

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

September 19, 2022
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Nieuwenhuis and Councilmembers Barksdale, Lee, Robertson, Stokes and Zahn¹

ABSENT: None.

1. Call to Order

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

→ Deputy Mayor Nieuwenhuis moved to approve remote participation by Councilmember Zahn for tonight's meeting. 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 were present. Councilmember Zahn participated remotely. Councilmember Robertson led the flag salute.

(a) National Recovery Month Proclamation

Councilmember Lee read the proclamation declaring September 2022 as National Recovery Month in Bellevue. He urged the community to observe the month with appropriate programs and activities to recognize and address the needs of individuals and families experiencing mental health and/or substance use disorders.

(b) World Alzheimer's Day Proclamation

Councilmember Stokes read the proclamation recognizing September 21, 2022, as World Alzheimer's Day in Bellevue. He encouraged everyone to visit ALZWA.org to learn more and to

¹ Councilmember Zahn participated remotely.

discover ways to get involved. Mr. Stokes noted that his wife passed away from Alzheimer's disease and dementia approximately 18 months ago.

(c) National Hispanic Heritage Month Proclamation

Councilmember Barksdale read the proclamation recognizing September 15-October 15, 2022 as National Hispanic Heritage Month in Bellevue and encouraged residents to celebrate the contributions of the Hispanic community with appropriate programs, ceremonies and activities.

Oyuki Ornelas, Mini City Hall Coordinator, thanked the Council for the proclamation and the recognition of the Hispanic community.

3. Approval of Agenda

→ Deputy Mayor Nieuwenhuis moved to approve the agenda, amended to remove Agenda Item 10(b). Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 6-0.²

4. Oral Communications

(a) Barbara Hughes said she lives in the Bridle Trails area and her homeowners association is the Brentwood Lane Property Owners Association. The association owns three trails for the use of homeowners in her development. However, they currently allow access to anyone in the spirit of being good neighbors. A few years ago, one homeowner who owned the underlying land of the west trail roped off the trail and sued the association to deny public access. She said the association fought that case and won, and their private trails are now secured for Brentwood Lane residents. She said the trails are very important to Bridle Trails residents. Ms. Hughes expressed concern about the proposal to designate a portion of private property as public open space to receive a tax reduction through the King County Public Benefit Rating System (PBRs), citing the lost tax revenue, potential lawsuits, and the closing of connections to nearby private trails. She asked the Council to deny the PBRs application related to property located at 4277 137th Avenue NE.

(b) Kathleen Florio, speaking on behalf of Trees 4 Livability, said she lives in the West Lake Sammamish neighborhood and has numerous mature trees on her lot. She commented regarding the importance of trees, including to combat climate change. A few years ago, she qualified to have her property designated as a certified wildlife habitat by the National Wildlife Federation. Ms. Florio said she is alarmed by the removal of large trees in her neighborhood. She said the City of Bellevue is behind other jurisdictions in terms of its tree preservation policies. She urged the Council to accept the recommendations of the tree code study submitted by Trees 4 Livability.

² Councilmember Lee stepped away from the dais temporarily.

- (c) Pamela Johnston, a Bridle Trails resident, spoke about King County's PBRS program. She said she is not concerned about the tax break for the applicant. However, she said this issue is new to Bellevue and more time is needed for the Council and the public to understand the implications. She questioned whether the program is fair and equitable, given that a lot must be a minimum size to qualify for the PBRS program. She expressed concern that residents and homeowners associations were not informed of the PBRS application.
 - (d) Loretta Lopez, Co-President of the Bridle Trails Community Club, expressed concern regarding the PBRS application for a property in their neighborhood. She said this is a complicated issue that warrants further analysis and public engagement. She said she was pleased to see that the agenda item has been deferred to a future meeting.
 - (e) Alyssa Barton expressed support for the recommendations reflected in the Trees 4 Livability's tree code study. While speaking as an individual, Ms. Barton said she is an attorney who currently works as the clean water program director for the Puget Soundkeeper Alliance, a board member for the Bellevue Farmer's Market, and a member of the litigation committee for the Washington State Chapter of the Sierra Club. She lives near the South Bellevue light rail station and enjoys the parks and open space on the Eastside. She expressed concern regarding a number of redevelopment projects in which most of the large trees were removed. She noted the benefits of trees including filtering stormwater, helping to prevent erosion and providing wildlife habitat.
 - (f) Maggie Miller, a resident of downtown Bellevue, spoke to the benefits of trees and expressed concern regarding the removal of trees on adjacent church property. She said a City staff person informed her that the church would only remove five trees and they would plant more. However, they ultimately removed more than five tall trees, which were replaced with small trees. Ms. Miller encouraged the City to protect mature trees. She noted that wildlife has disappeared since the tree removals near her residence.
 - (g) Alex Zimmerman, President of StandUp America, said residents should not support Democrats, who he believes are destroying America.
 - (h) Heidi Dean thanked the Council for the proclamation recognizing World Alzheimer's Day. She noted her experience working in senior care and said that family members have suffered from Alzheimer's disease. She expressed her condolences to Councilmember Stokes regarding the passing of his wife. Ms. Dean expressed concern regarding the need for more and better Alzheimer's care facilities.
- 5. Reports of Community Councils, Boards, and Commissions: None.
 - 6. Report of the City Manager: None.
 - 7. Council Business and New Initiatives

Deputy Mayor Nieuwenhuis recommended the appointment of Angela White to the Human Services Commission. He said Ms. White is a downtown resident and small business owner, as well as a volunteer for Attain Housing, Seattle's Union Gospel Mission, Habitat for Humanity and other organizations.

→ Deputy Mayor Nieuwenhuis moved to appoint Angela White to the Human Services Commission to serve a partial term expiring on May 31, 2023. Councilmember Stokes seconded the motion.

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

8. Consent Calendar

→ Councilmember Zahn 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) Council Minutes
Minutes of June 9-11, 2022 Special Meeting
Minutes of September 6, 2022 Regular Meeting
- (b) Motion to approve payment of claims and payroll for the period August 1, 2022 – August 31, 2022.
- (c) Resolution No. 10134 granting authority to the Finance & Asset Management Director or her designee to increase the approved annual purchase order amount for Consolidated Press, a provider of print services to the City, in an amount not to exceed \$150,000 plus all applicable taxes.
- (d) Resolution No. 10135 authorizing the execution of a contract and all necessary related documents for MacDonald-Miller Facility Solutions, LLC, to perform an Investment Grade Audit at the Bellevue Service Center through the Washington State Department of Enterprise Services Energy Service Performance Contracting program and to comply with the Clean Buildings Law (HB 1257, 2019) in an amount not to exceed \$108,868 plus all applicable taxes.
- (e) Resolution No. 10136 authorizing the execution of a Professional Services Agreement with Securance LLC to perform various information security consulting, including departmental risk assessments, regulatory compliancy (PCI, CJIS, and HIPAA), consulting and cyber security incident response assistance on a task order basis up to \$500,000, plus all applicable taxes.
- (f) Resolution No. 10137 authorizing the execution of a Professional Services Agreement with Critical Insight to perform various information security

consulting, including departmental risk assessments, regulatory compliancy (PCI, CJIS, and HIPAA), consulting and cyber security incident response assistance on a task order basis up to \$500,000, plus all applicable taxes.

- (g) Resolution No. 10138 authorizing execution of a Design-Build Coordination and Review Agreement (GCB 3698) with the Washington State Department of Transportation (WSDOT) and the City of Bellevue (City) for acceptance of design and construction roles and responsibilities and payment of City staff time associated with the I-90 Fish Passage Project at Sunset Creek.
- (h) Resolution No. 10139 authorizing the execution of a contract with the Washington State Department of Ecology to provide a Washington Conservation Corps crew to perform forest and nature trail maintenance and enhancement services, in an amount not to exceed \$148,800, plus all applicable taxes.

9. Public Hearings: None.

10. Study Session

- (a) Cultural and Economic Development Quarterly Update

City Manager Brad Miyake introduced staff's quarterly cultural and economic development update. He recalled that the last report to the Council occurred on May 22.

Jesse Canedo, Chief Economic Development Officer, said the cultural and economic development program includes six focus areas: 1) capacity building and partnerships, 2) small businesses and entrepreneurs, 3) workforce development, 4) retail, 5) creative economy, and 6) tourism.

Mr. Canedo said 10,500 attendees participated in the recent Rock 'n' Roll marathon, including 4,500 overnight guests, and visitor spending totaled \$4.8 million. Hotel occupancy over Labor Day weekend was 80 percent compared to 40 percent in 2019. Mr. Canedo said second quarter hotel occupancy was 79.3 percent in Bellevue, due primarily to leisure travel. He noted the City's partnership with the City of Redmond to create a Tourism Protection Area.

Mr. Canedo said there is a regional demand for more than 15,000 technology staff positions. He said regional education institutions graduate approximately 4,200 technology students annually and additional workforce capacity is needed. He said Bellevue's workforce program will connect job seekers, employers and educators. He said Bellevue has five percent of all software jobs in the country and he commented on the objective of creating greater economic and employment diversity.

Mr. Canedo highlighted a survey by a global architecture and design company to determine what people are looking for in a business district. He said the top priorities were social spaces including restaurants, cafes, parks and public spaces, cultural institutions, museums, and access to the waterfront. He said office utilization has stabilized at approximately 45 percent. He noted

that an increase in housing opportunities would help improve the long-term economic competitiveness for Bellevue. Mr. Canedo said local restaurants and businesses continue to struggle due to the lower midday occupancies compared to a few years ago.

Mr. Canedo said Bellevue-based T-Mobile has partnered with Los Angeles-based SpaceX to bring connectivity to remote areas. TerraPower is a Bellevue-based startup that recently raised \$750 million and is renovating its Eastgate headquarters. Gordian recently raised \$25 million and Spaceflight is opening a Bellevue office by the end of September.

Mayor Robinson thanked staff for the presentation.

Councilmember Robertson said it appears that office development is softening. She asked how that might affect rental and occupancy rates. Mr. Canedo said the uncertainty in the market makes it difficult to forecast the future rates. Ms. Robertson asked whether there is an updated economic forecast for Bellevue. She said technology companies seem to be doing well. Mr. Canedo confirmed that the technology sector is doing fairly well. While they are slowing down on hiring, he does not anticipate any major layoffs in the region.

Ms. Robertson requested a future update regarding efforts related to workforce development by the Global Innovation Exchange (GIX) and Bellevue College, as well as the DigiPen Institute of Technology in Redmond.

Councilmember Barksdale noted his ongoing interest in nightlife and social gathering places. He is interested in how that will be addressed in the Comprehensive Plan update and the Wilburton planning process. He said he is interested in how this looks across the different transit-oriented development (TOD) areas in Bellevue. He noted that some areas are replacing office space with residential development.

Mike Kattermann, Director of the Community Development Department, said staff is focused on housing, particularly for the Wilburton area. He noted the importance of creating a dynamic mix of uses to attract businesses, workers and residents. He speculated that the softening of the office market will create pressure for providing housing.

Mr. Barksdale encouraged the City to keep small businesses and affordable commercial space in mind when addressing the need for more social spaces.

Mayor Robinson recalled writing about the 15-minute city in *It's Your City* approximately two years ago and said Bellevue is becoming closer to that objective. She said she took a pledge to not drive her car for the week and she has enjoyed walking and biking instead of driving. She encouraged amenities that will help people live without a car if desired.

Ms. Robinson asked staff to comment further regarding slide 8 of the presentation, which states that the Comprehensive Plan update can help provide flexibility for more investment-intensive sectors and place-based businesses. Mr. Canedo said those businesses include advanced manufacturing, biosciences, and other endeavors that require a substantial capital investment in a facility. He said software development is not classified as investment-intensive because it

typically consists of office space. However, it is harder for bioscience and other companies to relocate to a new community due to the capital costs of their facilities.

Responding to Mayor Robinson, Ms. Canedo commented regarding the need to enhance data collection related to Bellevue College students who find jobs within the community. Ms. Robinson concurred with Councilmember Robertson's request for an update on local educational institutions and programs.

Responding to Councilmember Zahn, Mr. Kattermann said it is difficult to predict future trends in office, work from home, and hybrid work patterns. Mr. Kattermann said it could be two years before long-term patterns are evident, and there might not be much more of an increase in the percentage of office workers in Bellevue.

Responding to Ms. Zahn, Mr. Canedo said the retail study will help the City understand the current environment and how to support local businesses. Mr. Canedo noted a recent announcement by Amazon that they will not force employees back into the office. He said employers have indicated that amenities alone will not bring workers back to the office. However, workers are most interested in the proximity to their office. Regarding leisure travel, Mr. Canedo said it is difficult to predict future trends.

Ms. Zahn asked staff to comment on the higher office vacancy rate in the Eastgate area compared to downtown and citywide. Mr. Canedo said the office space in the Eastgate area has older buildings and lacks features desired by companies. Mr. Kattermann said staff will study the Eastgate area as part of the Comprehensive Plan update. He sees the area as a long-term opportunity for future growth, especially given the access to transit services.

Deputy Mayor Nieuwenhuis congratulated staff for their hard work related to the Rock 'n' Roll Marathon.

Responding to Mr. Nieuwenhuis, Mr. Canedo said the City and the organization that sponsored the marathon have received positive feedback. Mr. Nieuwenhuis noted that access to some businesses was impacted. Mr. Canedo acknowledged that public communication efforts do not reach everyone. However, he said there were only 30 complaints regarding a number of issues over the weekend, which is significantly lower than similar events. Mr. Canedo said staff will evaluate the lessons learned to guide future event planning. Mr. Nieuwenhuis encouraged staff to alert faith-based entities as well.

Mr. Nieuwenhuis said a recent poll indicates that one of three workers are still not willing to return to the office. He concurred with Mr. Kattermann's earlier comment that it could be two years before more permanent patterns are established. Responding to Mr. Nieuwenhuis, Mr. Canedo said the City is working with local businesses to hold events that attract the public and increase the number of customers.

Mr. Kattermann noted that multiple City departments were involved in supporting the Rock 'n' Roll Marathon and all of those staff will evaluate this year's event to inform future planning.

Councilmember Lee said he attended the Rock ‘n’ Roll Marathon and he suggested more related activities in the Downtown Park for future events. He asked about ways to extend the positive economic impact across the community. Responding to Mr. Lee, Mr. Canedo said the total economic impact of \$4.8 million was provided by Visit Bellevue Washington staff. Mr. Canedo said they have access to a data portal that tracks visitor spending.

Mr. Lee thanked staff for their work throughout the community. He noted that economic development is a regional issue. He expressed support for workforce development efforts. Responding to Councilmember Lee, Mr. Canedo said the recruitment of Spaceflight to Bellevue was a joint effort with the Greater Seattle Partners economic development agency. Mr. Canedo said the City works with regional partners to address workforce needs including the Workforce Development Council, the Workforce Development Board and others. He said the City is currently working with the Port of Seattle in its effort to provide culturally competent resources for the small business community.

Councilmember Lee said a South Korean trade delegation was recently in the area and met with Port of Seattle, City of Seattle, King County and other officials. He suggested that the City needs to be involved in similar efforts in order to demonstrate what Bellevue can offer to employers and workers.

Councilmember Stokes said he appreciated Councilmember Lee’s comments regarding regional involvement. Mr. Stokes said the two things that make Bellevue work well are the workforce and a regional view. He noted Bellevue’s involvement with the Innovation Triangle for a number of years as well as Bellevue’s role in a number of regional forums and planning efforts. Mr. Stokes said that a large percentage of students attending the University of Washington Bothell are Bellevue residents. He commended the City’s efforts related to the BelRed arts district and Wilburton area redevelopment. He thanked staff for the presentation and said he believes the City is on the right path.

At 7:30 p.m., Mayor Robinson declared a break. The meeting resumed at 7:45 p.m.

- (b) Responding to Council’s request for additional information on the application for Public Benefit Rating System (PBRs) Open Space Classification of the Timiri and Ostergaard property located at 4277 137th Avenue NE, Bellevue, Washington (King County Parcel No. 8669400210), and seeking Council direction on approval or disapproval of the application.

[Item postponed.]

11. Land Use: None.

12. Other Ordinances, Resolutions, and Motions

- (a) Ordinance No. 6675 authorizing the City Manager to enter into an agreement for the Imagine Housing Samma Senior Apartments in the amount of \$2,000,000.00, as recommended by the ARCH (A Regional Coalition for Housing) Executive

Board; and amending the 2021 - 2022 Housing Fund (#1900) to increase the appropriation by \$2,000,000.00

Mr. Miyake introduced discussion regarding the agreement for the Imagine Housing Samma Senior Apartments.

Mr. Kattermann said the Samma Senior Apartments in Bothell will provide 76 units for senior adults in households earning up to 50 percent of the area median income (AMI). The City of Bothell sold the property to Imagine Housing with a 25-percent discount on the price. The building will have ultra-high energy efficiency with sustainable materials and design.

Mr. Kattermann said the financing for the project closes on September 28 and construction is slated to begin in early October. Project completion is anticipated for January 2024. Mr. Kattermann said a donation from Amazon allows this project to move forward. The ARCH (A Regional Coalition for Housing) Board recommended approval of applying \$2 million to this project. ARCH cannot accept the funds directly. However, the City will accept the funds on behalf of ARCH as the administrative and fiscal agency and will turn the money over to ARCH. Mr. Kattermann said no additional funding is requested from Bellevue for the project.

Mayor Robinson thanked staff for the presentation.

Councilmember Robertson said she appreciated the donation from Amazon and their partnerships in the community.

Deputy Mayor Nieuwenhuis, liaison to the Human Services Commission, noted that this is not the first time that Amazon has contributed funds for housing needs in the region.

Councilmember Stokes thanked Amazon for their contribution and expressed support for the ordinance.

Mayor Robinson said it is very difficult to incentivize this type of affordability in housing. She thanked Amazon for working with ARCH and the City to provide needed lower- income senior housing.

Councilmember Zahn expressed support for the ordinance.

Councilmember Lee concurred with his colleagues that Amazon has been a great community partner.

→ Deputy Mayor Nieuwenhuis moved to adopt Ordinance No. 6675, and Councilmember Stokes seconded the motion.

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

13. Unfinished Business: None.

14. New Business: None.
15. Executive Session: None.
16. Adjournment

At approximately 7:53 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw