

CITY COUNCIL AGENDA TOPIC

Application for Public Benefit Rating System Open Space Classification of the Timiri property located at 4277 137th Avenue NE, Bellevue, Washington (King County Parcel No. 8669400210).

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EXECUTIVE SUMMARY**INFORMATION
ONLY**

Madhukirana Reddy Timiri applied to King County to enroll approximately 1.33 acres of their 1.38-acre parcel located in Bridle Trails, Bellevue, into King County's Public Benefit Rating System (PBRs) program for reclassification as open space. As the property is located in Bellevue, the City and King County both have review and approval authority. Each jurisdiction must take separate and identical, affirmative acts on the application for the tax reduction to take effect for the 2026 tax year.

RECOMMENDATION

N/A

BACKGROUND/ANALYSIS**Regulatory Context**Open Space Taxation Act

In 1970, the Washington State legislature enacted the Open Space Taxation Act (the Act), codified at Chapter 84.34 RCW, primarily as an incentive for property owners to preserve open space, farmland, and timber land. In return for preservation and conservation, eligible portions of the property are taxed at a lower rate. Instead of valuing these lands at their highest and best use, eligible land is valued for tax purposes based on its "current use."

For example, a property with a home on a two-acre parcel will be assessed at its highest and best use. Under the Act, any portion of that two-acre parcel qualifying as open space, farmland, or timber land will be taxed at a lower rate. The Act also describes factors that must be considered when determining whether land constitutes open space, including the resulting revenue loss or tax shift and whether granting the classification will conserve or enhance natural, cultural, or scenic resources, protect water resources, wildlife, etc. RCW 84.34.037(2). The Act provides authority for county legislative authorities to adopt public benefit rating systems to set open space priorities.

Under the Act, the county and any local jurisdiction that the property is located within are responsible for evaluating the property and assessing whether it qualifies for open space resource categorization. Each legislative authority must hold a public hearing on the application and the Act requires that both county and city legislative authorities identically approve the application for the classification to go into effect. King County code delegates legislative authority for the county to a hearing examiner. The City of Bellevue does not currently have a delegation of authority; therefore, council must evaluate the application and either deny, approve in part, or approve in full the application. The granting or denial of an application is a legislative determination and is reviewable only under arbitrary and capricious standards.

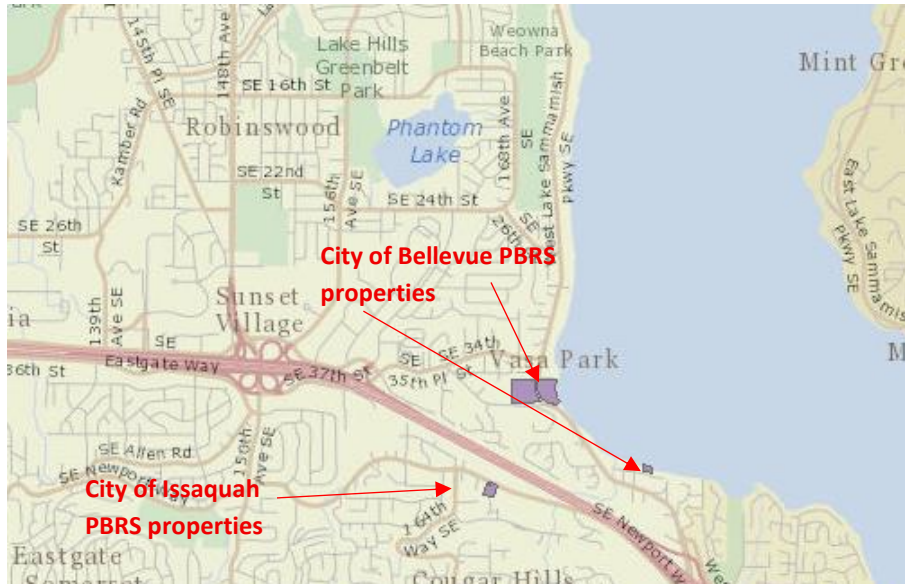
King County Public Benefit Rating System

Pursuant to the Act, King County adopted a “Public Benefit Rating System,” or PBRS (KCC 20.36), for open space classification. Consistent with the Act, the purpose of King County’s PBRS program is to encourage the conservation of natural resources in the County, including resources within city boundaries, to maintain important wildlife habitat, open space, wetlands and streams, working forests and productive farmlands. The PBRS program provides tax relief to property owners who agree to maintain their enrolled property as open space. The program reduces the appraised land value for the portion of the property enrolled in the program, resulting in lower taxable value for assessing taxes. Because King County has a codified PBRS and the subject property is in King County, Mr. Timiri’s property should be evaluated by both legislative authorities under KCC 20.36.

Program’s History in Bellevue

The Act and the PBRS program have been in place for many years. However, the City of Bellevue has only processed a PBRS application once before, in 2022, by the same applicant and for the same property. According to the King County Current Use Taxation property map, there are two parcels in the City that are enrolled in the PBRS program, prior to their annexation into the City (Parcel Nos. 1224059008 and 843700400). See Figure 1 below.

Figure 1: City of Bellevue properties enrolled in PBRs program



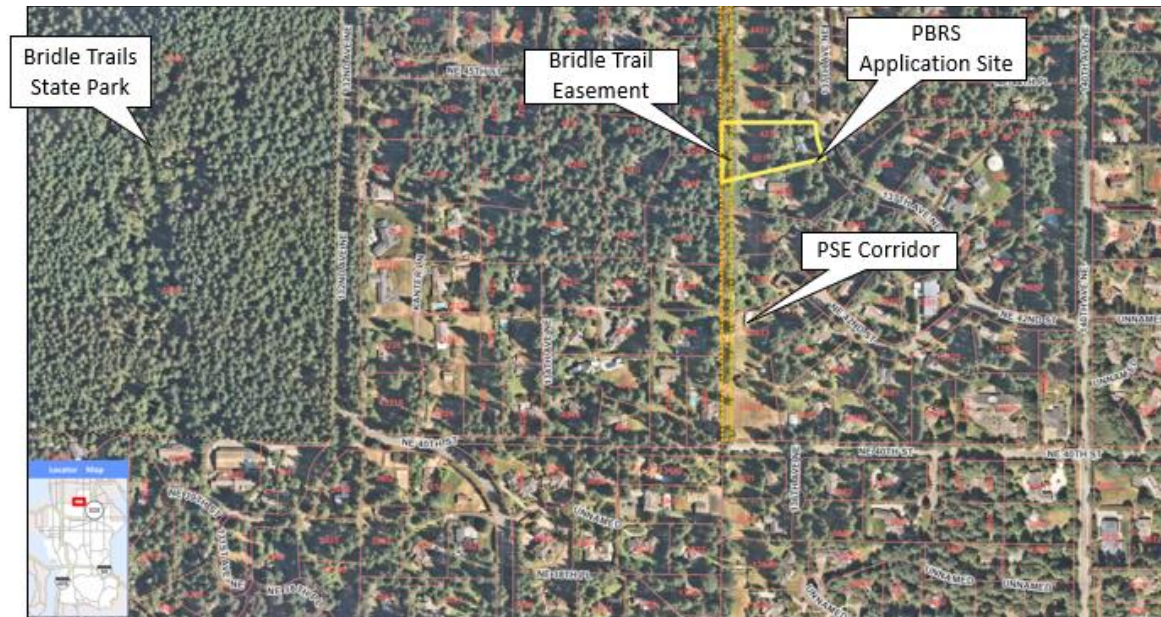
Application and Review

Any property owner in King County may apply for a current use assessment and must do so before December 31 to be considered for classification the following year. King County advises applicants that an application submitted in 2024 will impact their 2026 tax rates, if granted. Under the Act, the granting authorities must notify the assessor and the applicant of its approval or disapproval within six months from the receipt of the application per RCW 84.34.050(1). The Timiri Enrollment Application was submitted to King County on December 30, 2024, and forwarded to the City on February 3, 2025. However, there was additional research pertinent to Mr. Timiri's application which required resolution prior to scheduling the public hearing, and therefore the timeline under RCW 84.34.050(1) will not be met.

Property owners which seek to qualify must fill out the application provided by King County. However, since the subject property is in the City, both the City and County review and take action on the application after holding the required public hearings. The City and County may each approve in full, approve with conditions, approve in part, or deny the application. It is important to note that because the City and King County are both granting authorities, the approvals (either without conditions or with conditions) must be identical. If the decisions on the entire application are not identical, the application is denied.

Mr. Timiri's application seeks to enroll approximately 1.33 acres of their 1.38-acre parcel into the PBRs program and is nearly identical to Mr. Timiri's 2022 application. The property is located in Bridle Trails at 4277 137th Avenue NE in a Single Family Residential, (Large Lot-1 LL-1) Land Use District, and developed with a single-family home built in 1966. The property is part of the Trails End Homeowners Association (HOA). Figure 2 below identifies the location of the property within the Bridle Trails neighborhood.

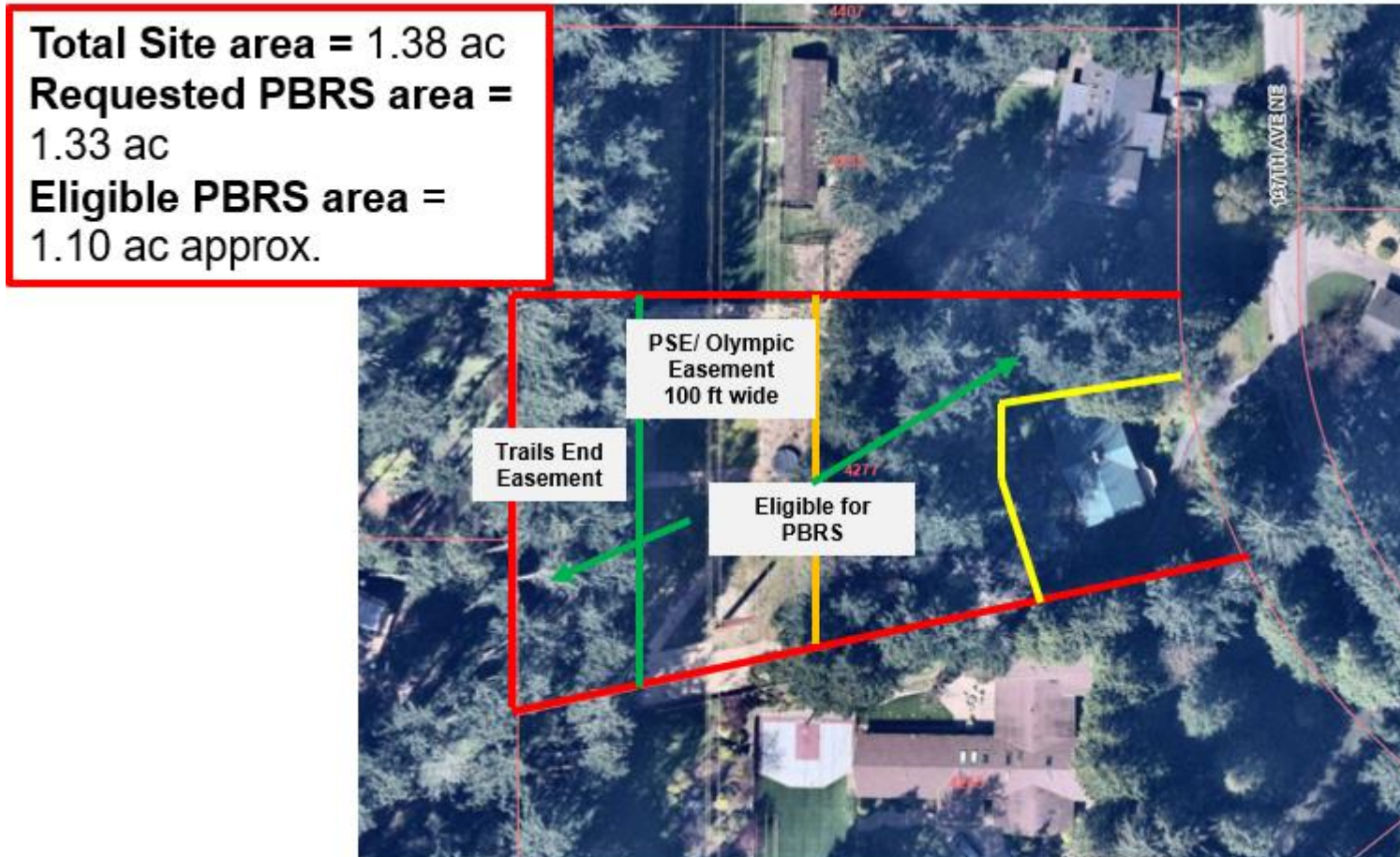
Figure 2: Property Location



Mr. Timiri has owned the property since 2019. Mr. Timiri's property is burdened by a Puget Sound Energy (PSE) and Olympic pipeline easement as well as a pre-existing Trails End trails easement (see Trail Easement section, below), which goes through the Trails End community. Per the 1961 Trails End plat dedication, the trail easement is open to the public. It is unclear at this time how much general public use the trail receives, as opposed to use by HOA members. The Act and the King County PBRs program state that the applicant's home, driveway, landscaping and any other personal uses are not eligible to qualify for a tax exemption. The requested area (1.33 acres) includes the Trails End Easement and the PSE Olympic Pipeline easement. However, it is staff's initial assessment that the entire 1.33 acres would not be eligible because some portion of the 1.33 acres includes his personal space. This was analyzed at the time of his first application, and it was determined by King County that at most, 1.10 acres could hypothetically qualify.

The following aerial view, created following Mr. Timiri's application, depicts the subject property and areas on the property which are part of the Trails End HOA easement and PSE and Olympic Pipeline easement, as well as the portion of property that is not eligible to be enrolled into the program. See Figure 3 below:

Figure 3: Aerial view of property and associated easements



Following Bellevue City Council meetings and public hearing on the first application in 2022, Council denied Mr. Timiri's application for open space classification (Bellevue Resolution No. 10198). Mr. Timiri has now re-applied as he is entitled to do so, and Council must re-evaluate the application.

Regarding Mr. Timiri's current application, City and County staff collaboration included a joint site visit to the property in May of this year, addressing questions County staff had about the property and surrounding area, and addressing questions City staff had about the County's review and proposed conditions for approval.

King County PBRs staffer, Megan Kim, provided the City with a copy of Mr. Timiri's "resource restoration plan" which was previously provided to the City around the time of the first application. This "restoration plan" includes removal of noxious weeds in the trail easement area as well as "replant[ing] with native plants" and planting a native meadow in the PSE and Olympic pipeline grassy easement area (Attachment B).

The study session with the Bellevue City Council on September 23 is planned to be followed by a public hearing on October 14. King County has scheduled a public hearing on September 24 with the King County Hearing Examiner, who is delegated authority to hold a public hearing on the request.

City of Bellevue Staff Analysis

The Act does not explicitly state the city legislative authority must evaluate the land subject to the applicable county's PBRs system; however, guidance from the Department of Revenue suggests that when the county has a PBRs rating system, both county and city legislative authorities should evaluate the property under the county's criteria. Further, if an applicant appealed a denial of an application, the reviewing body would be expected to apply the county PBRs code when evaluating the application.

Therefore, staff recommends Council evaluate the property under King County's PBRs program, outlined in KCC 20.36. The City is conducting an independent review of the application and a staff recommendation will be provided at the time of the public hearing which has been set for October 14.

Approval Criteria

Council may approve, approve with conditions, or deny the application, either in part or in whole. King County's open space resource criteria must comply with the approval criteria outlined in the Act and are found in the open space resource categories listed in the PBRs program, codified at KCC 20.36.100. The open space resource criteria are currently being reviewed and evaluated and will be presented to Council at the public hearing.

Each open space resource category outlined in KCC, such as "Urban Open Space," contains criteria which must be read consistent with the intent of the Act. Under the PBRs program, the amount of tax reduction is based on a points system and varies depending on the open space resource. The Act provides King County with discretion when determining assessed value reductions. The awarded points translate into an annual tax reduction ranging from 50 percent to 90 percent for the portion of land enrolled.

Fiscal Impact to the City:

Consideration of Revenue Loss or Shift

Using data from the King County Assessor's Office, City staff has calculated the revenue impact from this specific property to be modest. Please note the calculations provided below are general in nature and do not account for differences in values of land and improvements, therefore they are best estimates for informational purposes only.

Table 1: 2025 Appraised Value (based on KC Assessor information, 6/11/2025)				
Assessor's Parcel Number	Land Value	Improvement Value	Total	Tax
8669400210	\$1,269,000.00	\$542,000.00	\$1,811,000.00	\$13,267.35

Table 1 above shows the appraised value for the subject property. The total tax assessed for the property in 2025 is \$13,267.35. For illustrative purposes, if a 90 percent reduction to the annual property taxes for the 1.33-acre of requested land area is applied, the annual property taxes would be reduced by approximately \$8,367. According to the King County Assessor's Office, the City receives approximately 13.5 percent of this tax amount and, therefore, the City would receive approximately \$1,127 less in annual tax revenue specific to this property's reduction. The Assessor would continue to assess the ineligible portion of the property at market value.

Council Review Process

Council is scheduled to hold a public hearing to consider the enrollment application on October 14. After the public hearing, Council will deliberate and consider public comments received between September 23 and the public hearing, and City staff recommendations. Council may take final action on the application at any time following the public hearing; however, due to statutory timelines which indicate an application should be decided on within six months after it is received, such action should occur as early as possible.

If Council approves the application, the City must notify the County Assessor within 10 days of the approval. Similarly, a denial of the application must also be forwarded to the County Assessor.

If both the Bellevue City Council and King County identically approve the application, then King County will prepare an Open Space Taxation Agreement for the enrolling property later this fall, which must be signed by the Chair of the County Council and all owners. This Agreement will then be recorded, and a copy of the recorded document will be sent to the City.

If the Bellevue City Council chooses to deny the application, then the application is denied and found to not be eligible under the PBRS program.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue staff are evaluating the application under the criteria within the PBRS program and the Act and alignment with the following Bellevue Comprehensive Plan policies below:

- **Comprehensive Plan Policy LU-2:** Retain the city's park-like character through the preservation and enhancement of parks, open space, and tree canopy throughout the city.
- **Comprehensive Plan Policy LU-39:** Preserve open space and key natural features through a variety of techniques, such as sensitive site planning, conservation easements, transferring density, land use incentives and open space taxation.
- **Comprehensive Plan Policy CL-9:** Support partnerships between the city and private landowners to steward private lands and ancestral lands, streams, habitat and other natural resources for the benefit of all.
- **Comprehensive Plan Policy CL-77:** Provide incentives to private property owners to achieve specific habitat improvement goals, including retention and enhancement of native vegetation.

- **Comprehensive Plan Policy CL-89:** Improve wildlife habitat especially in patches and linkages by enhancing vegetation composition and structure, and incorporating indigenous plant species compatible with the site.
- **Bridle Trails Subarea Plan Policy S-BT-40:** Natural vegetation should be protected and preserved to provide buffers between land uses.

Fiscal Impact

If the PBRS enrollment application were approved in full (1.33 acres), the City would receive approximately \$1,127 less in annual tax revenue specific to this property's reduction.

OPTIONS

N/A

ATTACHMENTS

- A. PBRS Application
- B. Natural Resources Restoration Plan

AVAILABLE IN COUNCIL LIBRARY

N/A