

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

July 15, 2025
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Malakoutian and Councilmembers Bhargava, Hamilton, Lee and Sumadiwirya

ABSENT: Councilmember Nieuwenhuis

1. Call to Order

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

- Deputy Mayor Malakoutian moved to excuse Councilmember Nieuwenhuis's absence this evening. Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.

2. Roll Call; Flag Salute

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

(a) Pretrial, Probation and Parole Supervision Week Proclamation

Councilmember Hamilton read the proclamation declaring July 20-26, 2025, as Pretrial, Probation and Parole Supervision Week. He encouraged everyone to honor probation professionals and to recognize the vital services they provide to our community.

Judge Lisa O'Toole, East Division Presiding Judge, King County District Court, thanked the Council for the proclamation and for recognizing the City's probation division. She said the probation program establishes strong relationships to help individuals achieve stability and meaningful employment. She said the probation staff help restore an individual's sense of self worth and hope. Judge O'Toole thanked them for all of their hard work.

Craig Fritz, Probation Manager, Parks and Community Services Department, thanked the Council for recognizing probation services professionals. He said the City of Bellevue has operated its own probation division since 1972, providing a holistic approach to accountability and support services. Mr. Fritz said the services are an essential component of the justice system.

He said it is important to provide alternatives to incarceration and to allow people to stay close to their families and communities. Mr. Fritz said probation services improve public safety. He said City staff work at the court facility to be accessible to clients. He said they offer electronic monitoring and other programs, and the work of probation services combines human services and justice. He commented on programs to hold people accountable while helping them address the root causes of their criminal behavior.

Mr. Fritz said the national theme for this year's celebration is "Heroes behind the mission, transforming lives, enhancing public safety."

3. Approval of Agenda

- Deputy Mayor Malakoutian moved to approve the agenda, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.

4. Oral Communications

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. Each speaker is allowed up to three minutes to speak and a maximum of three speakers are allowed to speak to any one side of a particular topic. In compliance with Washington state campaign laws regarding the use of public facilities, no speaker may support or oppose a ballot measure or candidate.

Mayor Robinson suggested that if anyone is unable to speak tonight, they are welcome to submit their comments via email to Council@bellevuewa.gov.

- (a) Mark Huentelman spoke in opposition to Ordinance No. 6853, which extends the life of certain building permit applications and clearing and grading permit applications.
- (b) Joe Zulanas said he works and lives in Bellevue. He expressed support for the Safe Bellevue program. He described a number of incidents where he narrowly avoided being struck by a car while riding his bike. He thanked the City for the addition of bike lanes. However, he said painting lines is not adequate protection. He commented regarding the number of accidents involving bicyclists and pedestrians in Bellevue. He expressed support for the Vision Zero program.
- (c) Scott Aldridge said a tire on his car was recently damaged. He used the Lime rental e-bike app to move around Redmond. He said he was very impressed by how fast and cheap it was, and by how much he was enjoying the ride. He said Lime will be expanding

into Bellevue in the coming months. He expressed support for the Safe Bellevue program.

- (d) Joe Kunzler thanked Councilmembers for their public service. He expressed his ongoing concern regarding Alex Tsimerman's behavior in Bellevue City Hall. Mr. Kunzler said he sent the Council a list of incident reports involving Mr. Tsimerman. Mr. Kunzler said City Hall security staff are seeking a blanket trespass for Mr. Tsimerman. He expressed concern that Mr. Tsimerman sometimes campaigns in City Hall, which violates state law.
- (e) Maria Hudson said she would be submitting 25 documents. She described her ongoing concerns regarding sex trafficking involving her daughter. She said the Bellevue Police Department would not help her when her daughter was lured into trafficking and reported as missing. She said her daughter, who is developmentally delayed, was given heroin by sex traffickers. She said police officers have accused her of being a bad mother.
- (f) Josh Breedman, a land use attorney with Hillis Clark, expressed support for Ordinance No. 6853 [Agenda Item 10(a)] extending the life of certain building permit applications, clearing and grading permit applications, issued building permits and issued clearing and grading permits. He encouraged flexibility and quick action regarding the ordinance.

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

6. Report of the City Manager

(a) Energy Smart Eastside Program and Strategy Update

City Manager Diane Carlson introduced staff's update regarding the Energy Smart Eastside program.

Thara Johnson, Planning Director, Community Development Department, said staff would provide an update regarding the progress of the Energy Smart Eastside heat pump incentive program.

Jennifer Ewing, Sustainability Manager, said the Energy Smart Eastside program is a home electrification and energy efficiency program serving residents of Bellevue, Issaquah, Kirkland, Mercer Island, Redmond and Sammamish. The City of Bellevue administers the program on behalf of the six cities and administration costs are shared.

Ms. Ewing said the program replaces gas furnaces with electric heat pumps to help achieve the City's carbon neutrality goal. She said approximately 80 percent of Bellevue's single-family homes are heated with natural gas. Ms. Ewing said the City hopes that by 2032, nearly all residential HVAC replacements will be heat pumps. She said they provide both heating and cooling.

Ms. Ewing highlighted the growth in heat pump installations since 2021, noting that 13 percent of the Eastside heat pumps installed in 2024 involved an Energy Smart Eastside incentive. She

said the program supports homeowners at all income levels. She noted the program's 2025 goal to increase heat pump adoption by five percent this year.

Ms. Ewing said the Energy Smart Eastside program is designed to support homeowners in Bellevue and across the Eastside in moving forward with the transition from traditional heating to a heat pump, regardless of income. She noted the role of public education and marketing activities to raise awareness of the program. She said the program has negotiated a community discount with three heat pump providers, and additional discounts and rebates are available for lower to moderate income households. Ms. Ewing noted the program's collaboration with Hopelink to serve energy burdened residents.

Ms. Ewing said heat pumps were installed in 50 adult family homes serving Medicaid patients through a special grant provided by the Washington State Department of Commerce. She said the Energy Smart Eastside program increased the community discount on heat pumps from \$500 to \$1,000 through its distributor partnerships and launched a volunteer energy advisor program. Ms. Ewing said the adult family homes were grateful to receive the new heat pumps and appreciate the air conditioning.

Ms. Ewing said City staff will be busy later this year pursuing a couple of grants and completing the drafting of the strategic plan. She said the summer tends to be busy with community outreach. She said the City hopes to secure \$1 million to \$3 million in grant funding for heat pump installations. Ms. Ewing said staff is developing a project to review the long-term strategy for Energy Smart Eastside to identify gaps in the market and to look for opportunities for the program to assist in the adoption of other energy efficiency actions.

Mayor Robinson thanked staff for the report.

(b) Update regarding Republic Services Work Stoppage

City Manager Carlson said Republic Services is experiencing a work stoppage in its solid waste collection. She said an out-of-area labor disruption caused work stoppages here and across the country. She said Utilities Department staff are working closely with Republic Services to identify strategies to minimize the impacts and to provide options for residents. Ms. Carlson said City staff coordinated with Republic Services to operate a free garbage and recycling drop-off location for Bellevue residents at Bannerwood Park.

Ms. Carlson said residents have asked whether there will be service credits for the missed pickups. She said Utilities Department staff are working with Republic Services to ensure that credits are issued to affected customers.

7. Council Business and New Initiatives

(a) Council Liaison Recommendations for Board and Commission Appointments

- Councilmember Lee moved to appoint Mary Theisen to the Environmental Services Commission to serve a full term expiring on May 31, 2029. Councilmember Hamilton seconded the motion.
- The motion carried by a vote of 6-0.
- Councilmember Hamilton moved to appoint Eric Drever to the Parks and Community Services Board to serve a full term expiring on May 31, 2029. Deputy Mayor Malakoutian seconded the motion.

Mr. Hamilton said there were a number of highly qualified candidates and he is constantly impressed by the people who want to get involved in their community. He thanked Deputy Mayor Malakoutian for sharing his process in selecting a board or commission member.

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

8. Consent Calendar

- Deputy Mayor Malakoutian moved to approve the Consent Calendar, and Councilmember Lee seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:
 - (a) Motion to approve payment of claims and payroll for the period June 1, 2025 - June 30, 2025.
 - (b) Resolution No. 10524 rejecting the protest submitted by GridMatrix and authorizing execution of a Technical Services Agreement with Sierra Transportation Technologies, in an amount not to exceed \$500,000 plus all applicable taxes, to conduct video analytics and reporting on selected intersections in support of the Video Analytics Screening for Road Safety Audits project (part of CIP Plan No. PW-R-205).
 - (c) Resolution No. 10525 establishing a policy framework for City collaboration on technological innovation solutions to improve government services and support digital equity; authorizing use of City resources for innovation demonstrations and digital inclusion-related projects.
 - (d) Resolution No. 10526 authorizing execution of an Intergovernmental Agreement for EMAC (Emergency Management Assistance Program) and PNEMA (Pacific Northwest Emergency Management Arrangement) with Washington State Military Department, Emergency Management Division, which provides the option for the City of Bellevue to participate in intrastate and state-to-state mutual aid during times of emergency or disaster.

9. Public Hearing

- (a) Public Hearing and Action on Resolution No. 10527 authorizing the execution of documents necessary to release a portion of an existing water easement located at 3245 158th Avenue SE in Bellevue, Washington, which has been declared surplus to the City's needs and no longer required to provide continued water service; the granting and recording of such release being deemed in the best interest of the public.

City Manager Carlson introduced consideration of the release of a portion of an existing water easement, which has been declared surplus to the City's needs and is no longer required for continued water service.

Loren Matlick, Real Property Division Manager, Finance and Asset Management Department, recalled that on June 3 the Council declared the easement as surplus to the City's needs. The property owner is developing the site into 77 townhomes and will provide a new easement at no cost to the City.

Mr. Matlick said staff is requesting Council action on the proposed resolution following the public hearing.

- Deputy Mayor Malakoutian moved to open the public hearing. Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.

No one came forward to comment.

- Deputy Mayor Malakoutian moved to close the public hearing. Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.
- Deputy Mayor Malakoutian moved to adopt Resolution No. 10527, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.

10. Other Ordinances, Resolutions and Motions

- (a) Ordinance No. 6853 extending the life of certain complete building permit applications, complete clearing and grading permit applications, issued building permits, and issued clearing and grading permits when complete permit applications have been submitted to the City by, or the issued permits remain

active on, the effective date of this Ordinance; providing for an exception for civil violations; providing for severability; and establishing an effective date.

City Manager Carlson said Ordinance No. 6853 extends the life of certain building permit applications, clearing and grading permit applications, issued building permits and issued clearing and grading permits. She noted that the Council has approved similar extensions in the past. The proposed ordinance provides a 180-day extension to applications and issued permits, as well as the opportunity for an additional 180-day extension under certain conditions.

Gregg Schrader, Assistant Director, Development Services Department, said that permits vest and expire because the vesting at the permit application provides certainty for the developer. He said prior extension ordinances were adopted during the housing crisis in 2010 and 2011 and during the pandemic in 2020-2023. The previous extensions were for 180 days each except for a one-year extension granted in 2011. Mr. Schrader said there are 9,849 applications and issued permits currently in process.

→ Deputy Mayor Malakoutian moved to adopt Ordinance No. 6853, and Councilmember Lee seconded the motion.

Responding to Councilmember Bhargava, Mr. Schrader said all of the applications come in at different times. Some of the pending applicants might have applied under the 2023 and/or 2024 extension ordinances.

Responding to Councilmember Sumadiwirya, Mr. Schrader suggested that the Council reconsider extensions in the future. He said there will be new construction and fire codes next year. Mr. Schrader said changes to the energy code and accessibility requirements have been affecting a number of people.

Mayor Robinson expressed concern about whether the extensions are fair and/or consistent.

Deputy Mayor Malakoutian asked whether there is data regarding the number of projects that have been granted extensions that have broken ground, been completed or were abandoned. Mr. Schrader said he could follow up with more information. He said he did not think there were any projects that had broken ground and been abandoned.

Mr. Malakoutian suggested the City ask for something in return for granting the extensions, such as enhanced affordability. Mr. Schrader said a primary goal of granting the 180-day extension is that it is beneficial to City staff to know which projects are underway.

Deputy Mayor Malakoutian expressed support for the ordinance.

Councilmember Hamilton thanked staff for their work and expressed support for the ordinance.

Responding to Councilmember Lee, Mr. Schrader said there have always been different types of extensions.

Mayor Robinson asked staff to comment on what would happen if the Council did not approve the ordinance. Mr. Schrader said there are projects that within the next six months could possibly complete the first phase. If a building permit expires, the developer has to decide whether the project is still viable enough to redesign to meet code changes and to reapply for the permit.

Councilmember Lee said all projects should ideally be completed under the most recent codes. He said the extensions are reasonable. However, he would hope to have buildings developed under current codes. He wondered whether the builders would support that approach.

Mr. Schrader said the primary reason that developers want the extension is to avoid having to redesign to a more current code.

Deputy Mayor Malakoutian acknowledged that complying with new codes can be costly for a developer.

Councilmember Bhargava expressed support for providing flexibility for certain permit applications and issued permits. He acknowledged that the energy code is a primary concern. He expressed concern regarding the fire code and other safety standards. Mr. Schrader said the state will require the adoption of new construction and fire codes next year. He said he would not recommend an additional extension ordinance in the future to avoid overlapping with the new 2026 code. He said he did not have concerns about the projects that are vested to the prior building and fire codes.

Mayor Robinson said she hears a lot of questions from residents about the abandoned development in the Factoria area. Mr. Schrader said the developer is finally initiating construction.

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

Councilmember Lee said he wanted to ensure that the extensions do not jeopardize safety.

Mayor Robinson indicated that the vote had already occurred. Mr. Lee said he did not intend to abstain but wanted to ask a question. *[Under the Council Rules, an abstention is counted in the affirmative.]*

At 7:20 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:32 p.m.

Councilmember Lee voiced his support for the motion, noting that a staff member was able to answer his question during the break.

11. Study Session Items

(a) Update to Financial Outlook of Bellevue and Broader Community

City Manager Carlson said the financial outlook provides information to help guide the City as it reviews the mid-biennium budget later this year.

John Resha, Chief Financial Officer, Finance and Asset Management Department, highlighted the City budget development calendar through the remainder of the year. A public hearing will be held this fall and budget adoption is anticipated by November 30.

Evan Phillips, Director of Financial Strategy and Performance, presented a graph depicting the Federal Reserve economic uncertainty index since 2000. He said the current index is an all-time high. He highlighted the factors in the economic policy landscape including geopolitical instability, tariff impacts, budget reconciliation law, labor costs, interest rates, inflation, immigration and jobs, federal funding rollbacks and Washington state legislation.

Mr. Phillips said the U.S. dollar is at its lowest value in 30 years and consumer confidence is 25 percent lower than last year. The first quarter annualized GDP is down 0.5 percent, inflation persists at 2-3 percent, target interest rates are stuck at 4.25-4.5 percent and the state unemployment rate is 4.9 percent. Mr. Resha commented on the economic uncertainty. He praised the City's economist noting that she missed the tax forecast by only one percent last year.

Mr. Phillips said the 2025 economic forecast is aligned with the 2024 forecast. Policy uncertainty poses risks and weakened consumer confidence, instability and rising costs could lower City revenues. The construction pipeline is stable and a reduction in the interest rate in 2026 could help boost development. Mr. Resha commented that major revenue growth is unlikely before 2027.

Mr. Resha said the items on the City's watch list include economic policies, ongoing impacts to federal funding, development activity, inflation and commodity prices, state and federal legislative impacts, labor market and 2025-2026 actual revenues and expenditures. He said staff will approach these challenges and identify solutions in alignment with the City's financial strategy guiding principles: 1) transparency, 2) stewardship, 3) professionalism, 4) balanced risk profile, and 5) ability to be nimble.

Mr. Resha said the mid-biennium budget is expected to be limited to technical adjustments. Staff does not recommend altering current financial plans. He said 2025 economic data will be critical to the 2027-2028 budget process. Mr. Resha said staff will continue to keep the Council, City staff and the public informed.

Councilmember Lee thanked staff for their work. Responding to Mr. Lee, Mr. Resha said unemployment rates are based on the number of applications for unemployment benefits and the number of individuals who are of working age who are not employed. Mr. Resha said Bellevue's office vacancy rates are recovering more quickly than in Seattle. In further response to Mr. Lee, Mr. Resha said the number of home purchase transactions is down. There are few houses on the market and homes sell very quickly at high prices.

Councilmember Hamilton thanked staff for the presentation. He said the budget passed by the Council last fall acknowledged the uncertain times. He encouraged continued caution through the mid-biennium budget process. Mr. Hamilton said he would like the Council to consider deploying money from the Council Contingency Fund to support community based organizations

that serve individuals traumatized by the chaotic and unlawful immigration enforcement policies of the current administration. Mr. Hamilton said there are Bellevue residents who are being terrorized by the federal government and he would like the City to find a way to help them out.

Councilmember Hamilton said it is important to properly maintain existing infrastructure and to make strategic investments to support future growth. He said the City cannot rely on the federal government to follow through with financial support that has already been promised. Mr. Resha concurred with the priority of maintaining current infrastructure before building new projects. Mr. Hamilton said he would like to explore new funding tools to achieve the Council's priorities.

Deputy Mayor Malakoutian thanked staff for their hard work on the budget and expressed an interest in Bellevue-specific economic data. He said it would be helpful to review scenarios reflecting what might happen with changes in certain economic variables. He said it would be interesting to understand how specific economic factors actually affect residents.

Responding to Mr. Malakoutian, Mr. Phillips said the City is not currently using AI to develop the economic forecast. However, there is an internal staff pilot project to begin exploring some Microsoft Copilot options.

Mayor Robinson expressed concern about the loss of federal Community Development Block Grant (CDBG) funds, noting the effect on organizations set to receive portions of that funding from the City. Mr. Resha said CDBG funding totals \$9 million in the City's biennium budget. Ms. Robinson said she is concerned about the negative impacts on human services.

Responding to Councilmember Sumadiwiryia, Mr. Resha said the City has strong reserves to access should revenues decrease. Mr. Phillips said there is a delay of two months for receiving certain tax collections. He said Bellevue has a diverse economy and is not dependent upon any one resource. Responding to Ms. Sumadiwiryia regarding consumer confidence, Mr. Resha said spending has slowed in some, but not all, categories. He said the status of the labor market depends on the type of labor. Regarding tax revenues, Mr. Resha noted that when prices increase, sales tax revenues go up as well. In further response to Ms. Sumadiwiryia, Mr. Resha commented regarding the two parks levies that will be expiring over the next few years.

Councilmember Bhargava thanked staff for the information and commended their good work. He expressed support for considering the use of the Council Contingency Fund to provide support given the loss of federal human services funding. He said he is pleased to hear that the City is not relying on AI for its economic forecast. Responding to Mr. Bhargava, Mr. Resha said the City has strong reserves and diverse types of reserves. Mr. Phillips said the City has specific reserves for health benefits and other areas.

Responding to Mr. Bhargava about diversifying the revenue stream, Mr. Resha said the City is limited in the types of revenue it may use by the State of Washington. He said the state legislature authorizes the City's capacity for revenues. Mr. Resha suggested a Council discussion on this topic in the future.

Responding to Mr. Bhargava, Mr. Resha said it is important to not overreact during times of uncertainty. Mr. Resha said the City is cautious and thoughtful. However, the City also responds to opportunities that reinvest in the community. Mr. Phillips said the City has had votes of confidence from rating agencies, ensuring a AAA bond rating for the City's debt.

Mayor Robinson thanked everyone for their work.

12. Land Use Reports: None.

13. Written Reports

(a) Intergovernmental Relations Monthly Report as of June 30, 2025

(b) Mid-point Check-in regarding Critical Areas Ordinance Update Process and Scope

14. Unfinished Business: None.

15. New Business: None.

16. Executive Session: None.

17. Adjournment

At 8:33 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

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