

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

March 4, 2024
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson¹, Deputy Mayor Malakoutian and Councilmembers Hamilton, Lee, Nieuwenhuis, Stokes and Zahn

ABSENT: None.

1. Call to Order

The meeting was called to order at 6:02 p.m., with Mayor Robinson presiding.

2. Roll Call; Flag Salute

City Clerk Charmaine Arredondo called the roll and all Councilmembers were present. Deputy Mayor Malakoutian led the flag salute.

(a) Women's History Month Proclamation

Councilmember Zahn read the proclamation recognizing March 2024 as Women's History Month in Bellevue. She called upon all residents to observe this month with programs, ceremonies and activities honoring and celebrating women.

Mayor Robinson invited all of the women in the room to come forward for a group photo.

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 7-0.

4. Oral Communications

¹ Mayor Robinson left the meeting at approximately 9:35 p.m.

City Clerk Arredondo 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) Iryna Zgurovets, Executive Director, Friends of Bellevue Cross-Cultural Center, said they are a community nonprofit organization with volunteers from many cultural backgrounds. They held six events last year with more than 600 attendees and 50 volunteers. Ms. Zgurovets expressed support for the cross-cultural center project.
- (b) Mason Ji, an attorney and Board member of the Friends of Bellevue Cross-Cultural Center, said the group has been working on cross-cultural activities for approximately two years. He expressed support for a Cross-Cultural Center without Walls program and noted that his organization is planning performances and activities to support the program.
- (c) Debbie Lacy, representing Eastside For All, thanked the Council for the investments in cross-cultural programming. She said Bellevue staff did a great job of planning events to bring people together to learn about the opportunities for programming. She said she hopes the City still plans to build a cross-cultural center with walls at some point. She noted the City's previous studies regarding a proposed center, which has been supported by the community.
- (d) Sally Lawrence, Chair of Save Coal Creek Steering Committee, urged the City to purchase the Swanson property on Lakemont Boulevard due to its environmental and historic value. She expressed support for Ordinance No. 6779 [Agenda Item 8(a)] regarding the Conservation Futures grant. She said Save Coal Creek recently led a history hike and presented a community history lecture about the coal mining history of the Swanson property area. She thanked the Council for their support.
- (e) Jon Zulanis, a resident and worker in Bellevue, expressed support for the Bike Bellevue plan. He recalled public comment during the Council meeting the previous week indicating that under the 2044 growth scenario, drivers are expected to experience delays up to 14 times longer than current delays in 16 intersections. He concurred that traffic congestion is a problem in Bellevue. He said 20,000 new residents are expected to move to Bellevue over the next 10 years. He said if bike infrastructure is expanded, more people will use bikes as a travel mode. He urged the Council to move the Bike Bellevue plan forward.
- (f) Craig Spiezle expressed support for first responders and their families. He said he and others were saddened to learn that the medical insurance for Officer Kevin Bereta has been discontinued. Mr. Spiezle said he has spoken with the Chief of Police Wendell Shirley, the Bellevue Police Officers Guild, Acting City Manager Diane Carlson, Deputy Mayor Malakoutian, Councilmember Nieuwenhuis and Officer Bereta. Mr. Spiezle

acknowledged that the City has made best efforts to provide accommodations so that Officer Bereta could return to work. However, Mr. Spiezle said that is not medically possible. He asked the City to continue to provide medical benefits for Officer Bereta and his family for another 6-12 months. Mr. Spiezle said he understands the City's position to adhere to the provisions in the police officers labor agreement. However, he said that does not make it morally correct. Mr. Spiezle asked the Council to direct the City Manager to make payments to the Bereta family, police guild or the Bellevue Police Foundation. He asked Councilmembers to donate personally to the guild or foundation as well. He said it is important to support first responders.

- (g) Janice Bristol urged the Council to consider the adoption of a cease fire resolution to address the violence in Gaza. She said a number of other cities have passed resolutions. She said many residents of Bellevue support a cease fire and adopting a resolution will signal that unity to federal lawmakers.
- (h) Alia Atwell, an East Bellevue resident, said she is a bike commuter and supports the Bike Bellevue plan. She said she uses her bike for other purposes as well including shopping and dining based on her interest in keeping one more car off the road. She believes that more people will use bikes if there is better and safer infrastructure. She said it is pleasant to ride her bike in Redmond, which is where she often goes for restaurants. She noted the need for a strong east-west bike route to access businesses in Bellevue.
- (i) Tay Zaks requested that all documents and communications between the Council and the Anti-Defamation League (ADL) be made public. He said freedom of speech is protected by the U.S. Constitution and backed by numerous U.S. Supreme Court rulings. He said free speech cannot be restricted due to content designated as hate speech.

Mayor Robinson asked Mr. Zaks to focus his comments on City of Bellevue actions.

Mr. Zaks resumed his comments.

Mayor Robinson warned Mr. Zaks that his comments are not related to City business.

Mr. Zaks asked the Council to pass a resolution reaffirming the U.S. Constitution and Bill of Rights as the unadulterated law of the land.

Mayor Robinson said that most people who come before the Council manage to express themselves without being insulting, condescending, hateful or offensive with their language. While it is not a requirement, she said the Council appreciates that the majority of people who comment are able to remain civil.

- (j) Alex Tsimerman spoke in favor of free speech and encouraged the Council to allow a longer time period for oral communications.

An unidentified speaker came to the table to speak after the 30-minute maximum time limit for oral communications had been reached. At 6:39 p.m., Mayor Robinson declared a brief recess.

The meeting resumed at 6:41 p.m. Ms. Robinson encouraged anyone in the public who was unable to speak this evening to email their comments to the Council at Council@bellevuewa.gov.

5. Reports of Community Councils, Boards, and Commissions

- (a) Parks and Community Services Board Fourth Quarter 2023 Report and Communication

Mayor Robinson noted the written report in the meeting packet providing an update regarding the Parks and Community Services Board's activities.

6. Report of the City Manager

Acting City Manager Diane Carlson commented regarding City policies and agreements related to medical benefits coverage for employees following serious on-the-job injuries. She recalled the Police Officer Kevin Bereta was injured last year while providing security detail for Vice President Harris. She said the Council, City employees and the community at large has expressed concern for Officer Bereta, his family and his recovery. Ms. Carlson assured the Council and the community that the City supports its police department and all employees. In situations involving on-the-job injuries, the City reviews and reexamines its policies, and staff is currently reexamining those policies.

Ms. Carlson said Officer Bereta continues to receive workers compensation coverage for his injuries. In addition, he received six months of medical benefits coverage provided by the City, which expired the previous week when Officer Bereta was not able to return to work. Ms. Carlson said the six-month coverage period is outlined in City policies for all employees and is reflected in the collective bargaining agreement with the police union. She acknowledged that Officer Bereta's situation has raised questions about the policies and the terms of the agreement. She thanked the Bellevue Police Foundation, Bellevue Police Officers Guild, police management union and the professional staff union for providing monetary assistance to Officer Bereta and his family to help them cover their insurance premium costs and to provide other financial support. Ms. Carlson said the Council and the community are concerned about Officer Bereta, his family and his future. Based on this incident, the City is evaluating its current policies and the labor agreements.

Acting City Manager Carlson said that when City employees are injured on the job, State workers compensation provides wage replacement and health care coverage, which continues until the employee is ready to return to work. She said the workers compensation program covers all approved medical, hospital and related services due to on-the-job injuries.

Ms. Carlson said the police collective bargaining agreement defines how employer-sponsored benefits will be provided. She said the City works with all employees to help identify options. However, if an employee is not able to return to work to perform light duty work or modified light duty work, medical insurance through the City ends after six months. If this occurs, the

employee and covered family members may continue medical, dental and vision benefits through COBRA coverage.

In Officer Bereta's case, COBRA payments are being provided through donations from a number of community partners. Ms. Carlson said it is rare for employees to suffer serious on-the-job injuries to this degree. However, Officer Bereta's situation has prompted the City to evaluate policies related to health care coverage to ensure the policies and practices meet the needs of all employees, and to ensure that the City is fairly administering these policies in a way that reflects the value and responsible stewardship to our community and commitment to employees.

Ms. Carlson acknowledged Councilmember Nieuwenhuis for raising this issue the previous week and for indicating that he intended to ask staff to conduct a full review of the City's policies. Ms. Carlson said she had already directed staff in February to evaluate the efficiency and effectiveness of on-the-job injury policies for all City employees. The review is ongoing and Human Resources staff is working to identify potential options.

(a) Eastrail Connection to Mountains to Sound Greenway Trail

Ms. Carlson introduced staff's briefing regarding a federal grant the City received through the Puget Sound Regional Council's competitive process for the construction of the Eastrail connection to the Mountains to Sound Greenway Trail.

Eric Miller, Implementation Planning Manager, Transportation Department, recalled that in January, the Council authorized a grant agreement to accept \$2.5 million in federal funds for the Eastrail connection to the Mountains to Sound Greenway Trail.

Mike Ingram, Transportation Senior Planner, said the regional Eastrail corridor covers 42 miles and 16 miles are currently open for use in parts of Bellevue, Kirkland, Redmond and Renton. Over the next two years, key segments will open in the Wilburton area, including the bridge over NE 8th Street and the new Wilburton trestle.

Mr. Ingram said the crossing over I-90 has not yet been funded. The grant funding will allow the development of a trail connection using SE 32nd Street and 118th Avenue SE. The 10-foot wide bike path connection will be separated from the roadway with a curb and planting strip. Mr. Ingram said the segment along 118th Avenue SE will fill a gap in the City's local trail system along the eastern edge of Mercer Slough Park from SE 32nd Street to I-90. He noted that \$35 million is needed for the I-90 crossing, which is a King County-led project. He said King County recently submitted an application to the U.S. Department of Transportation for a grant of \$25 million.

Mayor Robinson thanked staff for the update.

7. Council Business and New Initiatives

(a) Discussion Regarding Process to Fill Permanent City Manager Position

City Clerk Charmaine Arredondo introduced discussion regarding the process to be used to fill the city manager position. She noted that under the Council-Manager form of government, the City Council is the policymaking body and hires the city manager, who must be appointed based on the individual's experience and administrative qualifications. The city manager can be removed by a majority vote of the Council. The city manager oversees daily operations, implements policy set by the Council and must possess the qualities, expertise and experience to carry out the required responsibilities. Bellevue has been fortunate to have strong and long-tenured city managers, with only two city managers serving over the past 23 years: Steve Sarkozy from 2000 to 2013 and Brad Miyake from 2013 (Acting)/2014 (Appointed) through 2023. Diane Carlson was appointed as Acting City Manager in December 2023.

Joy St. Germain, Director, Human Resources Department, described and compared the two methods of direct appointment versus recruitment. Direct appointment acknowledges the experience, expertise, skills and suitability of an individual and expedites the hiring process for a smooth transition and continuity of operations. However, there is the potential for a perception of favoritism or bias, and choosing not to recruit results in lost opportunities for others who are interested in the position. Conducting recruitment provides the opportunity for others to apply and compete for the position and produces a broader talent pool to assess the best candidate among the applicants. However, a recruitment process involves additional time and costs and can be disruptive for other work.

If the Council chooses the recruitment process, one issue for consideration is whether to utilize City staff or an external firm to conduct the process. Ms. St. Germain said that using internal staff provides the benefit of in-house knowledge and can provide a quicker hiring timeline. However, recruitment by internal staff can raise staff capacity issues and could result in a smaller network of job applicants. If an external firm is hired to lead the recruitment, City staff would support their efforts but would not be required to invest as much time and resources into the process. Hiring an outside firm to conduct the recruitment takes advantage of the consultant's focused expertise with an expanded national talent pool of candidates. However, it will likely take more time with an estimated cost of \$30,000 to \$70,000.

Ms. St. Germain said staff is seeking feedback and direction regarding the process preferred by the Council and whether to create a city manager profile. If the Council chooses a competitive recruitment process, staff is seeking direction on whether to use City staff or an outside consultant.

Mayor Robinson thanked staff for the information and asked the Council to comment on whether to create a city manager profile.

Councilmember Zahn expressed support for establishing a city manager profile to identify the most important qualities for that person. She said she would want to finalize the profile before deciding whether to appoint or recruit for the city manager position.

Responding to Mayor Robinson, Ms. St. Germain said the profile would be created by the Council and facilitated by staff. She said community input would be pursued as well.

Responding to Councilmember Nieuwenhuis, Ms. St. Germain said a consultant could assist with the development of the city manager profile or staff could draft a profile for discussion with and consideration by the Council. Mr. Nieuwenhuis expressed support for creating a profile.

Councilmember Lee concurred with the suggestion to create a city manager profile before moving forward, preferably with input from the community and other experts.

Deputy Mayor Malakoutian thanked staff for the information and commended Acting City Manager Carlson for her leadership to date. Mr. Malakoutian expressed support for establishing a profile to assess any candidate and for soliciting community input.

Councilmember Stokes concurred with the suggestion to create a profile and to engage the community in that effort.

- Deputy Mayor Malakoutian moved to direct staff to create a city manager profile, to include input from City Councilmembers and the community. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

Mayor Robinson asked Councilmembers to comment on whether to make a direct appointment or conduct a competitive recruitment process. Ms. St. Germain said a direct appointment would be the Council appointing Acting City Manager Diane Carlson.

Councilmember Stokes said his preference is to make a direct appointment of Diane Carlson as city manager. He said he supports her for a number of reasons, including her long history with the City of Bellevue. He noted that the 2013-2014 recruitment was a lengthy, expensive and difficult process. He said Ms. Carlson is skilled and ready to lead the City. He noted that the City is going through an extensive Comprehensive Plan update and has many significant planning initiatives underway. He said he doubted the City would find anyone better for the position.

Councilmember Hamilton concurred with Mr. Stokes' praise of Ms. Carlson. However, he said a recruitment process is about more than hiring someone. He said a recruitment process facilitates an important discussion about values, goals and ways to move forward into the future. He anticipates that the City will be interviewing great candidates and believes it is important to go through a formal recruitment process.

Councilmember Lee concurred with Councilmember Hamilton's comments. Mr. Lee suggested first developing the city manager profile, which will involve talking about the Council's values and soliciting community input. Mr. Lee noted the benefits of transparency, accountability and responsibility through a recruitment process.

Mayor Robinson said she feels lucky to have someone like Ms. Carlson, who has lived in Bellevue for a long time and has worked for the City and in other significant regional capacities. She said the City fought hard to bring Ms. Carlson back and she would support a direct appointment without additional recruitment.

Deputy Mayor Malakoutian said an important benefit of conducting a competitive recruitment is to avoid the perception of bias. He supports the recruitment process.

Councilmember Zahn suggested that establishing the city manager profile will facilitate conversation about the values of the Council, staff and the community. She said it is possible that if the profile aligns well with the current Acting City Manager, a recruitment process might not be necessary.

Councilmember Nieuwenhuis said Ms. Carlson is doing a fantastic job and choosing to conduct a competitive recruitment should in no way reflect on her abilities and experience. He acknowledged that the lengthy process in 2013 and 2014 resulted in the hiring of the best person for the job, who was the acting city manager at that time. He said he believes in competition and that a recruitment process would be a good way to discuss values and issues and to explore desired characteristics or experience that has not yet been identified. He suggested using an outside executive search firm for the recruitment.

Mayor Robinson concurred with Councilmember Zahn's suggestion to first develop the city manager profile.

Councilmember Stokes concurred with that approach.

Councilmember Hamilton suggested moving forward with developing the profile and initiating the recruitment process.

Councilmember Lee said Bellevue has always had strong city managers. He reiterated his preference for a competitive recruitment after first establishing a profile of the desired candidate.

Deputy Mayor Malakoutian said he prefers the recruitment process as well, while also moving forward with creating a profile.

Councilmember Zahn said she understood her colleagues' comments and concerns and would agree to a competitive recruitment.

- Deputy Mayor Malakoutian moved to direct staff to conduct a competitive recruitment for the hiring of the city manager. Councilmember Hamilton seconded the motion.
- The motion carried by a vote of 7-0.

Councilmember Lee expressed concern that the recruitment process might be too demanding given City staff's current workload. He suggested it was more fair and transparent to hire an outside firm.

Responding to Councilmember Hamilton, Ms. St. Germain said staffing capacity is a concern. However, even with an outside firm, staff will be involved in the recruitment. She said

recruitment consultants have special expertise and a network of talent to draw from. Conducting the recruitment in-house could potentially result in a smaller pool of job applicants.

In further response to Mr. Hamilton, Ms. St. Germain said an in-house recruitment process would be challenging. However, staff would make it a priority.

Responding to Councilmember Lee, Ms. St. Germain said a national search could be conducted in-house or by an outside firm. However, a consulting firm will have a broader network of potential candidates.

Mayor Robinson observed that an outside firm might be preferable for a national search while a local or regional search could involve in-house staff or a consultant.

Councilmember Stokes expressed concern about the time involved for a competitive recruitment, especially given that this is an important time for the City in terms of the many planning initiatives underway in Bellevue. He does not want other items and policy decisions to be delayed. He reiterated his support for Ms. Carlson and said he would be surprised to find a more suitable candidate.

Mayor Robinson said it is important for her to have someone who thoroughly knows and has lived experience in Bellevue. Ms. Robinson said she would be happy to see a local search conducted by in-house staff to save time and money.

Deputy Mayor Malakoutian said he has full confidence in staff's ability to conduct a recruitment. He expressed support for an in-house recruitment process with a limited budget, scope and timeline.

Councilmember Zahn expressed concern that an in-house recruitment would be a burden on staff's workload. Responding to Ms. Zahn, Ms. St. Germain said it would take 2-3 months to conduct the request for proposals (RFP) process to select a consulting firm.

Responding to Mayor Robinson, Ms. St. Germain said there are multiple steps to the overall recruitment process, which could involve all or a subcommittee of the Council. In further response, Ms. St. Germain said that using an outside firm would expedite the actual hiring process after the firm is selected.

Ms. Zahn suggested that the Council and community could work to develop the city manager profile while staff looks for a consulting firm.

Councilmember Nieuwenhuis said there are a number of benefits to using an executive search firm. While lived experience in Bellevue is one consideration, there should also be consideration for fresh perspectives and other lived experiences. He reiterated his preference for a competitive recruitment, noting his concern about current staff capacity. He said one benefit of using an outside firm is their network of contacts and candidates. He encouraged moving forward with some urgency, especially to involve the community in developing the city manager profile.

Responding to Mayor Robinson, Ms. St. Germain said anyone will be allowed to apply for the position. Regarding a local versus national recruitment, Ms. St. Germain said the job description can include requirements related to local expertise and knowledge if that is how the Council wants to focus the recruitment.

→ Deputy Mayor Malakoutian moved to direct staff to hire an outside consultant to conduct the recruitment process to fill the city manager position. Councilmember Lee seconded the motion.

Councilmember Nieuwenhuis said he would like to conduct a national search. Ms. St. Germain said she understood his interest and reiterated that the job description and requirements can be written to reflect the Council's desired criteria, including any special requirements related to local experience and knowledge. She said the job announcement is likely to attract national applicants whether conducted in-house or by a search firm.

Councilmember Lee said it is important to develop the city manager profile to determine the Council's priorities and desired criteria. He expressed support for hiring an outside consultant.

Councilmember Zahn said she would support a national talent search because there are likely to be people with local experience and knowledge who do not currently live in the area but are interested in coming back here. She expressed support for using an outside firm.

→ The motion carried by a vote of 5-2, with Deputy Mayor Malakoutian and Councilmember Stokes opposed.

Continuing with the presentation, Ms. St. Germain said future decision points include whether the full Council or a subcommittee should be involved in the process, the scope of recruitment, selection process, employee contract negotiation, final hiring decision and the annual performance review process. Ms. St. Germain suggested perhaps identifying two or three Councilmembers as a subcommittee to be more involved in the process, while the full Council will make the final hiring decision. She said she has used that approach with other city councils.

Deputy Mayor Malakoutian said he would be agreeable to having a subcommittee.

Councilmember Lee asked who would be on the subcommittee.

Councilmember Zahn asked about the authority of the subcommittee. Mayor Robinson suggested that the subcommittee would report back to the full Council, which would make any decisions.

Councilmember Stokes expressed concern that the use of a subcommittee could cause friction and/or confusion. He suggested that the full Council be involved.

Mayor Robinson thanked everyone for the discussion.

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 7-0, and the following items were approved:
- (a) Ordinance No. 6779: 1) authorizing the execution of amendments (and supplements if necessary) to the Interlocal Cooperation Agreement with King County for the Conservation Futures open space acquisition program, providing the City with \$10,491,000 in King County Conservation Futures proceeds; 2) amending the 2023-2024 General Capital Investment Program (CIP) Fund to increase the appropriation by \$10,491,000; and 3) amending the 2023-2029 CIP Plan to increase the budget for the Parks & Open Space Acquisition (CIP Plan No. P-AD-82) by \$10,491,000.
 - (b) Ordinance No. 6780 both authorizing the City Manager to terminate Concomitant Zoning Agreement No. 4441 and repealing a related Ordinance No. 2486 that rezoned the subject property and incorporated Concomitant Zoning Agreement No. 4441 by reference; and establishing an effective date.
 - (c) Resolution No. 10363 amending Resolution No. 10336 to correct the name of the vendor for the purchase of two Utilities Water Operations and Maintenance (O&M) trucks to National Auto Fleet Group and authorizing the execution of a purchase agreement with National Auto Fleet Group in an amount not to exceed \$473,518.16, plus all applicable taxes.

At 8:06 p.m., Mayor Robinson declared a short break. The meeting resumed at 8:17 p.m.

9. Public Hearing: None.

10. Study Session Items

- (a) Quarterly Update on the City's recent Economic Development Activities and Progress on Implementing the 2020 Economic Development Plan

Acting City Manager Carlson introduced staff's quarterly economic development update.

Jesse Canedo, Assistant Director, Community Development Department, commented on the importance of economic diversification supported by companies from a broad range of industries, sizes and trajectories. He said economic diversity ensures stable economic opportunities for residents, City revenue and commercial real estate markets. Mr. Canedo noted that in early 2020, Microsoft was Bellevue's largest employer. As of January, 2024, Microsoft does not have any office space in Bellevue. He said Bellevue's economy is more concentrated or less economically diverse than its peer cities of Cambridge, MA; Boulder, CO; Arlington, VA;

and Santa Monica, CA. He noted that 23 percent of Bellevue's employment is concentrated in its top ten employers.

Mr. Canedo recalled that the six key focus areas of the 2020 Economic Development Plan are capacity building and partnerships, small business and entrepreneurship, workforce, retail, creative economy and tourism. He said Bellevue is experiencing record retail sales, tourism and hotel occupancy rates, has a thriving and growing BelRed arts district and launched the Workforce Development pilot program.

Corbin Hart, Business Development Manager, said the City completed its fifth biennial business survey in 2023 and previously shared some of the findings with the Council. When asked about their perception of Bellevue's economy, 92 percent of survey respondents found Bellevue to be better than other Puget Sound cities and towns. Additional survey results indicate that 80 percent of the survey respondents agreed that Bellevue is a better place to operate a business, 66 percent indicated they were likely or extremely likely to do business in Bellevue, 75 percent said the quality of City services exceeds their expectations and 66 percent indicated they are somewhat to extremely likely to recommend Bellevue as a vibrant arts and cultural destination. Mr. Hart noted a positive upward trend over the past 10 years regarding a number of factors including that Bellevue is a better place to operate a business, the quality of City services provides a good value for tax dollars, Bellevue's overall economy and that Bellevue is headed in the right direction.

Mr. Hart said business leaders cited the following factors for why Bellevue is headed in the right direction: business-friendliness, planning for growth and a clean and safe city. He said there was positive feedback regarding the City's efforts to address affordable housing and affordable retail space. He said new efforts regarding child care are being explored.

Anthony Gill, Grand Connection Manager, presented the results of the retail study. He said the designation of retail is based on the physical space and not on the size of the business or the land use classification. For the purposes of the study, retail included clothing and soft goods, food and beverage, furniture, auto sales, fuel and entertainment uses.

Mr. Gill highlighted key findings of the retail study, including that retail activity in Bellevue does well but there is increasing competition across the Eastside. The study indicated that Bellevue residents are more likely to have to leave Bellevue for general merchandise retailers (e.g., Costco, Walmart). Another key finding was that retail space requirements should be balanced with population growth and emerging centers of gravity citywide.

Mr. Gill described three categories of retail activity: 1) commercial area, 2) shopping center, and 3) retail district (e.g., Old Bellevue). Strong retail districts have a coherent identity or niche for placemaking. The retail study reflected a substantial demand for high-quality retail districts and found that a partnership-based approach is essential. Mr. Gill highlighted the increased focus during and after the pandemic on outdoor dining and other activities, which resulted in a 200 percent increase in foot traffic in Old Bellevue.

Mr. Gill said that auto sales make up 32 percent of Bellevue's retail sales and attract \$677 million in regional spending to Bellevue. He said auto sales are expected to increase over the

next 20 years by \$900 million. He said there is significant redevelopment pressure on auto dealers to find spaces that are large enough or to try other urban formats with on-site sales and off-site storage.

Mr. Gill said a consultant's analysis of neighborhood retail in Bellevue found that redevelopment and the re-tenanting of rental spaces largely depends upon the population density, traffic count (foot and car) and nearby competing retail centers. The study found that mandated retail space should be balanced with population densities and centers of gravity.

Mr. Canedo said that technical information, such as the retail study and business survey results, is being shared with other City departments to be incorporated into larger projects (e.g., Comprehensive Plan update, process improvement). Staff will continue to work with external partners. Mr. Canedo said the Economic Development Plan will be updated later this year.

Looking ahead, Mr. Canedo noted an update in March regarding the Grand Connection, the City's first arts and cultural facilities grants in April, business district development in May, and tax increment financing and tourism by early fall.

Councilmember Lee thanked staff for the thorough report. He asked if the studies indicate whether Bellevue should try to increase its economic diversity. He said a Costco store would do well in Bellevue. However, there is limited land available. He asked about plans for vertical retail space. He encouraged economic development partnerships with other cities, agencies and organizations.

Mr. Canedo said the concentration of technology companies in Bellevue is an asset. However, there is a risk to manage. Staff encourages growth in technology and software development companies in Bellevue while also encouraging diversification into adjacent sectors (e.g., AI, health technologies, life sciences). Mr. Canedo said staff has discussed urban/vertical retail options to be incorporated into future work.

Mr. Hart said Bellevue has a strong market for auto sales. He said there are companies that want to be in Bellevue but cannot find an appropriate property.

Responding to Mr. Lee, Mr. Canedo said the City works with a number of regional partners including GSP (Greater Seattle Partners), sub-regional chambers of commerce and community based organizations.

Councilmember Stokes thanked staff for the update. He said he was surprised at the high percentage of retail sales tax that is generated by auto sales. He commented on the significant growth citywide and in the Eastgate area.

Responding to Councilmember Nieuwenhuis, Mr. Hart said 436 respondents participated in the business survey, and most of those were small businesses. Mr. Nieuwenhuis suggested adding survey respondents from medium and large companies as well. Mr. Hart said staff can explore more targeted outreach to companies with certain characteristics. Mr. Nieuwenhuis expressed an interest in determining what Bellevue can do better and what it can influence. He said he has

heard complaints from owners of small businesses about issues they experience with the City over signage.

Responding to Mr. Nieuwenhuis, Mr. Hart said staff's business attraction efforts include proactive outreach and direct inquiries from business owners. He said GSP has strong international ties and refers companies to Bellevue if they fall into the identified target sectors.

Mr. Nieuwenhuis said it would be helpful to see an economic development dashboard providing information regarding the number of businesses engaged by the City and the number of businesses that successfully move to Bellevue.

Councilmember Hamilton thanked staff for the thorough information. Responding to Mr. Hamilton, Mr. Gill said Bellevue is strong in attracting shoppers from other areas in a number of sectors. However, there is the capacity for more breweries, nightlife and other entertainment options.

Responding to Mr. Hamilton, Mr. Gill described efforts to fill retail and commercial spaces in certain areas of Bellevue, including for use as pop-up small business spaces and art installations. Mr. Hamilton expressed support for further study of retail centers citywide.

Councilmember Zahn expressed support for expediting work items related to small businesses to the extent possible. She highlighted the need for affordable commercial tenant space. She expressed support for continuing to streamline permitting. She expressed support for continuing to attract new restaurants and entertainment to Bellevue. She wondered about ways to increase tourism. She suggested the I-90 corridor might provide an opportunity to market office and commercial space in a new way and to diversify the economy. Ms. Zahn thanked staff for their hard work.

Mr. Canedo said there are a number of approaches to diversify the economy. He said the Eastgate area is somewhat challenging for attracting businesses due to the low level of amenities currently available in the neighborhood. He said there will be more discussion with the Council about tourism later this year. He noted the City's efforts as a convener in helping to establish the BelRed Arts District Alliance, which will partner with the City going forward. He confirmed that there are efforts underway focused on ways to provide affordable commercial space.

Responding to Deputy Mayor Malakoutian, Mr. Canedo said workforce development is a complicated and time-intensive area of economic development because it requires deep engagement with a variety of partners and educational providers. Mr. Malakoutian encouraged a stronger focus on workforce development.

Deputy Mayor Malakoutian said he appreciated that staff spoke in terms of leveraging Bellevue's technology concentration to expand into related areas including life sciences and AI.

Mayor Robinson complimented staff on the increase in the approval rating for the City's quality of services and thanked everyone for their hard work.

Ms. Robinson asked about Old Bellevue's coherent identity or niche. Mr. Hart said the study responses focused on outdoor dining, events and pedestrian activity. He said other key elements include the concentration of businesses within a small walkable area and the number of independent and unique businesses in Old Bellevue.

Mayor Robinson noted ongoing redevelopment on Old Main Street and asked whether there are efforts to preserve the small businesses. Mr. Canedo said Mr. Hart works with tenants who are going to be displaced by redevelopment projects to help them move to another space in Bellevue, if possible.

Ms. Robinson noted her previous inquiry about a jeweler who is going to be displaced. Mr. Hart said he has spoken with the person to share some relocation options. Mayor Robinson expressed concern that small business owners often have no plan if they are displaced and have no idea of where to look for assistance. She would like the City to make a strong effort to reach out to small businesses that will be displaced with redevelopment.

(b) Cross-Cultural Center without Walls

Ms. Carlson introduced staff's presentation regarding the Cross-Cultural Center without Walls programming.

Dr. Linda Whitehead, Chief Diversity, Equity and Inclusion (DEI) Officer, recalled that the Diversity Advantage Plan was adopted in 2014. The plan envisioned a cross-cultural facility with a mission to educate, celebrate, challenge and inspire Bellevue to be a welcoming and inclusive community that embraced diversity. Additional studies were completed including the 2021 Feasibility Study. That study included an in-depth analysis of existing properties within Bellevue that could be considered for a future cross-cultural facility. Following Council direction in 2022, staff has been working to implement cross-cultural programming.

Dr. Whitehead said key findings of the feasibility studies were widespread support for cross-cultural programs and facilities and the need to embrace a community-led, City-supported model. The studies recommended short-term investments in programming, capacity building and facilities while assessing long-term solutions.

Dr. Whitehead said all three studies found that cross-cultural engagement is a high priority for City staff, community leaders, stakeholders and residents. The final feasibility study estimated the cost of a 27,000 square foot facility at \$35 million in capital costs (excluding site costs) and \$1.9 million in annual operating costs.

Dr. Whitehead said the studies found clear interest in a community-led, City-supported partnership where an intensive level of operational and development capacity is needed. She said this will likely require significant capacity building.

The studies recommended that while the City continues to assess the long-term financial feasibility of a physical cross-cultural facility, the City invest in a series of short-term activities that will build momentum and capacity for cross-cultural exchanges in Bellevue. Dr. Whitehead

said the investments should include cross-cultural programming, performance and exhibit space, and organizational capacity building.

Dr. Whitehead recalled Council direction to staff in 2022 to pursue cross-cultural programming, test out existing spaces and explore possible partnerships. Funding was allocated to support this direction through 2024.

Sara Boyle, DEI Outreach Administrator and Lead Administrator for the Cross-Cultural Center project, said that following Council direction, staff created a pilot program to begin to meet the need for cross-cultural engagement in the community while testing out some of the feedback and recommendations reflected in the feasibility studies. In the summer of 2023, the City launched the Cross-Cultural Center without Walls, which is essentially a traveling cross-cultural center that provides programming and facilities. Ms. Boyle noted the goal to find a long-term partner to move this work forward.

In the fall of 2023, staff initiated a community engagement model to hold a series of three community workshops to take some of the theoretical ideas from the feasibility study and start turning them into actionable steps. Ms. Boyle said the workshops engaged more than 150 people representing diverse races, cultures, genders, abilities, ages and languages. She said the meetings generated more than 70 different ideas directly from the community about cross-cultural programs that would be of value in Bellevue. She said the meetings also led to the creation of the guiding principles, main values and key priorities of the Cross-Cultural Center without Walls program.

Ms. Boyle said staff used the input from community engagement to create a scope of work for a request for proposals (RFPs) for grant funding for cross-cultural projects. She said a staff and community member evaluation team will read and evaluate the project proposals. The proposals are encouraged to be multigenerational with a strong focus on youth and marginalized populations and identities.

The RFP for cross-cultural proposals opened on February 7 and closes on March 8, 2024. Ms. Boyle said the City anticipates a competitive process and that the requests will exceed the available funding. The grants are expected to support 20 to 30 contracts ranging from \$2,500 to \$15,000 to produce programs from May 2024 through May 2025. Grantees include single organizations, partnerships, non-profit organizations, businesses and individuals.

Ms. Boyle said the purpose of the Cross-Cultural Center without Walls is to bring Bellevue's diverse community together around intercultural events and programs. The programming will provide many opportunities to explore and learn about different cultures and our shared human experiences.

Ms. Boyle said next steps include evaluating the programming successes and challenges, identifying possible long-term partners, and returning to the Council with further updates.

Dr. Whitehead said the Cross-Cultural Center without Walls program was recognized as a National League of Cities (NLC) Cultural Diversity Award Honoree for being a “shining example of diversity and total community collaboration and partnership.”

At 9:35 p.m. Mayor Robinson left the meeting and turned the gavel to the Deputy Mayor.

Deputy Mayor Malakoutian thanked staff for the presentation and congratulated them on the award.

Councilmember Stokes commended staff for their extensive work. He said this has been a good community-building effort and he is eager to see it move forward with programming.

Councilmember Lee congratulated Dr. Whitehead and staff for receiving the NLC award. Mr. Lee recalled that he initiated the idea of a cross-cultural center because he sees the need for people to work and learn together. He hopes to eventually have a dedicated facility.

Councilmember Lee asked whether there are adequate spaces in Bellevue for cross-cultural programming. Dr. Whitehead said staff continues to look for venues citywide including churches, schools, Bellevue Arts Museum and others. The City is encouraging non-profit organizations to submit applications and hopes to identify partners at this phase in the project.

Ms. Boyle said the Diversity Advantage Team worked with the Community Development Department arts and culture staff to create a directory of facilities for the public to consider for events and activities.

Councilmember Lee expressed his ongoing support for a dedicated cross-cultural center in the future. Responding to Mr. Lee, Ms. Boyle said she would send the guiding principles to the Council. Mr. Lee emphasized the importance of capacity building in community organizations.

Councilmember Nieuwenhuis expressed support for the program and thanked Councilmember Lee for his leadership.

Responding to Mr. Nieuwenhuis regarding partnerships, Ms. Boyle said there are a number of models for cross-cultural programming. She noted the potential for a third party, non-profit organization to function as a backbone to bring different organizations together as collaborators. Ms. Boyle said that by the end of the pilot period the City hopes to have more information regarding existing community partners with the capacity to do this work.

Councilmember Zahn said she appreciates moving forward with the Cross-Cultural Center without Walls while still exploring the potential for a dedicated facility in the future. She expressed support for the new grant program, related translation services and technical assistance. Ms. Zahn said it can be challenging to identify event spaces. She asked about the possibility of extending community center hours for events.

Ms. Boyle said the City held a successful convening event to facilitate cross-cultural connections across numerous organizations and to educate the public and organizations about the new grant program.

Dr. Whitehead said the pilot program will help to test facilities and build momentum for determining the best long-term solution for cross-cultural programming.

Councilmember Hamilton thanked staff for all of their work. He expressed strong support for moving forward with programming while continuing to evaluate the potential for a dedicated facility. He said the Cross-Cultural Center without Walls programming will have citywide impacts. He said this is important and exciting work that he looks forward to continuing to support.

Deputy Mayor Malakoutian expressed support for staff's work and thanked Councilmember Lee for initiating the project. Responding to Mr. Malakoutian, Ms. Boyle said staff is developing metrics to be used by grant recipients in reporting to the City.

11. Land Use Reports: None.

12. Other Ordinances, Resolutions and Motions

- (a) Ordinance No. 6781 amending the Bellevue City Code to adopt certain State Building Code updates and local amendments thereto; amending Chapter 23.05 relating to construction code administration; repealing Chapter 23.10 in its entirety and replacing it with a new Chapter 23.10 reflecting amendments to state building codes; repealing Chapter 23.12 in its entirety and replacing it with a new Chapter 23.12 reflecting amendments to state residential codes; amending Chapter 23.13 to reflect amendments to the state existing buildings code; amending Chapter 23.16 to reflect amendments to swimming pool enclosures; repealing Chapter 23.50 in its entirety and replacing it with a new Chapter 23.50 reflecting amendments to state mechanical and related codes; amending Chapter 23.60 reflecting amendments to state plumbing codes; providing for severability; and establishing an effective date.
- (b) Ordinance No. 6782 repealing Chapter 23.11 of the Bellevue City Code and adopting a new Chapter 23.11 of the Bellevue City Code in order to adopt the 2021 International Fire Code with amendments; providing for severability; and establishing an effective date.

Acting City Manager Carlson noted that Ordinance No. 6781 and Ordinance No. 6782 update the Building Code and the Fire Code.

Gregg Schrader, Building Official, said staff is seeking Council action to adopt the Construction Code Update and the Fire Code Update. He recalled that the two ordinances were presented to the Council in early June 2023. However, the State delayed adoption of the codes twice.

Mr. Schrader noted a list of the 2021 codes being updated by the two ordinances and said the 2023 Washington Cities Electrical Code was recently incorporated by reference as well.

Mr. Schrader said the national codes are updated every three years. The State adopts those codes and makes amendments as needed but cannot make them less restrictive. The new State codes become effective on March 15, 2024. The City may amend the code but cannot make it less restrictive. The State Building Code Council must approve any local amendments affecting one to four dwelling units. Mr. Schrader noted that energy efficiency requirements are increasing. He said the Wildland-Urban Interface Code is being updated through a bill that is working its way through the state legislature.

Travis Ripley, Fire Marshal, highlighted an example of a cost-saving code change. An update to the Bellevue code in 2018 required a firefighter telephone system and deleting that requirement will result in substantial savings for a typical high-rise building of \$70,000 to \$100,000 or more.

Mr. Ripley said that some options related to electric vehicle charging will be brought forward later this year. He said the Community Development Department is continuing to gather input from stakeholders and the general public. Options will be presented to the Council this fall.

Mr. Ripley requested Council action on the two ordinances.

Deputy Mayor Malakoutian thanked staff for the presentation.

→ Councilmember Zahn moved to adopt Ordinance No. 6781, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

→ Councilmember Zahn moved to adopt Ordinance No. 6782, and Councilmember Hamilton seconded the motion.

→ The motion carried by a vote of 7-0.

13. Written Reports: None.

14. Unfinished Business: None.

15. New Business: None.

16. Executive Session: None.

17. Adjournment

At 10:00 p.m., Deputy Mayor Malakoutian declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw