CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

January 28, 2019 Council Conference Room
6:00 p.m. Bellevue, Washington

PRESENT: Mayor Chelminiak, Deputy Mayor Robinson and Councilmembers Lee, Nieuwenhuis, Robertson, Stokes, and Zahn

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:02 p.m., with Mayor Chelminiak presiding. There was no Executive Session.

2. Approval of Agenda

→ Deputy Mayor Robinson moved to approve the agenda, and Councilmember Stokes seconded the motion.

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

(a) Human Trafficking Awareness Month Proclamation

Councilmember Zahn read the proclamation recognizing Human Trafficking Awareness Month and asked all members of the community to learn about the problem, including how to identify and assist victims, and to work toward solutions.

Police Chief Steve Mylett accepted the proclamation and said that no community is immune from human trafficking. He noted the Police Department's commitment to ongoing collaborative efforts with regional partners to eliminate the practice of human slavery.

3. Oral Communications

(a) Alex Zimmerman, representing StandUP-America, expressed concerns regarding the lack of affordable housing.

(b) Court Olson expressed concern regarding the Development Services Department's recommendation to approve the permit for Puget Sound Energy's Energize Eastside project. He said that PSE has not provided data requested by the public. He noted that energy usage continues to decrease despite growth in Bellevue. He said the Energize Eastside project is not warranted and there has not been adequate transparency regarding the project.

4. Study Session

(a) Council Business and New Initiatives

Mayor Chelminiak noted the letter provided to the Council reflecting the decision of the Boys and Girls Clubs of Bellevue to withdraw their proposal to create a fieldhouse at Wilburton Hill Park.

Councilmember Robertson, Council liaison to the Parks and Community Services Board, recalled staff's presentation last year regarding the idea of building a fieldhouse at one of Bellevue's parks. The City Council referred the matter to the Board for review and public engagement. The Boys and Girls Clubs of Bellevue subsequently decided to suspend their plans, given concerns about the length of the process and opposition from the public.

(b) Meydenbauer Bay Park Construction Update

City Manager Brad Miyake recalled that the Council adopted the Meydenbauer Bay Park Master Plan in 2010. The Phase 1 construction contract was awarded in early 2017.

Patrick Foran, Director of the Parks and Community Services Department, said the construction of Phase 1 is nearly completed. He recalled that the original core principles envisioned a remarkable and memorable shoreline experience with a full spectrum of activities. The park will increase physical and visual access to the waterfront and provide new views from the park. The park supports the growing economic vitality of the Downtown and reflects high-quality urban design, landscape architecture, and building design. The park also demonstrates the City's commitment to environmental stewardship, history, heritage, and public art.

Glenn Kost, Parks Planning Manager, highlighted the history of the park, which began in the 1930s as Meydenbauer Beach Park and became the City's first park when Bellevue incorporated in 1953. The master planning process began in 2007 and the Master Plan was adopted in 2010. The design and permitting process began in 2014 and the construction contract was awarded in March 2017.

Mr. Kost said the Phase 1 project is completed and the grand opening is scheduled for March 16, 2019. He noted that Phase 2 planning and design funds are included in the City's approved budget. He presented a number of photos and drawings depicting the history of the park and the Master Plan. Phase 1 improvements and features include the pedestrian pier, new views from

Lake Washington Boulevard, removal of the storm sewer, restoration of the natural ravine, overlooks with benches, creation of a natural shoreline, expansion of the swimming beach, reconstruction of the Beach House, and the renovation of the Whaling Building.

Responding to Councilmember Robertson, Mr. Kost confirmed that staff will monitor noise issues after the park opens. He said the park will have 115 parking spaces. Ms. Robertson praised the park elements that maximize public accessibility. She thanked staff for their work.

Deputy Mayor Robinson, a former member of the Parks and Community Services Board, thanked everyone for their hard work. She said the park will change the flow of boat traffic for the better. Responding to Ms. Robinson, Mr. Kost said the boat rentals will include canoes, kayaks, and paddle boards. He said the "no wake" zone has been extended several hundred feet out to discourage boaters from speeding into the marina.

Councilmember Stokes, a former member of the Board, recalled the park planning and public engagement process. He praised the waterwalk feature, natural beach, and the Whaling Building. He thanked the Parks Board, staff, and the community for their roles in developing the park.

Councilmember Nieuwenhuis, also a former Board member, expressed his enthusiasm for the park as a new downtown amenity. He highlighted the expansive views, public accessibility, collaborative planning with neighbors, and enhancements to boat traffic.

Councilmember Zahn praised the intentional and artistic design of the park despite the challenges of developing the site. She expressed strong support for the project.

Councilmember Lee thanked past and current Councilmembers and staff for their hard work on this project. He recalled the City's acquisition of waterfront properties over a number of years to prepare for a future park.

Mayor Chelminiak said the park is unbelievably spectacular and a strong example of implementing a long-range vision. He noted the Council's longtime support of the project and the benefits of thinking big for the community. He praised the City's ability to work with the park's neighbors and other stakeholders to develop an appropriate plan.

Mr. Foran noted that Bellevue seems to have its leadership in the right places at the right time, with an eye toward the future. He said the Grand Connection will be a key legacy of the current and future Councils.

(c) Discussion of A Regional Coalition for Housing (ARCH) 2019 Administrative Budget and Work Program

City Manager Brad Miyake noted that ARCH is a partnership of King County and 15 municipal governments. He said staff will seek formal action on ARCH's budget during a future meeting.

Mac Cummins, Director of Community Development, introduced discussion regarding the 2019 Administrative Budget and Work Program for A Regional Coalition for Housing (ARCH). He noted that each member city reviews and adopts the annual budget.

Lindsay Masters, ARCH Executive Manager, noted that ARCH is an interlocal agency established in 1993 that now has 16 member jurisdictions. ARCH has an Executive Board of member cities' staff and a Citizen Advisory Board (CAB) comprised of community members with housing expertise and interests. The City of Bellevue serves as the fiscal agent of ARCH, maintains the ARCH Operating Account and the Housing Trust Fund Account, and provides administrative support services. The City Councils of the member cities approve the annual ARCH Work Plan and Budget. The individual Councils authorize specific project funding and related funding conditions.

Ms. Masters described ARCH's role in coordinating investments in affordable housing, promoting effective housing policy and planning, helping cities administer housing programs, and providing education and public outreach. She said ARCH uses its regional funding to leverage additional public and private financing resources. The agency works with cities to make surplus public land available at a discounted cost and works with project sponsors to prepare projects for funding.

In the area of housing policy and planning, ARCH promotes land use and development regulations that create affordable housing (e.g., incentive and inclusionary housing policies, accessory dwelling unit standards, and other tools). ARCH participates in regional housing planning forums and advocates for state and federal legislation to facilitate affordable housing. Ms. Masters noted ARCH's engagement with elected officials, staff, and community members to educate the public and to assist individuals seeking affordable housing. The ARCH office is located in the Together Center in Redmond, which is a regional facility offering a number of human services.

Ms. Masters highlighted ARCH's Housing Trust Fund Investments from 1993 through 2018 and a map of Housing Trust Fund projects. ARCH's priority objectives for 2019 are to strengthen the program administration and monitoring functions, coordinate transit-oriented development (TOD) projects on public land, develop proposals for dedicated revenue sources for affordable housing, and to pursue strategies to increase access to housing by underserved communities. ARCH's work program for Bellevue includes assisting with the implementation of Phase 1 of the City's Affordable Housing Strategy, assisting with contracting and administration of the City's land use incentive program and citywide multifamily tax exemption (MFTE) program, and assisting neighborhood planning staff in exploring more affordable housing types appropriate for individual neighborhoods.

Mr. Cummins said staff is seeking Council direction to bring back an approval item for the 2019 ARCH Administrative Budget and Work Program. He said that funding for Bellevue's contribution was approved in the City's 2019-2020 General Fund budget.

Responding to Councilmember Nieuwenhuis, Ms. Masters said the ARCH Board reviews the distribution of Housing Trust Fund investment types (i.e., family, senior, homeless, and special needs) on a regular basis. However, she acknowledged that the current investments are

somewhat out of balance. Mr. Nieuwenhuis referenced the relatively low investment in special needs housing.

Noting the investment of $63 million between 1993 and 2018 to produce 3,645 housing units/beds, Councilmember Nieuwenhuis expressed an interest in how the return on investment compares to other agencies and organizations. Ms. Masters said she will follow up with more information. She noted that ARCH has historically had a good return on investment. Mr. Nieuwenhuis expressed an interest in more information on overall best practices as well.

Councilmember Stokes said ARCH reflects an impressive model of multiple cities working together. He expressed an interest in how Microsoft's efforts to address affordable housing fit into the City's strategic plan and ARCH's planning. He thanked staff for their work.

Councilmember Zahn concurred with the priorities outlined in the work program and noted that they align well with Bellevue's objectives and values. Responding to Ms. Zahn regarding the leveraging of funds, Ms. Masters said $9 are leveraged from other sources, both public and private, for every dollar contributed through ARCH.

Ms. Zahn expressed support for a strong regional approach to housing challenges. She highlighted the work program item to partner with the City of Bellevue to create a centralized database for ARCH activities, and encouraged making that a priority.

Responding to Ms. Zahn, Ms. Masters said that approximately 1,100 of the 3,645 housing units/beds created by ARCH are located in Bellevue. Ms. Zahn requested information regarding the number of units for each type of housing (i.e., family, senior, homeless, special needs). Mr. Cummins said staff is working to compile the data. In further response to Ms. Zahn, Ms. Masters said special needs housing includes units for victims of domestic violence, homeless youth, and individuals with mental health issues and/or other types of disabilities.

Councilmember Robertson expressed support for the 2019 budget and work program and thanked everyone for their work. She noted the recent news stories about ARCH and staff's briefings to Councilmembers regarding those issues. She asked what ARCH is doing to ensure that housing units created through public funding are provided appropriately to individuals in need of housing.

Ms. Masters said ARCH's response to the issues raised in the news article was to initiate a self-evaluation to identify policies and procedures in need of review and revision. In addition, the ARCH Board approved up to $35,000 for a consultant to conduct a comprehensive, independent review of ARCH's home ownership program. The consultant will help ARCH complete an audit of all home ownership units. Ms. Masters said ARCH will also review its rental program monitoring practices.

Councilmember Robertson encouraged ARCH staff to provide an update to the member cities following the completion of the independent review and the home ownership program audit. She said she has a lot of confidence in ARCH, and releasing the information will help build public confidence as well.

Responding to Councilmember Lee, Ms. Masters said the dollar increase for the planner position was due to a reclassification of the staff person. In further response, Ms. Masters said Bellevue's in-kind contribution funds ARCH staff.

Mr. Cummins said staffing support is reflected in the City's budget by listing ARCH as a unit, and City staff planners provide related housing work. He said that Bellevue, as the administering agency, pays the salaries. ARCH staff work within the City's human resources and personnel rules.

Councilmember Lee said ARCH is another great example of what Bellevue has done right and of regional cooperation. He expressed support for the organization and its continued good work. He encouraged transparency and open communication.

Deputy Mayor Robinson observed that Bellevue's needs through ARCH have evolved over the years, and the ARCH work program reflects Bellevue's current affordable housing priorities.

Responding to Ms. Robinson, Ms. Masters confirmed that the funding covers housing preservation as well as housing creation. Ms. Robinson questioned whether ARCH could work to identify affordable apartment buildings in Bellevue that are older and at risk of redevelopment, in order to pursue efforts to acquire and preserve that housing. Ms. Masters concurred with the suggestion.

Ms. Robinson encouraged aligning ARCH's definition of underserved communities with the definition used in the Human Services Needs Assessment conducted by the City.

Mayor Chelminiak questioned ARCH's role in what is referred to as the missing middle. Ms. Masters said there are different interpretations about the term. Her use of the term refers to a range of housing types that have not typically been considered (e.g., affordable housing types that fall between a single-family home and a multifamily apartment building). She said ARCH has the opportunity to promote development regulations that facilitate more affordable housing types. She noted that some of the ARCH cities have identified that as a priority in their housing plans.

Ms. Masters said the use of the term missing middle can also refer to housing for middle income households. ARCH's investment strategies have been driven by what can be supported through public funds, and there are a number of mixed-income housing models. She suggested that ARCH can be a resource for the development of middle income households.

Mr. Cummins said the topic has been raised through the City's economic development efforts. He noted the growing gap in housing affordability and employers' concerns regarding their ability to continue to stay in this region given that challenge for employees. He said staff recognizes the importance of exploring more housing types.

Mayor Chelminiak concurred and acknowledged that ARCH's efforts are focused on projects involving public investments. He noted that Bellevue has always been one of the more expensive

areas in the region. However, the gap between housing costs and ability to pay has increased significantly.

Mr. Chelminiak welcomed Ms. Masters to her new position as the ARCH Executive Manager and encouraged her to not hesitate to explore new ways of doing things.

Mr. Chelminiak noted a Council consensus to bring the item back for formal action on a future Consent Calendar.

(d) Land Use Code Amendment (LUCA) to allow garden supply retail and nurseries to continue operating in residential districts when they have been operating continuously since before 1955.

City Manager Miyake recalled that the Bellevue Nursery submitted a Comprehensive Plan Amendment (CPA) application in 2018. In December, the Council voted against the CPA and asked staff to come back with a schedule for processing a Land Use Code Amendment (LUCA) that will allow the Bellevue Nursery to continue operating.

Trish Byers, Code Development Manager, highlighted the history of the Bellevue Nursery, which began operating in 1954. A residential zoning ordinance was adopted in 1955, and the nursery became a nonconforming use. She recalled that in November 2018, Councilmember Robertson suggested an alternative Land Use Code Amendment (LUCA) approach to address the nursery's nonconformity. In December, the Council directed staff to develop a schedule for processing the proposed LUCA. Ms. Byers noted that additional discussion will be scheduled for a future study session if needed, and the public hearing is tentatively set for March 18.

The effect of the LUCA is that garden supply retail and nursery uses would no longer be nonconforming and would be permitted outright. The LUCA applies to retail and nursery uses located in residential districts (i.e., R-4, R-10, R-15, R-20, and R-30) that were operating prior to the 1955 ordinance. Ms. Byers said Bellevue Nursery is interested in adding landscaping and other services, and potentially a café. Those features are allowed as subordinate uses, which can occupy up to 25 percent of the total floor area of the primary use.

Ms. Byers said that residential units could be combined with a nursery use following the adoption of the LUCA, and Planned Unit Development (PUD) approval would be required. The PUD process includes a public notice and meeting, recommendation from the Director, hearing before the Hearing Examiner, and the issuance of the Hearing Examiner's decision. The decision may be appealed to the City Council.

Councilmember Robertson thanked staff for their work and suggested moving forward to a public hearing. She expressed concern regarding the PUD provision, however. She recalled that the purpose of the LUCA was to allow the Bellevue Nursery as a legal conforming use so that the owners could reinvest in improvements. She said the potential for adding condominiums on a second level came up late in the process. She feels that housing units would not be appropriate on the property with the nursery.

Responding to Ms. Robertson, Ms. Helland said a PUD would be allowed under the current regulations. Ms. Helland suggested that the Council could prevent combining a residential use with a nursery use by stating that permitted residential uses will be allowed on the site only if the nursery use is abandoned. Councilmember Robertson expressed support for that approach.

Deputy Mayor Robinson expressed support for the proposed LUCA, including the PUD provision.

Responding to Councilmember Lee, Ms. Helland said there was an early indication that the nursery owners might be interested in redeveloping the site with housing. The owners later considered the concept of combining housing with the nursery use. In further response, Ms. Helland said the parcel is zoned R-4 (four residential units per acre).

Councilmember Lee concurred with Deputy Mayor Robinson's support of the LUCA as drafted with the PUD option. Mr. Lee noted the business owner's interest in possibly providing housing units.

Responding to Councilmember Stokes, Ms. Helland confirmed that the current nursery use is nonconforming, which limits the amount that a structure can be improved or expanded under the same use. The LUCA will make the Bellevue Nursery a conforming use. Ms. Helland said a nonconforming use is permitted to have subordinate uses. She anticipates that the owner's long-term plan is to rebuild the nursery and to create housing units on an upper level.

Responding to Councilmember Zahn, Ms. Helland confirmed that the PUD process includes public outreach, and notices are sent to all property owners within 500 feet of the site. After an initial public meeting, staff will review whether the PUD proposal meets all of the criteria identified in the code (e.g., setbacks, height limits, parking requirements, traffic analysis, environmental review, etc.). The Director's recommendation is publicly noticed and sent to all involved parties, and the Hearing Examiner holds a public hearing on that recommendation. Individuals are allowed to testify whether the City's professional staff has adequately administered the code and addressed any concerns. The Hearing Examiner's decision may be appealed to the City Council. Ms. Helland noted that the purpose of the Council's review in an appeal is to determine whether a mistake occurred.

Ms. Zahn observed that the PUD permit option requires a lengthy and thorough process to ensure that codes and other conditions are met. She said it is possible that housing units would not ultimately be allowed.

Mayor Chelminiak recalled that he supported the Bellevue Nursery CPA proposal as submitted. He expressed concern about taking any rights away from the business, and he would like to see the best outcome for the nursery's continued operations. He suggested moving forward to a public hearing. He reiterated his longtime concern about the City Council's involvement in quasi-judicial appeals of the Hearing Examiner's decisions.

Councilmember Robertson acknowledged that her colleagues are not interested in restricting the PUD option. She noted that the proposed LUCA gives the property owner new rights as a conforming use, and her proposed amendment would not take away any of the owner's rights.

(e) Regional Issues

Joyce Nichols, Director of Intergovernmental Relations, introduced staff's presentation regarding the branding effort for the Eastside Rail Corridor (ERC).

Betsy Anderson, Parks Senior Planner, said King County is leading a branding effort for the corridor with partner jurisdictions and agencies. She said this provides an opportunity to educate the public about the trail and to generate excitement about its development. The ERC stakeholders have prioritized creating a brand that is inclusive, accessible, and that truly celebrates the multimodal vision for the corridor.

Ms. Anderson highlighted the corridor route and ownership. The branding effort is funded through a cost-sharing agreement among members of the ERC Regional Advisory Council (RAC). Councilmember Stokes represents Bellevue on that body. Ms. Anderson noted the branding consultant's experience with similar projects and a number of Olympic games. She described public outreach activities, including an email survey that received approximately 400 responses.

Four names were ultimately presented to the RAC: Eastrail, Eastway, The E, and The 425. Ms. Anderson noted that logo and brand development will follow the selection of the name for the corridor. She said the four names were discussed with the RAC and presented for an online survey, which received more than 2,100 responses. The top two names based on the survey were Eastrail and Eastway, which aligned with the preferences expressed during the RAC discussion.

Ms. Anderson said the consultant developed descriptions for each of the names. The Eastrail is a contraction of rail and trail; reflects history, present, and future; is unified but not monolithic; and is simple and memorable. The RAC conditionally expressed a preference for Eastrail and directed moving forward with logo development to determine how the contraction of rail and trail might play out. The RAC directed staff to evaluate the name with the King County Office of Equity and Social Justice to determine its accessibility by non-native English speakers. The RAC will review logo options and make a final decision on the name and color palette in April. Ms. Anderson said staff has been directed to develop a 2019 implementation plan for the brand.

Councilmember Stokes commented briefly on the RAC's consideration of the proposed trail names. He noted that a fundraising group has been established to work with the private sector and to bring all of the cities together.

Responding to Councilmember Nieuwenhuis, Ms. Anderson said the selection of the name will allow staff to move forward with developing the brand identity. The second phase, brand implementation, will involve coordination with all of the partner cities. Ms. Anderson said public art will be a component of the project as well.

Responding to Councilmember Zahn, Ms. Anderson said the questionnaire was presented to the Bellevue Youth Council and a Youth Link member served on one of the focus groups. Ms. Anderson said staff intends to further engage with youth as the branding effort moves forward.

*[Councilmember Robertson left the meeting at 8:43 p.m.]*

Ms. Nichols said that 1,400 bills have been filed with the state legislature. Staff will provide ongoing reports regarding bills related to the City's priorities, and additional information is provided in the meeting packet.

Ms. Nichols noted a written report on the impacts of the partial shutdown of the federal government on Bellevue residents and the City's programs and services. The deadline for avoiding another shutdown is February 15. Ms. Nichols said the City's website provides information for federal workers on local human services and community resources.

Countywide levies are anticipated in 2019 for parks funding and emergency medical services (EMS) funding. Ms. Nichols said staff will provide updates as the levy proposals move forward. She noted a memo in the meeting packet regarding the King County Charter Review Commission. A review of the charter must occur every 10 years, and the King County Executive appoints a citizen committee to conduct the review and related public outreach. The commission's recommendations are due to the King County Council in May. Ms. Nichols recalled that when King County merged with Metro in the early 1990s, the King County Charter established three regional committees: Regional Policy Committee, Regional Transit Committee, and Regional Water Quality Committee.

Responding to Mayor Chelminiak, Ms. Nichols said staff is tracking the commission's work and reviewing suggestions that have been submitted. Staff will provide ongoing updates as the charter review moves forward.

Mayor Chelminiak suggested that one issue for review is the role and authority of the regional committees. Ms. Nichols said City staff is exploring ways to enhance the City's voice on those committees.

Responding to Councilmember Stokes, Ms. Nichols said there is a mandatory referral process related to the regional committees for a review of certain items with a significant impact on ratepayers and taxpayers.

Mayor Chelminiak noted that he had the opportunity to testify at the state legislature regarding the regional transportation package.

Deputy Mayor Robinson thanked Ms. Nichols for keeping the Council on track and moving in the right direction. Ms. Robinson thanked staff for their efforts to make information available to federal workers affected by the government shutdown.

Councilmember Zahn noted that the utilities short-term rate relief program recently approved by the Council could be of benefit to those federal workers.

5. Council Discussion of Upcoming Items: None.

6. Continued Oral Communications: None.

At 9:02 p.m., Mayor Chelminiak declared the meeting adjourned.

Kyle Stannert, CMC
City Clerk

/kaw