

CITY COUNCIL AGENDA TOPIC

Ordinance 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 or the issued permits remain active between the effective date of this Ordinance and March 14, 2024; providing for an exception for civil violations; providing for severability; and establishing an effective date.

Rebecca Horner, Director, 452-6045
Gregg Schrader, Building Official, 452-6451
Development Services Department

Matt McFarland, Assistant City Attorney, 452-5284
City Attorney's Office

EXECUTIVE SUMMARY**ACTION**

This Ordinance extends 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, or the issued permits remain active, between the effective date of this Ordinance and March 14, 2024.

RECOMMENDATION

Move to adopt Ordinance No. 6776

BACKGROUND/ANALYSIS

Bellevue City Code provides limitations on the valid life of both permit applications and issued permits for the purpose of ensuring that construction projects are designed and built to development codes that are reasonably current, noting that it is typical for a large development project to be vested to codes that were in effect 4-8 years prior to the completion of construction.

Chapter 23.05 BCC establishes the time limits for building permit applications and expiration periods for issued building permits. Chapter 23.76 BCC establishes the time limits for clearing and grading permit applications and expiration periods for issued clearing and grading permits.

Permit extension ordinances have been approved by the Council in the past, most recently in April 2020 and March 2023 due to unique and extraordinary circumstances created by the COVID-19 pandemic. This proposed Ordinance is nearly identical to the March 2023 ordinance, with the only change being a clarification that the extension also applies to a small subgroup of standalone clearing and grading permit applications and issued permits.

The following chart provides the history of similar permit extension ordinances dating back to 2010:

Ord. No:	Effective Date(s):	Extension:
Proposed	Mid-February to 03/14/24 timeframe (if approved)	180-day extension of all criteria that expire an application & issued permit.
6732	04/06/2023 (effective timeframe 04/06 - 06/30/23)	180-day extension of all criteria that expire an application & issued permit.
6508	04/20/2020 (1-day snapshot)	180-day extension of all criteria that expire an application & issued permit.
6008	07/05/2011 (1-day snapshot)	1-year extension of all criteria that expire an application & issued permit.
5943	03/15/2010 (1-day snapshot)	180-day extension of all criteria that expire an application & issued permit.

The additional chart below identifies the permit applications and issued permits that would be affected by the Ordinance, noting that this data is a snapshot in time. The acronyms MEP and TCO respectively refer to mechanical, electrical, plumbing, and temporary certificate of occupancy. The total number of permits affected by this extension Ordinance is approximately 9,400.

Permit Status	Building	Clear & Grade	MEP	Total
Open	5	-	1	6
Pending	399	166	151	716
Ready to Issue	115	26	60	201
Issued	1,763	491	6,201	8,455
TCO	42	-		42
Total	2,324	683	6,413	9,420

The City is currently engaged in ongoing monthly meetings with stakeholders through the Bellevue Development Committee, which held a kickoff meeting in September 2023. Those discussions are providing valuable feedback to guide the Development Services workplan through 2024 into 2025, and this permit extension Ordinance is one potential early accomplishment for the City based on this collaboration with affected stakeholders.

The impact of the permit extension Ordinance is to grant additional time for developers to evaluate market conditions, determine project viability, secure financing, and decide whether to proceed with individual construction projects. The 180-day extension is a one-time action that includes projects that have submitted or will submit a complete building permit application between the effective date of the Ordinance and March 14, 2024. Those projects will be vested under the 2018 construction codes (building, energy, mechanical, plumbing, residential) and will remain active for an additional 180 days in permit application status and an additional 180 days in issued permit status.

One potentially negative impact of this permit extension Ordinance is that the extensions granted by the Ordinance will result in some delay in implementation of recent code changes that would otherwise be

implemented within the City in the absence of this Ordinance. However, 180 days is a relatively short time compared to the overall duration for design and construction of phased projects, and this proposed Ordinance is consistent with prior Council actions to extend the life of building and clearing and grading permits.

The local office market is still adjusting to the considerable increase in remote work over the last 3+ years, and while housing demand is strong, housing projects are negatively impacted by continued high construction and land costs, and higher interest rates. Bellevue remains in a strong and stable position for development, with a diverse and highly trained local workforce, well-known national employers, and an excellent quality of life; but many development projects need the benefit of extension of permit applications and issued permits.

If the permit applications or issued permits expire, then it may be difficult for project proponents to sell projects or to obtain capital to restart and complete the projects, due to economic and financial market conditions. In addition, if projects must go through the permit processes again, then this process will add additional cost and time to both the permit applicants and the City in order to realize completion of the project. More generally, if building permits or clearing and grading permits are allowed to expire, then such expiration may create a barrier for new commercial and residential development within the City. Expiration of permit applications and issued permits under Chapters 23.05 and 23.76 BCC could also subject projects that have been approved by the City within the last several years, or are currently under construction, to the risk of failure.

Building Permit Extension

BCC 23.05.090.H delineates the expiration period for building permit applications and applies to complete building permit applications. BCC 23.05.100.E delineates the expiration period for issued building permits, including the time period in which an applicant must commence work to prevent the permit from expiring. The proposed Ordinance will extend the time limits for building permit applications set forth in BCC 23.05.090.H and for issued building permits set forth in BCC 23.05.100.E by one hundred and eighty (180) days. These extensions will apply only to complete building permit applications and issued building permits active on the effective date of this Ordinance, complete building permit applications submitted to the City by March 14, 2024, and building permits issued by the City when the complete application was submitted by March 14, 2024.

Clearing and Grading Permit Extension

BCC 23.76.045 delineates the vesting and expiration period for clearing and grading permit applications and issued clearing and grading permits; and BCC 23.76.045 also requires that applicants and developers commence work within a certain time period to preserve their rights. The Ordinance will extend the time limits for clearing and grading permit applications and for issued clearing and grading permits, as set forth in BCC 23.76.045.A, by one hundred and eighty (180) days. Similar to the extension for building permits, these extensions will apply only to complete clearing and grading permit applications and issued clearing and grading permits active on the effective date of this Ordinance, complete clearing and grading permit applications submitted to the City by March 14, 2024, and clearing and grading permits issued by the City when the complete application was submitted by March

14, 2024.

Exception for Civil Violations

The time extensions provided by this Ordinance will not apply to any properties that are the subject of an active request for voluntary compliance or outstanding notice of civil violation under Chapter 1.18 BCC.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue's Comprehensive Plan provides policy direction to promote a business climate that supports the retention and expansion of the City's economic base. The proposed extension to permit applications and issued permits, provides additional time for current applications, or issued permits, to complete development projects, and supports the policy direction established by the Comprehensive Plan.

Fiscal Impact

While the consequences of expiring building permits and clearing and grading permits would be financially impactful to property owners, developers, and builders, the City may also bear the burden in the form of decreased tax revenues, underutilized and vacant land, and the long-term impacts associated with abandoned construction sites.

OPTIONS

1. Adopt the Ordinance 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 or the issued permits remain active between the effective date of this Ordinance and March 14, 2024; providing for an exception for civil violations; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

Proposed Ordinance No. 6776

AVAILABLE IN COUNCIL LIBRARY

N/A