

**CITY COUNCIL STUDY SESSION**

Direction on 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 and initiation of amendments to the Land Use Code (LUC) to allow administrative extensions to the vesting provisions of LUC 20.40.500 related to land use approvals.

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**DIRECTION NEEDED FROM COUNCIL****DIRECTION**

Staff is seeking direction on the adoption of an Ordinance to extend the time limits and expiration periods for building and clearing and grading permit applications and for issued permits as established in Chapters 23.05 and 23.76 of the Bellevue City Code (BCC). Staff is also requesting that Council initiate amendments to the LUC to allow administrative extensions to the vesting provisions of LUC 20.40.500 related to certain land use approvals and that Council retain processing of the LUCA.

**RECOMMENDATION**

Direct staff to bring back for adoption an Ordinance extending certain residential and commercial permit applications and issued permits by one hundred eighty (180) days to prevent building and clearing and grading applications and permits from expiring; and initiate amendments to the LUC to allow administrative extensions to the vesting provisions of LUC 20.40.500 related to land use approvals, and provide that Council will retain processing of the LUCA.

**BACKGROUND & ANALYSIS****Background**

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. In turn, LUC 20.40.500 establishes time limits for the vesting of land use permit applications, and the vesting period for some of these land use permit applications may not be extended administratively under current Code.

The status of development in Bellevue has been impacted by multiple factors, including an office market in transition as employers and employees jointly determine the future of remote work, inflation of construction and land costs, interest rates, and changes in the tech industry.

While 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, many development projects currently approved by the City or under review by the City need the benefit of extension of permit applications and issued permits.

If the permit applications or issued permits expire, it will 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, 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, clearing and grading permits, or clearing and grading permits for plat infrastructure 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 or issued building permits active on the effective date of this Ordinance.

### **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. These code provisions include vesting and expiration dates for clearing and grading permit applications for plat infrastructure, 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 or issued clearing and grading permits active on the effective date of this Ordinance.

### **Land Use Permit Vesting Extension**

LUC 20.40.500 delineates the expiration period for the vested status of land use permit approvals. The existing code does not provide for any extension process, except in very limited circumstances. In order to provide for flexibility that is currently lacking in the LUC, the vesting provisions in LUC 20.40.500 should be revised to provide for administrative extensions to vesting for Land Use Permit approvals. A future LUCA could provide for limited extensions approvable by the Director of Development Services to respond to uncertain events in the development community. The extensions would apply to all Land Use Permits which do not otherwise have vesting extension provisions already

identified within the Land Use Code. Both Critical Area Land Use Permits and Shoreline Exemptions permits already have identified processes to extend the vested approval of those permits. The proposed change to LUC 20.40.500, if considered and approved by the City Council, is anticipated to align vesting provisions for other permit types and to be more consistent with what is accorded the environmental permit types.

### **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 civil violation proceeding 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, clearing and grading permits, and land use approvals 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. Direct staff to bring back for adoption an 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; and initiate amendments to the LUC to allow administrative extensions to the vesting provisions of LUC 20.40.500 related to certain land use approvals and retain Council processing of the LUCA.
2. Provide alternative direction to staff.

## **ATTACHMENTS**

A. Draft Ordinance - 2023 Building Permit Extension

## **AVAILABLE IN COUNCIL LIBRARY**

N/A