

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

March 13, 2023
6:00 p.m.

Council Chambers
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

The meeting was called to order at 6:01 p.m., with Mayor Robinson presiding.

2. Roll Call; Flag Salute

City Clerk Charmaine Arredondo called the roll and all Councilmembers were present. Councilmember Zahn led the flag salute.

(a) Bill Pace Commendation

Councilmember Lee read the commendation recognizing Bill Pace, who passed away in late 2022 at the age of 92, for his contributions to the community as a longtime resident and business owner. Mr. Pace operated a café and produce market in the Newport Hills Shopping Center and a produce market at the Mercer Slough Blueberry Farm. Mr. Pace was active in the community as a Bellevue Kiwanis member, advisor to Key Clubs at Newport High School and Sammamish High School, and advocate for programs at Highland Community Center for people with disabilities.

Mayor Robinson welcomed Mr. Pace's widow, Marianne, and his grandson Ray.

Ray thanked the Council for honoring his grandfather. Ray said Mr. Pace was well-liked and loved volunteering and engaging with the community.

Mayor Robinson said it is difficult to thank Mr. Pace enough for all he contributed to the community.

3. Approval of Agenda

- Deputy Mayor Nieuwenhuis moved to approve the agenda, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 7-0.

4. Oral Communications

City Clerk Arredondo reminded the public that election-related topics may not be discussed during oral communications, including promoting or opposing a ballot measure or candidate.

- (a) Jodie Alberts, Bellevue Chamber of Commerce, expressed strong support for the proposed ordinance that would extend permit timelines for certain projects. She said the development community has been affected by rising interest rates, inflation and uncertainty regarding the status of return-to-work patterns. She thanked the City for considering effective ways to support continued economic development. She said adjustments to permit timelines will create flexibility in seeing projects through to completion as the market stabilizes. She encouraged the Council to take action on the proposed amendments as soon as possible. She thanked City staff for their work on this issue.
- (b) Jack McCullough thanked the City for taking action during the pandemic to deal with economic development issues. He said he has been working closely with Gregg Schrader, Building Official and Matt McFarland, Assistant City Attorney, to draft a proposal that could be implemented quickly to extend certain building permit timelines.
- (c) Joe Kunzler said this week is Sunshine Week, which celebrates open government. He encouraged the City to review its open government policies and to encourage more remote participation by the public. He said he advocates for open government but does not advocate for hate speech. He said there is a troubled individual in the audience who is under investigation due to his abuse of public comment. He thanked the Council and staff for their public service.
- (d) Henry Medanich and Ricky Rooney Medanich expressed opposition to the proposed housing development on Lakemont Boulevard on property adjacent to the Coal Creek Natural Area and Cougar Mountain Wildlife Reserve. They described the features of the area that they like including the waterfall, creek, salmon, history of coal mining, trees and open space. They asked Councilmembers to save Coal Creek and thanked them for listening.
- (e) Alex Zimmerman said the Bellevue School Board trespassed him from their meetings for six months for saying that the schools look like Nazi concentration camps. He demanded an investigation of schools.

- (f) Heidi Dean thanked the Council for their commendation of Bill Pace's contributions and community service. She thanked Councilmember Lee for initiating the commendation. She remembered Mr. Pace for his wry sense of humor, big laugh and big heart. She said she will always be grateful for the Pace family's contributions in Newport Hills.
- (g) Patrick Sathyanathan recalled his comments to the Council the previous week and asked why Bellevue police officers do not wear body cameras. He said an officer told him that the City Council did not allocate money for body cameras in the budget. He noted that the budget does include adding police officers. He encouraged an office for police accountability. He asked what happens to questions asked during oral communications. He thanked the Council for listening.

Mayor Robinson said the Council does not engage in conversation with individuals during oral communications. She suggested that Mr. Sathyanathan contact the City Manager for clarification and response.

City Manager Brad Miyake clarified that body cameras are funded in the City's budget. He said staff will reach out to Mr. Sathyanathan.

Mayor Robinson noted that the City is not involved with the Bellevue School District's policies and operations and has no oversight authority over schools.

5. Reports of Community Councils, Boards, and Commissions: None.

6. Report of the City Manager: None.

7. Council Business and New Initiatives

(a) Remote Participation Request for March 27 Meeting

→ Deputy Mayor Nieuwenhuis moved to approve the remote participation of Councilmember Zahn during the March 27, 2023 Regular Meeting. Councilmember Robertson seconded the motion.

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

(b) Excused Absence Request for March 27 Meeting

→ Deputy Mayor Nieuwenhuis moved to excuse Councilmember Lee from the March 27, 2023 City Council Regular Meeting. Councilmember Stokes seconded the motion.

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

8. Consent Calendar

- Deputy Mayor Nieuwenhuis 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 January 26-28, 2023 Special Meeting
Minutes of February 27, 2023 Regular Meeting
 - (b) Ordinance No. 6731 amending the City of Bellevue Shoreline Master Program, chapter 20.25E of the Land Use Code (LUC), to remove references to the former East Bellevue Community Council (EBCC), consistent with amendments adopted in Ordinance No. 6670; and amending chapter 20.35 LUC to remove references to City Council appeal authority for Process I decisions, consistent with amendments adopted in Ordinance No. 6673; providing for severability; and establishing an effective date.
 - (c) Resolution No. 10237 authorizing execution of an agreement with Hughes Fire Equipment, Inc. to purchase four replacement ambulances for the Bellevue Fire Department, in an amount not to exceed \$1,406,320 plus all applicable taxes.
9. Public Hearings: None.
10. Study Session
- (a) 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.

City Manager Brad Miyake introduced discussion regarding a proposed ordinance to extend the life of certain complete building permit applications, complete clearing and grading permit applications, issued building permits and issued clearing and grading permits. He said staff's proposal is in response to changing conditions in development activity.

Gregg Schrader, Interim Co-Director, Development Services Department (DSD), said the Council and staff have heard from members of the public regarding the permit extension proposal. Staff's proposal attempts to strike the right balance between different interests and extends permits in both the land use entitlement phase and the construction permit phase. Mr. Schrader said the extension of land use approvals or building permits is directly related to vesting law, which establishes which codes apply to a project. The intent of vesting law is for a property owner or developer to have assurance of a fixed set of codes and requirements pertaining to the entire life of a project. The intent is also to ensure that projects are built to

reasonably current codes that reflect Council policy direction (e.g., advances in building safety, environmental stewardship, etc.).

Mr. Schrader said staff's proposal for building permits and clearing and grading permits is identical to extensions awarded by Council action in 2020 during the pandemic and previously in 2010 and 2011 following the housing crisis and recession.

Staff is seeking direction on three proposed actions: 1) 180-day permit extension ordinance for building and clearing and grading applications and issued permits, 2) Land Use Code Amendment (LUCA) to grant the Land Use Director limited authority to extend land use vesting, and 3) that the Council retain processing of that LUCA.

Mr. Schrader said the permit extension proposal responds to developers' concerns regarding the office market, technology industry workforce reductions, teleworking, inflation, interest rates and housing projects. He said the City is in a 10-year development cycle with many projects in the pipeline. With the office market in transition, some projects are choosing to slow their progress through the review process.

Mr. Schrader described trends in permit volumes and construction valuation. Construction valuation dropped from more than \$1.6 billion in 2021 to less than \$1.2 billion in 2022, the latter being comparable to 2020. He said each phase of the permit process represents a greater financial investment and risk for developers.

Liz Stead, Interim Co-Director, DSD, said there has been a lot of change in staff and a significant number of projects to review and process. As a result, staff has not had the time to devote to process improvement work. She said staff typically uses downturns in the development cycle to review processes and seek efficiencies and improvements. Ms. Stead said staff is expanding its consultant resource pool to aid with permit review and is looking to strengthen the performance management system. The City has virtual permit centers and conducts meetings and permit review online. Ms. Stead said staff is also looking at ways to enhance services for residential and small business projects.

Staff is working to simplify and streamline the permitting process using affordable housing projects under the Next Right Work initiative as a test case. Staff is also interested in enhancing staff support for applicants. DSD is updating its strategic plan, which expired during the pandemic, to create a new five-year plan. The update process will consider technology upgrades to improve customer service (i.e., expanded virtual permit center) and to ease staff's administrative burden (i.e., records repository and payment processing).

Ms. Stead said DSD is analyzing how to maximize human potential and to hire and train staff. She said there is higher employee turnover than in the past. Staff will focus on improving new employee onboarding, retaining current talent and working with the Human Resources Department to be regionally competitive as an employer.

Mr. Schrader said the proposed 180-day permit extension would apply to building permit applications, issued building permits, clearing and grading permit applications and issued

clearing and grading permits. He said the development community requested that the extension occur by the end of the first quarter 2023. Members of the public have requested that the extension ordinance apply to all projects vested under the 2018 building and construction codes and to include previously expired permits. Mr. Schrader said the City cannot legally go back and extend applications or permits that have expired.

The current proposed ordinance, if brought back to the Council, will have an effective date five days following Council action. If the effective date is delayed until July 1, state law requires the City to implement the new 2021 construction codes and apply the codes to all project applications and permits received by the City before July 1. The potential downside to that is that there could be applications or issued permits that expire between now and July 1.

Mr. Schrader said there was a request from stakeholders to allow additional administrative extensions. He said staff is open to continued conversations with the development community about all of the issues. He said the Building Official and the Land Use Director currently have limited authority to extend applications and issue building permits. Staff does not recommend expanding that authority significantly. However, staff is open to more discussion.

Mr. Schrader said there was a request to remove the three-year completion deadline that applies to the life of an issued building permit. He said the Building Official has administrative authority to extend beyond three years. He said the code allows developers to complete larger (e.g., high-rise projects) projects in phases for up to a maximum of five years.

Ms. Stead said the proposed Land Use Code vesting extension provides permanent regulations to extend vesting for land use permits. This would provide better certainty for the development community and other stakeholders and would allow more time for developers to respond to changing market conditions. Ms. Stead said the proposal aligns with other sections of the Land Use Code that allow extensions to vesting. The current code has limited situations in which the Director can extend vesting (i.e., critical areas land use permit and shoreline permits). Ms. Stead said the proposed LUCA would apply to design review and administrative conditional use permits, and the current code allows two-year vesting for those permit types.

Ms. Stead said that a Land Use Code decision vests at the final decision. The applicant then has up to two years to apply for a building permit. Staff is seeking Council feedback about potentially extending the two-year period.

Ms. Stead said staff is seeking Council direction regarding: 1) an ordinance to extend time limits and expiration periods for building and clearing and grading permit applications and issued permits, 2) initiation of amendments to the Land Use code to allow administrative extensions to the vesting provisions of LUC 20.40.500, and 3) finding of necessity to retain the processing of the LUCA with the Council instead of sending it to the Planning Commission.

Mayor Robinson thanked staff for the presentation.

Councilmember Zahn thanked staff for responding to urgent concerns from the developer community. She concurred that the policies would provide better certainty while interest rates are

increasing and the market is changing. Responding to Ms. Zahn, Mr. Schrader said the extension would apply to all active applications for building permits and clearing and grading permits and to all issued permits. Ms. Zahn said it would be helpful to have information regarding the number and nature of the permits currently in process. She would like a better understanding of the impact of the proposed revisions on impact fees.

Ms. Stead said developers do not vest impact fees. The fees would remain at the level set when they pulled the building permit.

Councilmember Robertson said she was pleased to see this before the Council and thanked staff for bringing it forward. Referring to slide 7 of the presentation, she noted that while the construction valuation decreased in 2022, the number of new residence permits increased.

Ms. Robertson said she does not want to delay the adoption of the proposed ordinance and she hopes it helps to provide more housing. However, she would like both Section 1, building permit, and Section 2, clearing and grading permit, to apply to permit applications submitted on or before June 30, 2023. She suggested also revising Sections 1 and 3 to include applications submitted on or before June 30. Mr. Schrader said staff would need to consult with the City Attorney's Office to determine whether an ordinance could include that provision.

Councilmember Robertson said she would like to see the ordinance come back on the consent calendar at the next Council meeting on March 27. She would like staff to continue to work with stakeholders regarding requests and suggestions from the public.

Ms. Robertson said she would like an individual briefing regarding vesting and the LUCA. She expressed concern about extending land use vesting, particularly for plats. She said plats have long vesting periods already and when a property is vested, it will not be subject to code changes that occur after the vesting date (e.g., Tree Code and other policy changes). She said she is reluctant to approve permanent regulations to extend vesting before further policy discussion.

Mayor Robinson asked whether the Council would like an additional study session discussion.

City Clerk Arredondo indicated that the topic could come back under other ordinances or as a study session discussion and vote to adopt.

Councilmember Robertson said she is comfortable having the topic come back under other ordinances.

Councilmember Barksdale expressed support for staff's proposal and said he likes that it aligns with other cities, which enhances predictability. He indicated that he is open to having the item return on the consent calendar or under other ordinances.

Councilmember Stokes spoke in favor of additional discussion before taking action.

Councilmember Lee said he will miss the March 27 meeting and would prefer that the Council not vote without him present. He complimented staff for crafting the proposed approach to

address development concerns. He said he generally supports the proposal. However, he would like a better understanding of the implications. Mayor Robinson suggested he schedule a briefing with staff.

Deputy Mayor Nieuwenhuis said he is glad the City is considering the policy changes in response to uncertainties in the economy and development activity. He spoke in favor of bringing the item back for additional discussion before taking action. He expressed support for Councilmember Robertson's suggestion to set the effective date of the ordinance as June 30, 2023. He would like additional consideration of the requests received from developers and other stakeholders.

Mayor Robinson said she appreciated staff's ability to be nimble in responding to developers' concerns. She expressed support for targeted assistance to residents and small businesses. She said she appreciated the work underway by the City to expedite affordable housing permits. She observed that a majority of the Council would like this topic to come back as a discussion item.

Councilmember Zahn noted her concern that vesting would result in projects not being subject to the new Tree Code when it is adopted.

Deputy Mayor Nieuwenhuis reiterated his interest in considering the requests and suggestions from the public. He concurred with Mayor Robinson's comment regarding extra permitting assistance for residential and small business tenant improvements.

Mayor Robinson said it sounds like the Council is interested in staff coming back with a draft ordinance and draft LUCA with the opportunity for further discussion. Ms. Stead said staff will not be prepared to come back with the draft LUCA in two weeks. She said that process will likely take 4-6 weeks before bringing it back to the Council.

Referring to Councilmember Zahn's concern regarding the applicability of the new Tree Code to existing applications and issued permits, Councilmember Robertson indicated that the new code will not be developed and approved before June 30, if that is the latest effective date for the ordinance. Ms. Stead concurred with that observation.

Responding to Councilmember Lee, Ms. Stead said that delaying the adoption of the ordinance could result in the expiration of permits.

Mayor Robinson suggested that perhaps Mr. Lee could participate in the discussion and vote on March 27 through remote participation in the meeting.

City Clerk Arredondo said there is capacity in the March 27 meeting agenda for this item.

Councilmember Stokes spoke in favor of moving forward on March 27 to avoid adverse impacts and the expiration of permits.

Councilmember Robertson concurred. While she typically prefers a full Council when taking action, she believes it is important to move forward expeditiously.

Responding to Mayor Robinson, Councilmember Lee asked that staff provide the information requested by the Council to him and he will take part in the vote on March 27 if necessary.

Ms. Stead requested Council direction regarding the initiation of the LUCA and retaining the processing of the LUCA with the Council.

→ Deputy Mayor Nieuwenhuis moved to direct staff to bring back for discussion and adoption the appropriate ordinance extending permit timelines, and to initiate the LUCA to allow administrative extensions to the vesting provisions of LUC 20.40.500, and to make a finding of necessity to retain the processing of the LUCA with the Council. Councilmember Stokes seconded the motion.

Councilmember Lee expressed support for the motion.

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

11. Land Use: None.

12. Other Ordinances, Resolutions, and Motions: None.

13. Unfinished Business: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At approximately 7:22 p.m., Mayor Robinson indicated that the March 20 meeting was cancelled and declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

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