

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

March 21, 2011  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Davidson, Deputy Mayor Lee and Councilmembers Balducci, Chelminiak, Degginger, Robertson, and Wallace

ABSENT: None.

1. Executive Session

Deputy Mayor Lee called the meeting to order at 6:01 p.m., and announced recess to Executive Session for approximately 20 minutes to discuss one item of potential litigation.

The meeting resumed at 6:25 p.m., with Mayor Davidson presiding.

2. Study Session

(a) Update on Meydenbauer Center Marketing

City Manager Steve Sarkozy welcomed staff from Meydenbauer Center to present the 2011 visitor marketing plan.

Donna Rios, Hilton Hotel Bellevue General Manager, said she is the Bellevue Hotel Association's representative on the Visit Bellevue Washington committee. She described the committee's interest in increasing leisure travel to complement the strong corporate base supporting local hotels. Members include hotels, restaurants, retailers, cultural institutions, Bellevue Downtown Association, Bellevue Chamber of Commerce, and the City's economic development staff and parks staff. Committee representatives in attendance introduced themselves.

Sharon Linton, Meydenbauer Center Marketing and Communications Manager, recalled that the East King County Convention and Visitors Bureau closed in 2002. A 2009 tourism study by Zeitgeist Consulting was funded by Meydenbauer Center and the City of Bellevue, as part of the Chamber's Bellevue Economic Partnership. The study recommended recreating a leisure travel and tourism program, and suggested that Meydenbauer Center administer the development of a new program to complement existing regional and national convention sales efforts.

Ms. Linton described the benefits and economic impact of increasing the number of visitors to Bellevue. She noted that she has been involved with the Puget Sound Regional Council's tourism component, which includes representatives from visitors bureaus in other cities and counties. Mr. Linton described the objectives of the Visit Bellevue Washington committee to inform and educate the visitor, develop Bellevue as a destination, market facilities and services, and deliver services to visitors.

Ms. Linton reviewed the committee's progress in 2010 which included benchmarking markets similar to Bellevue, conducting visitor research, developing a brand platform, launching a web site ([www.visitbellevuewashington.com](http://www.visitbellevuewashington.com)) and Facebook page, implementing a hotel booking engine, and advertising in the Washington State Travel Planner. Ms. Linton highlighted key findings of the visitor research study.

Ms. Linton described plans for continuing to expand the program in 2011. In 2010, \$145,000 in funding was reallocated from Meydenbauer Center's Convention Sales budget to the program, which was supported by the Bellevue Hotel Association. The program received \$15,500 in co-op partnerships for advertising from the Bellevue Collection, Shops at the Bravern, Bellevue Downtown Association, hotels, and the City. The Bellevue Convention Center Authority (Meydenbauer Center) and Bellevue Hotel Association have agreed to continue the current allocation of funds to the program, and other partnerships are underway.

Ms. Linton asked the City to recognize Visit Bellevue Washington as the official tourism component of Bellevue's destination marketing organization. She referred the Council to the Visit Bellevue Washington 2011 Visitor Marketing Plan for additional information.

Mayor Davidson questioned whether the committee has discussed the international market. Ms. Linton said the Washington State Travel Planner contains certain translations of the advertisement. She noted that Tom Boydell, the City's Economic Development Manager, is looking into opportunities to expand beyond the regional and national markets.

Deputy Mayor Lee noted the President's goal to significantly increase exports over the next few years. Mr. Lee said that tourism is an important export business as well. He suggested that Washington State and the U.S. Department of Commerce could potentially provide support for tourism efforts. He thanked Meydenbauer Center staff and all Visit Bellevue Washington members for their work on this initiative.

Councilmember Balducci thanked the guests for the presentation. She noted that she has family members who like to visit during specific events and festivals, and she encouraged everyone to promote the assets and activities in Bellevue. She is in favor of supporting Visit Bellevue Washington as the official tourism organization and web site.

Councilmember Degginger expressed support for the marketing and branding efforts, and for the approach of focusing limited resources in a strategic manner. He looks forward to the continued development of the organization.

Councilmember Chelminiak said this initiative provides an opportunity to tie in with the City's economic development work. The Council Economic Development Working Group has discussed the appropriate role for the City. He suggested [workbellevuewashington.com](http://workbellevuewashington.com) and [livebellevuewashington.com](http://livebellevuewashington.com) as additional and complementary web sites. Mr. Chelminiak commented on the importance of a family friendly atmosphere in Bellevue, and said it would be great to have marketable events on two-thirds of the weekends within a year. He further suggested exploring the sports travel market, noting that a number of college sports teams already stay in Bellevue when they are here for games.

Mayor Davidson observed that Bellevue could market its parks more than it does, which might appeal to families in particular.

Councilmember Wallace said the business market is strong for Bellevue. He questioned whether marketing efforts have focused on trying to tie the business market to the tourism market, by encouraging business travelers to stay longer. Ms. Linton said that one plan for 2011 is to create an official Bellevue Visitors Guide that could be provided in hotel rooms and other locations.

Councilmember Wallace commented that the cab ride experience from the airport to Bellevue is unpredictable in terms of cost. He noted that Seattle has a flat rate for airport trips, and he suggested that Bellevue pursue negotiating a flat rate with the Port of Seattle.

Mr. Wallace questioned how the Tateuchi Performing Arts Center ties into the future vision for tourism. A representative of the Tateuchi Center commented that the majority of patrons are expected to come from the greater Bellevue and Seattle area. However, there have been discussions about putting the local arts calendar on the tourism web site. The Bellevue Collection anticipates marketing the Hyatt Hotel, shopping, and restaurants with the Tateuchi Center.

Councilmember Robertson thanked the group for the presentation, and expressed strong support for the Visit Bellevue Washington logo. Responding to Ms. Robertson, Ms. Linton said the committee is working with its media relations firm to develop a calendar of events to be publicized on the tourism web site and through other channels.

Councilmember Robertson is interested in the City doing whatever it can to support the endeavor.

Mayor Davidson noted general Council interest in supporting Visit Bellevue Washington as the official DMO, destination management or marketing organization, for Bellevue.

Ms. Rios thanked the Council for the opportunity to provide the presentation.

(b) Response to Proposal to Amend the Affordable Housing Work Program

Dan Stroh, Acting Director of Planning and Community Development, recalled a request from Planning Commission Chair Hal Ferris that the City initiate several specific work items in order to increase affordable housing. These include changing the multifamily density calculation from

units per acre to floor-area ratio; reducing parking requirements; and adopting the multifamily tax exemption (MFTE) program as permitted under state law, as a major incentive for affordable housing.

A second issue raised by a member of the Housing Development Consortium and by Mr. Ferris relates to the potential dislocation of tenants at the City-owned Bayvue Village apartments, as part of the Meydenbauer Bay and Park Land Use Plan implementation. They asked whether the City will assist with the relocation of these tenants/units.

Mr. Stroh said the Council reviewed affordable housing policies during the major Comprehensive Plan update in 2004, and staff continues to follow up on related items in the housing work program. One item is the issue of detached accessory dwelling units. Bellevue currently allows attached ADUs. The Council previously directed staff to pursue this item as one mechanism for providing affordable housing. The Planning Commission discussed the issue for the first time during a study session in December 2010. Mr. Stroh said additional discussion is unlikely until the Planning Commission can complete its review of the Shoreline Management Plan update.

Mr. Stroh said the multifamily property tax exemption was discussed briefly with the Council approximately one year ago, and it was put on hold pending the outcome of the Budget One process. The item is in the work program, and staff would like to bring it back to the Council for further discussion.

Mr. Stroh noted additional work program items related to a Bel-Red catalyst housing project associated with light rail station area planning and a review of the Housing Trust Fund and ARCH (A Regional Coalition for Housing) program administration.

Going back to the suggestions from the Planning Commission, Mr. Stroh said that analyzing the implications of a change from dwelling units per acre to FAR in calculating densities would require extensive staff resources and public outreach activities. If Council is interested in pursuing this suggestion, Mr. Stroh recommended that the appropriate vehicle for this topic would be the next major Comprehensive Plan Update in 2014.

Responding to Councilmember Wallace, Mr. Stroh said units per acre is a fairly straightforward concept. Using FAR as a basis for multifamily density raises a number of issues, including the inability to predict the number of units to be achieved on a given site. The FAR approach typically results in higher densities, which is a goal expressed by Mr. Ferris.

Responding to Mayor Davidson, Mr. Stroh explained that an unintended consequence of the FAR calculation method is that it could provide an incentive to redevelop existing multifamily housing that is actually more affordable, due to an interest in being able to develop more units on the same site. Mr. Stroh said that the Downtown and Bel-Red areas have the most potential for adding multifamily housing. He opined that an FAR approach would create the potential for more redevelopment by changing the economics of redeveloping sites in multifamily districts

throughout the community. He said it is possible that redeveloped and new units would appear in areas that were not anticipated.

In further response to Mayor Davidson, Mr. Stroh confirmed that most multifamily districts outside of the Downtown and Bel-Red are already developed.

Councilmember Degginger recalled working on the issue of attached ADUs when he served on the Planning Commission. He thanked staff for coming back with this report. He concurred that switching to FAR as a density basis would have significant implications that should be studied and discussed thoroughly with the community. He is comfortable with addressing the issue as part of the 2014 Comprehensive Plan Update, as recommended by staff.

Councilmember Chelminiak concurred with addressing the significant FAR policy issue in 2014. Following up comments made by Mr. Stroh, Mr. Chelminiak noted there is also the potential that aging housing stock will not be properly maintained, and it will not be replaced without redevelopment incentives. He commented that the FAR method is worth exploring because it could provide more units, which would benefit the developer and individuals looking for housing options.

Mr. Chelminiak recalled previous discussions about attached accessory dwelling units before they were allowed. He feels that a review of detached ADUs warrants comprehensive study. He noted concerns by some individuals that these represent transit-oriented development, and/or that it will result in the leasing of both properties on a site, instead of one unit being owner occupied.

Councilmember Robertson said she was on the Planning Commission during the last major Comprehensive Plan Update, and the Commission spent a great deal of time discussing housing. She noted significant concerns within the community about detached ADUs, and suggested more extensive public outreach to determine whether residents would support the change. She suggested exploring whether neighborhood covenants prohibit detached ADUs. Although the City does not enforce covenants, it is important for the Council to be aware of these covenants and to realize that ADUs would likely not be allowed citywide. Ms. Robertson said another issue is how ADUs relate to housing growth targets. She noted her understanding that the Wilburton and Bel-Red planning efforts are designed to provide growth opportunities.

Ms. Robertson spoke to the need to update Subarea Plans. She served on the Planning Commission when it discussed Neighborhood Livability Phase 3. At that time, she wanted to include in Phase 3 a review of the character of individual neighborhoods. Some areas prefer trees, and some areas prefer views. Ms. Robertson suggested that the issue of detached ADUs should be targeted to specific subareas. With regard to the FAR issue, she feels it should also be targeted to specific areas.

Ms. Robertson recalled visiting a cottage housing project in the past, and requested follow-up information regarding this type of project. She expressed concern about lowering parking requirements, and suggested that the availability of transit services should be a key consideration in establishing parking requirements.

Mayor Davidson said he had trouble prioritizing the potential work items based on the packet materials. He said it would be helpful if the information could be arranged in a table that lists the pros and cons of different policy approaches.

Mr. Stroh summarized what is being proposed and what is not. He clarified that staff does not recommend moving forward with a demonstration project at this time. The proposed work program is limited to the few items mentioned earlier in the presentation, which staff believes can realistically be accomplished.

Councilmember Balducci said she appreciates the presentation. She noted that the information presented reflects solutions and strategies, but she is uncertain about the goals. The City has set specific goals for the Bel-Red area. However, Ms. Balducci observed that incentives in multifamily areas have not been successful, and Mr. Stroh concurred. Ms. Balducci suggested going back to basic principles and goals, in order to decide which work items are appropriate and worth pursuing.

Councilmember Balducci concurred with Ms. Robertson's suggestion to update subarea plans.

Mr. Stroh clarified staff's assumption that the development goals are reflected in the Comprehensive Plan and growth targets. He suggested it might be helpful for the Council to establish principles to guide discussions going forward. Ms. Balducci concurred with this approach.

Regarding suggestions to update the subarea plans, Mr. Stroh said it would not be possible without removing significant items from the work program.

Councilmember Balducci said that the best time to update the subarea plans is during the next major Comprehensive Plan Update.

Councilmember Chelminiak endorsed developing a list of Council principles. He noted that a number of housing options have emerged since the Council last discussed this issue. He referred to the zero lot line concept and the issues it raises regarding how to classify units. He would like to address this topic before 2014. Mr. Stroh said staff will address these questions when draft principles are brought back for Council review.

Deputy Mayor Lee followed up on Councilmember Balducci's comments about defining goals and objectives. He would like a discussion, sooner rather than later, to get back on track with regard to the City's goals for affordable housing. He feels that Council and staff should begin a conversation, and that the public should be involved as well.

Councilmember Degginger agreed that many subarea plans should be updated. However, he acknowledged that limited resources constrain these efforts. He observed that certain issues, such as shopping center redevelopment, might make it necessary and/or appropriate to address the relevant subarea plan.

Mr. Stroh spoke briefly to the relocation of Bayvue Village residents. He noted that the potential dislocation of residents is years away, and it is not necessary to discuss the topic at this time. State law allows cities to provide relocation in a broader range of situations than are reflected in the Bellevue City Code.

Patrick Foran, Director of Parks and Community Services, said there is insufficient information at this time to determine how to proceed with Bayvue Village. The City will continue to work with residents and to explore options. New tenants are offered a month-to-month lease, and are told that the City owns the property and intends to eventually develop a park on the site.

- (c) Update on King County Public Hospital District #1 Proposal for Alliance with UW Medicine

[Moved to Regular Session, Agenda Item 11(b).]

At 7:52 p.m., Mayor Davidson declared recess to the Regular Session.

Myrna L. Basich, MMC  
City Clerk

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