

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

June 26, 2017
6:00 p.m.

Conference Room 1E-113
Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak, and Councilmembers Lee, Robinson, and Wallace

ABSENT: Councilmember Robertson and Councilmember Simas

1. Executive Session

The meeting was called to order at 6:09 p.m., with Mayor Stokes presiding. There was no Executive Session.

2. Approval of Agenda

→ Deputy Mayor Chelminiak moved to approve the agenda, and Councilmember Lee seconded the motion.

→ The motion to approve the agenda carried by a vote of 5-0.

3. Oral Communications

(a) Jennifer Fischer, Executive Director of Bellevue Lifespring, spoke in support of Puget Sound Energy's Energize Eastside project. She said Lifespring provides food, clothing, educational scholarships, rent subsidies, and utilities bill assistance for low-income families. The families often must choose between spending money on food, utilities, and rent. When a family's home loses power, they are at risk of losing the food in their refrigerator. If the power goes out at school, a parent might need to stay home with children. She said it is important to have reliable power to avoid impacts to low-income families and to accommodate the significant growth in the region.

(b) Kari Magill, CEO of Rowley Properties, said she was also speaking on behalf of the Issaquah Chamber of Commerce, where she serves as a Board member. She spoke in support of PSE's Energize Eastside project. She said the area's infrastructure must keep pace with the growth and changes in the community. She expressed concern regarding

the potential for rolling blackouts if there is inadequate electrical power capacity. She thanked the Council for their leadership.

- (c) Bill Thurston, President of the Bellevue Club, noted that he sent a letter to the Council earlier that day, expressing his concerns regarding potential delays in facilitating transit-oriented development (TOD) adjacent to the light rail East Main Station. He said the Citizen Advisory Committee (CAC) identified the Red Lion property as the initial center of the redevelopment and an opportunity for a place-making event. He said it would be disappointing to not have TOD in place by the time light rail is operating. He said delays are risky because capital markets change, retail interests change, and economic viability is fragile. He urged the City Council to take every step to support moving TOD forward.
- (d) Mon Wig, representing the Hilton and Red Lion Hotels, asked the City to prioritize the East Main Station land use work for the Planning Commission and to expedite work on the Comprehensive Plan amendment and zoning code. He asked the City to allow him to redline the pertinent zoning code to be consistent with the CAC's recommendations. He thanked the Council and staff for their help.
- (e) Alex Smith, speaking on behalf of 700 112th LLC, referenced his letter dated June 23, included in the meeting packet, regarding the Downtown Livability Code Amendments for Downtown OLB (Office Limited Business)-Central and OLB-South zoning. He asked the City to include Downtown-OLB-Central in the area eligible for an increased floor plate for building heights of 80-150 feet, and to increase the maximum height for above-grade parking structures from 45 feet to 55 feet, as currently recommended by the Planning Commission for OLB-South. He noted the requested change to the land use table on page 40 of the Commission's recommendation, which is attached to his letter.
- (f) Patrick Bannon, President of the Bellevue Downtown Association (BDA), expressed general support for the Planning Commission's recommendation for the Downtown Land Use Code Update. He said the recommended code has stronger guidelines, modernizes the incentive system, and retains the Downtown's competitiveness for future investment. He said the recommended code emphasizes design flexibility and targeted increases to density where it makes the most sense. The code anticipates greater development potential near light rail stations but does not significantly increase planned densities for the Downtown. The recommended code allows for taller, but not necessarily bigger, buildings in several districts. He noted the BDA's interest in raising the base height to 90 percent of the maximum height, looking at administrative approval (instead of Council approval) of the flexible amenities, and leveling the in lieu fee from \$28 to \$25. He thanked the Council for taking on this initiative and said he looks forward to a positive outcome.
- (g) Steve Sanchez said he observed two Sound Transit updates to the Council in recent months. He expressed concern that the agency's reports do not address project risks. He believes if an agency does not identify risks, there is a competency issue. He was surprised that Sound Transit did not mention Puget Sound Energy's Energize Eastside project in relation to the electrical power demands of Sound Transit's operations and

maintenance facility (OMF East). Mr. Sanchez encouraged the Council to ask Sound Transit to present information on project risks.

- (h) Andy Wappler, Puget Sound Energy, said he sent a letter to the Council earlier in the day. He thanked the City for its support of the Green Direct program. He expressed support for the City's Smart City program, including street light management, smart buildings, and increasing electrical reliability. He said PSE continues its path of phasing out the use of coal through 2035. He said PSE has been a leader in renewable energy production, including wind and solar power.
- (i) Loretta Lopez, Vice President of the Bridle Trails Community Club, spoke in opposition to the quasi-judicial appeals amendment (Land Use Code 20.35). She attended Council meetings on April 10 and May 22 regarding the issue. She said the amendment changes the appeals process for Process I and Process III conditional use permits. She asked the Council to refer the issue to the Planning Commission for review. She said the proposed amendment requires that appeals are directed to Superior Court instead of through the City Council. She said this is a radical change in how Bellevue has conducted its land use process. Ms. Lopez said residents prefer that the City Council continue to be the final authority before an item may be appealed to Superior Court. She said there have been only two quasi-judicial matters before the Council during the past five years.

4. Study Session

(a) Council Business and New Initiatives

Mayor Stokes said that Councilmember Simas, as Council liaison to the Environmental Services Commission, recommended two individuals for appointment to the commission. Mr. Stokes noted that he participated in the interviews of the candidates as well.

- Deputy Mayor Chelminiak moved to appoint Vanja Knezevic and Gregg Takamura to the Environmental Services Commission to serve four-year terms ending May 31, 2021. Councilmember Robinson seconded the motion.
- The motion carried by a vote of 5-0.

Mayor Stokes said the July 3 Council meeting is cancelled due to the Independence Day holiday. He invited everyone to attend the Bellevue Family 4th celebration at the Downtown Park. He noted two additional upcoming community events: 1) Grand Opening of the completion of Downtown Park, June 28, 3:30 p.m., and 2) Chevy Chase Neighborhood Sidewalks Improvement Levy Project celebration on Thursday, July 6, 2:00 p.m. Mayor Stokes said the latter is the first project to be completed under the neighborhood transportation levy approved last fall.

(b) Planning Commission Recommendation on Downtown Livability Land Use Code Amendments

Councilmember Wallace noted that his parents have partnership interests in two Downtown Bellevue properties, and Wallace Properties provides property management and brokerage services for Downtown properties. He has researched the potential for a conflict of interest and discussed the issue with the City's ethics officer. Those efforts confirmed that participating in this discussion is not a conflict of interest for him under the City's ethics code. He considered not participating in this issue. However, he knows the code well and believes that adds value to the discussion.

Mr. Wallace said he will provide a list of the properties owned by his parents and a list of contractual relationships with Wallace Properties. He noted that he will not be the swing vote on this topic. He asked Councilmembers to talk to him if they have any concerns or questions.

City Manager Brad Miyake introduced discussion regarding the Planning Commission's recommendations for Downtown Land Use Code amendments as part of the Downtown Livability Initiative process. He said this is the first major code update for the Downtown in 35 years. Mr. Miyake said staff is seeking Council feedback on topics requiring additional information and discussion.

Dan Stroh, Planning Director, said tonight will be an overview of the overall recommendations. However, there will be additional study sessions to address incentive zoning, building heights, density provisions, and other issues.

He said there have been significant changes in the Downtown over the past 30 years. The intent of the Downtown Livability effort is to align the code with the updated subarea plan, changes in the Downtown, and the needs of a 21st century city. The objectives of advancing livability include increasing walkability, creating a greener downtown, ensuring high-quality design, planning for light rail, and encouraging affordable housing.

Mr. Stroh said a key organizing framework element of the code is the superblock street pattern. A second organizing element is the wedding cake concept which transitions from higher density development in the Downtown core to lower density development on the edges of the Downtown. A new organizing element is future light rail. The East Main Station is on the southeast corner of the Downtown, and the Central Station impacts other sections of the Downtown.

Mr. Stroh said the Pedestrian Corridor has been an organizing element of development for many years. The planned Grand Connection project expands on that concept and extends from Meydenbauer Bay to the Wilburton district on the east side of I-405.

Mr. Stroh said the concept of Downtown neighborhoods was adopted in the subarea plan but was not reflected in the code until the current update.

Mr. Stroh recalled that the Council established the Downtown Livability Initiative, defined a project scope and set of principles, and formed the citizen advisory committee (CAC). A land use audit focused on regulations that work well and those in need of improvement. The CAC forwarded its recommendations to the Council for discussion, and that work was forwarded to the Planning Commission for review and refinement.

Mr. Stroh said the Planning Commission held 25 study sessions to study potential land use code amendments. The Council adopted Ordinance No. 6277 on March 7, 2016, to identify early wins that could move forward while the rest of the work was finalized.

Mr. Stroh said the Planning Commission held a public hearing, conducted extensive public outreach, and completed its work at the end of May 2017.

Stephanie Walter, Planning Commission Vice-Chair, said the Commission unanimously approved the recommended Land Use Code amendments. She provided an overview of the Commission process and noted the challenges, including ensuring transparency for the public, considering the development feasibility of code refinements, balancing multiple interests, and meeting a specified timeline. Key observations and recommendations beyond the Land Use Code package address affordable housing, the incentive zoning system, tower separation, floor plate reductions for taller office buildings, downtown parks and open space, and a comprehensive parking study.

Ms. Walter said the Commission acknowledged the need to address affordable housing in the Downtown and encouraged the City to provide incentives for private development. The FAR (floor area ratio) of 1.0 recommended by the Planning Commission is one step in providing affordable housing. With regard to the incentive zoning system, Ms. Walter said the Commission encouraged the City to ensure that the incentives rest on solid legal ground. Given the option of paying a fee in lieu under certain incentives, the Commission recommends a system to ensure that funds are spent for the intended purpose.

Ms. Walter said the Commission discussed the issue of tower separation, including concerns about the impact on development feasibility. The Commission recommends a 60-foot tower separation. With regard to floor plate reductions for taller buildings, the Commission determined it is important that buildings using the new height allowance result in narrower tower forms. The Commission recommends a 10-percent reduction in floor plates for residential buildings, and a reduction of 10-25 percent for commercial floor plates.

Ms. Walter said Parks and Community Services Department staff met with the Commission during two meetings to discuss issues related to parks and open space in a growing urban environment. The Commission's recommendation includes a 10-percent publicly accessible open space requirement in exchange for taller building heights. The Commission further recommends that the Council consider establishing park impact fees.

Ms. Walter said the Commission made minor changes regarding parking. However, it is a topic of high public interest and the Commission recommends that more significant changes should occur only through a comprehensive parking study. The Commission recommends that, until the study is completed, the Council consider temporarily removing the 20-percent shared parking reduction when buildings have overlapping business hours in districts where parking is considered problematic. Ms. Walter noted that transportation continues to be a key concern for residents and visitors.

Carol Helland, Code and Policy Director, noted that staff provided a clean version of the Commission's Land Use Code amendments to the Council. She said the margin notes are included to provide a roadmap for readers and the Council to determine whether the language reflects a new section, updated language, or a move of existing code language to a different section.

Trish Byers, Code Development Manager, said the Planning Commission focused on the importance of walkability in the Downtown and recommended new building and sidewalk designations. Design guidelines address outdoor spaces for retail and restaurants, pedestrian-scaled lighting and signage, streetscape and pedestrian amenities, a reduction in pedestrian-vehicle conflicts, maximization of sunlight and sky views from the sidewalk, and weather protection for pedestrians.

The Commission's design guidelines change the retail exemption to target active uses, including hair salons, barber shops, banks, and doggie day cares. Ms. Byers noted the recommended changes in sidewalk dimensions and for creating logical pedestrian connections between buildings, transit, and public spaces. Ms. Helland said the guidelines respond to feedback from the community regarding the need for safe walking paths in the Downtown.

Ms. Byers said the design guidelines for active uses encourage windows, unique entrances to businesses, and other elements that provide improved visual connection and engagement with internal uses. The code amendment includes different guidelines for different right-of-way designations (A through D) to support an active streetscape. An example of design guidelines for an A rated right-of-way include a minimum 75-percent weather protection and 75-percent transparency (windows), a maximum of 30 feet between entrances to businesses and other points of interest, and the use of setbacks and protrusions to create visual interest.

Ms. Byers noted that the design guidelines for streetscapes address the base, middle and top of buildings. The base guidelines relate to human scale, define the edges of adjacent streets, and maintain access to sunlight, open space, and adjacent properties.

Ms. Helland said the design guidelines were developed by the Planning Commission in response to public feedback encouraging a more walkable environment that is more comfortable and interesting for pedestrians.

Ms. Helland said there are new green and sustainable features provisions in the code, which also address walkability. The Commission's recommended code amendments require that all new development include green and sustainable features (e.g., green roofs, street trees, shrubs and groundcovers), landscaped areas along street frontage, and bioretention facilities. Developers receive credit for each element and are required to provide a minimal amount of those features.

Mr. Stroh described the role of incentive zoning and the amenity incentive system. He highlighted the connection between mandatory provisions and bonus incentives. The Planning Commission's package provides a revised list of amenities to enhance Downtown neighborhood character. The Commission recommends that new base FAR levels be set at 90 percent of the new maximum FAR. The fee in lieu option is set higher than the cost of providing certain amenities on a site. The incentive system includes the flexibility to facilitate features that

contribute to livability. Mr. Stroh said the Planning Commission's code amendments require the periodic review and monitoring of the amenity incentive system.

Mr. Stroh said the recommended list of amenities related to open space and the public realm encourage a major pedestrian corridor, outdoor plaza, donation of park property, improvement of public park property, enhanced streetscapes, active recreation area, and alleys with addresses. Other amenities cover a wide range of features including pedestrian bridges, performing arts space, public art, water features, historic preservation, neighborhood-serving uses, and sustainability certification.

Ms. Helland described the urban form components reflected in the amenity requirements for tower separation, tower setbacks, upper level setbacks, concealment of mechanical equipment, floorplate options, building podiums, and outdoor plazas. She presented design guidelines intended to provide tripartite building design. In addition to the base guideline elements noted above, guidelines for the middle of buildings focus on thoughtful tower placement to minimize the effects of shade, shadow, and wind effects as well as on creating tower designs with visual interest. Design guidelines for the top of buildings are intended to create attractive building silhouettes, rooflines, and rooftops.

Ms. Helland said building height and form were important topics of discussion for the Downtown Livability Citizen Advisory Committee. The CAC's principles encouraged height and density guidelines that result in a better urban design outcome, distinguish the special market niche of the Downtown, deliver additional amenities that enhance livability, address any impacts of increased heights or densities, and provide appropriate transitions between the Downtown and adjoining residential neighborhoods. Those principles are based on the objectives of creating more light and air between buildings, more ground-level open space, more interesting and memorable architecture, variable building heights, and increased density around light rail infrastructure.

Ms. Helland highlighted certain major recommendations of the code amendment package related to building height and form. She noted an increase in office building heights in the O-1 and O-2 districts. The heights provided by the Planning Commission reflect the maximum heights that could be attained using all applicable incentives and allowances. Ms. Helland said the recommendations also increase building heights in the OLB (Office Limited Business) and MU (Mixed Use) districts. She said the code amendments meet the objective identified earlier in the process to equalize the FAR between residential and non-residential uses in the MU district.

Responding to Deputy Mayor Chelminiak, Ms. Helland said 20 feet in height is allowed for mechanical equipment on the top of buildings.

Ms. Helland highlighted building height and form recommendations related to overlays and transition areas around the edge of the Downtown. The code amendments require a tower spacing of 60 feet above the 80-foot height within a development project. For a single structure development, the building tower setback is 20 feet from the property line, which results in a spacing of 40 feet between towers on different properties.

Councilmember Robinson questioned the public feedback regarding increased building heights in certain areas bordering single-family residential areas. Ms. Helland said residential areas on the north edge of the Downtown are buffered by McCormick Park. On the south Downtown border, there are no residential properties directly across the street. She said the building heights are not increased across from the light rail tunnel portal park.

Responding to Ms. Robinson, Ms. Walter said the City received feedback from Surrey Downs residents earlier in the process regarding the increase in building height on the south Downtown perimeter. However, public comment was not received after the Planning Commission identified specific building heights and locations.

Moving on, Ms. Helland described the concept of trigger heights for taller buildings. If a developer wants to build higher than the previous maximum building height, additional regulations apply to ensure that buildings are more slender and that the impacts of the additional height are effectively mitigated. Recommended requirements include providing 10-percent open space and a reduction in floor plate size for taller buildings. The Planning Commission recommended that the Council consider a range of 10-25 percent for those requirements. Ms. Helland noted that the range is applicable only to non-residential buildings.

Ms. Helland highlighted design guidelines for open spaces. Additional code changes address transitions and buffers at the Downtown boundary, parking requirements, and code flexibility. Parking was discussed extensively by the Planning Commission. The code retains the Director's authority to increase the amount of required parking and retains the reduction allowed for shared parking. However, the Commission recommends that the latter must be supported by a technical analysis. Parking structure dimensions were changed to accommodate ADA requirements, and visitor parking was added as a requirement for residential developments.

Councilmember Wallace asked staff to bring back information regarding the proposed provision that would allow a transportation study to demonstrate the maximum parking demand for a project, and that would allow the Director to reduce the minimum required parking to that amount. He recalled that the change was suggested by the affordable housing technical advisory group (TAG). Mr. Wallace stated his understanding that the provision is not included in the Commission's recommendations due to concerns about the possible impact on development in Old Bellevue. He suggested considering the adoption of the provision for the Downtown with an exemption for Old Bellevue.

Councilmember Robinson observed that the proposed parking provision makes sense for transit-oriented development (TOD) areas. However, it might not be effective for other Downtown development.

Continuing, Ms. Helland said the Commission's recommended code amendments add flexibility to ensure that the code allows for the best and most creative development concepts. The affected code sections are Administrative Departures, LUC 20.25A.030.D.1; Council Departures, LUC 20.25A.030.D.2; and Flexible Amenity, LUC 20.25A.070.D.4. Ms. Helland said the Council departures section tends to apply to situations than cannot be contemplated in the code and provides the option for development agreements.

Ms. Helland said future Council study sessions will provide more information on incentive zoning, building height and density, floor plate reductions for taller buildings, the 1.0 FAR exemption for affordable housing, and other items identified by the Council. She reiterated the Commission's interest in Council feedback regarding the right number for floor plate reductions (10-25 percent).

Ms. Helland requested Council input regarding areas of interest and/or requiring further information.

Councilmember Lee noted that transportation and traffic planning are important elements of Downtown livability.

Responding to Deputy Mayor Chelminiak, Ms. Helland said the 10-percent open space incentive must meet the criteria in the amenity chart for an external improvement (i.e., plaza) as well as specific design criteria. She referred Mr. Chelminiak to the chart in LUC section 20.25A.070.D.4. Mr. Stroh noted that the provision is intended to produce open space at the ground level.

Mr. Chelminiak said he would like more information regarding the consideration of a 10 percent to 25 percent reduction in floor plates and how the Council will make the decision of the appropriate level.

Mr. Chelminiak questioned the recommendation regarding tower spacing and whether it is feasible to develop a tower with the required setback. Ms. Walter said the discussion was not site-specific. However, the Planning Commission discussed large lots, small lots, and irregularly shaped lots, and it became obvious that some configurations would be impractical. Mr. Chelminiak said he would like staff to work a little more on that, including the preparation of visuals to better understand the impacts.

Mr. Chelminiak thanked staff for their work. He expressed support for moving forward with a parking study. He said it is important to define the questions to be answered and to focus on how the code addresses parking requirements.

Mr. Chelminiak noted that the Downtown linear buffer of 20 feet is essentially moving by 12 feet. What is currently measured as 20 feet will be an eight-foot buffer. He requested information on how that works.

Mr. Chelminiak spoke in favor of upzoning in the OLB district. However, his initial reaction is that the Commission's recommendations go too far. He questioned whether above-grade parking will require a larger floor plate for a developer to gain FAR. Mr. Chelminiak said an argument could be made that the recommended upzone should tie into the new incentive system for the Downtown. However, an equally logical argument could be made that there should be a different incentive.

Deputy Mayor Chelminiak said he would like to complete the Downtown Livability Land Use Code update by the end of September, if not before the August recess.

Councilmember Robinson said there is general interest, from her discussions with constituents, regarding increased densities for transit-oriented development. She does not oppose the 60-foot separation between towers. However, she expressed concern about the impact of potentially reducing the requirement to 40 feet. She questioned whether incentives would allow a shorter distance.

Ms. Helland said the separation cannot be reduced across property lines. However, a minimum separation of 20 feet could be achieved within a development using certain incentives. Responding to Ms. Robinson, Ms. Helland said staff will provide visual depictions of how the different spacing would appear.

Ms. Robinson questioned the potential for using fees in lieu for park and open space development in the Downtown. She is interested in consistency between the property south of the OLB district and the development along the southern Downtown boundary. Ms. Robinson encouraged guidelines on the storage of dumpsters in alleys, including NE 9th Street, as well as guidelines on pick up areas and traffic management in alleys.

Ms. Robinson questioned the potential for preserving a building of significance under the Land Use Code. Ms. Helland said the amenities chart addresses actual/physical preservation or the documentation of preservation. For example, photographic documentation was collected for the former Puget Sound Energy building. Ms. Helland said there is currently an amenity bonus for historic preservation.

Councilmember Lee said he appreciated the work of the Downtown Livability CAC, City staff, the Planning Commission, and the Transportation Commission. He said that Downtown livability and economic health are important for the overall community. He said Bellevue's neighborhoods have remained strong and relatively the same over the past 50 years. However, the Downtown has changed significantly and become a livable residential and employment community.

Mr. Lee said the economic viability of the Downtown benefits the entire city. He highlighted the importance of considering innovative transportation and mobility options as growth continues.

Councilmember Wallace said this is the culmination of four years of detailed study and discussion, and the Planning Commission received a high volume of public comments. He said the recommended code package provides a good balance between development interests and community impacts.

Mr. Wallace said the Planning Commission had nice graphics depicting a number of outcomes, including lots that are likely to be redeveloped. He noted the chart showing that approximately 90 percent of Downtown projects used the parking bonus and/or residential bonus. He recalled staff's presentation of the Downtown Transportation Plan, which indicates that the proposed code changes do not make traffic worse by 2030.

Mr. Wallace referred to floor plate size for office development and said there is a common understanding that 20,000 square feet is the minimum development needed to be viable. He suggested the City should keep that in mind when considering reductions in floor plate size.

Councilmember Wallace observed that the code update is geared toward large properties versus smaller lots. Many of the incentives will not be usable for small properties. He suggested considering the unintended consequences of adopting this broad code. He said the Council should give staff the discretion to address those situations or to develop other rules that address smaller properties.

With regard to tower spacing, Mr. Wallace said there are reasons that Bellevue does not have a lot of clustered towers. This became an issue in Seattle due to the small blocks and a downtown 18 FAR. Under those regulations, a developer could build three tall towers next to each other on one block before maximizing the FAR. In Bellevue, the maximum FAR is 8 except for a 10 FAR in the O-1 district for residential development. It might be possible to build two towers together, and the result is often shorter buildings or tall narrow buildings with a large open space. Mr. Wallace said he would like to see an analysis about how the different rules on tower spacing, floor plate sizes, FAR, and other features work together to force open space.

Mayor Stokes said the detailed work has been completed and it is time to resolve the larger issues. He expressed appreciation for the Planning Commission's extensive study and public engagement. He encouraged the Council to focus on the higher-priority issues by August. He cautioned against repeating the CAC's work or the Planning Commission's work. He anticipates that the Council and staff can finalize the Land Use Code amendment in September.

Councilmember Wallace asked staff to compile a list of the suggestions and questions from the Council and from public comments made to the Council.

Mr. Stokes thanked everyone for their work.

Mr. Stokes declared a short break, and the meeting resumed at approximately 8:05 p.m.

(c) Regional Issues

(1) Veterans, Seniors and Human Services Levy

City Manager Brad Miyake introduced discussion regarding the Veterans, Seniors and Human Services Levy by King County.

Joyce Nichols, Director of Intergovernmental Relations, said the King County Executive recently proposed legislation to the King County Council that would create a ballot measure to renew the Veterans, Seniors and Human Services Levy. The current levy rate is four cents per \$1,000 assessed valuation (AV), and the proposed property tax rate is 12 cents per \$1,000 AV. The levy currently provides services to veterans and their families and to vulnerable populations (e.g., domestic violence victims, disabled individuals). The proposed levy adds funding for senior adults and housing stability. She said there has been a decline in funding for senior programs.

Ms. Nichols introduced Diane Carlson, King County Executive's Office, and Leo Flor, Veterans and Human Services Renewal Manager for King County. Ms. Nichols introduced City staff in the audience: Alex O'Reilly and Dee Dee Catalano, Human Services Division; and Alison Bennett, Assistant Director of Intergovernmental Relations.

Mr. Flor, King County Department of Community and Human Services, said the current levy was approved by the voters in 2005 and renewed in 2011, and it generates approximately \$18.6 million annually. The current levy focuses on three goals: 1) prevent and reduce homelessness, 2) reduce unnecessary jail and emergency room use, and 3) increase self-sufficiency. Approximately 800 individuals per year have been helped to gain or maintain housing, and 86 percent retained that housing one year later.

Mr. Flor said the reduction in unnecessary jail and emergency room use resulted in a savings of \$7.2 million over a four-year period. The levy funds the mobile medical van, which reduces the need for emergency room visits. Mr. Flor said half of the levy proceeds are dedicated to help veterans and their families. Last year, 828 veterans underwent job placement training and increased their household income by an average of \$27,000 annually.

Mr. Flor noted that the levy requires annual and mid-year reports as well as an individual evaluation plan for each of the programs. The evaluation plans and reports are available online.

Mr. Flor described the County's public outreach efforts, which involved 19 community conversations, 24 focus groups, two online surveys, and responses in eight languages. Key themes identified by the public include transportation challenges, social isolation, housing instability, and service system access. Recent studies indicate that the negative health effects of social isolation are equivalent to smoking and more predictive of longevity than obesity. Mr. Flor said 37 percent of residents in King County are cost-burdened, which means they spend at least 30 percent of their income on housing. Black and Latino households are two times more likely to be cost-burdened than white households.

With regard to access to services, Mr. Flor said many individuals are being discharged from mental health treatment into homelessness. If a person is committed to the Western State Hospital, state law requires a minimum stay of 90 days. However, under the federal definition of homelessness, a person institutionalized for at least 90 days is not considered homeless in terms of his or her eligibility for programs through the Housing and Urban Development Department (HUD). There are analogous system gaps applicable to formerly incarcerated individuals and to veterans.

Mr. Flor said individuals served by human services agencies have highlighted the need for information on available social services and how to access those services. Service providers express frustration that the system provides incentives for throughput versus outcomes.

Mr. Flor said poverty and homelessness is increasing among veterans, who are in need of help to apply for earned benefits and to access civil legal aid. He noted the importance of job training and placement programs as well as housing stability.

Mr. Flor said additional vulnerable populations include survivors of domestic violence, sexual assault and human trafficking; persons with disabilities and their caregivers; and low-income rural and suburban residents. King County's senior population is growing yet funding for social services and housing for senior adults is in decline. The County's funding for seniors declined 87 percent from 1998 to 2017, and philanthropic funding for senior services has decreased as well.

Mr. Flor said the County is studying strategies that will allow senior adults to age in place in their homes, typically at significantly lower costs than building new housing or institutionalizing individuals. Noting the burden of property tax increases on senior adults, Mr. Flor said state law (RCW 84.36.381) provides a property tax exemption for certain low-income individuals. The King County Assessor estimates that 23,000-26,000 residents are eligible for the program but do not use it. The King County Executive is working with the state legislature to expand the exemptions to apply to levy lid lifts.

Mr. Flor said the proposed levy doubles the investment in helping veterans and their families and other vulnerable populations, and adds a new focus on older adults and healthy aging. The proposal's projected 2018 levy proceeds total \$60.7 million, which is split equally between the three categories of individuals (i.e., veterans, vulnerable populations, senior adults). A minimum of \$30 million is allocated to housing stability in 2018, and a minimum of \$15 million is allocated to housing stability from 2019 to 2023. Overall, the levy investments focus on five areas: housing stability, healthy living, social engagement, financial stability, and system access and improvement.

Mr. Flor presented information on the cost of the property tax levy per household. The annual cost of the proposed 12 cents per \$1,000 AV tax is \$34.20 for a home valued at \$285,000; \$54 for a home valued at \$450,000; and \$82.44 for a home valued at \$687,000.

Councilmember Robinson thanked Mr. Flor for his work and expressed support for the need for services for senior adults and vulnerable populations. However, she said recent studies on veterans are not consistent with information presented this evening, except in the case of disabled veterans. Ms. Robinson said veterans are doing relatively well overall. She acknowledged the importance of housing stability and preventative services for all populations. She suggested that the County explore a program called PACE (Providence All-Inclusive Care for the Elderly).

Councilmember Wallace said it is unfortunate to be presented with the relatively large increase in the property tax given significant property tax increases over the past 12 months. The motor vehicle license tax increased from 0.3 percent to 1.1 percent, and the sales tax increased one-half percent from 9.5 percent to 10 percent in Bellevue. An arts levy sales tax increase is on the August ballot, which would make Seattle's sales tax rate the highest in the country. The Sound Transit 3 ballot measure increased the property tax by \$500 per \$1 million AV. The proposed tax rate for the veterans, seniors and human services levy is \$80 per \$1 million AV. The least expensive property tax proposal in the state legislature to address state education funding represents a \$400 million levy. The total property tax impact for property owners is \$980 per \$1 million AV, in addition to the sales tax and motor vehicle license tax increases.

Councilmember Wallace said the state legislature has discussed also adopting a state income tax, real estate excise tax, and business and occupation (B&O) tax to fund education. Seattle recently adopted the tax on soda and is considering additional taxes. He noted the need for fiscal responsibility to curb tax impacts. Mr. Wallace said the regional economy is producing record-high tax revenues that go toward government agencies.

Mr. Wallace concurred with the need for funding to address human services. However, the region might be reluctant to support another significant tax increase. He said the King County Council needs to consider renewing the veterans, seniors and human services levy under the current levy's property tax rate.

Councilmember Lee thanked staff for the informative and compelling presentation, and acknowledged the critical needs in the community. However, he said the public is overwhelmed, as reflected in Councilmember Wallace's comments. Mr. Lee expressed concern about the ability to sustain funding and to set realistic priorities. He suggested that the King County Council needs to study this further and to consider options.

Deputy Mayor Chelminiak said the County has been unable to secure State funding for key priorities and, as a result, the County resorts to funding services through levies. He said the veterans, seniors and human services levy is a critical community need. However, he expressed concern that the proposed property tax is too high to win voter support.

Mr. Chelminiak suggested an increase in the property tax from the current four cents per \$1,000 AV to six or seven cents. He further suggested asking voters, on the same ballot, whether they also support an additional property tax increase for enhanced services. This would provide two funding level options for voters to consider. Mr. Chelminiak noted that he was not sure whether the approach would be legal. Mr. Wallace expressed support for the suggestion because it potentially avoids an all-or-nothing outcome.

Mayor Stokes observed that the property tax is reasonable given the significant needs related to human services. He said investing in preventative measures and social services is more cost effective than incarceration, emergency medical treatment, increased crime, substance abuse, mental health issues, and other societal impacts.

Mr. Stokes said the levy provides opportunities to have a meaningful impact on an individual's life. He acknowledged that the proposed property tax increase appears to be a big leap. However, Bellevue and other cities have taken big leaps in the past that, in retrospect, are considered good and effective decisions. He expressed support for the levy.

Councilmember Lee encouraged continued discussion about alternatives for addressing human services needs.

Councilmember Wallace suggested that the City Council, if it can reach a consensus, draft a letter to the King County Council to provide input and suggestions on the levy. He expressed support for the Deputy Mayor's suggestion to consider a six cents per \$1,000 AV property tax.

Mr. Wallace expressed concern regarding the King County arts levy to be placed on the August ballot, which will fund arts programs primarily in Seattle. He said King County has a broken tax system. Mr. Wallace noted the need for funding to address failing bridges and roads as well.

Mayor Stokes acknowledged, despite his personal support for the levy, that taxpayers will not be eager to embrace another property tax increase.

Ms. Carlson thanked the Council for listening to King County's presentation. She acknowledged that the County's tax system and reliance on levies is challenging. She said County staff will consider the City Council's comments in its continued work on the levy.

Deputy Mayor Chelminiak opined that Councilmembers support the need for funding the services provided by the levy. However, he encouraged the County to consider whether asking for too much will jeopardize voter approval. If the levy renewal fails due to the higher property tax, individuals currently receiving services will have significant negative impacts.

(2) Legislative Update

Ms. Nichols said reports earlier in the day indicate that the state legislature is close to reaching an agreement on the State operating budget, which must be approved by June 30.

(d) Open Government Training 2017 Update

Kyle Stannert, Assistant City Manager, introduced discussion regarding state laws related to open public meetings, public records, and related topics. He introduced Kathy Ebner, the City's Public Records Officer, and noted that state law also requires the training for her position. Mr. Stannert said training will be provided to the City's Boards and Commissions as well. He noted that the printed presentation is lengthy because it is intended as a reference tool for Councilmembers.

Jessica Skelton, Pacifica Law Group, described the Open Public Meetings Act (OPMA) reflected in RCW 42.30. The Act applies to all public commissions, boards, committees, subcommittees, departments, divisions, offices, and all other public agencies of the state and its subdivisions [RCW 42.30.010]. In 2014, the state legislature imposed a training requirement that every new member of a governing body must complete OPMA training within 90 days of taking his or her oath of office and every four years thereafter.

Ms. Skelton highlighted the basic provisions of the OPMA, including those related to the definitions of a quorum and action. An action is defined as the transaction of official business, including but not limited to the receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions [RCW 42.30.020(3)]. Actions require a quorum and must be taken in a public meeting.

Ms. Skelton described state law provisions regarding meeting agendas, executive sessions, serial meetings, and social media. Executive sessions can be held only for specific reasons defined in state law. As of 2017, the state legislature added the discussion of data security breaches as an

allowed topic for an executive session. Ms. Skelton noted that documents produced related to the executive session could be subject to the Public Records Act, however. Violations of the OPMA may result in civil penalties against public officials, fees, and penalties against the City [RCW 42.30.120 and 42.30.130].

Matt Segal, Pacifica Law Group, described the Public Records Act (PRA), which is codified primarily in RCW 42.56 and requires the disclosure of all public records unless they fall within a specific exemption [RCW 42.56.070(1)]. State law requires PRA training for newly elected or appointed officials within 30 days of taking the oath of office and every four years thereafter.

Mr. Segal described the definition of a record as a “writing” containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics [RCW 42.56.010(3)].

Mr. Segal presented information regarding the use of personal devices and home computers, metadata, segregating public and personal records, social media, records retention, and the handling of records requests. He highlighted the case of *West v Vermillion*, which addresses emails as public records, as well as the case of *Nissen v Pierce County* regarding the use of personal electronic devices. Additional cases were noted by Mr. Segal related to the various provisions of the Public Records Act.

Responding to Councilmember Robinson, Mr. Segal said City business refers to any action or behavior related to one’s official capacity as a City Councilmember. Mr. Stannert said staff will provide additional materials on the distinction between City and personal business.

Mr. Segal noted 2017 legislative changes, including a strengthening of the requirement that an agency provide an initial response to a public records request within five days, and that the response provide a reasonable estimate of when the records will be available. Additional changes address the ability to charge for producing and transmitting electronic records as well as an agency’s responsibility in responding to certain types of requests, including “bot” requests.

5. Council Discussion of Upcoming Items: None.

6. Continued Oral Communications: None.

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

Charmaine Arredondo, CMC
Assistant Director, City Clerk’s Office

/kaw