

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

May 21, 2024
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Malakoutian and Councilmembers Hamilton, Lee, Stokes and Zahn

ABSENT: Councilmember Nieuwenhuis

1. Call to Order

The meeting was called to order at 6:01 p.m., with Mayor Robinson presiding.

→ Councilmember Lee moved to excuse Councilmember Nieuwenhuis's absence from the May 21, 2024 meeting. Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 6-0.

2. Roll Call; Flag Salute

Deputy City Clerk Karin Roberts called the roll and all Councilmembers except Mr. Nieuwenhuis were present. Deputy Mayor Malakoutian led the flag salute.

(a) National Public Works Week Proclamation

Councilmember Zahn read the proclamation recognizing May 19-25, 2024, as National Public Works Week in Bellevue. She encouraged everyone to recognize and appreciate the contributions of public works staff to our health, safety, comfort and quality of life.

Andrew Singelakis, Director, Transportation Department, thanked the Council for recognizing the hard work of public works professionals. He thanked staff in the Transportation, Utilities, and Finance and Asset Management (FAM) departments for their significant impact on residents and businesses.

Lucy Liu, Director, Utilities Department, thanked the Council for the recognition of public works employees. She said her team works to ensure that the community has access to essential utility services that we all rely on daily.

John Resha, Director, FAM Department, thanked public works professionals for providing essential services for the community.

(b) National Safe Boating and Paddling Week Proclamation

Councilmember Lee read the proclamation declaring May 18-24, 2024 as National Safe Boating and Paddling Week in Bellevue. He urged all community members to practice safe boating practices, including wearing life jackets.

Dale Vodicka, representing the U.S. Coast Guard Auxiliary, thanked the Council for recognizing National Safe Boating Week. He noted there has been a significant increase in paddling activities since the 2020 COVID-19 outbreak. Members of the Bellevue Sail and Power Squadron (Diane Heinrich, Barbara Erickson and Steve Erickson) were present in the audience as well.

(c) Older Americans Month Proclamation

Councilmember Hamilton read the proclamation recognizing May 2024 as Older Americans Month in Bellevue and urged everyone to appreciate and support older adults as essential contributors to our community.

Abigail Brown, representing The Bellevue Network on Aging, thanked the Council for the proclamation and noted that nearly 19 percent of Bellevue residents are 65 years of age or older. She commented on the profound impact of meaningful connections on the health and well-being of older adults. She encouraged support for activities, programs and services for older adults.

3. Approval of Agenda

→ Deputy Mayor Malakoutian moved to approve the agenda, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 6-0.

4. Oral Communications

Deputy City Clerk Karin Roberts said the total time for oral communications is for a period not to exceed 30 minutes and topics must relate to City of Bellevue government. Persons speaking to items on the agenda will be called first and if time remains, others will be called. The presiding officer is authorized to give preference to individuals who have not spoken to the Council within the past 60 days or who are speaking to items that will come before the Council in the upcoming 60 days.

(a) Troy Schmeil, a Bellevue resident and homebuilder, expressed general support for the new tree credit approach in the tree code. He expressed concern, however, that while the new tree code addresses density, it does not address maintaining lot coverage or floor area ratio (FAR), both of which are important. He expressed support for the City of Kirkland's tree codes. He said the code should allow the applicant to determine the best

way to meet the code, with flexibility on retaining versus planting. He commented regarding the tree retention threshold in Bellevue's proposed code.

- (b) Barbara Braun, a founding member and treasurer of 300 Trees, spoke in favor of adopting the proposed tree code as quickly as possible. She commented on the importance of retaining mature trees and planting new trees with redevelopment. She said residents are concerned about the removal of trees throughout Bellevue. She said Bellevue's tree canopy decreased from 2019 to 2021 and continues to decline due to redevelopment. She expressed support for the minimum tree density approach reflected in the new tree code. She said it provides flexibility while requiring the retention of tree canopy. She thanked staff and the Council for their work.
- (c) Joseph Eschbach, a member of Trees 4 Livability, expressed concern about the longtime lack of protection for trees. He commented on the significant loss of trees throughout East Bellevue in particular. He said the value of newly planted trees is not equivalent to mature trees.
- (d) Veronica Shakotko, representing the Master Builders Association of King and Snohomish Counties, said they have been working with City staff and the Bellevue Development Committee over the past six months to provide input on the proposed tree code. She encouraged the City to consider housing impact data, ensure middle housing compliance and flexibility, and to review site plan examples to illustrate how the code would be clear and predictable for applicants and homeowners. She noted a letter dated May 10 to the Council requesting items identified by the Planning Commission and suggested changes. She encouraged a balance between tree retention goals and Growth Management Act (GMA) planning objectives. She urged the Council to consider the supply and affordability of housing. She asked that the tree code not result in the loss of housing.
- (e) Larry Graham spoke in favor of the proposed tree code and commented on the benefits of trees. He commented on the emotional impact of the widespread loss of trees throughout Bellevue. He said the removal of trees by his neighbors has resulted in higher noise levels, higher temperatures, and the loss of shade and birds.
- (f) Krishiv Goswami and others commented on their experience as the first robotics organization in the area. Their goal is to spread awareness about STEM-based topics among children and youth. They said they are a competitive robotics team of eighth graders and noted their interest in educating their peers about building their own robots.
- (g) Todd Levitt, Murray Franklyn Homes, said he is a member of the Master Builders Association. He indicated general support for the proposed tree code but suggested further refinement. He complimented City staff for their outreach and hard work. He said he was hoping the Council would discuss how the tree code will affect housing. He is concerned that the proposed code will have detrimental impacts on housing. He said he did not understand how the Council could make a decision on the tree code without an

analysis of the impacts on providing diverse housing types. He expressed support for the tree credit system.

- (h) Maria Hui, Chair/Treasurer for the BelRed Arts District Community Alliance, said their mission is to cultivate a vibrant, sustainable creative district that celebrates the diverse community and promotes connection. She commented on the goal to provide art and cultural activities within a walkable district. She noted the need for more affordable commercial and office space. She commented on the economic impact of cultural and arts events.
- (i) Alex Tsimmerman said he did not support the current Councilmembers.
- (j) A gentleman complimented the Council and thanked them for their work. He expressed support for the Wilburton rezone and the opportunities it will provide. He encouraged the Council to look around Bellevue to identify features that contribute to a positive quality of life, such as Main Street and Old Bellevue.

5. Reports of Community Councils, Boards, and Commissions: None.

6. Report of the City Manager

(a) Safe Parking Pilot Program Update

Acting City Manager Diane Carlson introduced staff's briefing regarding the safe parking pilot program.

Nico Quijano, Homelessness Outreach Program Manager, said he attended the safe parking program's first community dinner the previous week. Noting the interior improvements to the day center, he said it was rewarding to see the assistance to families to provide a warm, clean and safe environment. The site provides a kitchen, restrooms, showers, laundry facilities and internet access. Mr. Quijano said he has referred 11 households (16 adults and 19 children) to the program, which includes families referred to him by the Bellevue School District, Mary's Place outreach staff, and other local service providers. He said one of the families was given keys to their own apartment earlier that day and another resident has received a job offer. He noted, however, the significant challenges related to the trauma of homelessness.

Mayor Robinson noted the Council's strong support for the program and thanked Councilmember Zahn for initiating the creation of a safe parking program.

7. Council Business and New Initiatives: None.

8. Consent Calendar

→ Deputy Mayor Malakoutian moved to approve the Consent Calendar, and Councilmember Stokes seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:

- (a) Council Minutes
Minutes of May 7, 2024 Regular Meeting
- (b) Motion to approve payment of claims and payroll for the period April 1, 2024-April 30, 2024.
- (c) 2024-2025 Federal Legislative Agenda

9. Public Hearing: None.

10. Study Session

- (a) Recommended Land Use Code Amendment (LUCA) to Update Tree Preservation, Retention, Replacement and Protection Provisions

City Manager Carlson introduced discussion regarding the recommended Land Use Code Amendment (LUCA) to update tree preservation, retention, replacement and protection regulations. She said there has been extensive community engagement over the past year as staff developed the recommended codes to be consistent with the City's tree canopy goals.

Nick Whipple, Assistant Director, Development Services Department (DSD), recalled that tree codes were first introduced by the City in 1982. He said that approximately 18 months ago, the Council initiated a review and update of the tree codes. Staff has been working with stakeholders and community members since that time to develop the recommended tree codes. Mr. Whipple said the Planning Commission spent a considerable amount of time reviewing the proposed codes and listening to community feedback over the course of three study sessions and a public hearing. Mr. Whipple said staff is requesting Council direction to finalize the LUCA ordinance for final action at a future meeting.

Kristina Gallant, Planning Manager, DSD, said that Strategy N.1 of the 2021-2025 Environmental Stewardship Plan reflects the objectives of maintaining a 40 percent tree canopy citywide, providing incentives for the right tree in the right place, and identifying opportunities for tracking data. The goals of the LUCA are to support tree preservation, retention, replacement and protection; improve the function and clarity of the code; capture better data; and to balance housing production needs.

Ms. Gallant highlighted previous guidance from the Council and the Planning Commission to prevent lot clearing, encourage the right tree in the right place, incorporate species considerations, evaluate enforcement provisions, provide incentives, ensure regulations are easy to follow and to allow some flexibility.

Public engagement activities complied with Process IV requirements and involved stakeholder meetings, online questionnaire, in-person public information sessions, Bellevue Development

Committee discussions, input from residents and community organizations, stakeholder testing of the draft LUCA, and access to online information through the Engaging Bellevue project web site.

Ms. Gallant said the LUCA reflects a new approach to tree retention with development and incorporates the Planning Commission's recommendation. During a second study session scheduled for June 18, staff will present their recommendations for related Bellevue City Code amendments addressing tree removal and replacement outside of development and enforcement provisions.

The proposed LUCA defines a significant tree as one with a six-inch diameter versus the current eight-inch diameter definition. Landmark trees are defined as having a 24-inch diameter, with the exception of a smaller diameter for certain slow-growing species. Alders and Cottonwoods are not eligible for landmark status.

Ms. Gallant said the LUCA's tree retention provisions outline a process for identifying the existing significant and landmark trees that cannot be removed with development. The requirements are imposed for any decision involving development, a change in lot coverage or a change in parking area. The City's current tree retention approach applies to the significant trees in place when a permit is reviewed. There is no authority for the City to address past cases in which sites have been cleared. Permit applicants must retain a percentage of the total diameter inches of existing significant trees.

Ms. Gallant said the LUCA recommends a new minimum tree density credit approach. The applicant must provide a minimum number of tree credits based on the size of the lot and the type of development that is proposed. The minimum tree credit can be achieved through tree retention and plantings and the credits are calculated based on the tree diameters. Ms. Gallant noted that there are exceptions for the Downtown and East Main districts, which have a green factor approach that is more tailored to the urban environment.

Ms. Gallant presented a comparison of current regulations and the recommended LUCA for development on a single-family lot. She said there are multiple pathways for providing the required tree credits including plantings and an in-lieu fee option. She said the LUCA provides limited development regulation flexibility to help projects accommodate tree retention standards. There is limited flexibility for reducing the required surface parking area to retain landmark trees. There is flexibility for front and rear yards allowing projects to extend up to 50 percent into the required front setback or five feet into the required rear setback. Ms. Gallant said an additional 12 feet of building height may be allowed to accommodate the preservation of trees, except for single family home proposals. When flexibility is granted in exchange for preserving certain trees, a tree protection covenant will be required.

Each newly planted tree earns one tree credit and there are no credits for Alder or Cottonwood plantings. The fee in lieu option is available when all planting options have been exhausted. Ms. Gallant said the LUCA allows a three-year lookback for tree removals on low-canopy sites that have been cleared for development. If there has been tree removal within the past three years, the

City can require replanting. Ms. Gallant said the City has the authority to require a three-year maintenance assurance mechanism to help support the establishment of the new tree plantings.

Craighton Goepple, Planning Commission Vice Chair, said the commission held study sessions on December 13, 2023, January 24, 2024 and March 27, 2024 and a public hearing on April 24, 2024. The commission heard many comments, many of which were similar to what was heard earlier this evening during oral communications. The comments fell into four categories: 1) ensuring adequate flexibility for development to meet housing goals, 2) providing sufficient clarity and predictability regarding outcomes for permit applicants, 3) limiting costs for property owners, and 4) supporting middle housing types. There was strong support for the outreach process conducted by City staff.

Mr. Goepple said the commission recommends reviewing the minimum tree credit system when housing code amendments are developed to ensure that tree regulations can support new housing types not yet established in the code.

Vice Chair Goepple said the commission recommends adoption of the LUCA without modification. The commission found that the LUCA meets the decision criteria under Land Use Code 20.30J.135 and is consistent with the Comprehensive Plan, enhances public safety and welfare and is not contrary to the best interests of the citizens and property owners of Bellevue. Vice Chair Goepple referred the Council to Attachment A for the Planning Commission's written submittal.

Ms. Gallant acknowledged a public comment regarding one of her past comments. She said there was a question during the Planning Commission's review about the City's technical consultant's analysis and the scope of that work. She said the technical consultant retained an environmental consulting firm to advise on technical considerations for trees, and that review did not analyze housing impacts. However, the City has been working to consider housing impacts throughout this work.

Ms. Gallant said staff will return on June 18, 2024 to discuss the related Bellevue City Code amendments and will request action on those amendments and the LUCA at a future date. She requested Council direction tonight to finalize the LUCA ordinance for future action.

Deputy Mayor Malakoutian expressed appreciation for the work of staff, the Planning Commission and the entire community to develop the LUCA. He commended the commission's extensive review and public hearing and noted positive public comments regarding City staff and the community engagement process.

Mr. Malakoutian expressed support for the minimum tree density credit approach. He said the LUCA provides both predictability and flexibility and strikes the right balance between the competing goals of development versus tree preservation.

Mr. Malakoutian said the LUCA includes areas in which decisions are left to the Director's discretion. He asked about the Planning Commission's discussion regarding that issue. He asked about potential negative impacts from the LUCA on housing development.

Vice Chair Goepple said the commission did not discuss the issue of the Director's discretion in great detail. However, he said he was comfortable with the Director's discretion and determined that it is necessary in order to provide the desired flexibility for developers.

Ms. Gallant said one of the biggest challenges of this project was finding a balance between predictability and the desire to incorporate site-specific considerations. She said one area of discretion that is often referenced relates to the City's priorities for tree retention. She said the proposed code is similar to the existing code in terms of the Director's discretion. However, the recommended LUCA clarifies the guidelines.

Regarding housing impacts, Ms. Gallant said staff tested the proposed ratios against current development and implemented a reduced ratio in residential districts for multifamily housing and other uses. The LUCA revised regulations that have been particularly challenging related to tree removal around site perimeters. The LUCA provides a fee in lieu option as a last resort. She said the City has been consistently testing the proposed LUCA to ensure that housing development can still proceed.

Councilmember Zahn thanked staff and the community for their efforts and acknowledged the challenge of balancing all of the interests and priorities. She spoke in favor of the tree credit system, noting that it is supported by both developers and residents. She encouraged ongoing monitoring under the new regulations to determine the impacts on housing and other issues. She suggested public education regarding the new codes, including information about invasive and noxious species.

Councilmember Hamilton said the code changes seem very reasonable and help to address the impacts of climate change and housing needs. He noted there were more than 650 responses to the online questionnaire. He said the City has done a good job of preserving its tree canopy and he supports continuing to strengthen those efforts. He likes that the LUCA allows flexibility as well.

Responding to Mr. Hamilton, Ms. Gallant confirmed that there are separate regulations for trees in critical areas and along shorelines. She said those provisions are focused on maintaining the function of those environmentally sensitive areas. The proposed LUCA addresses tree retention and protection within the context of urban development.

Mr. Hamilton said it is important for the code to be clear for both developers and non-professionals. He suggested defining a specific height instead of referring to "diameter at breast height" in the regulations. He asked about the language stating that significant trees can be removed only if the maximum density on the site cannot be achieved without extending into the tree protection zone. He asked about the criteria and process for determining maximum density.

Ms. Gallant said they did receive a number of comments regarding the maximum density designation. She said the City of Kirkland implemented a development assurance statement that provides for ensuring maximum density, maximum floor area ratio (FAR) and maximum lot coverage. She said that approach was recommended by the Master Builders Association and

others. Bellevue staff reviewed those regulations and determined that the City already has the flexibility in place to anticipate the needs of the vast majority of projects. Ms. Gallant said Bellevue staff was not willing to guarantee 100-percent achievement of lot coverage and other features due to tree regulations alone. She said using maximum density can achieve a project that is functionally consistent with the zoning of the underlying district. However, she acknowledged that this could be seen as a bit of a gray area. She noted there is flexibility in the code and the fee in lieu option as a last resort.

Responding to Councilmember Hamilton, Ms. Gallant confirmed that staff received a letter the previous day from a private school expressing a number of concerns about the proposed code. She believes their proposal to build a school is an exceptional case that the City will be able to accommodate.

Councilmember Stokes expressed support for the LUCA and thanked everyone for their extensive efforts. He commended staff for balancing a number of priorities and objectives. He said he looks forward to discussing the related Bellevue City Code amendments soon.

Councilmember Lee said this work demonstrates Bellevue's customer service and interest in working with the community. He commended staff for effectively addressing the challenge of balancing tree protection with housing needs. He said it is important for the code to provide flexibility. He said staff should continue to engage with the public as new regulations are implemented to determine the outcomes and implications. Councilmember Lee thanked the Planning Commission for their work.

Responding to Mr. Lee, Ms. Gallant said the process over the past two years involved many stakeholder groups, a technical report, City staff's analysis and other reviews and input. She said the City's standard practice is to monitor code implementation to determine whether the desired goals are achieved. Councilmember Lee said he looks forward to the collection of data to determine the impacts on the tree canopy and housing development.

Mayor Robinson thanked staff for their hard work. She said she appreciated the provision allowing for a three-year lookback at tree removal on low-canopy sites. Responding to Ms. Robinson, Ms. Gallant said there will be ongoing opportunities to revise and update the code as housing and other impacts are addressed.

Ms. Robinson said it is important to make it easy for property owners to know which trees should be planted and where. She likes the flexibility in the code, including the fee in lieu option, off-site planting and innovative mitigation measures. She asked how the flexibility can apply when affordable housing is involved. She asked about the expected impact of the tree codes on housing development.

Ms. Gallant said the flexibility related to front and rear yards and additional building height are available for market-rate housing projects if a developer can demonstrate that they cannot achieve their density without removing additional trees. Affordable housing projects that exceed their minimum tree credits have that flexibility at the outset. Ms. Gallant said it is difficult to

predict housing production. However, the City will monitor impacts to determine whether changes might be warranted.

- Deputy Mayor Malakoutian moved to direct staff to finalize the tree protection Land Use Code Amendment (LUCA) Ordinance for final action at a future meeting. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 6-0.

At 8:05 p.m., Mayor Robinson declared a short break. The meeting resumed at 8:17 p.m.

(b) Eastgate Housing Campus Implementation Update

City Manager Carlson introduced staff's update regarding the Eastgate housing campus comprised of the PorchLight men's shelter, Plymouth Crossing permanent supportive housing and the Polaris Eastgate workforce housing. She thanked representatives of those facilities for being in attendance that evening.

Bianca Siegl, Assistant Director, City Manager's Office, said staff anticipates that 1,500-2,000 community members will find shelter or housing at the Eastgate housing campus. The PorchLight men's shelter began operating last summer with 100 shelter beds, a day center, laundry facilities, a kitchen, case management services, employment support, and behavioral health and addiction support. PorchLight has served more than 450 overnight residents since it opened the Eastgate site, as well as additional individuals during the day.

Ms. Siegl said that recommendations reflected in the Good Neighbor Agreement were implemented through the conditions of approval for the project. PorchLight staff continue to build community partnerships to bring in services for the men at the shelter. Ms. Siegl said 12 former shelter clients are now housed at the Plymouth Crossing permanent supportive housing facility.

Plymouth Crossing provides 92 units of permanent supportive housing for single adults exiting chronic homelessness, as well as three units for on-site staff. The building includes a behavioral health clinic, nursing services and case management services. There is a high level of resident engagement in services and 53 percent of the units were filled through a local referral process with the school district and nonprofit organizations.

The Polaris Eastgate development provides 360 units of affordable workforce housing, and more than 96 percent of the units have been leased. The site has a mix of one-bedroom to three-bedroom units and provides a playground and YMCA early learning center. The housing is operated by the Inland Group, which worked with the Bellevue School District and local agencies throughout the leasing process.

Police Captain Robert Spingler said he is the South Sector Patrol Captain and attends a number of community meetings. He said the shelter and housing campus are typically topics of interest at those meetings. He presented information regarding calls for service within one-half mile of the

campus. He said calls for service include assist calls (e.g., general questions, individual locked their keys in their car, etc.), 911 hang up calls, questionable activity, welfare checks, theft and trespassing. He said there has been an increase in overall calls compared to the previous shelter location. However, there has been no increase in violent crime or property crimes (e.g., burglaries, car prowls).

Captain Spingler said there has been a slight increase in trespass complaints, which is to be expected when a new facility is located near businesses and neighborhoods. From June 2023 to April 2024, the PorchLight shelter had 289 calls for service and Plymouth Crossing had 120 calls for service. Most of these were not crime related. Captain Spingler said the Bellevue Police Department's Community Crisis Assistance Team (CCAT) handled approximately 25 percent of the calls. The Fire Department's Community Advocates for Referral and Education Services (CARES) program is able to assist as well.

Captain Spingler said the City's collaboration with the housing facilities, especially the PorchLight shelter, has been great. Police representatives attend monthly meetings and one CCAT officer is dedicated to spending a significant portion of time at the shelter.

Ms. Siegl shared stories about the positive impacts of the housing and related services on individual lives. She said PorchLight's staff includes former clients who have found housing stability and are committed to helping others.

Councilmember Stokes thanked staff for the presentation. He commented on the importance of the housing programs and services for the community. He thanked the Police and Fire Departments for their work with all residents.

Councilmember Zahn said the housing campus reflects partnerships that are serving the community. She said the Council toured the facilities earlier in the month. She encouraged continued public education about the shelter, permanent supportive housing and workforce housing at the site. She praised CCAT's involvement with residents in and around the Eastgate housing campus. She said she was happy to see larger apartments for families.

Responding to Ms. Zahn, Ms. Siegl said the Community Advisory Board meets regularly and the implementation of the Good Neighbor Agreement has been steady. Captain Spingler concurred and noted there have not been any surprises in terms of calls for service. He said the Good Neighbor Agreement covered every aspect of security.

Councilmember Lee thanked staff for the update. He asked whether PorchLight is able to track shelter residents after they leave the shelter. Ms. Siegl said the shelter has 100 beds and they are full most nights. She said some men might be there for an extended period of time, while others stay temporarily for a night or more. She said the shelter tracks certain outcomes, but not every individual who has stayed there. The operator monitors contract performance metrics, and the Good Neighbor Agreement requires annual reporting on a number of metrics.

Responding to Mr. Lee, Ms. Siegl said the shelter has established rules and expectations of behavior. Mr. Lee said it was good to hear that some of the shelter staff members are former

clients. In further response to Mr. Lee, Ms. Siegl said the Community Advisory Board meets monthly to communicate directly with PorchLight staff. She confirmed that the Board has been helpful and provides a forum for people to raise concerns.

Councilmember Hamilton said he toured all three of the facilities. He noted that security is a high priority and he felt confident in the experience of the director of security. He expressed support for the Good Neighbor Agreement and the community engagement.

Responding to Mr. Hamilton, Captain Spingler said he hears most of the concerns from the public through the MyBellevue app or during community and homeowners' association meetings.

Ms. Siegl said people can contact outreach staff at homelessness@bellevuewa.gov. She encouraged anyone interested in the Community Advisory Board meetings to contact PorchLight staff for more information.

Deputy Mayor Malakoutian said this is a strong example of how housing needs can be addressed through partnership and a shared commitment to serving the common good. He thanked everyone for their hard work. He thanked current and former Councilmembers who helped make this project a reality. He said the housing is making a concrete difference in the lives of our most vulnerable residents.

Responding to Mr. Malakoutian, Captain Spingler said the City will continue to work with neighbors and businesses to ensure ongoing success. Captain Spingler said the partnership between PorchLight and CCAT has been beneficial, and he wants to be sure that continues and potentially is expanded.

Deputy Mayor Malakoutian encouraged sharing individual stories about the program's effectiveness within the community. Ms. Siegl said the Eastside is seeing an increase in programs and services that are improving housing stability for individuals and families. Mr. Malakoutian said the City should celebrate these partnerships.

Mayor Robinson recalled that staff, Councilmembers and others in the community worked hard to bring this housing campus to the community. She said she was grateful for staff's work, including with the community. She said the Council's goal for the men's shelter was to provide a pathway to stable housing and a stable life. She said it is great to have three types of housing at one site, and she hopes it will be a good role model for other communities. She is happy to see the on-site child care services. She said the whole program is providing dignity, compassion and support for the most vulnerable in the community. Mayor Robinson said she was very proud of everyone's efforts to reach this point.

Councilmember Lee said all of the hard work and collaboration produced the best model in the country.

Responding to Councilmember Lee, Captain Spingler said some of the comments and calls relate to loitering of individuals who are not shelter residents but visit during the day. Captain Spingler

said he has heard from residents who are noticing an increase in individuals experiencing homelessness in the area. He referred the public to the Bellevue Police Department's web site for information from the crime data dashboards.

(c) Economic Development Update

City Manager Carlson introduced staff's economic development update. She said staff are seeking Council direction to begin engaging with partners and business leaders in the Crossroads, Factoria and Wilburton districts to address place management.

Jesse Canedo, Assistant Director, Community Development Department, provided the market update and noted that the unemployment rate is still below the historic average. There has been positive commercial office activity in the Downtown and Eastgate areas and steady growth in tourism and hotel occupancies. In Oxford Economics' Global Cities Index 2024, Seattle-Bellevue is ranked as the sixth metro area in the world for economic opportunity, environmental priorities and governance. Mr. Canedo noted that economic diversification, access to a strong workforce pipeline and access to arts and culture are recurring themes across the top 50 cities around the world. He said the downtown office vacancy rate increased from 39 percent at the end of 2023 to 41 percent by March 2024.

Mr. Canedo said the Seattle-Bellevue metro area continues to be a net talent importer of individuals who already have college degrees. He noted a comparison of Bellevue to other cities in terms of the number of technology-related degrees per 10,000 workers: Boston, 259.7; Dallas-Fort Worth, 135.5; Seattle-Bellevue, 132.4; and San Francisco, 118.1. He said decreased hiring in the short term could delay the ability to build local workforce capacity and talent.

Mr. Canedo said the FIFA Soccer World Cup will be held in this area in 2026. The 25-day tournament is expected to attract up to 750,000 visitors to the region. Mr. Canedo said Visit Bellevue is coordinating with regional efforts and seven Bellevue hotels are part of the official room blocks.

Mr. Canedo moved to the topic of engaging new partners in the Crossroads, Factoria and Wilburton areas to identify the appropriate structures and tools for district management.

Edward Butterfield, Public-Private Partnerships Manager, presented a map highlighting the following districts: Downtown, BelRed, Crossroads, Factoria, Old Bellevue, Spring District and Wilburton. He said the areas are going through different phases of change in response to shifting economic factors, community demographics and zoning.

Mr. Butterfield said the benefits of business districts are fostering a unique sense of place and identity, enriching the local community and city, promoting economic diversity and providing essential services. He said the foundation of successful district management involves volunteer associations, business improvement districts and membership associations. The City's role can include assisting with the initial organization, offering capacity building opportunities, providing grants and supporting services, assisting through City processes, and involving districts in City projects and policy development.

The current Bellevue district management organizations are BelRed Arts District Community Alliance, Old Bellevue Merchants Association (OBMA), Bellevue Downtown Association (BDA) and the Spring District. Mr. Butterfield said the first organization is the newest one. They are a volunteer organization and recently hired a new interim director. The City provided initial support and funding and the areas of focus are district branding and marketing, events, arts projects and advocacy. The City supports capacity building and placemaking for the OBMA, whose areas of focus are beautification projects, fundraising, marketing and networking. The BDA is a membership-based organization and a place management partner with the City. Their areas of focus include signature events, marketing and branding, advocacy and placemaking. The Spring District is a member-based organization through the property developer. Areas of focus include workplace issues, retail and residential marketing, placemaking and branding, and programming and events.

Mr. Butterfield said Bellevue does not currently have a Business Improvement District (BID), which is a partnership between a municipality and a district management organization. It provides a stakeholder-driven funding mechanism established by the local government and a high level of district management support. Examples of BIDs are the Ballard Alliance, Downtown Tacoma Partnership and the Rosslyn BID in Arlington, Virginia. The BID property assessment funds the district management organizations.

Mr. Butterfield described Crossroads, Factoria and Wilburton as emerging districts due to significant changes in those areas. He noted opportunities for the City to be involved in ongoing development and redevelopment. Mr. Butterfield said next steps include convening stakeholders, gaining an understanding of the district's needs, issuing a request for proposals (RFP) for consulting services and identifying the right structure and tools for district management.

Councilmember Lee said Bellevue has a strong workforce, good land use, and good public safety. He encouraged a continued focus on attracting global talent and global business. He encouraged working with regional partners in economic development. Mr. Lee said the City needs a separate economic development department to provide the resources necessary for big initiatives.

Councilmember Hamilton thanked staff for their attention to increasing the higher education capacity in Bellevue and the region. He expressed support for a four-year research university in Bellevue. He encouraged a continued focus on place management.

Responding to Mr. Hamilton, Mr. Canedo said the Eastgate area is more office-focused, with retail outlets spread across the district. Mr. Canedo said staff is looking at different options for the Eastgate area and how the City might be able to support community objectives.

Councilmember Hamilton expressed support for moving forward to engage new partners in the Crossroads, Factoria and Wilburton areas to identify the appropriate structures and tools for district management.

Councilmember Zahn thanked staff for the presentation and expressed support for the focus on global competitiveness. She encouraged enhanced collaboration with Bellevue College to determine whether there are opportunities for partnerships. She expressed support for the BelRed Arts District. She noted the plan to address the Eastgate area separately and suggested public education on that effort going forward. Ms. Zahn said it is critical to support small, locally owned businesses by exploring affordable rents, pop-up and incubator spaces and networking between small businesses.

Mayor Robinson concurred with Councilmember Zahn about the importance of supporting small businesses. Ms. Robinson concurred with Councilmember Lee's suggestion for an independent economic development department.

Ms. Robinson said the Eastgate area has not had the activations that have taken place in the Downtown. She suggested exploring ways for activations and events in different districts around Bellevue, including in Eastgate. Referring to the Old Bellevue Wine Walk and the charges from the City to the OBMA for closing the street, Mayor Robinson suggested reducing those costs for businesses as much as possible. She thanked staff for their work.

Councilmember Stokes expressed support for establishing an economic development department. He said it would be challenging to change Eastgate from its predominant office development into a neighborhood. However, the area provides many opportunities. Mr. Stokes noted that Bellevue has significant major employers, including Amazon, Microsoft, T-Mobile and Meta, as well as numerous small businesses. He expressed support for the importance of arts and cultural activities.

Deputy Mayor Malakoutian agreed with Councilmember Zahn about working with Bellevue College to address workforce education and a broad range of job skills. Mr. Malakoutian said the FIFA World Cup tournament provides a great opportunity for Bellevue and the region. He expressed an interest in more information about the suggestion to establish a separate economic development department. He said that effective place management and the activation of business districts is crucial for improving the customer experience, supporting local businesses and enhancing Bellevue's quality of life.

→ Deputy Mayor Malakoutian moved to direct staff to continue to work with existing district organizations and to begin engagement with new partners in the Crossroads, Factoria and Wilburton areas to identify the appropriate structures and tools for district management. Councilmember Stokes seconded the motion.

Councilmember Zahn suggested adding Eastgate to the areas of focus.

Responding to Mayor Robinson, Mr. Canedo said that adding the area to the current work item would impact the workload and demand for staff time. Mr. Canedo suggested discussing Eastgate at the next quarterly update and Mayor Robinson agreed.

→ The motion carried by a vote of 6-0.

11. Land Use Reports: None.
12. Other Ordinances, Resolution and Motions: None.
13. Written Reports: None.
14. Unfinished Business: None.
15. New Business: None.
16. Executive Session: None.
17. Adjournment

At 9:45 p.m., Mayor Robinson declared the meeting adjourned.

Karin Roberts
Deputy City Clerk

/kaw