

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

September 13, 2021
6:00 p.m.

Virtual Meeting
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 6:00 p.m., with Mayor Robinson presiding.

2. Roll Call; Flag Salute

Deputy City Clerk Karin Roberts called the roll. All Councilmembers were present and participating remotely. Councilmember Barksdale led the flag salute.

(a) Welcoming Week Proclamation

Councilmember Stokes read the proclamation jointly signed with the cities of Issaquah, Kirkland, Redmond and Sammamish to recognize September 10-19, 2021, as Eastside Welcoming Week. He encouraged the public to look for opportunities to learn, connect across differences and to take action to achieve a welcoming, equitable and inclusive community.

3. Approval of Agenda

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

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

4. Oral Communications

(a) Barbra Chevalier expressed concern regarding the state of trees, noting that she does not want Bellevue's legacy to be hot sidewalks, ugly neighborhoods and the loss of wildlife habitat. She asked the City to protect healthy trees and to preserve mature trees. She said trees are a big part of what makes Bellevue special.

- (b) Ellen Weiss expressed concern regarding single-family homes that are being demolished and replaced with oversized and increasingly expensive houses. She said this is permanently changing the character of Bellevue neighborhoods. While she understands the critical need for affordable housing, she urged the Council to preserve single-family zones. She encouraged development restrictions on residential properties of 10,000 square feet or less to ensure that new construction is aligned with the City's goals of maintaining neighborhood character and affordability. She said a new 5,000 square foot house currently under construction next door to her was listed for sale on August 2 for \$3.3 million.
- (c) Jack McCullough commented regarding the East Main Land Use Code Amendment (LUCA). He encouraged increased building heights up to 400 feet along I-405 and shorter buildings along 112th Avenue. He said the taller buildings will allow more housing initially and throughout the course of the project. Referring to comments that increasing the building height might require additional SEPA (State Environmental Policy Act) review, he suggested that most of the work has been done. He encouraged the Council to continue its efforts to create more affordable housing in the East Main area.
- (d) Mon Wig said he heard support during the Council's previous public hearing for providing as much housing as possible in the East Main light rail station area. He said this is a 100-year decision and he cautioned against underdevelopment in Bellevue. He spoke in favor of increasing the allowed building height to 400 feet along I-405, noting that buildings taller than 400 feet are not uncommon next to transit stations. Mr. Wig requested an effective 5.3 FAR (floor-area ratio) for the site after consideration for a reduction due to critical areas. He said the traffic study in the SEPA review studied the impacts for up to 5.6 FAR.
- (e) Addie Smith thanked the Council for approving an expansion of the multifamily tax exemption (MFTE) program to encourage the development of affordable housing units. She urged the Council to make sure that the employees in the ARCH (A Regional Coalition for Housing) program are not responsible for the MFTE program. She asserted that ARCH has failed on Mercer Island. She said that, as a former manager of an apartment building on Mercer Island, she would not violate federal and state law to allow a white woman to be placed at the top of a waiting list. As a result, Ms. Smith said the woman threatened and stalked her and her daughter for months, sometimes directing racial slurs at them. Ms. Smith alleged that the previous apartment manager was not following the rules for waiting lists. She expressed concern that the Mercer Island City Manager has not addressed the issues and she asked the Council for help.
- (f) Linda Hall noted her passion for the development of affordable housing and said the East Main LUCA provides the opportunity for public benefits. She said policy decisions have the most significant influence on the production and preservation of truly affordable housing. She expressed support for requiring a minimum amount of housing in the East Main redevelopment area and for incentives to create affordable housing. She encouraged the Council to be bold.

- (g) Bill Thurston, representing the Bellevue Club, urged the Council to finalize the East Main LUCA as soon as possible. He said Wig Properties is the linchpin for the success of the East Main redevelopment, and they have done an incredible job of presenting the facts and details about what is necessary to support the vision for their property. Mr. Thurston expressed support for the Wig Properties plan and the proposed taller buildings along I-405, which will help meet housing goals. He asked the City to protect the Bellevue Club from adverse impacts on their property and noted that the club has previously expressed its specific concerns related to the LUCA.
- (h) Abigail DeWeese, a land use attorney, said she was speaking as a member of the planning, land use and housing committee for the Bellevue Chamber of Commerce. She encouraged the City to move forward as quickly as possible. She expressed support for the production of housing in the East Main area. However, she expressed concern about the proposal for a minimum housing requirement. She encouraged the City to instead use the incentive system and development standards to encourage market-rate and affordable housing. She expressed support for granting taller building heights along I-405 with a development agreement.

5. Reports of Community Councils, Boards, and Commissions

- (a) Parks and Community Services Board Second Quarter 2021 Report
[Written report in meeting packet.]

6. Report of the City Manager

- (a) 2021 Neighborhood Walks

Deputy City Manager Kate Berens introduced staff's update regarding the 2021 neighborhood walks program.

Mike McCormick Huentelman, Assistant Director, Community Development, said the Council and staff were fortunate to have a window in pandemic restrictions this summer to get back out into the community for neighborhood walks. He said the walks provide more casual opportunities for meeting residents and learning what is important in their neighborhoods.

Mark Heilman, Neighborhood Outreach Manager, said neighborhood walks were held in the Somerset neighborhood on July 27, West Bellevue/Enatai area on July 29, and Northeast Bellevue on August 5. Virtual walks were held on August 3 for the Wilburton, Spiritridge-West Lake Sammamish, and Cougar Mountain/Lakemont areas.

Somerset residents expressed gratitude for the Hate Has No Home Here signs distributed to the neighborhoods by the City. They were also appreciative of utilities management and the City's response to a surface water issue. They expressed concerns regarding parking, loitering, and crime. Residents of Enatai talked about their passion for the area's character, trees and rustic nature. Residents of Northeast Bellevue said they like the diversity, safety and friendliness of

their neighborhood. There were a number of comments regarding King County's recent purchase of the Silver Cloud Inn in Redmond for permanent supportive housing, including the residents' request for communication and updates.

Mr. Heilman said residents expressed appreciation for the City's outreach efforts. He thanked City Manager Brad Miyake for initiating and supporting the neighborhood walks.

Mr. McCormick Huentelman said a full summary of the neighborhood walks is posted on the City's neighborhood services web page. He thanked Councilmembers for participating in the walks.

Mayor Robinson thanked staff for the update.

7. Council Business and New Initiatives

(a) Consideration to rename Mercer Slough Environmental Education Center

Councilmember Lee proposed honoring Jim Ellis by renaming the Mercer Slough Environmental Education Center the Jim Ellis Environmental Education Center at Mercer Slough. He recalled Mr. Ellis' leadership with Forward Thrust to clean up pollution in Lake Washington and noted that President Nixon offered Mr. Ellis the job of leading the new Environmental Protection Agency, which he declined. Mr. Lee said Mr. Ellis expanded the King County park system, cleaned up natural areas, funded highway improvements and improved public amenities including the Kingdome, fire facilities, public swimming pools and the Youth Service Center. Mr. Ellis also founded the Mountains to Sound Greenway Trust preserving 1.5 million acres of land between Seattle and Ellensburg.

Mr. Lee said his proposal is supported by the Ellis Family, the Pacific Science Center, Puget Sound Energy, Master Builders Association, and others.

Mayor Robinson noted Councilmember Lee's written proposal included in the meeting agenda packet.

Councilmember Robertson thanked Councilmember Lee for the proposal. She recalled that the Council is careful about naming places after people. However, she believes doing so is warranted in this case. Ms. Robertson said that Mr. Ellis led the fundraising campaign to create the Mercer Slough Environmental Education Center. Mr. Ellis was critical in achieving funding for King County Metro, which carried out the cleanup of Lake Washington and established Metro bus service.

Councilmember Stokes said he worked with Mr. Ellis on a number of issues, and he agreed that he was an amazing person who contributed so much to Bellevue and the region. Mr. Stokes wondered why the proposal was being raised at this time, however, and recalled past Council discussions about avoiding naming places after people. He suggested that renaming the facility could be a misuse of an individual's legacy at this point and he wondered what Mr. Ellis would think of the proposal.

Councilmember Barksdale said he read the information submitted by Councilmember Lee about Mr. Ellis and he acknowledged past Council discussions about naming places after people in Bellevue. If the Council decided to move forward with the proposal, Mr. Barksdale wondered what that looks like over time from a programmatic perspective in terms of ensuring diverse and equitable representation in place names.

Deputy Mayor Nieuwenhuis thanked Councilmember Lee for his proposal. Mr. Nieuwenhuis said he is supportive of the proposal and of additional discussion regarding guidelines for naming places. However, he does not think that should prevent the Council from moving forward with the proposal tonight.

Councilmember Zahn said the center sounds like an appropriate facility for honoring Mr. Ellis. However, she concurred with her colleagues about the need for further discussion regarding the guidelines for naming parks and facilities. She suggested that other Boards and Commissions might want to provide input as well.

Mayor Robinson said she felt conflicted about the proposal because she admires Jim Ellis' contributions to the community. However, his brother John Ellis was a community leader as well, including as a major advocate for creating the Downtown Park. Ms. Robinson suggested considering the name Ellis Environmental Education Center at Mercer Slough. She said that, in general, she believes it is more appropriate for the Parks and Community Services Board than the Council to conduct public outreach and consider potential names. Mayor Robinson suggested forwarding the issue to the Board for review and a recommendation.

Councilmember Barksdale concurred with Mayor Robinson and suggested that the Board employ an equity lens in its review of the guidelines for naming places.

Councilmember Robertson said the Council typically sends this type of issue to the Parks and Community Services Board when there is no specific proposal. She suggested that, if the matter is sent to the Board, the Council should identify the name options that have been discussed. She noted that Bellevue does have a small park named after former Councilmember Georgia Zumdieck. She said both Jim and John Ellis gave a lot to the community and naming the center in their honor would be appropriate.

Councilmember Stokes expressed support for sending the issue to the Board for consideration.

Councilmember Zahn suggested a broader approach than giving the options of Jim Ellis or Ellis Environmental Education Center. She concurred with Councilmember Barksdale's suggestion to request a review of naming guidelines with the aid of an equity lens. Ms. Zahn said that Board members referenced Georgia Zumdieck Park when they discussed naming the new park in Newport Hills. She said they were confused by the feedback opposing the naming of that park after a person.

Mayor Robinson clarified that the request is about a specific proposal related to Jim Ellis and the Ellis family. It is not about asking the Board to identify a new name for the environmental

education center. She suggested that if the Council is interested in considering a name change, the best course of action is to send the matter to the Parks and Community Services Board.

Councilmember Lee said Jim Ellis is deserving of this honor, although he agreed with his colleagues regarding the significant contributions of John Ellis as well. Mr. Lee said a review of the naming criteria and guidelines should be handled as a separate issue. He asked the Council to consider his specific proposal. Responding to Mayor Robinson, Mr. Lee said he preferred naming the center after Jim Ellis specifically rather than using the last name only.

- Councilmember Lee moved to direct staff to rename the Mercer Slough Environmental Education Center as the Jim Ellis Environmental Education Center at Mercer Slough. There was no second.
- Councilmember Robertson moved to direct staff to transmit to the Parks and Community Services Board a request for a recommendation to the Council about whether to rename the Mercer Slough Environmental Education Center to honor Jim Ellis, Jim and John Ellis, or the Ellis Family. Deputy Mayor Nieuwenhuis 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) Ordinance No. 6599: 1) authorizing execution of a grant agreement (and supplements if necessary) with the Washington State Department of Transportation (WSDOT) to accept up to \$1,500,000 in federal National Highway System (NHS) Asset Management Program funding to support the construction of the NE 8th Street Pavement Preservation Project; 2) amending the 2021-2022 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,500,000; and, 3) amending the 2021-2027 CIP Plan to increase the budget for the Bridge and Pavement Preservation (Overlay) Program (CIP Plan No. PW-M-1) by \$1,500,000.
 - (b) Ordinance No. 6600: 1) authorizing execution of a grant agreement (and supplements if necessary) with the Washington State Department of Transportation (WSDOT) to accept up to \$3,000,000 in federal National Highway System (NHS) Asset Management Program funding to support the construction of the Bellevue Way and NE 4th Street Pavement Preservation Project; 2) amending the 2021-2022 General Capital Investment Program (CIP) Fund to increase the appropriation by \$3,000,000; and, 3) amending the 2021-2027 CIP Plan to

increase the budget for the Bridge and Pavement Preservation (Overlay) Program (CIP Plan No. PW-M-1) by \$3,000,000.

- (c) Resolution No. 9991 authorizing the execution of a contract with Landsol LLC d/b/a Kirkland Land Care for the Lake Hills Greenbelt Community Garden Irrigation Maintenance project, in an amount not to exceed \$145,550, plus all applicable taxes.
- (d) Ordinance No. 6601: 1) authorizing the execution of a sub-contract (and supplements if necessary) with the Dispute Resolution Center of Kitsap County, as lead fiscal agent for Resolution Washington, to accept grant funds in the amount of \$246,810 from the Administrative Office of the Courts (personal services agreement PSC22019) for staffing and administrative costs associated with Eviction Resolution Services offered through the Bellevue Conflict Resolution Center; and 2) amending the 2021-2022 Operating Grants, Donations and Special Reserves Fund to increase the appropriation by \$123,405.
- (e) Ordinance No. 6602: 1) authorizing the execution of a sub-grantee agreement (and supplements if necessary) with the Dispute Resolution Center of Kitsap County, as lead fiscal agent for Resolution Washington, to accept capacity grant funds in the amount of \$209,438.98 from the Washington State Department of Commerce (state grant number S22-31445-001) for staffing and administrative costs at the Bellevue Conflict Resolution Center; and 2) amending the 2021-2022 Operating Grants, Donations and Special Reserves Fund to increase the appropriation by \$104,719.49.

9. Public Hearings: None.

10. Study Session

- (a) Land Use Code Amendment (LUCA) for East Main Station Area

Deputy City Manager Berens introduced the Council's continued discussion regarding the East Main Station Area Land Use Code Amendment (LUCA). She said staff is seeking direction regarding the process for the Council's review of key topics. Staff is also interested in additional feedback from Councilmembers regarding their interest in specific building heights, housing and affordable housing.

Mike Brennan, Director of the Development Services Department (DSD), highlighted the timeline to date for the East Main LUCA process. Tonight is the fourth study session and the main topics are building height and housing. Three additional study sessions are planned to address FAR, amenity options, development agreements, floor plates, and non-conforming exceptions. Staff anticipates final Council adoption of the LUCA in December.

Mac Cummins, Director of the Community Development Department, said the two topics for tonight's discussion are building height and housing. He said the foundational question for the

Council is how it wants to plan for its vision of the future. He noted the profound housing shortage and recalled previous discussions about smart growth in urban areas and protecting single-family neighborhoods. Mr. Cummins said the phrase “height for housing” reflects the increasingly popular concept of taller building heights around transit in exchange for certain land uses. He said the potential for taller buildings along I-405 in the East Main area is a departure from Bellevue’s traditional wedding cake pattern of development in the downtown. He said staff would also like to talk about the potential for minimum housing requirements for redevelopment in the East Main station area.

Mr. Cummins talked about balancing job growth with housing. The growth targets for the 2019-2044 planning period project 70,000 new jobs and 35,000 new housing units in Bellevue. Mr. Cummins said that another topic for discussion is the appropriate floor-area ratio (FAR) for the area. He said that going from 0.5 FAR for non-residential uses to 5.0 FAR provides a significant increase in value for the redevelopment.

Trisna Tanus, Consulting Attorney, displayed a graphic depicting the downtown wedding cake pattern and potential building heights in the East Main area. She reiterated the list of LUCA topics to be addressed over the next few months and noted that all topics raised by the Council and stakeholders during the public hearing and discussion on July 26 are included in the list.

Ms. Tanus presented two packaged options regarding building height and housing requirements and incentives, as well as the stakeholder requests related to those dimensions. Option A is reflected in the current draft LUCA and includes a maximum building height of 230 feet or 250 feet with mechanical equipment and a minimum housing requirement of 30 percent, resulting in roughly 1,298 units. Option B (Staff’s recommendation) allows building heights up to 300 feet or 320 feet with mechanical equipment and a minimum housing requirement of 35 percent, resulting in approximately 1,515 units. The stakeholder request allows building heights of 400 feet or 420 feet with mechanical equipment and a minimum housing requirement of 8.8 percent, resulting in approximately 400 units.

Ms. Tanus said the existing East Main zoning is Office Limited Business (OLB) and allows a maximum building height of 75 feet, as well as a 0.5 FAR for office development and 1.0 FAR for residential and retail development. There are no housing or affordable housing requirements.

Nick Whipple, Planning Manager, provided additional details regarding Option A, which applies to the area between Main Street and SE 6th Street, and between 112th Avenue and I-405. In addition to the 230/250 feet building heights and 30 percent housing requirement, the first 75 percent of the project’s amenities are provided through the affordable housing incentive option. This option has been studied by the economic analysis report produced by the City’s consultants and is deemed to be financially feasible.

Mr. Whipple said the building heights follow previous Council direction to use the Downtown-OLB-South land use district as a starting point. Option A requires that new development provide a minimum of 30 percent of the total project’s gross square footage as residential use. Staff estimates that 1,290 housing units could be developed on the Red Lion and Hilton parcels under this option.

Mr. Whipple said that the argument for a minimum housing requirement is that office development creates jobs, which creates the demand for housing. Option A allows for a certain percentage of non-residential development before the minimum residential development is completed. Mr. Whipple said the first 75 percent of a project's amenities must be earned from the affordable housing amenity. The remaining 25 percent of a project's amenities can be earned from any other amenity on the City's list. Staff estimates that 70 affordable housing units could be created through the incentive program for the Red Lion and Hilton parcels. Mr. Whipple presented a schematic view depicting the building envelopes reflected in Option A and noted the shorter buildings along 112th Avenue across from the Surrey Downs neighborhood.

Mr. Whipple described Option B which allows 300/320 feet building heights and requires a minimum of 35 percent housing, resulting in approximately 1,515 units. The first 80 percent of a project's amenities must be earned through the affordable housing amenity, resulting in approximately 87 affordable housing units. Mr. Whipple said the building height is consistent with the recommendations of the East Main Station Area Citizen Advisory Committee (CAC) and was studied in the environmental analysis. This recommended change to the LUCA prioritizes additional housing and affordable housing in exchange for the increased building height. Mr. Whipple described a schematic view of the building envelopes under Option B.

The stakeholder request from Wig Properties allows 400/420 feet building heights with a minimum housing requirement of 8.8 percent, resulting in approximately 400 units. The first 75 percent of the project's amenities must be earned through the affordable housing amenity, resulting in 21 affordable housing units. Mr. Whipple said that representatives of Wig Properties have indicated that high-rise development is not financially feasible at this time. He noted that four high-rise residential development projects have been completed in downtown Bellevue over the past year. Three more projects are currently under construction and two additional projects have received City approval.

Mr. Whipple said additional items incorporated into the draft LUCA are reduced minimum parking requirements for residential uses, larger floor plate sizes for residential projects, an unlimited floor plate size for residential projects less than 80 feet tall, and an expansion of the list of eligible ground floor uses in residential buildings. He noted that the multifamily tax exemption (MFTE) program was recently expanded to include the East Main area. Mr. Whipple said additional time for review would be needed to accommodate the stakeholder request because the building heights were not studied in the environmental analysis.

Mr. Brennan requested Council feedback regarding the options described by Mr. Whipple.

Mayor Robinson noted that Wig Properties provided new information on Sunday to the Council but not to staff. She expressed support for their proposal. However, there are certain items she believes are appropriate for the Land Use Code and other items that would fit into a development agreement for a specific project. Ms. Robinson suggested setting a base building height that could be used to negotiate incentives in a development agreement. She suggested a base FAR of 5.0, with the ability to increase the FAR under certain conditions through a development agreement.

Mayor Robinson suggested including a minimum housing requirement for transit-oriented development (TOD) in the Land Use Code. She said the Bellevue Chamber of Commerce is working with a consultant to analyze the impact of a minimum housing requirement. She would like to see a requirement for some percentage of housing at 80 percent AMI or lower. She expressed support for shorter buildings near the single-family neighborhood, and she believes that affordable housing should be the first 75 percent of the public amenity.

Councilmember Robertson said that light rail will begin operating in Bellevue within two years and it is important to produce housing as soon as possible. She suggested that a larger floor plate size of 26,000 or more square feet and a building height of 90 feet along 112th Avenue are important components. She expressed support for varying building heights across the East Main site. She suggested allowing the option for 400 feet building heights near I-405 through a development agreement. She said the new request from Wig Properties proposes a minimum housing requirement of 20 percent (instead of their previous request of 8.8 percent), which she said might be more realistic.

Ms. Robertson spoke in favor of incentives to achieve affordable housing at the 80 percent AMI level. In addition, she would also like to see an overcrossing to the light rail station, open space, and potentially a child-care center. She said she would like information from staff about the appropriate distance of the buildings from the street along 112th Avenue. She wants to make sure that the East Main redevelopment does not shadow the Surrey Downs neighborhood. She looks forward to finalizing the LUCA by the end of the year.

Councilmember Stokes thanked staff for the presentation and for clearly laying out the options. He expressed support for finalizing the LUCA as soon as possible and looks forward to the development of more housing. He wondered whether there would be much difference in the number of housing units developed with 300 feet versus 400 feet building heights. He expressed support for incentivizing the development of affordable housing units, noting that the need is urgent and will continue to grow. He thanked staff for their work and guidance regarding the LUCA.

Deputy Mayor Nieuwenhuis thanked staff for the presentation and expressed support for increased densities around transit stations. He expressed support for the 300/320 feet building heights, the use of a development agreement, and the creation of housing including affordable housing units. He suggested that the pedestrian overcrossing to the light rail station should be an incentive, and he concurred with Councilmember Robertson's suggestion for a child-care center. He would like to see an art incentive as well.

Councilmember Barksdale spoke to the importance of prioritizing the development of housing, especially affordable housing. He expressed support for the taller building heights along I-405 and shorter buildings along 112th Avenue. He suggested the creation of amenities that encourage people to interact and not just co-exist.

Councilmember Lee said he would like a better understanding of the different housing projections based on building heights. He said the developer has a proposal. Mr. Lee wondered

which options are most economically feasible. He said he would like to hear more from the developer to determine how to make a successful project that meets everyone's goals, if possible.

Responding to Mayor Robinson, Mr. Brennan suggested that the next discussion regarding FAR and the incentive system will provide a more complex picture and help to address some of the questions raised tonight.

Councilmember Zahn thanked staff for all of their hard work with Wig Properties, Bellevue Chamber of Commerce and others. Noting that the Council is eager to see the development of housing, she asked whether a development agreement would help to better achieve housing goals, both in the short term and long term. She noted that the Wig Properties proposal references the potential for condominiums, which would provide the opportunity for home ownership. She expressed support for the 300/320 foot building heights with the ability to establish a development agreement to consider taller building heights in exchange for the affordable housing wanted for the site. She concurred with her colleagues' interest in finalizing the LUCA by the end of the year.

Mr. Cummins said that base FAR, its relationship to the incentive system, and how that translates into housing units are intrinsically linked. He noted that the market is currently delivering 200/250 foot tall buildings in Bellevue. He said he heard general Council support for deviating from the downtown wedding cake development pattern in the East Main area.

Mayor Robinson said she supports continuing to follow the wedding cake concept in the downtown core. However, the East Main area is outside of the downtown district and the Council is requiring affordable housing that is not required for downtown projects. She supports increased building heights in order to increase housing development.

Councilmember Robertson agreed that the East Main area is a unique site. Given the topography of the site, taller buildings along I-405 will appear shorter. She would like to see a range of building heights on the site as well as a range of housing affordability.

Councilmember Stokes said the wedding cake concept made sense for many years as new development was concentrated in the downtown. However, Bellevue is developing differently now with employment and residential centers spread throughout the community, including in the BelRed area.

Mr. Brennan thanked Councilmembers for their feedback and direction.

Councilmember Robertson stated her understanding that there is only one high-rise building in Bellevue with affordable housing units, and those were developed through the MFTE program. She said it is important to right-size the affordable housing incentive while also looking at how the MFTE program can help to achieve housing goals. She wants to ensure that the LUCA allows for sufficient density and height to incentivize mid-rise residential development as well.

Councilmember Robertson asked staff to provide scenarios in the future comparing how housing and affordable housing can be achieved, including by also utilizing the MFTE program. She

stated her understanding that the maximum building height studied as part of the SEPA review was 300 feet, and the maximum FAR that was studied was 5.6. She does not want to delay the completion of the LUCA if additional SEPA review is needed to consider taller building heights. She suggested that any supplemental SEPA review could be included in a development agreement.

At 8:15 p.m., Mayor Robinson declared a short break. The meeting resumed at 8:27 p.m.

(b) Development Services Permit and Construction Update

Development Services Director Mike Brennan introduced staff's update regarding current and upcoming development activity.

Liz Stead, Land Use Director, said development is concentrated in and near downtown Bellevue and is taking advantage of the proximity to light rail and bus transit services. She highlighted four projects that have been completed in the BelRed area: 1) Facebook (former REI building), 2) Block 16 Facebook, 3) Aegis assisted living at Overlake, and 4) Block 24 Facebook. She said the Spring District development will maximize the benefits of a mix of housing, commercial development and transit services. BelRed projects under construction include the DOL Townhomes and Northup mixed use development, with 20 percent of the latter project to be affordable housing units. Major projects in the BelRed area under permit review are the Bellevue Station mixed use development, Summerhill Highland Park multifamily residential, and the 88 Degrees Townhomes.

Completed downtown projects include the 888 Bellevue Tower, Brio Apartments, and One 88 Bellevue, which are all residential developments. Projects under construction in the downtown are the Main Street Apartments, Holden Assisted Living, 1001 Office Towers, 600 Bellevue Phase 1, 555 108th Avenue NE, and three office towers at West Main/Bellevue Plaza. A number of downtown projects are under review including The Artise, 200 112th Avenue NE, 400 108th Avenue NE, BOSA Park Row, 600 Bellevue, BelleVista Place, Pinnacle Bellevue North and South, and Cloudvue.

Mr. Brennan commented on the current challenges related to development including construction impacts, the pace of development applications, staff turnover, and changes in service delivery as a result of the pandemic. Online resources for the public include the Building Bellevue map, major projects list, permit timelines, open data portal and the weekly permit bulletin.

Jake Hesselgesser, Business Services Director, said that 10,606 permits have been issued to date in 2021 and the City is on pace to reach the projected 15,365 permits by the end of the year. He noted that 540 multifamily units, 123 single-family units, and 994,936 square feet of office space have been permitted this year. He said there has been an increase in the number of permits for single-family home remodels and additions. He presented a graph depicting the annual construction value of development since 2013, noting that 2020 reached an all-time high of nearly \$1.2 billion. He said 2021 is on pace to be another record-breaking year. He presented a graph showing the annual square footage of major projects since 2011, noting that as of second quarter 2021, the square footage is approaching the all-time high of 2015.

Mr. Hesselgesser said the City maintains a real-time customer survey that is sent to developers at various stages of the permitting inspection process. He said current customer satisfaction is higher than pre-pandemic responses in terms of the customers who reported they were extremely or very satisfied with the City's timely responses, courteous staff and overall service delivery. He said the online virtual permit center gives customers the ability to schedule an appointment to conveniently speak with City staff.

Mr. Hesselgesser noted ongoing efforts for continuous improvement. In February, the State of Washington and the City adopted new building fire codes. During the code adoption cycle, staff worked with the International Code Council and the State to publish a more user-friendly version of the City's construction codes. That information can be accessed through the City's web site. Additional efforts include technology upgrades and enhancements, implementing a postcard version of the weekly permit bulletin and maintaining the online open data portal.

Mr. Brennan said staff continues to provide information and resources for the public regarding development and construction.

Councilmember Barksdale asked whether there are estimates related to retail development. He asked about the availability of more affordable spaces for smaller, family-owned businesses. Ms. Stead said the City is seeing larger tenant spaces as opposed to smaller spaces that would support small businesses. Mr. Barksdale said he is interested in more information regarding retail space and the potential for encouraging smaller retail spaces in new developments.

Mayor Robinson concurred that the Council and staff have talked about how to retain small businesses. She suggested exploring ways to retain and provide options for small businesses. Mr. Brennan said staff would follow up with more information on retail space.

Councilmember Robertson said it is exciting to see all of the development. She thanked staff for the presentation and asked Director Brennan to convey the Council's appreciation to all staff for their hard work. Responding to Ms. Robertson, Mr. Brennan confirmed that completing full implementation of MyBuildingPermit.com prior to the pandemic allowed staff to quickly adjust to working remotely instead of in City Hall.

In further response to Ms. Robertson, Ms. Stead confirmed that staff provides information regarding the MFTE program to all applicants for residential projects. Ms. Stead said that one project is considering 28 MFTE housing units, and the Pinnacle project is exploring the option as well. She noted that decisions regarding MFTE units often come much later in the permit process.

Councilmember Zahn thanked staff for continuing to provide strong customer service. She asked whether methods such as virtual inspections or drone inspections have been considered to assist staff. She acknowledged the Building Bellevue project map and asked whether there is a transportation map depicting areas affected by construction impacts. She concurred with Councilmember Robertson's interest in encouraging developers to use the MFTE program.

Ms. Zahn said she shares Councilmember Barksdale's interest in affordable rental space for small businesses. Ms. Zahn asked how developers address the new energy code and sustainability considerations. She asked whether the high-rise developments include features to promote the appropriate handling of garbage, food waste and recycling. She asked about curb management and whether there are opportunities for shared spaces to optimize the use of curb access.

Mr. Hesselgesser said staff has an ongoing interest in technology and how it can benefit the delivery of services. He noted that implementing full online permitting has provided efficiencies, including the ability to conduct virtual meetings involving review and inspection staff and commercial developers. He said the City has not considered the use of drones for building inspections. However, there have been discussions and some testing of the potential for virtual inspections.

Mr. Brennan said large buildings have requirements related to waste management and recycling. He said the updated energy code has provided challenges for developers and staff is exploring ways to clarify the requirements and smooth the transition to the new code. He said the Transportation Department is leading the effort to assess curb management and is in the process of selecting a consultant.

Councilmember Lee thanked staff for their hard work and effectiveness in working with the development community and general public throughout robust development activity over the past decade. Responding to Mr. Lee, Mr. Brennan said staff pays keen attention to the market and to customers' needs. Mr. Brennan said that while employees continue to work from home or to follow a hybrid schedule, there continues to be significant demand for office space.

Deputy Mayor Nieuwenhuis thanked staff for the presentation and their great work. Responding to Mr. Nieuwenhuis regarding permit predictability, Mr. Brennan said staff establishes a timeline with development teams early in their projects, which helps to manage the processing of permits. He said the City uses data to inform decisions regarding resourcing, forecasting, staffing and the anticipated need for consultants.

Councilmember Stokes commended the strong leadership within the City related to the work of Development Services Department and Community Development Department staff. He expressed appreciation for staff's technology innovations and attention to customer service. He concurred with Councilmember Barksdale's interest in exploring ways to provide opportunities for small businesses and arts organizations.

Mayor Robinson said she is impressed with the number of permits that are processed by the City. She said she read recently that Bellevue is the top office real estate market in the country. She thanked Mr. Brennan and his staff for all of their work, which is instrumental to Bellevue's success.

11. Land Use: None.

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

13. Unfinished Business: None.
14. New Business: None.
15. Executive Session: None.
16. Adjournment

At 9:18 p.m., Mayor Robinson declared the meeting adjourned.

Karin Roberts, CMC
Deputy City Clerk

/kaw