



AGENDA (v.2)

SHORELINE CITY COUNCIL SPECIAL MEETING

Monday, July 19, 2010
6:30 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue N.

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		6:30
2. FLAG SALUTE/ROLL CALL		
3. CITY MANAGER'S REPORT AND FUTURE AGENDAS		
4. COUNCIL REPORTS		
5. APPROVAL OF THE AGENDA		
6. CONSENT CALENDAR		
(a) Motion to File a Petition to the Growth Management Hearings Board to Appeal the Snohomish County Urban Center Development Regulations of the Point Wells Site		
7. STUDY ITEMS		
<i>Members of the public are provided an opportunity to address the City Council about agenda items for three minutes or less, depending on the number of people wishing to speak, after the staff report and before Council review. The total public comment period on each agenda item will be no more than 20 minutes, and comments shall be limited in scope to the specific agenda item. If more than 10 people are signed up to speak on an item each speaker will be allocated 2 minutes. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. Individuals will be required to sign up prior to the start of the agenda item on which they wish to speak and will be called upon to speak generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
(a) Property Tax Ballot Measure	<u>1</u>	6:50
(b) Shoreline Historical Museum Presentation	<u>21</u>	7:30
(c) Shoreline-Lake Forest Park Arts Council Presentation	<u>23</u>	7:55
8. ADJOURNMENT		8:20

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize an Appeal to the Growth Management Hearing Board of Snohomish County Amended Ordinance No. 09-079 Establishing Development Regulation for Point Wells and Associated SEPA Documents
DEPARTMENT:	City Attorney; Planning and Development Services
PRESENTED BY:	Ian Sievers, City Attorney; Joe Tovar, FAICP, Director

PROBLEM/ISSUE STATEMENT: On October 26, 2009 Council authorized an appeal of Snohomish County Ordinances designating Point Wells as an Urban Center which would allow development at high densities with significant impacts to Shoreline city services and neighborhoods. Appeal of the SEPA process for these ordinances was also authorized. An appeal to the Growth Hearings Board was subsequently filed on November 9, 2010.

State law establishes an interconnected hierarchical structure for local land use control with different venues for appeal. Policy decisions are implemented through comprehensive plans and development regulations. The comprehensive plan goals and policies create a framework for development regulations that in turn control development permits.

Comprehensive Plan and development regulations are legislative actions appealable to the Growth Management Hearing Board for compliance with the Growth Management Act. Development project decisions are appealed to Superior Court under the Land Use Petition Act (LUPA) for violation of the substance or procedures of development regulations. Appeal of SEPA decisions follow the action they support; e.g. SEPA review of a development regulation is appealable to the Board, SEPA review of a project permit is appealed to Superior Court together with the underlying permit. If the comp plan adoptions affecting a parcel are not appealed, it is difficult to appeal the development regulations since these will likely be consistent with the offending comp plan goals, policies and land use designation. Conversely, since development regulations are presumed valid when adopted, if no appeal of the implementing development regulations is filed, property owners may apply for permits under these regulation, and no LUPA appeal of the permit can raise violations of the Growth Management Act.

In the October 26th Council discussion concerning appeal of the Snohomish County comprehensive plan amendments affecting Point Wells, staff noted that the development regulations implementing these amendments was delayed and not expected to be passed until December. Council was also advised that an appeal of these regulations, when passed, would be needed to preserve the efficacy of the comprehensive plan appeal if the parties had not yet settled the appeal.

There have been settlement discussions with all parties to the current appeal. The initial hearing before the Growth Hearings Board has been continued to allow these discussions and to allow Snohomish County to complete its regulations. These regulations do allow a possible Shoreline input into future development permit approvals and encourage an interlocal agreement with Snohomish County controlling future development of Point Wells. However, the deadline for filing an appeal is July 26, and settlement is not likely in this timeframe as reviewed with the Council in executive session on July 12th.

Essentially, the Snohomish County Amended Ordinance 09-079 implements the comp plan provisions designating Point Wells as an urban center, with high urban densities that are not supported by urban services as required by the GMA. It is supported by the same SEPA EIS that is being appealed for inadequacy in the current appeal. A detailed summary of the ordinance published by Snohomish County is included with this report (Attachment A).

FINANCIAL IMPACT:

None. It is expected the Board will consolidate this appeal with the current appeal since comprehensive plan and development regulations coordinated to affect land use policy for the same property are typically considered in one appeal. Issues may be narrowed and at least one issue may be added as a result of the new Snohomish County regulations, resulting in no net increase in resources for prosecuting this new appeal.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to file an appeal of Snohomish County Ordinance No. 09-079 and associated SEPA documents with the Growth Management Hearing Board.

Approved By: City Manager ____ City Attorney ____

ATTACHMENT A – Summary of Snohomish County Ordinance No. 09-079



Legal Notice

Publish Date: Wednesday, May 26, 2010

SNOHOMISH COUNTY COUNCIL Snohomish County, Washington NOTICE OF ENACTMENT NOTICE IS HEREBY GIVEN, that on May 12, 2010 the Snohomish County Council enacted Amended Ordinance No. 09-079. A summary of the adopted ordinance is as follows: AMENDED ORDINANCE NO. 09-079 RELATING TO URBAN CENTER DESIGN STANDARDS, ESTABLISHING A NEW ZONE FOR URBAN CENTERS, ESTABLISHING BULK REGULATIONS FOR URBAN CENTERS; AMENDING BULK REGULATIONS FOR THE NEIGHBORHOOD BUSINESS ZONE; AMENDING AND REPEALING DEFINITIONS TO SUBTITLE 30.9 SCC; AMENDING SECTIONS OF AND ADDING SECTIONS TO TITLE 30 SCC Section 1. Adopts findings including, but not limited to: the adoption and incorporation of the recitals as findings as if set forth in full. The recitals provide, among other things, factual and procedural background and policy justification for the ordinance. Section 2. States additional findings and conclusions including but not limited to: consistency between the County's Growth Management Act Comprehensive Plan and the multi-county planning policies adopted by the Puget Sound Regional Council; staff review of the Urban Centers Demonstration Program; SEPA, consistency with the Washington State Attorney General's December 2006 advisory memorandum entitled Advisory Memorandum: Avoiding Unconstitutional Takings of Private Property, and public participation. Section 3. States that the findings and conclusions are based on the entire record of the planning commission and county council, including all testimony and exhibits. Section 4. Amends Snohomish County Code (SCC) 30.21.020, Establishment of zones: to add the new Urban Center (UC) zone in the Urban Zone category. Section 5. Amends SCC 30.21.025, Intent of zones: to include the intent of the urban center zone and to remove references to the Urban Centers Demonstration Program. The section would be revised as follows: 30.21.025(1)(c)(i) and (ii): (i) Neighborhood Business (NB). The intent and function of the neighborhood business zone is to provide for local facilities that serve the everyday needs of the surrounding neighborhood, rather than the larger surrounding community. ((Urban villages implemented under chapter 30.34A SCC Urban Centers Demonstration Program are only permitted within the Neighborhood Business (NB) zone)); (ii) Planned Community Business (PCB). The intent and function of the planned community business zone is to provide for community business enterprises in areas desirable for business but having highly sensitive elements of vehicular circulation, or natural site and environmental conditions while minimizing impacts upon these elements through the establishment of performance criteria. Performance criteria for this zone are intended to control external as well as internal effects of commercial development. It is the goal of this zone to discourage "piecemeal" and strip development by encouraging development under unified control. ((Urban centers implemented under chapter 30.34A SCC Urban Centers Demonstration Program are only permitted within the Planned Community Business (PCB) zone)); 30.21.025(1)(f): (f) Urban Center (UC). The intent and function of the Urban Center zone is to implement the Urban Center designation on the future land use map by providing a zone that allows a mix of high-density residential and commercial uses with public and community facilities and pedestrian connections located along existing or planned high capacity transit corridors; Section 6. SCC 30.22.030 is amended to remove a term no longer needed. 30.22.030 Number of uses per lot. Uses shall be established upon legally created lots that conform to current zoning requirements or on legal nonconforming lots. A lot may have more than one use placed within its bounds, except that only one single family dwelling may be placed on a lot. This exception shall not apply to model homes as defined herein, to planned residential developments proposed and approved pursuant to chapter 30.42B SCC, ((center)) projects proposed and approved pursuant to chapter 30.34A SCC, or to land zoned commercial or multiple family residential. Multifamily structures may be placed on lots at densities controlled by chapter 30.23 SCC. Section 7. Amends SCC 30.22.100, Urban zone categories-Use matrix: to add the new Urban Center (UC) zone and populate with permitted uses. Section 8. Amends SCC 30.22.130, Reference notes for use matrix to: Remove note 108 referencing the Urban Centers Demonstration Program and add three new reference notes: (117) Would prohibit drive-through facilities in the Urban Center (UC) zone. (118) Would permit boat launches only when associated with a marina. (119) Would permit only building mounted personal wireless communication facilities. Section 9. Amends Table 30.23.030 (1), Bulk Matrix: to add the new urban center zone and a cross-reference to Chapter 30.34A SCC, Urban Center Development. The table is also amended to change the building height, setbacks and lot coverage in the NB zone. Section 10. Amends SCC 30.23.040, Reference Notes for the Bulk Matrix: to delete notes 47-51 because they relate to the Urban Centers Demonstration Program being repealed. Section 11. Amends SCC 30.28A.120, Priority of Location: relating to personal wireless telecommunications facilities to include the Urban Center Zone under SCC 30.28A.120 (5). The amendment would be as follows: 30.28A.120 Priority of locations. The order of priorities for locating new personal wireless telecommunications services facilities shall be in accordance with SCC 30.28A.120(1) through (7) below. The applicant shall demonstrate that all other locations with a higher priority on the list are not feasible. Priorities rank from highest to lowest as set forth below. The zones listed in SCC 30.28A.120(4) through (7) are prioritized in order of preference within each subsection. (1) On existing wireless communications support structures. (2) Place on appropriate rights-of-way and existing structures such as buildings, towers, water towers and smokestacks located on non-residentially zoned property or in utility corridors. Wireless communications support structures for personal wireless telecommunications service facilities locating under this subsection shall secondarily consider the priorities established in SCC 30.28A.120(4) through (7). (3) Place on other public property if practical and allowed, i.e., Snohomish County property, etc. (4) Place in districts zoned: (a) Heavy Industrial (HI); (b) Light Industrial (LI); (c) General Commercial (GC); and (d) Community Business (CB). (5) Place in districts zoned: (a) Industrial Park (IP); (b) Business Park (BP); (c) Freeway Service (FS); (d) Rural Freeway Service (RFS); (e) Planned Community Business (PCB); (f) Neighborhood Business (NB); (g) Urban Center (UC) (((g))) (h) Rural Industrial (RI); (((h))) (i) Clearview Rural Commercial (CRC); and (((i))) (j) Rural Business (RB). (6) Place in districts zoned: (a) Rural Use (RU); (b) Rural Diversification (RD); (c) Rural Resource Transition-10 Acre (RRT-10); (d) Forestry (F); (e) Mineral Conservation (MC); (f) Forestry and Recreation (F&R); and (g) Agricultural-10 (A-10). (7) Place in districts zoned: (a) Rural 5 Acres (R-5); (b) Rural Conservancy (RC); (c) Suburban Agriculture 1 (SA-1); (d) Residential 20,000 (R-20,000); (e) Residential 12,500 (R-12,500); (f) Waterfront Beach (WFB); (g) Multiple Residential (MR); (h) Mobile Home Park (MHP); (i) Low-density Multiple Residential (LDMR); (j) Townhouse (T); (k) Residential 9,600 (R-9,600); (l) Residential 8,400 (R-8,400); and (m) Residential 7,200 (R-7,200). Section 12. Amends SCC 30.31A.010, Purpose and applicability: to remove references to the PCB-TPV subzone. The amendment is as follows: 30.31A.010 Purpose and applicability. This chapter regulates development in and establishes zoning criteria for the planned community business (PCB), neighborhood business (NB), business park (BP), and industrial park (IP) zones. ((The

PCB zone includes a subzone of planning community business - transit pedestrian village (PCB-TPV) with additional performance requirements described in 30.34A.) This chapter sets forth procedures and standards to be followed in applying for, and building in these zones. Section 13. Amends SCC 30.31A.020, Minimum zoning criteria: to remove references to the PCB-TPV subzone and references related to the Urban Centers Demonstration Program. The amendments are as follows: 30.31A.020 Minimum zoning criteria. (1) A tract of land proposed for BP zoning shall contain sufficient area to create a contiguous tract of BP zoned land at least four acres in size. (2) A tract of land proposed for PCB zoning shall contain sufficient area to create a contiguous tract of PCB zoned land at least five acres in size. ((Rezoning to PCB-TPV is only allowed when a master plan has been approved by the department and is adopted as part of the rezone. The county may rezone during adoption of a master or concept plan. A property owner may also complete a master plan as outlined in the GMACP and request a rezone through the docketing process.)) (3) A tract of land proposed for NB zoning shall contain sufficient area to create a contiguous tract of NB zoned land at least three acres in size. (4) A tract of land must be in single ownership or, for multiple parcels, under unified control. This requirement shall apply during preliminary and final plan stages to ensure continuity of plan development. (5) Zoning request must be accompanied by a preliminary development plan prepared by a team of design professionals in compliance with the regulations and requirements of this chapter. ((Rezoning to PCB-TPV subzone must be accompanied by a master plan or concept plan, approved by the department, in compliance with the regulations and requirements of chapter 30.34A SCC.)) (6) Preliminary and final plans must comply with bulk regulations contained in SCC 30.23.030 ((or if project is submitted under chapter 30.34A, the plans must comply with the bulk regulations in SCC 30.23.030)). (7) All utility services and distribution lines shall be located underground, and in the case of the BP zone ((and projects submitted under chapter 30.34A)) the property shall be served by public water and sewer services and paved streets, paved private roads, or paved common access areas. Section 14. Amends SCC 30.31A.100, General performance standards: to add a new requirement that projects in the NB zone and designated Urban Village will use the parking rates in Chapter 30.34A SCC. The amendments are as follows: 30.31A.100 General performance standards. Each planned zone and uses located in the BP, PCB, NB and IP zones shall comply with the following requirements unless more specific requirements are provided in code: (1) Processes and Equipment. Processes and equipment employed and goods processed or sold shall be limited to those which are not objectionable beyond the boundaries of the lot upon which the use is located by reason of offensive odors, dust, smoke, gas, or electronic interference; (2) Development Phases. Where the proposal contains more than one phase, all development shall occur in a sequence consistent with the phasing plan which shall be presented as an element of the preliminary plan unless revisions are approved by the department; (3) Building Design. Buildings shall be designed to be compatible with their surroundings, both within and adjacent to the zone; (4) Restrictive Covenants. Restrictive covenants shall be provided which shall ensure the long-term maintenance and upkeep of landscaping, storm drainage facilities, other private property improvements, and open space areas and facilities. Further, the covenants shall reference the official or binding site plan(s) and indicate their availability at the department, and shall provide that Snohomish County is an additional beneficiary with standing to enforce, and shall preclude the avoidance of performance obligations through lease agreements; (5) Off-street Parking. Permanent off-street parking shall be in accordance with terms of chapter 30.26 SCC, except in the NB zone where the land is designated Urban Village on the future land use map, parking shall be in accordance with SCC 30.34A.050; (6) Signing. Signs for business identification or advertising of products shall conform to the approved sign design scheme submitted with the final plan, and must comply with chapters 30.54B and 30.27 SCC; (7) Noise. Noise levels generated within the development shall not exceed those established in chapter 10.01 SCC - noise control, or violate other law or regulation relating to noise. Noise of machines and operations shall be muffled so as to not become objectionable due to intermittence or beat frequency, or shrillness; and (8) Landscaping. General landscaping and open space requirements shall be in accordance with chapter 30.25 SCC. Section 15. Adopts a new SCC 30.34A, Urban Center Development: to add 25 new sections: 30.34A.010 Purpose and applicability (establishes the purpose of the chapter and what development is subject to the regulations) 30.34A.020 Permitted uses (establishes the permitted uses within the UC zone) 30.34A.030 Floor area ratio (establishes the FAR requirements and bonuses) 30.34A.040 Building Height and Setbacks (maximum building height and setbacks) 30.34A.050 Parking ratios, parking locations and parking lot and structure design (min/max parking ratios, the location of parking and parking lot landscaping and design of structure parking) 30.34A.060 Landscaping (general landscaping requirements) 30.34A.070 Open space (requirements to provide open space for each project) 30.34A.080 Circulation and access (requirements to provide pedestrian facilities, road circulation requirements) 30.34A.085 Access to public transportation (requirements for urban center development to provide access to public transit) 30.34A.090 Design standard-signs (requirements for signs) 30.34A.100 Design standard-screening trash/service areas and rooftop mechanical equipment (Establishes screening requirements) 30.34A.110 Design standard-lighting (requirements for on-site exterior and ground lighting) 30.34A.120 Design standard-step back and roof edge (requirements for stepped back upper floors) 30.34A.130 Design standard-massing and articulation (standards to mitigate for building mass) 30.34A.140 Design standard-ground level detail (standards to encourage visually attractive streetscape) 30.34A.150 Design standard-weather protection (standards for canopies/awnings to provide weather protection for pedestrians) 30.34A.160 Design standard-blank walls (standards to mitigate for blank walls) 30.34A.165 Pre-Application Neighborhood Meeting (process and requirements for conducting) 30.34A.170 Submittal requirements (documents required to submit and application for an urban center development) 30.34A.175 Design Review Board (process and requirements for convening a Design Review Board) 30.34A.180 Review process and decision criteria (process to review an application) 30.34A.190 Public spaces and amenities (requirements to construct the on-site recreation space with the construction of the first building or phase) 30.34A.200 Priority permit processing (low income housing project allowed to use the priority permit process) 30.34A.210 City or Town Review (process for city or town to consult with the county on generalized design principles and development review procedures for urban center) 30.34A.220 Urban Centers as TDR receiving areas (designated areas zoned UC as Transfer of Development Receiving areas) Section 16. Amends SCC 30.62B.625, Transportation demand management (TDM)-voluntary payment: to add a cross-reference to the circulation and access of SCC 30.34A and clarify the requirements. The amendments are as follows: 30.66B.625 Transportation demand management (TDM)-Voluntary payment. (1) A development may satisfy a requirement under SCC 30.34A.080, SCC 30.66B.160 or SCC 30.66B.630 to provide Transportation Demand Management (TDM) by making a voluntary payment equal to the development's TDM obligation as ((calculated under)) required pursuant to SCC 30.66B.615. (2) Funds received by the ((county)) department for TDM measures will be placed in special accounts with the transportation mitigation fund to be used exclusively for identified TDM measures. The county may construct or purchase these measures or, upon establishment of appropriate interlocal agreements, may transfer the monies to transit agencies for construction or purchase of specific TDM measures. The collection and administration of any funds shall be consistent with SCC 30.66B.350. (3) Any payment under this section must be made at the time specified in SCC 30.66B.340. Section 17. Amends SCC 30.71.110, Processing timelines: to exempt the negotiating of an agreement or Design Review Board review of an urban center from the 120 day process). Section 18. Amends SCC 30.71.020, Type 1 permits and decisions: Removes urban centers projects from the list of Type 1 permits. Section 19. Amends SCC 30.72.020, Type 2 permits and decisions: Adds urban centers to the list of Type 2

permits. Section 20. Amends SCC 30.86.620, City fees, to remove references to the Urban Center Demonstration Program and change county to department. The amendments are as follows: 30.86.620 City or Town's fees. Pursuant to the terms of an executed interlocal agreement, the ((County))department may request and collect fees on behalf of the city or town, which are voluntarily paid by an applicant for the city's or town's cost of review of an urban center ((demonstration project)) development, submitted under ((the County's Urban Center Demonstration Program (C))chapter 30.34A SCC(())), located in a city's or town's associated urban growth area. The ((County))department will forward these fees to the city or town within 60 days. Section 21. Adds a new section to Chapter 30.86 SCC, Fees. This section was previously contained in the Urban Centers Demonstration Program. The new section is as follows: 30.86.800 Urban center development fees. A fee consistent with the Rezoning Fees for commercial zones (SCC 30.86.200) and any other applicable fees required by code (i.e., drainage, landscaping review, traffic concurrency, and subdivision or binding site plan, etc.) shall be paid upon submittal. Section 22. Repeals SCC 30.91A.230 (Applicant): will rely on SCC 30.91A.220. Section 23. Repeals SCC 30.91C.180 (Committee): no longer needed with change to administrative review. Section 24. Repeals SCC 30.91D.190 (Developable area): will rely on SCC 30.91N.035. Section 25. Adds a new definition SCC 30.91F.445, for Floor Area Ratio. 30.91F.445 "Floor Area Ratio" means the total building square footage (building area), measured to the inside face of exterior walls, excluding areas below finished grade, space dedicated to parking, mechanical spaces, elevator and stair shafts, lobbies and commons spaces including atriums and space used for any bonus features, divided by the site size square footage (site area). Floor Area Ratio = (Building area) / (Site area) Section 26. Adds a new definition SCC 30.91M.135, Mixed area. 30.91M.135 "Mixed Use" means residential and non-residential uses located within the same building. This definition applies only to SCC 30.34A.030. Section 27. Repeals SCC 30.91N.032 (net acreage): no longer needed with the new urban center zone. Section 28. Repeals SCC 30.91P.405 (Public use): no longer needed with the new urban center zone. Section 29. Amends SCC 30.91S.080 (Secondhand store): to incorporate the storage of use clothing related to a profit or nonprofit establishment. 30.91S.080 "Secondhand store" means a ((retail)) profit or nonprofit establishment dealing in the storage, selling ((and)) or buying of used merchandise which is not antique, not including the sale of used automobiles. Section 30. Repeals SCC 30.91T.064 (Transit Pedestrian Village): definition no longer needed as references in the code have been removed. Section 31. Amends SCC 30.91U.085 (Urban Center): to make the definition consistent with the comprehensive plan. 30.91U.085 "Urban center" means an area with a mix of high-density residential, office and retail ((development))uses with public and community facilities and pedestrian connections located ((along designated)) within one-half mile of existing or planned stops or stations for high capacity transit routes such as light rail or commuter rail lines, regional express bus routes, or transit corridors that contain multiple bus routes((or transit corridors))or which otherwise provide access to such transportation as set forth in SCC 30.34A.085. Section 32. Amends SCC 30.91U.095 (Urban Village): to make the definition consistent with the comprehensive plan. 30.91U.095 "Urban Village" means a neighborhood scale mixed-use area with a ((variety))mix of ((small-scale commercial))retail and office uses, public and community ((buildings))facilities, and high-density residential development((units, and public open space)). ((Pedestrian orientation includes pedestrian circulation, pedestrian scale and pedestrian convenience with connections between neighborhoods, communities and other centers. Urban Villages serve several neighborhoods or communities within a radius of about two miles.)) Section 33. Adds a new definition SCC 30.91W.007, for Wall, blank. 30.91W.007 "Wall, Blank" means an exterior building wall with no openings covered predominantly with single material and uniform texture on a single plane. Section 34. Provides a standard severability and savings clause. Section 35. Establishes applicability of the ordinance. Where to Get Copies of the Adopted Ordinance: Copies of the full ordinance are available in the office of the County Council. They may be obtained by calling (425) 388-3494, 1-(800) 562-4367 x3494, IDD (425) 388-3700 or E-mailing to contact.council@snoco.org. Copies may be picked up at the Council office at 3000 Rockefeller, Everett, WA or will be mailed upon request. QUESTIONS: For additional information or specific questions on the proposed ordinance please call David Killingstad (x2215) in the Department of Planning and Development Services at (425) 388-3311. Dated this 20th day of May, 2010. Brian Sullivan Acting Chair ATTEST: Sheila McCallister Asst. Clerk of the Council #107010 Published: May 26, 2010.

This legal notice appeared in The Herald newspaper, Everett, Wash., on Wednesday, May, 26, 2010.

This printed copy of the legal notice comes from HeraldNet.com, The Herald newspaper's Web site which can viewed at <http://www.heraldnet.com/>.

The complete URL for this legal notice is: http://12.104.73.60/Classified/legals/displaynotice_saxo.cfm?id=2010526155296

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Property Tax Ballot Measure
DEPARTMENT: Finance
PRESENTED BY: Bob Olander, City Manager and Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

The City Council last reviewed this topic on May 3, 2010. At that time the City Council directed staff to bring forward a proposal in July for consideration of a levy lid lift on the November 2, 2010 general election, asking Shoreline voters to approve a property tax increase in excess of the 1% limitation.

The City's six-year financial forecast projects operating budget gaps for the next six years. The 2011 projected budget gap is \$1 million with gaps growing to \$4 million by 2016. The following table summarizes the projected budget gaps for the next six years:

	2011	2012	2013	2014	2015	2016	Total
Projected Budget Gap	(995,238)	(1,531,626)	(1,678,638)	(2,392,478)	(3,349,172)	(4,076,682)	(14,023,834)

The projected budget gaps are a result of a long-term structural problem as the City's primary operating revenues are growing at a slower rate than projected cost increases for basic services. Property tax is the City's largest operating revenue source and it is capped at a 1% annual increase, unless voters approve a larger increase. Sales tax has grown on average at 2.2% annually, below the rate of inflation. At the same time the cost for City services grows in many cases at a rate greater than inflation. For example the City's contract for police services increases 4 to 4.5% per year, the cost of a gallon of gas has increased by more than 65% over the last ten years and the cost per ton of hot mix asphalt has more than doubled since 2000.

The City Council was aware that existing revenues would not fully support the cost of providing services starting in 2008, and therefore implemented a short-term strategy in 2007 to address budget gaps through 2010. The short-term strategy included a combination of revenue enhancements and expenditure reductions. Recognizing that the long-term structural imbalance still existed, in March 2008 the City Council appointed an 18-member citizen advisory committee to review the City's long-term financial condition, including the operating budget, citizen satisfaction surveys, and revenue sources. The Committee was asked to develop recommendations for the City Council to consider that addressed a long-term strategy to fund City services.

After nearly 18 months, the Committee developed five recommendations, which they delivered to the City Council in April 2009:

1. Sustain the City's commitment to efficiencies;
2. Keep services that preserve the quality of life in Shoreline
3. Implement revenue strategies including adopting a \$20 vehicle license fee to partially fund the City's pavement preservation program and in 2010 or later, ask the voters to reaffirm their investment in Shoreline and consider a property tax levy increase.
4. If service reductions are necessary, then preserve the quality of core services, i.e., required police services; and
5. Expand the City's communication and outreach to the community.

Many of these recommendations have been implemented. One of the major items still under consideration is the property tax levy lid lift. In May the City Council directed staff to bring forward a proposal in July for consideration of a levy lid lift on the November 2, 2010 general election, asking Shoreline voters to approve a property tax increase in excess of the 1% limitation. Staff is recommending that the ballot measure ask voters if they would increase the 2011 rate by \$0.28 for a projected rate of \$1.48 per \$1,000 assessed valuation. State law limits the City's property tax rate to a maximum of \$1.60 per \$1,000 assessed valuation, so the City's tax rate would still be below the legal limit. Staff is also recommending that the ballot measure be for a six year levy with annual increases equal to the Seattle/Tacoma/Bremerton Consumer Price Index for all Urban Consumers (CPI-U). The annual average projected CPI change over the six years is 2.43%.

For this measure to appear on the November ballot, the City Council needs to take formal action by adopting ballot language in the form of a resolution in time to deliver it to King County by August 10, 2010. The following table summarizes the actions that the City Council must take over the next month if the Council votes to place the measure on the November Ballot:

Item	Deadline to Give to King County	Anticipated Council Action Date
Ballot Title Adoption	8/10/2010	7/26/2010
Explanatory Statement of Ballot Title	8/13/2010	8/9/2010
Pro/Con Committee Appointments	8/13/2010	8/9/2010

FINANCIAL IMPACT:

A property tax levy lid lift ballot measure is anticipated to cost approximately \$100,000. This cost may come down since it appears that there will be a number of items on the November ballot, and costs are shared with all the participating jurisdictions.

Staff is projecting that if approved, the levy will generate is approximately \$13.8 million over six years. This is slightly lower than the projected \$14 million gap projected for the next six years. The primary variable is the change in projected assessed valuation for 2011. Earlier in the year staff assumed a 0% change in assessed valuation. Under this scenario a \$0.28 increase in the levy rate generated adequate revenue to cover the projected six year gap. In recent discussions with the King County Assessor's Office,

they have indicated that the valuations they have been reviewing are trending towards a 3 to 5% reduction in assessed value for 2011. As a result the projected revenue generated over the six year period is \$300,000 to \$500,000 less than projections made earlier this year.

Although this is the case, staff is still comfortable in recommending a \$0.28 rate increase for the ballot, given the potential variables that may change over the six year period.

An average valued home is projected to be \$325,000 in 2011. Over the six year period the projected annual impact for a homeowner of an averaged valued home is \$111, or \$9.25 a month. The actual impact in 2011 is projected to be \$91, or \$7.60 per month.

RECOMMENDATION

Staff recommends that Council discuss the proposed levy lid lift ballot measure at the July 19, 2010 Council meeting. Staff further recommends that Council adopt Resolution No. 307 on July 26, 2010, placing a property tax levy lid lift on the November 2, 2010, general election ballot, to increase the 2011 regular property tax levy rate by \$0.28 which restores the City's property tax levy rate to approximately \$1.48 per \$1,000 assessed valuation, setting the annual maximum increase for property tax levies in 2012 through 2016 at the Seattle Consumer Price Index for all Urban Consumers (CPI-U), and using the 2016 levy as the base for future year levies.

Approved By:

City Manager

City Attorney

INTRODUCTION

The City's long-term operating budget financial projections show budget gaps starting in 2011 and continuing into the future. The budget gaps reflect that projected revenues will be less than future projected costs. The revenue projections are based on the City's current revenue sources and uses both legal and economic factors for projecting future collections. The expenditure projections are based on current services adjusted for anticipated cost increases related to inflation, contract agreements, or legal requirements. The following table summarizes the projected budget gaps for the next six years:

	2011	2012	2013	2014	2015	2016	Total
Projected Budget Gap	(995,238)	(1,531,626)	(1,678,638)	(2,392,478)	(3,349,172)	(4,076,682)	(14,023,834)

The projected budget gaps do not include funding for new programs or changes in current policy. Following are some examples of changes that may impact the projected budget gaps:

1. **Kruckeberg Garden:** Kruckeberg Garden was to be self-sustaining by 2011, and as such the projections do not include additional City funding to help maintain or operate the gardens. As the Council has heard in recent updates, it is likely that the City will need to continue to allocate support dollars for maintenance and operations of the Garden over the next few years, probably in the neighborhood of \$40,000 a year.
2. **Senior Center:** The 2009 and 2010 budget included an additional \$18,000 each year in funding for the Senior Center. This was in excess of the normal human service allocation. When Council approved this allocation in 2008 for the next two years it was to be one-time funding and as such it is not included in future expenditure projections.
3. **YMCA:** In 2008 the City Council authorized a two year contract with the YMCA for \$80,000 to provide monies for scholarships, twenty-four (24) open activity nights for teens or tweens, and four (4) open activity times for use by Shoreline residents. This was done with one-time funding and therefore future years do not include on-going funding.
4. **Animal Control:** Earlier this year King County notified the City that they would no longer provide animal control services to cities under the existing contract. Since that time, staff has been working with a number of other cities to negotiate a new service contract with King County. On June 28, 2010, the City Council authorized the City Manager to sign an interlocal agreement with King County for animal control services. Based on the estimates in the approved contract the City's annual net cost for animal control services is projected at \$58,400.

Legally the City must have a balanced budget each year, and as such the City Manager will need to present a balanced budget and the City Council adopt a balanced budget. In order to close the gaps there are three options: additional revenue, expenditure reductions, or a combination.

BACKGROUND

Citizens Advisory Committee

In 2008 the City Council appointed 18 people to a Citizen's Advisory Committee (CAC) to develop recommendations to the City Council on how to address the City's long-term financial challenges. The CAC spent nearly 18 months reviewing the City's budget, citizen survey results (2006 and 2008), exploring alternative revenue sources, reviewing benchmark data, and formulating their recommendations. The CAC also held three community forums in February 2009 before finalizing their recommendations.

Additional Revenue

The Committee's final recommendation to Council included pursuing two potential revenue options to keep current programs and services:

1. Transportation Benefit District \$20 vehicle license fee. The monies for this revenue source are dedicated towards maintenance of the transportation infrastructure. The City Council authorized this fee and it became effective February 1, 2010.
2. Potential levy lid lift. The CAC believed that in order to address the long-term structural issues surrounding the City's budget an increase in property tax, beyond the 1% limitation that the City Council may approve, would be necessary. Initiative 747, which limited property tax levy increases to 1% without voter approval, promoted the idea that if additional taxes are necessary then let the voters decide. The CAC recommended that the following guidelines be considered before placing the levy lid-lift on the ballot:
 - a. Given the economic recession they advised that the levy lid lift not be placed on a ballot until 2010 or later.
 - b. Additional polling research should be completed to determine the level of support amongst Shoreline voters for dollar amount and purposes.
 - c. The levy amount should be adequate to address needs over several years to avoid repeated returns to the voters.
 - d. The impact to businesses as well as residential property owners should be considered.
 - e. The levy increase should be linked to the preservation of specific services.
 - f. Not place the City levy lid lift on the ballot at the same time as the anticipated Shoreline School District levy ballot measure in 2010.

Expenditure Reductions

The CAC did not make specific recommendations on program or expenditure reductions, as they felt that this was beyond their scope of responsibility. At the same time they did recommend that the City maintain current services as they believe that these services have helped develop the quality of life that Shoreline residents and businesses want. Their final recommendation also included an emphasis on the City maintaining a commitment to pursuing efficiencies, although the committee recognized that this would not in itself be a solution to the long-term projected budget gaps. The CAC did develop some guidelines if program cuts became necessary which is included in their final report.

Since 2005 the City has made nearly \$1 million in base budget reductions. This includes reductions in temporary help, travel and training, and contingency supply and service budgets. The 2010 budget eliminated three staff positions: Customer Response Team (CRT) lead position, an Administrative Assistant in Planning and Development Services, and a Capital Project Manager.

Staff does not believe that additional expenditure reductions can be made without the elimination or reduction of programs. Although staff believes that the services the City currently provides have helped create the quality of life and the type of community where our residents want to live and our businesses want to thrive and as such the City should continue to strive to provide these services at a quality level, if additional revenue sources are not implemented then program reductions and/or elimination will be necessary. Across the board reductions reduce the ability to provide quality service in all areas, and it would be staff's recommendation to provide a narrower set of high quality priority services rather than a broad set of low quality or inadequate services.

In 2005 the City held a number of public meetings in which participants were asked to provide feedback on the priority of City services. The following table summarizes that information:

Programs in Priority Buckets				
#1 = \$12.9 M	#2 = \$5.5 M	#3 = \$2.8 M	#4 = \$0.4 M	Have To = \$4.7 M
Police – Patrol, Investigation, Traffic Enforcement	24 Hr - Customer Response Team	School Resource Officer	Celebrate Shoreline	Jail & Court Services
Economic Development	Emergency Management	Police Storefronts	Museum	Liability Insurance
Street Operations & Maintenance	Park & Facility Maintenance	Current Planning	Arts	City-wide Equipment & Supplies
Human Services	Recreation Programs	Community Information	Intergovt. Participation	City Hall Mortgage
Land Use/Building Permits	Traffic Services	Neighborhood Programs		
	Long Term Planning	Pool		

The dollars that have been assigned reflect the 2010 budget less any dedicated revenue for the services listed. For example fees generated from the pool or recreation programs have been netted against the cost. Also staff has allocated

support department costs (i.e., Finance and Information Services, Human Resources, City Manager, City Clerk, City Attorney, City Council) to each of these priority buckets.

Reviewing the dollar amount of projected gaps and the cost of each of these priority buckets are an indication of the type of program reductions that would be needed to close the projected gaps. For example in 2011 we have a projected gap of nearly \$1 million. To close that gap with expenditure reductions alone means that we would need to consider cuts to programs in both priority 4 and priority 3 programs. As the gaps get larger the program cuts get deeper and include even higher priority programs.

Property Tax Levy Lid Lift

Current State law limits the increase in the City's property tax levy from one year to the next to 1% unless voters approve a larger increase. To date, the City has not requested that voters approve a larger increase. Asking for a larger increase is called a "levy lid lift." RCW 84.55.050, Attachment A, outlines the requirements for a property tax levy lid lift.

The current City of Shoreline property tax levy rate is \$1.12 per \$1,000 assessed valuation (AV). The legal limit for the City is \$1.60, so we are significantly below this threshold. Without a levy lid lift, the projected levy rate for 2011 is \$1.20/\$1,000 AV. This assumes that the City's assessed value decreases by another 5% in 2010 for 2011 taxes. The King County Assessor's Office has provided information that they are projecting a 3 to 5% decrease in assessed value for Shoreline. Earlier this year staff had hoped that the City's assessed value would hold at the current level, assuming a zero percent increase or decrease in assessed value. Assuming a rate of \$1.20/\$1,000 AV in 2011 leaves capacity for up to an additional 40 cents.

To close the projected budget gaps staff is recommending that the City Council consider a levy rate increase of 28 cents. The following chart compares the projected budget gaps to the anticipated increased levy collections assuming a 25 and 28 cent increase and the impact to a homeowner for an average priced home, assuming both a 5% and a 3% decrease in assessed value in 2010 for 2011 taxes. Future years assume a steady 2.5% increase in assessed value. The chart also assumes that the levy in years 2012 through 2016 increase by the projected Seattle/Bremerton/Tacoma Consumer Price Index (CPI).

	2011	2012	2013	2014	2015	2016	Six Year Total or Average
Projected Budget Excess/(Gap)	(995,238)	(1,531,626)	(1,678,638)	(2,392,478)	(3,349,172)	(4,076,682)	(14,023,834)
25 Cent Increase							
2011 5% AV Decrease Scenario							
Difference in Levy from 1% Increase	1,607,071	1,751,948	1,924,900	2,126,282	2,340,305	2,558,946	12,309,452
Amount Excess/(Under) Projected Budget Gap	611,832	220,322	246,262	(266,195)	(1,008,867)	(1,517,735)	(1,714,382)
Projected Levy Rate	1.4467	1.4434	1.4434	1.4466	1.4503	1.4535	1.45
Projected Impact to Average Valued Home	79.68	86.32	94.27	103.53	113.32	123.25	100.06
2011 3% AV Decrease Scenario							
Difference in Levy from 1% Increase	1,640,772	1,785,419	1,958,232	2,159,563	2,373,563	2,592,186	12,509,734
Amount Excess/(Under) Projected Budget Gap	645,534	253,793	279,594	(232,915)	(975,609)	(1,484,496)	(1,514,100)
Projected Levy Rate	1.4221	1.4189	1.4189	1.4220	1.4256	1.4288	1.42
Projected Impact to Average Valued Home	81.36	88.03	96.02	105.33	115.18	121.16	101.18
28 Cent Increase							
2011 5% AV Decrease Scenario							
Difference in Levy from 1% Increase	1,799,919	1,948,804	2,126,336	2,332,871	2,552,291	2,776,412	13,536,632
Amount Excess/(Under) Projected Budget Gap	804,681	417,178	447,698	(59,607)	(796,881)	(1,300,270)	(487,202)
Projected Levy Rate	1.4767	1.4731	1.4729	1.4759	1.4795	1.4826	1.48
Projected Impact to Average Valued Home	89.24	96.02	104.14	113.60	123.60	133.74	110.06
2011 3% AV Decrease Scenario							
Difference in Levy from 1% Increase	1,837,665	1,986,403	2,163,892	2,370,483	2,589,995	2,814,212	13,762,649
Amount Excess/(Under) Projected Budget Gap	842,426	454,777	485,254	(21,995)	(759,177)	(1,262,470)	(261,185)
Projected Levy Rate	1.4521	1.4486	1.4484	1.4513	1.4549	1.4579	1.45
Projected Impact to Average Valued Home	91.12	97.94	106.11	115.62	125.68	131.88	111.39

The previous chart displays the estimated annual impact and six-year average annual impact for a homeowner with an average valued home. State law requires that a uniform tax rate be used for residential and commercial property. In determining the levy lid lift impact to a business, an assumption must be made on the assessed valuation of the property. Many of the smaller business sites, such as Starbucks or small pick-up/eat-in restaurants have property values similar to an average priced home. Larger businesses may have a much higher valued piece of property. Assuming a \$0.28 increase in the property tax rate, for each \$1 million in assessed value, a business would experience a \$280 annual increase in property taxes. For example a business with property valued at \$5 million would have an impact approximately five times that of the \$1 million value, or in other words \$1,400 a year, or approximately \$116 per month.

The City can do a one-year or multi-year levy. Staff is recommending that the City Council consider a multi-year levy, as the cost of doing a levy is approximately \$100,000 and a multi-year levy is in line with the CAC recommendations and allows for long term planning and stability.

In order to do a multi-year levy, the ballot proposition must appear on the primary or general election. The deadline for submitting a resolution to King County for an item to appear on the November 2nd election is August 10th.

A multi-year levy requires that the City identify the specific purpose for the use of funds in the ballot measure. Currently staff is recommending that the Council focus the levy on public safety, park operations, and community services. Public safety costs represent over 1/3 of the City's operating budget (\$11.5 million in 2010) and increase 4% to 5% every year (approximately \$400,000 to \$550,000). This increase far exceeds the additional revenue generated by a 1% property tax increase (approximately \$70,000).

The following chart shows the **change** in public safety related costs from one year to the next for 2005 through 2010.

	2005	2006	2007	2008	2009	2010
Jail	\$228,603	\$202,189	-\$164,525	-\$29,155	-\$7,428	\$128,971
Municipal Court	\$0	\$21,968	-\$21,968	\$88,252	\$39,588	\$22,160
Prosecuting Attorney	\$10,086	\$38,164	-\$250	\$0	\$7,830	\$6,313
Public Defender*	-\$6,657	-\$24,857	\$17,277	\$9,321	\$6,552	\$2,828
Police	\$258,922	\$526,155	\$634,243	\$357,641	\$461,374	\$401,596
Total \$\$ Variance From Previous Year	\$490,954	\$763,619	\$464,777	\$426,059	\$507,916	\$561,868

Park and recreation service costs do not grow at the same rate as public safety costs and are not a mandated service, but are certainly a service that enhances the quality of life for Shoreline residents and is one that is very important to the community. Currently the City spends nearly \$2.9 million on park and recreation services net of direct fees. Of this amount approximately \$1.2 million is for

maintenance of parks and open space and \$500,000 is the net general fund support for the Shoreline pool.

Multi-year levies usually may not supplant "existing funds" used for the purpose stated in the ballot measure, but in 2009 the State Legislature removed the non-supplanting requirements for levies passed between July 26, 2009 and December 31, 2011.

A levy lid lift is considered an extension of the City's regular property tax levy, as opposed to an "excess" levy such as that assessed for repayment of the 2006 Park Bonds. State law allows for senior citizens and disabled individuals who have total annual household income of \$35,000 or less to be exempt from excess levies, therefore these individuals are exempt from the Parks Bond levy and even the school district levy which is considered an "excess" levy. Although the levy lid lift is not considered an excess levy, these same individuals may qualify for reduced property tax assessments based on an exemption of a portion of the valuation of their residence.

A levy lid lift requires simple majority approval in order to pass.

Polling

In order to get a sense of the level of support for a property tax levy increase and an amount that may be supported by the Shoreline community the City engaged the services of EMC Research, Inc. to conduct a poll in March. EMC Research presented the results of the polling to the City Council on March 22, 2010. Below is a summary of the results of the poll:

- The polling consisted of 501 telephone interviews. The overall margin of error of the survey is +/- 4.4 points at the 95% confidence interval. The polling was conducted from March 10-15, 2010.
- Residents are very optimistic about the overall direction of the City (67% right direction), but most (65%) do not think that the economy is going to improve over the next year.
- Most residents (65%) agree that they trust the City to spend their tax dollars responsibly. About a quarter (27%) do not trust the City to spend their tax dollars responsibly.
- A strong majority (59%) disagree that there is room to cut back public safety funding while maintaining adequate police protection and safe neighborhoods. One third (32%) agree.
- About half (48%) disagree that there is room to cut back on maintenance and operations funding for parks and still have safe and well-maintained parks. Just over a third (37%) agree.
- "Safety" is a key theme in residents' top priorities for City spending. This applies to both to police services and to maintaining safe playgrounds, parks and trails.

- Based on the demographics of those responding to the survey, there is a slightly higher level of support at a General (November) election versus a Primary (August) election.
- Initial support for a 20 cent property tax rate increase at a General election (57%) is higher than that of a 30 cent increase (49%).
 - Support for both options increases when respondents were told the average cost of the levy and received more information about City services.

Public Outreach

At Council's direction, staff has been engaged in a long-term effort to provide information to the public about the City's long-term financial challenges. This has included a number of mediums such as:

1. *Currents* – Since the Winter edition in 2007 the City has had 10 articles in *Currents* that specifically addressed issues related to the City's long-term financial challenges.
2. *Community Meetings* –
 - a. *2004-2005*: Several community meetings were held to get feedback from citizens on their priorities for City services.
 - b. *2007-2009*: Citizen Advisory Committee formation and work. The CAC held 20 committee meetings during their tenure to develop their recommendations. In February 2009 they held three community forums to specifically get feedback from the community on the CAC draft recommendations.
 - c. *Property Tax Forum (May 2009)*: The City sponsored a community forum on property taxes which included representatives from the City, King County Assessor's Office, Shoreline School District, and the Shoreline Fire District.
 - d. *2010*: Since January 2010, staff has met with 36 community groups to present information on the City's long-term financial challenges and a potential property tax levy lid lift.
3. *Service Videos* – A question often asked by the community – "What does the City do?" In order for taxpayers to really be able to determine if they are getting value for their tax dollars, they need to know what services are being provided by the City. Currently staff has completed the parks and recreation, the police, and the Quality of Life Partners videos. We have used these at our community meetings, they are posted on the City's web site and You Tube, and they run on the City's government access channel. An operational video (public works and development services functions) and a 15 year celebration of completed capital improvements are being developed.
4. *Budget Process* – The City's budget process always includes several Council meetings for budget review in which the public can comment on the proposed

budget. There are also at least two formal public hearings during the budget adoption process. The City makes its budget available on the City's website, at various locations throughout the City including libraries and police storefronts, and at City Hall.

5. *City Web-Site* – The City has several financial documents available on the City's website including: quarterly financial reports, materials reviewed by the long-range financial CAC, and audited financial statements, budgets. We also have a page on the City's Financial Challenges with information and links to a number of documents about our long-term challenges.

Ballot and Voter Pamphlet Requirements

Ballot Title

The ballot title for the levy lid lift consists of three elements:

- a. An identification of the enacting legislative body and a statement of the subject matter;
- b. A concise description of the measure; and
- c. A question.

The ballot title must conform to the requirements and be displayed substantially as provided under RCW 29A.72.050, except that the concise description must not exceed seventy-five words. The ballot title must be approved by the City Attorney.

Any person who is dissatisfied with the ballot title may at any time within ten days from the time of the filing of the ballot title with King County Elections, may appeal to King County Superior Court.

The following is a draft of the proposed ballot title, which must be adopted by City resolution:

City of Shoreline Proposition 1 Levy for Public Safety, Park Maintenance and Operations and Community Services

The Shoreline City Council Adopted Resolution No.307 concerning public safety, parks and community services.

If approved, this proposition would maintain basic police and crime prevention programs, maintenance and operations for park, recreation, pool, and community services. This proposition would restore the City's property tax rate to \$1.48/\$1,000 of assessed valuation for collection in 2011; limit annual levy increases for 2012-2016 to an amount not to exceed the Seattle CPI-U inflation rate, and use the 2016 levy amount to calculate subsequent levy limits.

Should this proposition be approved?

YES _____

NO _____

Staff is still working to finalize the language of the ballot proposition and may continue to provide updates to the City Council during the week of July 19, prior to final adoption on July 26, 2010.

Voters' Pamphlet

For the primary and general election, King County publishes a voters' pamphlet. Districts placing measures on the ballot are automatically included in the voters' pamphlet.

The City must provide an explanatory statement of the ballot title for the voter's pamphlet. The statement describes the effect of the measure if it is passed into law, and cannot intentionally be an argument likely to create prejudice either for or against the measure. The explanatory statement is limited to 250 words, must be signed by the City Attorney, and submitted to King County Elections by August 13, 2010.

The City is also responsible for appointing committees to prepare statements in favor of and in opposition to the ballot measure. There is a limit of three members per committee. The committee appointments must be filed by August 13, 2010. Staff has scheduled for Council to make appointments at the City Council meeting on August 9, 2010. Staff will be advertising for interested parties to submit applications starting July 27, 2010, assuming that the City Council approves Resolution No. 307, on July 26, 2010.

The statements in favor of or in opposition to the ballot measure must be submitted by the Pro and Con committees to King County Elections no later than August 18, 2010. These statements are limited to 200 words. Rebuttal statements by each of the respective committees must be submitted to the County no later than August 20, 2010. Rebuttal statements are limited to 75 words.

SUMMARY

As was stated earlier in the staff report, the City is required to have a balanced budget, and therefore must address the projected budget gaps with additional revenue, expenditure (service) reductions or a combination of both.

Staff recognizes the challenging financial times that we are in. At the same time, City Councils have been very prudent in their financial planning and have worked very hard to constrain costs for City services. Our residents have a very high level of satisfaction with the quality of life in Shoreline and have indicated that they would like to maintain this quality of life. City Council's have been addressing the long-term financial challenges by strategically implementing efficiencies, cost reductions, revenue enhancements and involving a Citizen Committee. The City Council will need to determine if they would like to move forward with a levy lid lift, implement other revenue changes, or make program reductions to keep future City budgets in balance.

Staff has brought forth the recommended ballot measure in Resolution No. 307. This ballot measure includes a recommended \$0.28 increase in the projected levy rate for 2011 for a total projected regular property tax levy rate of \$1.48 per \$1,000 assessed valuation. The purpose of the levy is to keep current service levels of basic public safety including police and crime prevention programs, funding for essential

maintenance, operations and safety at local parks, trails, and recreation facilities, along with other community services. The ballot measure provides for a maximum increase in the annual levy for years 2012 through 2016 at the Seattle/Tacoma/Bremerton CPI-U inflation factor, and that the basis for future levies be the levy adopted for 2016. The ballot measure must be adopted and submitted to King County Elections by August 10, 2010, in order to appear on the November 2, 2010, election.

Assuming that the City Council authorizes the ballot measure on July 26, 2010, the City Council will need to review the explanatory statement on August 9, 2010, and appoint the Pro and Con committees on the same evening.

RECOMMENDATION

Staff recommends that Council discuss the proposed levy lid lift ballot measure at the July 19, 2010 Council meeting. Staff further recommends that Council adopt Resolution No. 307 on July 26, 2010, placing a property tax levy lid lift on the November 2, 2010, general election ballot, to increase the 2011 regular property tax levy rate by \$0.28 which restores the City's property tax levy rate to approximately \$1.48 per \$1,000 assessed valuation, setting the annual maximum increase for property tax levies in 2012 through 2016 at the Seattle Consumer Price Index for all Urban Consumers (CPI-U), and using the 2016 levy as the base for future year levies.

ATTACHMENTS

Attachment A - RCW 84.55.050

Attachment B – Resolution No. 307

ATTACHMENT A

RCW 84.55.050

Election to authorize increase in regular property tax levy -- Limited propositions -- Procedure.

(1) Subject to any otherwise applicable statutory dollar rate limitations, regular property taxes may be levied by or for a taxing district in an amount exceeding the limitations provided for in this chapter if such levy is authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters. Any election held pursuant to this section shall be held not more than twelve months prior to the date on which the proposed levy is to be made, except as provided in subsection (2) of this section. The ballot of the proposition shall state the dollar rate proposed and shall clearly state the conditions, if any, which are applicable under subsection (4) of this section.

(2)(a) Subject to statutory dollar limitations, a proposition placed before the voters under this section may authorize annual increases in levies for multiple consecutive years, up to six consecutive years, during which period each year's authorized maximum legal levy shall be used as the base upon which an increased levy limit for the succeeding year is computed, but the ballot proposition must state the dollar rate proposed only for the first year of the consecutive years and must state the limit factor, or a specified index to be used for determining a limit factor, such as the consumer price index, which need not be the same for all years, by which the regular tax levy for the district may be increased in each of the subsequent consecutive years. Elections for this purpose must be held at a primary or general election. The title of each ballot measure must state the limited purposes for which the proposed annual increases during the specified period of up to six consecutive years shall be used.

(b)(i) Except as otherwise provided in this subsection (2)(b), funds raised by a levy under this subsection may not supplant existing funds used for the limited purpose specified in the ballot title. For purposes of this subsection, existing funds means the actual operating expenditures for the calendar year in which the ballot measure is approved by voters. Actual operating expenditures excludes lost federal funds, lost or expired state grants or loans, extraordinary events not likely to reoccur, changes in contract provisions beyond the control of the taxing district receiving the services, and major nonrecurring capital expenditures.

(ii) The supplanting limitations in (b)(i) of this subsection do not apply to levies approved by the voters in calendar years 2009, 2010, and 2011, in any county with a population of one million five hundred thousand or more. This subsection (2)(b)(ii) only applies to levies approved by the voters after July 26, 2009.

(iii) The supplanting limitations in (b)(i) of this subsection do not apply to levies approved by the voters in calendar year 2009 and thereafter in any county with a population less than one million five hundred thousand. This subsection (2)(b)(iii) only applies to levies approved by the voters after July 26, 2009.

ATTACHMENT A

(3) After a levy authorized pursuant to this section is made, the dollar amount of such levy may not be used for the purpose of computing the limitations for subsequent levies provided for in this chapter, unless the ballot proposition expressly states that the levy made under this section will be used for this purpose.

(4) If expressly stated, a proposition placed before the voters under subsection (1) or (2) of this section may:

(a) Use the dollar amount of a levy under subsection (1) of this section, or the dollar amount of the final levy under subsection (2) of this section, for the purpose of computing the limitations for subsequent levies provided for in this chapter;

(b) Limit the period for which the increased levy is to be made under (a) of this subsection;

(c) Limit the purpose for which the increased levy is to be made under (a) of this subsection, but if the limited purpose includes making redemption payments on bonds, the period for which the increased levies are made shall not exceed nine years;

(d) Set the levy or levies at a rate less than the maximum rate allowed for the district;
or

(e) Include any combination of the conditions in this subsection.

(5) Except as otherwise expressly stated in an approved ballot measure under this section, subsequent levies shall be computed as if:

(a) The proposition under this section had not been approved; and

(b) The taxing district had made levies at the maximum rates which would otherwise have been allowed under this chapter during the years levies were made under the proposition.

[2009 c 551 § 3; 2008 c 319 § 1; 2007 c 380 § 2; 2003 1st sp.s. c 24 § 4; 1989 c 287 § 1; 1986 c 169 § 1; 1979 ex.s. c 218 § 3; 1973 1st ex.s. c 195 § 109; 1971 ex.s. c 288 § 24.]

NOTES:

Application -- 2008 c 319: "This act applies prospectively only to levy lid lift ballot propositions under RCW 84.55.050 that receive voter approval on or after April 1, 2008." [2008 c 319 § 2.]

Effective date -- 2008 c 319: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [April 1, 2008]." [2008 c 319 § 3.]

ATTACHMENT A

Finding -- Intent -- Effective date -- Severability -- 2003 1st sp.s. c 24: See notes following RCW 82.14.450.

Severability -- Effective dates and termination dates -- Construction -- 1973 1st ex.s. c 195: See notes following RCW 84.52.043.

Savings -- Severability -- 1971 ex.s. c 288: See notes following RCW 84.40.030.

RESOLUTION NO. 307

A RESOLUTION PROVIDING FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF SHORELINE AT AN ELECTION TO BE HELD ON NOVEMBER 2, 2010 A PROPOSITION AUTHORIZING THE CITY TO RESTORE ITS REGULAR PROPERTY TAX LEVY ABOVE THE LIMIT ESTABLISHED IN RCW 84.55.010 TO MAINTAIN CURRENT LEVELS OF PUBLIC SAFETY, PARKS OPERATIONS AND COMMUNITY SERVICES

WHEREAS, the City is authorized to levy a permanent regular property tax not to exceed the rate of \$1.60 per \$1,000 of assessed value permitted by statute and the current projected rate for 2011 is below this limit at \$1.20 per \$1000 of assessed valuation; and

WHEREAS, RCW 84.55.050 authorizes the voters of a City to permit the levy of taxes in excess of the levy limitations established in RCW 84.55.010; and

WHEREAS, Initiative 747 (codified in RCW 84.55.005 .0101) has limited the increase in property tax revenues to the City to a rate of 1%, a rate that has been less than the actual rate of inflation for the costs of providing services to the citizens of the City, causing total projected budget deficits over the next six years of over \$14 million despite sustained austerity measures and efficiencies in City government; and

WHEREAS, the City Council desires to address these ongoing deficits by allowing the electors to approve or reject a proposition under RCW 84.55.050(2) authorizing the City Council to levy the City's regular property tax in an amount that exceeds the limit factor that would otherwise be prescribed by RCW 84.55.010; and

WHEREAS, to fund a portion of the cost of basic public safety programs, including crime prevention and jail costs, and to fund a portion of the cost of maintaining and operating parks and community services, the proposition should authorize 1) an increase in the City's regular property tax levy by up to an additional 28 cents per \$1,000 of assessed valuation for collection in 2011; 2) an increase in the regular property tax levy by the Seattle/Tacoma/Bremerton CPI-U annual inflation rate for each of the succeeding five years; and 3) use of the 2016 levy amount for calculating subsequent levy limits.

WHEREAS, the proposition set forth above requires the holding of a special election in the City; now therefore

**THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON,
HEREBY RESOLVES:**

Section 1. Shoreline Proposition Pursuant to RCW 84.55.050(2) and RCW 29A.04.330, it is found to be in the best interest of the City of Shoreline to require the submission to the qualified voters of the City, for their ratification or rejection, a proposition

approving a six-year increase in the City's regular property tax levy exceeding the limit factor provided in RCW 84.55.005 -.0101 to fund a portion of the cost of basic public safety programs, including jails and crime prevention, and to fund a portion of maintaining and operating parks, recreation, pool and community services. The proposition shall propose an increase in the City's regular property tax levy by up to twenty-eight (28) cents per \$1,000 of assessed valuation (to a total rate not to exceed \$1.48 per \$1,000 of assessed valuation) for collection in 2011. The proposition shall also authorize an increase in the levy limit factor as allowed by chapter 84.55 RCW for each of the five (5) succeeding years (2012-2016) by the inflation rate of the Consumer Price Index for All Urban Consumers for the Seattle-Tacoma-Bremerton Area (1982-84=100) published for June. Finally, the proposition shall authorize the use of the dollar amount of the 2016 levy for the base in computing the maximum levy that may be imposed in years after 2016.

Section 2. Special Election Requested. It is further found to be in the best interests of the City that an election be conducted and held within the City of Shoreline on Tuesday, November 2, 2010 for submission to the qualified electors of the City the proposition specified in Section 1 for approval or rejection. The Director of Records, Elections and Licensing Services Division, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to assume jurisdiction of and to call and conduct said special election. The City Clerk is hereby authorized and directed, not less than 84 days prior to such election date, to certify the proposition to the King County Records, Elections and Licensing Services Division in the following form:

CITY OF SHORELINE
PROPOSITION NO. 1
LEVY FOR PUBLIC SAFETY, PARK MAINTENANCE AND OPERATIONS AND
COMMUNITY SERVICES

The Shoreline City Council Adopted Resolution No. 307 concerning public safety, parks and community services. If approved, this proposition would maintain basic police and crime prevention programs, and maintenance and operations for park, recreation, pool, and community services. This proposition would restore the City's property tax rate to \$1.48/\$1,000 of assessed valuation for collection in 2011; limit annual levy increases for 2012-2016 to an amount not to exceed the Seattle CPI-U inflation rate, and use the 2016 levy amount to calculate subsequent levy limits.

Should this proposition be approved?

YES ☐

NO ☐

Section 3. The City Manager and City Attorney are authorized to make such minor adjustments to the wording of such proposition as may be recommended by the King County Records, Elections, and Licensing Services Division, so long as the intent of the proposition remains consistent with the intent of this Resolution.

ADOPTED BY THE CITY COUNCIL ON July 26, 2010.

Keith McGlashan, Mayor

ATTEST:

Scott Passey, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	2010 Shoreline Historical Museum Presentation
DEPARTMENT:	Parks, Recreation & Cultural Services
PRESENTED BY:	Lynn M. Cheeney, Recreation Superintendent

ISSUE STATEMENT:

Tonight Vicki Stiles, Executive Director and a member of the Shoreline Historical Museum Board will be giving a presentation on the programs and services that are provided by the Museum through out the year. The City of Shoreline has contracted with the Shoreline Historical Museum since 1996 to provide educational and heritage opportunities for the citizens of Shoreline.

FINANCIAL IMPACT:

There is \$60,000 in the 2010 budget Parks, Recreation and Cultural Services budget allocated to the Historical Museum. This amount reflects a reduction from the 2009 budget from \$66,124.

RECOMMENDATION

This is item is for information and no action is necessary.

Approved By:  City Manager _____ City Attorney _____

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CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Shoreline - Lake Forest Park Arts Council Presentation DEPARTMENT: Parks, Recreation & Cultural Services PRESENTED BY: Lynn M. Cheeney, Recreation Superintendent
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ISSUE STATEMENT:

Since 1996 the City of Shoreline has contracted with the Shoreline - Lake Forest Park Arts Council to provide educational and cultural opportunities for citizens of our community including the Shoreline Arts Festival, Concerts in the Park and programs that support the Shoreline School District. Nancy Frey, Executive Director of the Shoreline - Lake Forest Park Arts Council, and members of the board will be presenting Council with a complete report of programs and activities.

FINANCIAL IMPACT:

There is \$60,000 allocated in the 2010 Parks, Recreation and Cultural Services budget to support the work of the Shoreline – Lake Forest Park Arts Council.

RECOMMENDATION

This is item is for information only and no action is necessary.

Approved By: City Manager  City Attorney ____