

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

April 8, 2019
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Chelminiak, Deputy Mayor Robinson¹, and Councilmembers
Nieuwenhuis, Robertson, Stokes, and Zahn

ABSENT: Councilmember Lee

1. Executive Session

The meeting was called to order at 6:01 p.m., with Mayor Chelminiak presiding. There was no Executive Session.

Mayor Chelminiak noted Deputy Mayor Robinson's request to participate in the meeting remotely via telephone.

- Councilmember Robertson moved to approve Deputy Mayor Robinson to participate remotely during the meeting. Councilmember Zahn seconded the motion.
- The motion carried by a vote of 5-0.

2. Approval of Agenda

- Councilmember Stokes moved to approve the agenda, and Councilmember Zahn seconded the motion.
- The motion carried by a vote of 6-0.

(a) National Volunteer Week Proclamation

Mayor Chelminiak read the proclamation recognizing the week of April 7-13, 2019, as National Volunteer Week in Bellevue.

¹ Deputy Mayor Robinson participated remotely via telephone until 7:38 p.m.

Patrick Arpin, Assistant Police Chief, noted that the Bellevue Police Department's 25-year volunteer program has been recognized in the past with an award for outstanding law enforcement volunteer program by the International Association of Chiefs of Police

Marji Trachtman, Volunteer Coordinator, accepted the proclamation on behalf of the police volunteer program as well as volunteers in other departments. She said volunteers contribute tens of thousands of volunteer service hours annually. Volunteers staff the two police community stations, help enforce disabled parking access, shuttle patrol cars to and from the service center, perform a monthly vehicle supply and equipment check, retrieve abandoned bicycles, provide identity and property theft victim support services, and track stolen property. Most recently, the police department introduced Paws on Patrol to enlist dog walkers as extra eyes and ears for crime prevention in the community.

Ms. Trachtman said that volunteers in other departments are involved in environmental stewardship, the arts, education, cultural diversity, human services, conflict resolution, public safety, and governing Boards and Commissions. She thanked the Council for the recognition.

Mayor Chelminiak thanked staff and the volunteers for their hard work and dedication.

3. Oral Communications

- (a) Karen Morris noted discussions about the regional nature of the men's homeless shelter in Bellevue. She acknowledged the participation of the cities of Kirkland and Redmond and questioned what other cities are doing to provide shelters. She expressed concern that the City of Issaquah does not have a shelter. She does not want Bellevue to finance a shelter to be used by other cities. She said that any workable strategy for effectively allocating resources requires better data than what has been developed in the past. She encouraged the City Manager to create a plan for involving the public. She said phone and online surveys are not sufficient, and she urged the City to not include advocates from places that will not be involved in funding the shelter. Ms. Morris submitted her comments in writing.

4. Study Session Items

- (a) Council Business and New Initiatives

There was no discussion.

- (b) Economic Development First Quarter 2019 Update

City Manager Brad Miyake introduced staff's first quarter update on the economic development program.

Mac Cummins, Community Development Director, announced that Jesse Canedo has been named as the new Chief Economic Development Officer.

Jesse Canedo, Chief Economic Development Officer, recalled that the Economic Development Plan was adopted by the Council on July 7, 2014. It includes foundational strategies related to working with multiple departments and outside parties, as well as direct strategies implemented by staff through the economic development work plan.

Mr. Canedo shared two stories of working with local business owners to help them locate their businesses and to address zoning and other issues. He said Parteek Singh has been hired as the new Small Business Development Center (SBDC) Advisor to continue to provide no-cost, in-depth confidential business assistance for business plan improvements, capital acquisition, and growth strategies. Mr. Canedo said the SBDC is funded through the U.S. Small Business Administration and is a partnership with the City of Redmond and Washington State University.

The economic development office supports a number of events for networking and sharing information including involvement with NewTech Northwest, the CloudTech Summit, Power of Play, Young Entrepreneur Awards, and other entities. Mr. Canedo noted that Amazon's pending move to Bellevue reflects the City's long-term planning for growth through a number of initiatives including East Link light rail, the Downtown Livability Initiative, and the Eastside Rail Corridor work. Amazon will occupy four buildings, including the new Summit III building that has been permitted but not yet constructed. Mr. Canedo said that no incentives or special requirements were requested by Amazon, which was attracted by Downtown Bellevue's urban amenities and access to transit services.

Mr. Canedo described the City's initiative to convene focus groups, which is based on an idea from the International Economic Development conference last fall. The participants vary based on the topic and industry, and the groups complement other efforts such as the annual business survey and individual meetings. The first event was held in January with the Bellevue Downtown Association (BDA) and included more than a dozen downtown technology firms. The primary themes of the discussions were transportation and land use issues including transit access, traffic congestion, pedestrian and bike facilities, and neighborhood amenities (e.g., child care options, active public spaces, and expanded food and beverage businesses).

The City's Economic Development Plan includes four key industry clusters for Bellevue: technology, business services, retail, and tourism. The plan contains four direct strategies with 29 tasks for economic development staff as well as six foundational strategies with 24 tasks for outside departments and partners to manage. Mr. Canedo highlighted the status of four direct strategies related to supporting technology entrepreneurs, positioning Bellevue as a Pacific Rim gateway, strengthening Bellevue's tourism cluster, and developing a multi-pronged economic development marketing campaign. All but four of the 23 action items for economic development staff have been completed or are underway.

Mr. Canedo highlighted the lessons learned over the past few years. Employers are drawn to Bellevue for the access to talent, infrastructure planning, and urban amenities. Mr. Canedo noted staff's objectives to: 1) make the economic development plan easier to update, 2) acknowledge retail changes and add more specific growth strategies, 3) update small business support strategies, and 4) address the role of the Creative Economy (i.e., arts, culture and creative businesses).

Mr. Canedo presented the timeline for updating the Economic Development Plan. Over the next four months, staff will be working on requests for proposals (RFPs) and contracts for conducting analysis and research. Staff will brief the Council in October 2019 and January 2020, and adoption of the updated plan is anticipated by February 2020. Mr. Canedo highlighted activities planned for the remainder of the year, including the Grand Connection activation pilot program. The City will work with the BDA to consider art installations and events to be held this summer along the Grand Connection route, principally between City Hall and Bellevue Way.

Councilmember Nieuwenhuis thanked staff for the update and the details regarding Amazon's decision to move to Bellevue. He credited City staff and the current and past City Councils for building the foundation to attract a large corporation to Bellevue without providing incentives. He thanked staff for sharing the stories about assisting small businesses. Following up on the comments during the presentation regarding assistance to small businesses, he suggested that staff share some of those case studies online.

Mr. Nieuwenhuis expressed support for the focus groups as a way to establish relationships and to learn about the needs of businesses and to solicit feedback and input. Responding to Mr. Nieuwenhuis, Mr. Canedo said T-Mobile was not invited to the focus group described earlier because the company is not located in the downtown.

For future updates, Mr. Nieuwenhuis requested that the performance metrics include information from the prior quarters and year for comparison purposes.

Councilmember Zahn thanked staff for their work and observed that a common theme of the economic development efforts is connections to help businesses be successful. She appreciates the focus groups and welcomes additional opportunities for a discussion of how to connect larger businesses with smaller ones. She suggested considering a focus group with a mix of large and small businesses. Responding to Ms. Zahn, Mr. Canedo said the Startup425 annual report will be distributed to the Council, and it includes more details on reaching out to startups and small businesses.

Ms. Zahn commended the pilot program involving art installations along the Grand Connection route.

Responding to Ms. Zahn, Mr. Cummins said the current rate of growth is consistent with the City's plans and projections regarding growth. Ms. Zahn said it would be helpful to know how many companies, if any, provide in-house child care and shared shuttles.

Deputy Mayor Robinson expressed support for staff's regional collaboration, small business support strategies, and partnership with the Port of Seattle related to the Grand Connection project. In anticipating the creation of more jobs in Bellevue, Ms. Robinson asked whether there are efforts for training unemployed and underemployed individuals to help them compete for jobs. Mr. Canedo said staff is waiting to hear from the new CEO of the Workforce Development Council of Seattle-King County and anticipates working with the group to support that type of work across the region.

Councilmember Stokes congratulated Mr. Canedo on his promotion and his work with the City over the past few years. Mr. Stokes said businesses are attracted to Bellevue for a number of reasons, including the City's long-term planning and efforts. He recalled that when the City submitted its proposal related to Amazon's HQ2 search, the City articulated what it had to offer without making any promises of special conditions to bring Amazon to Bellevue. Mr. Stokes commended that approach and noted the value of staff's effectiveness in communicating Bellevue's assets and opportunities for success. He is pleased with the early plans for the Grand Connection.

Councilmember Robertson said it was not clear from the meeting packet that staff would be looking for feedback tonight to guide the update of the Economic Development Plan. She requested expanded information regarding the scope and budget for the plan update process. She would like staff to come back before October with a clear request in the meeting materials for Council input.

Councilmember Robertson encouraged a citywide plan that also addresses growth corridors beyond the downtown. She said the plan needs to consider the development and employment pipeline as well as other land use planning efforts affecting growth. She noted that future land use plans, the census, and the regional 2050 plan will affect Bellevue's growth. She suggested that coordinating all of the inputs will be challenging.

Ms. Robertson encouraged the development of strategies for working with employers to integrate the new jobs into the community and to mitigate the impacts. She noted the importance of private developers and the City's Development Services Department working together to plan for the infrastructure to support growth.

Councilmember Robertson said the stakeholder outreach should include both large and small employers, the Chamber of Commerce, the Bellevue Downtown Association, neighborhoods, Bellevue College, Bellevue School District, and other entities. She questioned whether there has been any consideration of rebranding or updating the logo, and noted that the Council has discussed that issue during its retreats.

Ms. Robertson said it is important to consider the purpose of the Economic Development Plan. Part of that is to recruit new businesses, retain businesses, and to ensure a vital economy. She suggested considering other uses for the plan including advocating for infrastructure funding, particularly transportation capacity, especially with the move of Amazon to Bellevue.

Mayor Chelminiak concurred with Councilmember Robertson's comments regarding the rate of growth and keeping up with the related needs and impacts. Mr. Chelminiak said that, if growth is occurring faster than anticipated, the City should analyze what is needed to accommodate the growth (e.g., public safety, highway infrastructure). He expressed support for the focus groups described by staff.

Mr. Chelminiak said he anticipated that the Economic Development Plan update would focus on placemaking. Mr. Cummins said that, during the last update, staff and the Council discussed keeping key elements of the plan (i.e., business attraction and retention, employment growth)

while also adding strategies related to tourism and retail. He said the budget for the update process includes potential consultant costs.

Mayor Chelminiak requested a presentation before October for staff to articulate the type of direction it would like from the Council.

Councilmember Stokes concurred with the suggestion for further discussion with the Council. He does not want the Council to get into micromanaging economic development activities. However, it is important to discuss more ideas and everyone's input.

Mr. Cummins suggested scheduling a study session item for June.

Mayor Chelminiak thanked staff for the presentation.

(c) Update on the feasibility of providing Year-round Men's Shelter Services at Lincoln Center

City Manager Miyake recalled that the development of the year-round men's homeless shelter was last discussed with the Council on March 18, 2019. At that time, the Council asked staff to return after working with community partners to gain a better understanding of their ability to fund and manage the improvements needed at the Lincoln Center shelter. He said staff is seeking Council direction about how to proceed with the construction of the improvements.

Nancy LaCombe, Assistant Director, City Manager's Office, recalled the Council's request on July 23, 2018 that staff evaluate the feasibility of a year-round shelter at Lincoln Center. On November 5, 2018, the Council authorized the expenditure of up to \$135,000 for a feasibility study. The most recent update to the Council on March 18, 2019 addressed the changes that will be needed at Lincoln Center, construction options, the gap in shelter services while the renovation is underway, and operational funding.

Mike Brennan, Director of the Development Services Department (DSD), reviewed the changes proposed to Lincoln Center, which includes consolidating the sleeping areas, moving the Congregations for the Homeless (CFH) offices to the second floor, and adding fire and life safety features.

Staff has been working with CFH and their partners as requested by the Council. Mr. Brennan said the City received a letter from CFH on April 3 outlining their plan to fund and manage the construction of the improvements at an estimated cost of \$750,000. The work is anticipated to begin on July 1 and to extend over a 3-4 month period. CFH's partners include Wallace Properties, RAFN Company, Kidder Mathews, GLY, DCI Engineers, and others.

Ms. LaCombe said the seasonal shelter will close on April 30, and staff is searching for a secondary location while the renovation is underway at Lincoln Center. She noted that, even with a bridge location, there will be a gap in services and modifications to that facility will most likely be required. She said a public engagement process will take place as well.

The project will require the declaration of an emergency and the application for a Temporary Public Safety Facility. Staff recommends continued coordination with CFH as they and their private partners manage the tenant improvements, including the design and permit submittals, and early demolition work while the shelter remains operational. Staff will continue to negotiate and finalize a lease with CFH.

Ms. LaCombe said staff will return in May for the next update regarding private funding, the secondary bridge location, public input, and the timeline for the land use process. If private funding is not sufficient at that time, other options available to the Council include allowing more time for private fundraising, the City performing the construction as a public works project, or continuing with the seasonal shelter.

Mr. Brennan provided an update on the effort toward developing a permanent shelter. In December 2018, CFH indicated that they are working with King County to explore a site on Eastgate Way adjacent to the transfer station. The City is working with them to determine the smoothest path to obtaining the necessary permits and approvals.

Mr. Brennan requested Council direction about whether to continue working with CFH and the private partners.

Councilmember Robertson expressed support for staff's proposal for moving forward. She said it will be quicker and less expensive if CFH and its private partners are able to complete the renovations. She said she appreciated the letter of commitment from CFH. Responding to Ms. Robertson, Ms. LaCombe said the City could take over the project if private fundraising is not successful, as long as CFH has not started the tenant improvements.

Ms. Robertson said she appreciated Karen Morris' comments during oral communications about the regional aspect of the shelter. However, Ms. Robertson said she was not sure how CFH and the City could deal with that issue.

Responding to Councilmember Robertson, Mr. Brennan said the site under consideration by CFH and King County for a permanent shelter is large enough to allow another business or facility on the property. He said that King County owns the site, which is adjacent to the County-owned transfer station site.

Ms. Robertson encouraged adding individuals who submit comment to the City to the project notification list.

Councilmember Stokes noted that Bellevue participates in a partnership with the cities of Kirkland and Redmond, which provide shelters for different target populations.

Deputy Mayor Robinson said she appreciated the presentation and supports moving forward with the quickest path to providing year-round shelter services for men experiencing homelessness. She reiterated her commitment to a year-round shelter, even if it is ultimately funded by the City. Ms. LaCombe noted that the City would be allowed to accept a contribution from the private partners to offset the costs.

Responding to Councilmember Zahn regarding the bridge shelter location, Mr. Brennan said the Land Use Code does not require a public engagement process under the declaration of an emergency. However, the City would conduct outreach to educate the public and to solicit comments and input. In further response to Ms. Zahn, Mr. Brennan said the seasonal shelter cannot continue to operate beyond the end of April.

Councilmember Nieuwenhuis expressed support for moving forward to identify a bridge location for the shelter and commended the private partnership with CFH.

Responding to Mr. Nieuwenhuis, Mr. Brennan said the City has not received a permit application for the permanent shelter site under consideration near the King County transfer station. Mr. Brennan said the goal is to locate the shelter on part of the property while allowing the rest of the property to be used for other purposes. In further response, Mr. Brennan said the City is in discussions with King County about its options for dividing the property to allow for the shelter.

Councilmember Nieuwenhuis said he wants to ensure that CFH is successful. However, he expressed concern that the demand for the shelter could exceed the capacity.

Mayor Chelminiak expressed support for providing a year-round shelter as soon as possible. He noted that public outreach related to the bridge location is important, and he expects it will be proportional to the few months of operation anticipated for the temporary shelter. He anticipates public outreach in the Wilburton area as the Lincoln Center shelter moves toward year-round operations.

Mr. Chelminiak said he feels confident that CFH and its private partners will raise the needed funding. He noted that CFH is experienced in operating a shelter for 80-100 men on a regular basis, and it housed up to 120 men during the snow and cold weather in February. He said the shelter is part of regional planning and includes funding through ARCH (A Regional Coalition for Housing). He said Bellevue, Kirkland, and Redmond have long demonstrated a commitment to working together to provide shelters.

(d) Neighborhood Leadership Gathering Report

City Manager Miyake said the most recent neighborhood leadership gathering was held on February 26. Mayor Chelminiak and Councilmembers Robertson and Zahn participated in the event, and more than 80 neighborhood leaders attended to discuss how to preserve and grow Bellevue's tree canopy.

Mike McCormick Huentelman, Assistant Director, Community Development Department, noted that neighborhood leadership gatherings are held twice per year, in February and in the fall. He said the term neighborhood leaders includes anyone who cares about the quality of life in their neighborhood. Past topics include public safety, economic development, transportation, utilities, and neighborhood character.

Mark Heilman, Neighborhood Outreach Manager, said staff from multiple departments attended the community meeting. He noted a map depicting the percent of tree canopy for each

neighborhood. The participants were asked to consider two questions: 1) How can we preserve and grow our tree canopy?, and 2) What can the City, residents, businesses, and other partners do to help achieve the 40-percent tree canopy goal? Key themes reflected in the community input included community outreach and engagement, partnering with residents, city streetscapes, Land Use Code issues, development concerns, and tree planting and preservation incentives.

Mr. Heilman said there are resources available to assist residents, including a list of suggested trees to plant. The City has arborists available to meet with neighborhoods, and there is a packet of information for new residents regarding tree preservation codes and the cost of violations. Incentives for tree planting discussed by the group included tree giveaways, a property tax deduction for tree canopy retention, and financial incentives for increasing the tree canopy. The City sponsors Arbor Day tree plantings, which will be held this year at Lewis Creek Park.

Mr. McCormick Huentelman said the majority of the residents in attendance had concerns about development based on a specific neighborhood experience. He said the current economy favors developers, and residents were concerned that the incentives and fines are not strong enough to encourage tree preservation and replacement. He highlighted the Land Use Code recommendations generated by the group, which are reflected in the meeting minutes provided as an attachment in tonight's packet. He said the recommendations focused primarily on the enforcement of existing codes. One suggestion was to post tree removal permits at development sites. He said the attendees expressed an interest in extending the Bridle Trails tree regulations to other neighborhoods, and they encouraged a review of the number and sizes of trees addressed in the regulations. Additional topics included tree replacement, the economic value of trees, and increased penalties and/or fines.

Mr. Heilman said residents were supportive of the concept of community partnerships involving the Bellevue School District, Puget Sound Energy, and neighborhood gardens. He noted that information regarding the Environmental Stewardship Initiative (ESI) strategic plan, trees, neighborhoods, and volunteering is available on the City's website. He said that residents want to contribute and to coordinate their efforts. Mr. Heilman invited everyone to the Arbor Day-Earth Day events on Saturday, April 20 at Lewis Creek Park.

Councilmember Zahn said she appreciated the event and the conversation at her table regarding tree preservation, permit requirements, and public education. She looks forward to continued work and tree plantings with the community.

Councilmember Robertson said she enjoyed the event and learned a great deal. She said the strong community interest highlights the fact that trees are an important topic for neighborhood subarea planning. She noted that trees provide habitat. She expressed support for providing public information regarding the recommended trees to plant. Ms. Robertson said she attended a King County event regarding the tree canopy and encouraged tree plantings along the Eastside Rail Corridor. She said the redevelopment of the BelRed corridor provides opportunities for tree plantings as well.

Councilmember Stokes concurred with the value of the Arbor Day-Earth Day activities. He noted the benefit of enhancing the awareness of overdeveloped communities that have lesser tree

canopies. He acknowledged that neighborhoods vary in terms of topography, trees, and residents' preferences. Mr. Stokes encouraged the development of a citywide plan. He said he hears comments from the public asking why residents are allowed to remove trees and why the City is not more active in its enforcement.

Councilmember Nieuwenhuis encouraged continuing to engage the community regarding the tree canopy. He suggested partnerships with businesses to encourage tree plantings and preservation as well.

Mayor Chelminiak referenced a quote that "great cities act with intentionality." He observed that Bellevue does a good job of following that concept, especially in the areas of land use planning, economic development, and public safety. He encouraged tree plantings along residential streets. Mayor Chelminiak said that meetings to discuss trees tend to draw preservationists rather than developers, and he cautioned against interpreting the input as representing every area of the community.

Mr. Chelminiak questioned whether there is evidence that the City is not enforcing tree regulations. He noted that tree removal is allowed with specific provisions and restrictions.

Mayor Chelminiak said he would like the City to expand its outreach efforts to attract more people to the neighborhood leadership gatherings.

(e) eCityGov Alliance Program Update

City Manager Miyake introduced staff's update regarding the eCityGov Alliance, noting that the Council was last briefed on the program in January 2018.

Nathan McCommon, Deputy City Manager, introduced Tyler Running Deer, Executive Director of the eCityGov Alliance.

Sabra Schneider, Chief Information Officer, noted the 18-year history of the eCityGov Alliance, which now serves more than 20 jurisdictions. Bellevue is one of six founding partners with representation on the Executive Board along with the cities of Issaquah, Kirkland, Kenmore, Sammamish, and Snoqualmie. The Executive Director manages operations, marketing, and regional relationships, and recommends strategic direction to the Board. Subscriber jurisdictions pay fees to use the software.

Ms. Schneider described the three eCityGov Alliance products: 1) My Building Permit, 2) Gov Jobs Today, and 3) NW Properties. My Building Permit is used by 18 jurisdictions, including King County and Snohomish County, and serves as a virtual permit counter. It provides a consistent online experience, promotes the alignment of business practices, and is endorsed by the Master Builders Association. Gov Jobs Today serves 12 jurisdictions, and NW Properties serves 14 jurisdictions. Ms. Schneider noted enhancements to My Building Permit to improve the dashboard function and to simplify the multi-site process for builders. New subscribers include the City of SeaTac, City of Edmonds, and the Town of Woodway. Ms. Schneider said that two non-voting positions were added to the Board this year to represent the subscribers.

Mr. Running Deer noted his background in information technology and his previous employment with the City of Seattle, King County, the State of Washington, and nonprofit and private sector entities. His financial experience includes serving as the Deputy Budget Director for the City of Seattle. He thanked staff for welcoming him and commended the City's regional partnerships in a number of areas. Mr. Running Deer said the eCityGov Alliance is working to establish the capability for builders to make payments directly from their banks instead of using a credit card.

Mayor Chelminiak welcomed Mr. Running Deer and thanked staff for the presentation.

Councilmember Zahn complimented staff's work and the benefits of the online applications.

Responding to Councilmember Nieuwenhuis, Ms. Schneider said that jurisdictions may subscribe to one or more of the three applications. My Building Permit generates approximately 90 percent of the revenue. Mr. Nieuwenhuis said it could be beneficial to focus on adding ancillary services to My Building Permit given its widespread use.

Mayor Chelminiak noted that My Building Permit reduces developers' costs. He would like to see a response to Microsoft's affordable housing efforts to streamline the permit process for affordable housing development. He suggested outreach to housing groups, builders, and developers to ensure that they are aware of the online permitting function.

Councilmember Robertson expressed strong support for the regional work of the eCityGov Alliance.

5. Council Discussion of Upcoming Items: None.
6. Continued Oral Communications: None.

At 9:05 p.m., Mayor Chelminiak declared the meeting adjourned.

Kyle Stannert, CMC
City Clerk

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