers. Shoppers may also elect to patronize other areas with easier access and mobility.

Exhibit 5-2: Relocations by Business Type



SECTION 6 MEASURES TO AVOID OR MINIMIZE EFFECTS

What measures will be taken to mitigate effects during construction?

Recommended mitigation measures for adverse economic effects prior to and during construction of the project include the following:

- WSDOT will compensate property owners for the fair market value of property acquired for new right-of-way prior to construction and offer reimbursement for reasonable moving and re-establishment expenses as well as replacement housing payments, where applicable. This compensation will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.
- To avoid or minimize adverse access effects, WSDOT will work with business owners to reconfigure or provide alternate access during construction.

Other mitigation measures to reduce traffic congestion, noise, and dust during construction activities, which could deter patrons from local businesses, are identified in the *Transportation, Noise and Vibration*, and *Air Quality* discipline reports.

What measures will be taken to mitigate the effects of operation?

Recommended mitigation measures for substantial adverse economic effects during operation of the project include:

- To avoid or minimize adverse effects to parking, WSDOT will work with the business owners to reconfigure existing parking or provide new parking.
- To avoid or minimize adverse access effects, WSDOT will work with business owners to reconfigure or provide alternate access.

SECTION 7 UNAVOIDABLE ADVERSE EFFECTS

Does the project cause any substantial adverse effects that cannot be avoided?

The project will not result in any substantial unavoidable adverse effects on the local or regional economies.

Construction activities will likely provide economic benefits in the form of direct and indirect employment. Although taxable property acquired for right-of-way will be removed from the City of Bellevue's tax base, the project will improve overall circulation and access to businesses along the freeway corridor, which may have beneficial effects on local businesses within the study area.

SECTION 8 REFERENCES

GIS Data Sources

Exhibit 2-1

WSDOT. 2006 – 2007. I-405 Staff; project limits.

Exhibit 2-3 – Sheets 1 through 6

WSDOT. 2006 – 2007. I-405 Staff; project limits, existing right-of-way, proposed right-of way, relocated noise wall, proposed retaining wall, proposed stormwater features, proposed new pavement.

Exhibit 4-6

See base data references.

City of Bellevue. 2005. Comprehensive Annual Financial Report.

Available at:

http://www.bellevuewa.gov/pdf/Finance/CAFR_2005_FINAL.pdf. Accessed on: March 1, 2007.

Exhibit 5-2

WSDOT (Washington State Department of Transportation). 2006 – 2007. I-405 Staff; Proposed right-of-way.

Bellevue. 2006. Land Use.

Base Data

All GIS exhibits contain one or more of the following as base layers:

Bellevue. 2006. Lakes, Parks, Streams.

GDT (Geographic Data Technology, Inc.), April 2005. GDT – Dynamap Transportation.

King County Standard GIS Data Disk, extract June 2006:

Trails in King County. Data updated by I-405 staff to match fieldwork, 2002 LiDAR and orthorectified aerial photography.

USGS (United States Geological Survey). June 2002. Color Aerial Photography. <http://edc.usgs.gov/products/aerial/hiresortho.html>

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Sound Region*. Dated October 2006. Available at:
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December 9, 2006.

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