



AGENDA

CLICK HERE TO COMMENT ON AGENDA ITEMS
STAFF PRESENTATIONS
PUBLIC COMMENT

SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, January 5, 2015
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. 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. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Minutes of Special Meeting of November 24, 2014	<u>7a1-1</u>	
Minutes of Business Meeting of November 24, 2014	<u>7a2-1</u>	
Minutes of Business Meeting of December 1, 2014	<u>7a3-1</u>	
(b) Motion to Authorize the City Manager to Execute a Contract with the Shoreline/Lake Forest Park Arts Council	<u>7b-1</u>	
(c) Motion to Authorize the City Manager to Execute a Contract with the Shoreline Historical Museum	<u>7c-1</u>	
(d) Motion to Authorize the City Manager to Execute a Contract for Professional Services with Perteet, Inc. for On-Call Construction Management and Inspection Services in an amount not to Exceed \$150,000 annually for 2015 and renewable for 2016	<u>7d-1</u>	
8. ACTION ITEMS		
(a) Waiving Council Rule 2.4, A through E and Appointment of Youth Member to Serve on the Shoreline Library Board	<u>8a-1</u>	7:20

(b) Discussion of Business License Program and Adoption of Ordinance No. 692 Business License Exemption Program

8b-1

7:30

9. ADJOURNMENT

8:10

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 OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, November 24, 2014
5:45 p.m.

Conference Room 303 - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, Salomon, and Roberts

ABSENT: Councilmember McConnell

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Dan Eernisse, Economic Development Manager; and Bonita Roznos, Deputy City Clerk

GUESTS: Shoreline Chamber of Commerce Executive Board: Board President Judy Smith; Board Vice-President Robert Brouillard; Board Treasurer Dale Sutton; Board Secretary Jan Doran-Faulds; and Chamber Executive Director Jan Vance

At 5:50 p.m., the meeting was called to order by Mayor Winstead. She announced that Councilmember McConnell would not be attending the meeting for personal reasons. She welcomed Chamber of Commerce Executive Boardmembers, and introductions were provided.

Jan Vance, Chamber Executive Director, distributed the following items to Council: a Chamber brochure; a new Chamber-produced Shoreline map; a shop local postcard; 2015 Chamber Annual Auction invitation; and her business card. She presented potential City/Chamber partnership opportunities and updated Council on Chamber activities. She shared that the Chamber has received 21 new memberships recently, 16 of which resulted from their membership drive. She presented ideas that support the future vision of the Chamber, reviewed the Chamber's website, talked about the Chamber's new tagline - "connect, grow and succeed"- and asked if the Chamber's website could be linked on the City's website.

Boardmembers commented on the Chamber holding a new perspective on attracting and renewing memberships, and recruiting talent on the Board. They shared that in the months of November and December, the Board has been focused on new membership efforts. They commented on being very supportive of building a strong partnership with the City, becoming more attuned to their member's needs, and they shared a story about sponsoring membership for Hopelink. They commented on revisiting their membership fee structure to help accommodate small home-based businesses. They talked about growing the Economic Development Committee, and explained that it will serve as an intermediary between businesses and the City.

Debbie Tarry, City Manager, congratulated Boardmembers on their membership drive and expressed her gratitude for their participation in the meeting. She spoke about the City's Vision 2029 and partnering with business to create a business friendly environment that supports small and local businesses, attracts large business to serve the community and expand the job and tax base, and encourage local neighborhood retail and services throughout the city. She shared excerpts from the City Manager's Vision Statement, and conveyed the importance of trust and partnerships to make Shoreline a great place. She asked how the City can assist the Chamber in being successful.

Dan Eernisse, Economic Development Manager, spoke about strengthening Shoreline's economic base, placemaking events, and commented on a promoting Shoreline campaign. He shared the importance of partnering with the Chamber, School District and Shoreline Community College to develop a message for external promotion of Shoreline. He talked about the Quick Start Program providing educational opportunities for the business community, and addressed the need to outreach and support home-based businesses. He commented on the Aurora Square Renewal Area positively moving forward and serving as a placemaking location. He shared that Sears is actively pursuing concepts to redevelop the space, and that the City is conducting a planned action environmental impact statement. He described a multi-family development being built at the Denny's triangle property providing market rate apartments that will bring new customers to Shoreline.

Councilmembers commented on partnering with the Chamber and working together to support Shoreline, and asked how the City can assist them in being successful. They requested that Boardmembers provide input to Council regarding decisions impacting the business community. They asked if capital investments and improvement projects, like Aurora Avenue, have been helpful to businesses, and talked about demographic shifts in Shoreline that will assist in attracting new businesses.

At 6:45 p.m. the meeting was adjourned.

Bonita Roznos, Deputy City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, November 24, 2014
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, Salomon, and Roberts. Councilmember McConnell attended via telephone for Action Item 8b.

ABSENT: Councilmember McConnell

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor Winstead, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Winstead led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Councilmember McConnell.

Councilmember Hall moved to excuse Councilmember McConnell from the meeting due to personal reasons. The motion was seconded by Councilmember Salomon and passed unanimously, 6-0.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

Councilmember McGlashan reported attending the National League of Cities Conference in Austin, Texas. He shared about his participation on the nominating committee for selection of President, Vice President and Boardmembers and attending courses on land use and city budgets.

Councilmember Salomon reported attending the Water Resource Inventory Area meeting which focuses on bringing back Chinook salmon. He shared that studies show a low return of adult salmon, and commented on fish dying in Puget Sound due to climate change, pollution, and lack of a shallow water habitat.

5. PUBLIC COMMENT

There were no members from the public wanting to address the Council.

6. APPROVAL OF THE AGENDA

The Agenda was adopted by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Councilmember McGlashan, seconded by Councilmember Hall and unanimously carried, 5-0, (Councilmember Salomon stepped away from the dais), the following Consent Calendar items were approved:

- (a) **Minutes of Special Meeting of November 3, 2014 and Minutes of Business Meeting of November 3, 2014**
- (b) **Approval of expenses and payroll as of November 7, 2014 in the amount of \$1,082,464.06**

8. ACTIONS ITEMS

- (a) Adoption of Ordinance No. 701 – Setting the 2015 Regular and Excess Property Tax Levies

Councilmember McConnell joined the meeting via telephone.

Robert Hartwig, Administrative Services Director, stated the 2015 Property Tax Levy for Regular Levies (Operations) is \$10.6 Million, and that the Bond Levy (Parks and Open Space) rate is \$1.7 Million.

Councilmember Hall moved adoption of Ordinance 701 establishing the City's 2015 regular and bond Excess Property Tax Levies. The motion was seconded by Councilmember Roberts.

Councilmember Hall commented on the Council keeping their commitment to the voters to preserve basic city services and setting tax rates in a responsible manner.

The motion passed unanimously.

- (b) Adoption of Ordinance No. 699 – Adopting the 2015 Budget, the 2015 Fee Schedule, the 2015 Salary Schedule, and the 2015-2020 Capital Improvement Plan

Mr. Hartwig stated the proposed 2015 Budget totals \$72.6 million and the General Fund accounts for \$37.2 million of the Budget.

Councilmember McGlashan moved adoption of Ordinance 699, adopting the 2015 Budget, the 2015-2020 Capital Improvement Plan, the 2015 Salary Schedule, the 2015 Fee Schedule, establishing fund appropriations for the 2015 calendar year, and adding a new section

3.35.117 to the Shoreline Municipal Code. The motion was seconded by Councilmember Hall.

Deputy Mayor Eggen moved to amend the main motion by amending the 2015 Budget in the General Fund to increase the Human Services funding allocation by \$15,000 on page 132, as a one-time programmatic increase for training and/or outreach for community members to address critical needs within the Shoreline community. An example of such a program may be the Youth Mental Illness First Aid Training program. The motion was seconded by Councilmember Salomon.

Deputy Mayor Eggen spoke about receiving requests to increase human services funding and acknowledged decreases in funding levels from other human services funding providers. He recalled asking staff to identify human services issues in Shoreline and that staff recommended a youth mental illness first aid program as a top funding priority. He pointed out the appropriateness of staff to identify human services projects that will benefit the community. Councilmember Salomon spoke in favor of the amendment and talked about the importance of spending money to assist with youth mental illness. Councilmember McGlashan asked the name of the service provider, commented on the difficulty in selecting one organization over another when they all need money, expressed concern over funding an organization without going through the appropriate Council process, and stated he will not be supporting the amendment. He recommended that a grant request process be developed for these types of awards, and cautioned against providing organizations one time funding awards. Mayor Winstead concurred with Councilmember McGlashan and commented that she would like to see a process developed for allocating awards to ensure that the money is received as designated by Council. Councilmember Hall asked if the request had been presented to the Council for discussion, and if the Center for Human Services made this request. Councilmember Roberts asked if the Center for Human Services can achieve the results identified in the amendment.

Ms. Tarry confirmed that the service provider is the Center for Human Services, and stated that they can achieve the results identified in the amendment. She added that there are also other organizations that offer youth mental illness first aid programs. She explained that the request came about as a result of research conducted by staff upon request by Deputy Mayor Eggen. Councilmember McConnell voiced support for the amendment.

The amendment passed 4-3, with Deputy Mayor Eggen, and Councilmembers McConnell, Roberts and Salomon voting in favor.

Councilmember Salomon moved to amend the 2015 Proposed Budget in the General Fund, eliminating the proposed Assistant Planner position on page 229, and reducing the 2015 Budget by \$79,080. The motion was seconded by Deputy Mayor Eggen.

Councilmember Salomon commented that the Assistant Planner position is an on-going full-time position, and that he believes demand for planning projects will decrease once the 145th and 185th Stations Subarea Plans have been completed. He expressed a desire to see the Planning & Community Development Department find other solutions to fill gaps in next year's budget. Deputy Mayor Eggen asked the City Manager why the position is needed. Ms. Tarry described increases in the level of permit activity, explained that the Department was reduced by five full

time employee positions during the period of the recession, and shared that the position is needed to maintain levels of service and to meet the long term goal of doubling multi-family housing units. Councilmember Roberts stated he will oppose the amendment because of the increase in permit activity and to help reduce the amount of time it takes to process a permit. Councilmembers Hall and McConnell concurred with Councilmember Roberts.

The vote on the amendment failed 1-6 with Councilmember Salomon voting yes.

Councilmember Salomon moved to amend the 2015 Proposed Budget in the General Fund, eliminating the On Call Plan Check services on pages 147 and 229. This change will reduce 2015 expenditures appropriations budget by \$50,000.

The motion died for lack of a second.

Councilmember Salomon moved to amend the 2015-2020 Capital Improvement Plan Program in the General Capital Fund, eliminating the pool study on page 307, and reducing the 2018 Capital Improvement Program by \$115,000.

The motion died for lack of a second.

Councilmember Salomon spoke about surface water management and aggressively addressing stormwater pollution to help bring back salmon runs. He expressed support for staff's recommendation to report on the outcomes of the Thornton Creek Low Impact Development study and projects, and the potential for expanding the program, as a part of the 2016 budget process.

Councilmember Roberts stated his support for the budget, requested that the Human Services amendment be brought back to Council with administrative details, and commented on looking forward to next year's discussion on Extra Help practices. He expressed concern about State revenue sharing and encouraged the Council to continue to advocate to the State to maintain their commitment to helping cities.

Deputy Mayor Eggen stated his appreciation of an understandable and balanced budget, and supports looking into surface water management and solutions.

Mayor Winstead thanked staff and Councilmembers for their hard work and diligence in the budget process.

Councilmember Hall moved to add the following sentence to the main motion: authorize the City Manager or her designee to make the necessary revisions to the 2015 Proposed Budget based on the amendments voted on this evening. The motion was seconded by Councilmember Roberts and passed unanimously.

The main motion passed unanimously as amended.

Councilmember McConnell left the meeting.

9. STUDY ITEMS

(a) Discussion of Ordinance No. 700 – Final Budget Amendment for 2014

Mr. Hartwig provided an overview of 2014 Budget Amendment Requests. He reported that proposed budget amendments totaling \$407,817 are: \$10,000 for Urban Forestry; \$18,004 for Park Restoration Work; \$42,060 for Landscape Conservation and Local Infrastructure Program Implementation Study; \$48,919 for an Emergency Management Grant; and \$288,834 for Transfers Out for Debt Services.

Councilmembers asked if this item can be acted on tonight. Ms. Tarry explained that it is an Ordinance and Council Rules would need to be waived. She recommended placing the item on the Consent Calendar for the December 8, 2014 meeting, and Councilmembers concurred.

(b) Discussion of Ordinance No. 692 – Small Vendor License Fees

Dick Deal, Parks, Recreation and Cultural Services Director and Mary Reidy, Recreation Superintendent, presented the staff report. Ms. Reidy stated the City's Business License program was established in 2009, and explained that Ordinance 692 would create an exemption from the licensing requirement for small businesses, with nominal activity in Shoreline, to participate in placemaking events. She provided examples of those events and then reviewed the proposed exemptions.

Councilmembers asked how many businesses would be affected by the proposed Ordinance, and questioned how many of them are required to register with the Department of Revenue and therefore required to obtain a Shoreline Business License. They requested information on the City's Business License Program, asked what the \$40 license fee covers, and how businesses benefit from paying the fee. They asked staff to provide information on other cities' business license programs; to comment on the merits of issuing refunds/reimbursements to businesses instead of exempting them; and to include all recognized nonprofit events in the exemption language.

Councilmembers commented that the City benefits from the business licensing list because it provides the City with the ability to perform outreach and welcome new businesses into Shoreline, and that the exemption would help to encourage participation of small businesses at City events.

Mr. Deal estimated that 100 businesses would be impacted by the Ordinance, and commented on making it easier for vendors to participate in an occasional event. Jessica Simulcik Smith, City Clerk, explained the benefits of the business licensing program.

(c) Discussion of Ordinance No. 698 – Chronic Nuisance Change Issuance to Service

Margaret King, City Attorney, provided the staff report. She explained that Ordinance 698 corrects a clerical error to Ordinance 675, enacted March 2014 which established the City's

Chronic Nuisance Properties regulations. She added that Ordinance 698 clarifies the deadline for filing an appeal.

Councilmembers confirmed that the edited version of the Ordinance will come back before Council on December 8.

10. ADJOURNMENT

At 8:30 p.m., Mayor Winstead declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

DRAFT

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, December 1, 2014
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: None

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor Winstead, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Winstead led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

Deputy Mayor Eggen reported attending the Sound Cities Association (SCA) Board meeting and discussing the placement of non-paying members on SCA Boards. He shared that the Board approved a change to the bylaws, to be presented to membership, and specifies a preference for appointment of only paying members to SCA Committees.

5. PUBLIC COMMENT

Meghan Peterka, Ridgecrest Neighborhood, commented on attending a recent meeting and finding out the Station Subarea is a much larger than she had envisioned. She commented on taking a tour of the area with City staff and learning that some of the residents are unaware of what's happening. She requested that the process be extended.

Janet Way, Shoreline Preservation Society, expressed concern over the 145th Route Development Plan (RDP). She commented on grant money being received for certain items, that plans for a 145th bridge are not included, and that WSDOT does not have plans to complete the interchange for the freeway to connect the Lightrail Station. She questioned how a rezone can be

planned if the interchange or road is not completed to accept increased density, how the EIS can be completed when these other projects are not, and stated the projects need to be interconnected. She spoke about the public not being aware of what is happening in the Station Subareas.

Dan Dale, Shoreline resident, spoke in regards to the 185th EIS, and commented on mitigation impacts missing from the document. He shared that although the study focuses on MUR-85, Council should visualize the limits at 140 feet and question if this is what Shoreline wants.

6. APPROVAL OF THE AGENDA

The agenda was adopted by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Councilmember Roberts, seconded by Councilmember McConnell and unanimously carried, the following Consent Calendar items were approved:

- (a) Minutes of Business Meeting of November 10, 2014**
- (b) Authorize the City Manager to Execute a Contract Agreement with KPFF for the Design of the 10th Avenue NW Bridge Repairs**
- (c) Authorize the City Manager to Execute a Contract Agreement with the Washington State Department of Transportation to Obligate STP Grant Funds for the 15th Avenue NE Overlay Project**
- (d) Authorize the City Manager to Execute a Construction Contract with Taylor's Excavators, Inc. for the NE 195th Street Separated Trail Project**

8. ACTIONS ITEMS

- (a) Motion to Authorize the City Manager to Execute a Contract with Stewart, MacNichols, Harmell, Inc., P.S. for Primary Public Defense Services**

Alex Herzog, Management Analyst, provided the staff report on Primary Public Defense Services. He recounted that the current contractor will no longer offer services after the new year. He reviewed the new caseload limits requirements and the new service of providing arraignment hearings anticipated in 2015. He then described the request for proposal process and proposed contract provisions.

Councilmember McGlashan moved to authorize the City Manager to execute a contract with Stewart, MacNichols, Harmell, Inc., P.S. for Primary Public Defense Services for two years and three one-year options to extend, for a total contract do not exceed amount of \$1,370,000 in a form to be approved by the City Attorney. The motion was seconded by Councilmember McConnell.

Councilmember McGlashan stated his support for the new contract. Councilmember Salomon commented on seeing this as an improvement to defense services the City provides, adhering to best practices, and stated he considers this a victory for public defense. Deputy Mayor Eggen added that he is pleased to see that the City is providing defense services at all arraignments.

The motion passed unanimously.

9. STUDY ITEMS

(a) Discussion of 145th Route Development Plan - Project Goals and Funding Strategies

Alicia McIntire, Senior Transportation Planner, joined by Kirk McKinley, Transportation Manager, and Scott MacColl, Intergovernmental Relations Program Manager, provided the staff report. Ms. McIntire provided background on the project, highlighted what the process allows for, and stressed the importance of participation of interjurisdictional partners and public involvement. She presented interjurisdictional partners are Washington State Department of Transportation, Seattle Department of Transportation, King County Metro, Sound Transit, Seattle City Light, Puget Sound Regional Council, and then identified other agency participants. She stated staff is recommending a Citizen Advisory Task Force (CATF) consisting of 12 representatives from adjacent neighborhoods, businesses, the North King County Mobility Coalition, and Lakeside School. She then reviewed project goals, evaluation criteria, and long term funding strategies. She stated the RDP Consultant has been hired and the first task is to create a RDP schedule. She requested Council's recommendations on the CATF, the preliminary draft project goals, and evaluation criteria. Mr. McKinley commented on the importance of staffs' communication with Council on strategies, funding sources, and construction schedules.

Councilmembers commented on 145th Street serving a regional area and asked how many people using the road live and work in Shoreline. They explained having this information will be useful to encourage neighboring communities to participate in the process, and to leverage additional funding. They discussed the CATF having representation from Kenmore, Lake Forest Park, and other neighboring communities, and giving preference to those who live near 145th Street and use the corridor. They commented on the need for building grant support, securing federal and state funding, and requested staff to explore other funding options to get the project completed quicker. They recommended adding a goal to the RDP to finish the project before the 145th Street Light Rail Station opens.

Councilmembers expressed concern over a timeline that could jeopardize grant money, and over developing a successful RDP when the scope of the interchange has not been addressed. They pointed out that different challenges exist on both sides of 145th Street and that the RDP must be cognizant of needs on both sides of the interchange. It was recommended that the RDP first focus on the areas to the west of I-5.

Councilmembers commented on dealing with the gap between the Burke Gilman Trail and 25th Ave, and asked about a non-motorized bridge at the north end of the stations that allow for a more direct route to be added to Transportation Improvement Plan. They expressed support for a pedestrian bridge at 147th Street and a physical bike separation. They recommended participation by SeaShore Transportation Forum, Cascade Bicycle Club, Jackson Park Golf Club and the

Council of Neighborhoods. They asked if there will be an estimate of capacity at full build out; what will happen if the preferred alternative does not meet the prospective transit needs, or if the Plan cannot be completed by 2023; and if there are alternatives to address these issues. They commented on the RDP addressing how much right-of-way is needed and discussed the possibility of a zoning buffer on 145th Street to ensure it can be built properly. They asked for staffs' suggestions on how citizens can help advocate for their own neighborhood.

Scott MacColl, Intergovernmental Relations Program Manager, spoke to interjurisdictional support and the formation of a SR522 and SR523 Working Group to get input and buy in from surrounding communities. Ms. McIntire explained that they do not know how many people using the road live and work in Shoreline and where trips initiate from. She clarified that the grant fund match needs to be obligated by June 1, 2016. She talked about taking a corridor wide approach to address the 145th Street from 3rd Avenue to State Route 522 to include the interchange, and meeting the requirements specified in the grant. She then described the partnership with WSDOT and Sound Transit to develop a preliminary design for the interchange to incorporate in the RDP. She confirmed there are different needs for each side of the corridor and explained that the master plan will address a proper design for both east and west sides. She outlined the greenway network and the potential bicycle corridor within the 145th Street Station Subarea, and explained that the 145th Subarea Plan will inform the RDP regarding future projections regarding traffic volumes and identify transit connector service needs. She anticipates that invitations for the CAFT will be sent out early next year and expects them to meet about four to five times.

10. ADJOURNMENT

At 8:38 p.m., Mayor Winstead declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to Execute the 2015 Shoreline-Lake Forest Park Arts Council Service Contract
DEPARTMENT:	Parks, Recreation and Cultural Services
PRESENTED BY:	Mary K. Reidy, Recreation Superintendent
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City of Shoreline has contracted with the Shoreline-Lake Forest Park Arts Council since 1996 to assist in providing educational and cultural opportunities for the Shoreline community. Since that time, the City and the Shoreline-Lake Forest Park Arts Council have enjoyed a positive relationship serving the Shoreline community with a variety of programs and events that would not be possible without this partnership. In 2014, over 19,000 people attended events sponsored by the Arts Council.

These programs include, but are not limited to, Concerts in the Park, a Children's performance series, the annual Shoreline Arts festival and various workshops throughout the year. The scope of work for the 2015 Shoreline -Lake Forest Park Arts Council contract, which defines the terms of the agreement, is attached to this staff report as Attachment A. Fred Wong, Executive Director of the Arts Council, will provide a detailed briefing to the City Council on programs and attendance at these events at a future City Council meeting.

RESOURCE/FINANCIAL IMPACT:

This contract was included in the 2015 Parks, Recreation and Cultural Services budget for \$60,000, which was approved by the City Council on November 24. City purchasing policies require Council authorization for service contracts exceeding \$50,000.

RECOMMENDATION

Staff recommends that the City Council move to authorize the City Manager to execute the 2015 service contract between the City of Shoreline and the Shoreline-Lake Forest Park Arts Council in the amount of \$60,000 to provide educational and cultural opportunities for the Shoreline community.

ATTACHMENTS:

Attachment A: 2015 Shoreline-Lake Forest Park Arts Council Service Contract Scope of Work

Approved By: City Manager **DT** City Attorney **JA-T**

**EXHIBIT A
CITY OF SHORELINE
SCOPE OF WORK AND COMPENSATION**

2015 Shoreline-Lake Forest Park Arts Council

1. The Shoreline-Lake Forest Park Arts Council agrees to provide the following cultural programs and community outreach for the city of Shoreline citizens:

Shoreline Arts Festival

Two-day summer event presenting a wide variety of arts for all ages, including visual, performing, cultural and literary event, activities, exhibits, and programs. Also arts installations/happenings before the festival.

Concerts/Performances in the Parks

Evening summer concerts/performances in Shoreline parks and facilities - a minimum of seven (7), two (2) in LFP and five (5) in Shoreline.

Arts & Culture Events

Adult/family series featuring a minimum of three (3) different events during the winter, spring, and fall, including the Edible Book Festival, Create & Make Workshops, Art/Business Workshops, Sketch crawl and Free Play Art Day.

Family Performances

Children's/family series featuring a minimum of three (3) different performance events during the winter and spring, including Missoula Children's Theatre at the Festival.

Community Outreach

Respond to and work with a variety of community organizations including the City on arts related projects. Assist City as representative of the arts community for public art projects, such as Piano Time, Sculpture Stroll, and Arts Al Fresco. Sponsor the Summerset Arts Festival. Grants for the arts among teens and ethnic minorities. Community Project Awards to support groups presenting arts projects. Community arts event calendar to help promote other organizations. Performing Arts – Community Conversations to foster partnerships among arts groups. Work with other non-profits like the YMCA, Kruckeberg Botanic Garden, and Shoreline Historical Museum on arts or arts education related projects.

Arts Education

Fund teaching artists to work with Shoreline Schools to enhance arts education in visual, performing, and literary arts. Enhance arts education also by creating free on-line arts instructional videos.

Portable Works

Enhance City facilities with selections from Portable Works collection.

2. The Shoreline-Lake Forest Park Arts Council agrees to contract with performers of the City's choosing for the following City events:

Celebrate Shoreline

One performance at the City's Celebrate Shoreline festival.

Hamlin Haunt

One evening performance at the City's Hamlin Haunt Halloween event.

3. The Shoreline-Lake Forest Park Arts Council agrees to assist with marketing of City sponsored arts events. In addition, the Arts Council agrees to meet four (4) times per year with the City and other community partners to discuss leveraging community dollars and support in marketing and programming.
4. The Shoreline-Lake Forest Park Arts Council agrees to comply with all City regulations.
5. The Shoreline-Lake Forest Park Arts Council agrees to identify the City of Shoreline as the primary “co-sponsor” of these program, defined as follows:
 - A. For all printed program promotional materials, appropriately list the words, “with support from the City of Shoreline.” Separate listing will include City logo and standard phrasing. Printed program promotional materials shall include, but not limited to, posters, signs, flyers, newsletter listing, media advertising, etc. The City recognizes that publications of articles may be subject to edits by the new media, but that the Shoreline-Lake Forest Park Arts Council will make every attempt to acknowledge the City by name.
 - B. Inclusion, when appropriate, of the City’s name in City-funded programs in Public Service Announcements, and any other non-print media.
 - C. Display of City’s identification banner at outdoor events and easel and signage for use at indoor events.
6. In an effort to increase program publicity, the Shoreline-Lake Forest Park Arts Council Executive Director will provide information and photos on upcoming activities for submittal in the Parks, Recreation and Cultural Services Recreation Guide. Parks, Recreation and Cultural Services staff agrees to notify the Executive Director well in advance of deadlines.
7. The Shoreline-Lake Forest Park Arts Council agrees to allow the City of Shoreline the use of the Showmobile for City sponsored events. The City agrees to provide in-kind labor from the Parks, Recreation and Cultural Services and/or Public Works Department to assist with the transportation, set-up and take down of the Showmobile for Arts Council events in the City of Shoreline.
8. Total compensation for these services shall be \$60,000, payable in four equal payments. Bill Voucher (Exhibit B) shall be submitted each quarter. Requests are to be submitted at the end of March, June, September and November. A completed Program Attendance Form (Exhibit D) must accompany each Billing Voucher. A Taxpayer Identification Number (Exhibit C) must be submitted prior to any requests for funds.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to Execute the 2015 Shoreline Historical Museum Service Contract
DEPARTMENT:	Parks, Recreation and Cultural Services
PRESENTED BY:	Mary K. Reidy, Recreation Superintendent
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City of Shoreline has contracted with the Shoreline Historical Museum since 1996 to provide educational and heritage opportunities for the citizens of Shoreline. The Museum provides valuable historic preservation and heritage information to the City and the Shoreline community.

In 2015, the Museum will feature two rotating/temporary exhibits: "*A College for the Community: 50 Years of Shoreline Community College*", which will be exhibited January through March, and "*Beginnings and Continuings: 20 Years of Shoreline City; 125 Years of Richmond Beach Settlement*", which will be exhibited May through December. Also in 2015, the Executive Director of the Shoreline Historical Museum, Vicki Stiles, will present a detailed update and briefing to the City Council on museum programs and attendance. In addition, Museum staff will support the City in its 20th Anniversary Celebration planning.

The annual service contract with the Shoreline Historical Museum is included in the 2015 budget and is recommended for approval. A scope of work for the service contract is attached to this staff report as Attachment A.

RESOURCE/FINANCIAL IMPACT:

This contract was included in the 2015 Parks, Recreation and Cultural Services budget for \$60,000, which was approved by the City Council on November 24. City purchasing policies require Council authorization for service contracts exceeding \$50,000.

RECOMMENDATION

Staff recommends that the City Council move to authorize the City Manager to execute the 2015 contract between the City of Shoreline and the Shoreline Historical Museum in the amount of \$60,000 to provide educational programs and exhibits for the Shoreline community.

ATTACHMENTS:

Attachment A: 2015 Shoreline Historical Museum Service Contract Scope of Work
Approved By: City Manager **DT** City Attorney **JA-T**

**EXHIBIT A
CITY OF SHORELINE
SCOPE OF WORK AND COMPENSATION**

2015 Shoreline Historical Museum

The Shoreline Historical Museum agrees to provide the following:

1. Exhibits
 - a. Museum Exhibits – 2 rotating/temporary exhibits
 - A College for the Community: 50 Years of Shoreline Community College (January - March 31)
 - Beginnings and Continuings: 20 Years of Shoreline City; 125 Years of Richmond Beach Settlement (opens in May)
 - b. Traveling Exhibits
 - The exhibits will be marketed in SHM e-newsletter and in brochure.
 - Provide two different traveling exhibits, available to other museums, schools and/or organizations on request with goal of loaning them out twice a year. Borrowing institutions to keep loaned exhibits for at least a month.
2. Tours, outreach and related programs
 - a. Tour groups 12 annually
 - b. Hands-on days - 12 annually
 - c. Community outreach activities (i.e., community festivals, walking tours, day camps, concerts) – 5 annually
3. Historic Preservation Research
 - a. Services provided year-round for City staff, consultants, citizens and community groups.
4. Celebrate Shoreline - Cruise In Car Show
 - a. Work with City PRCS staff in coordination of Car Show as part of Celebrate Shoreline Festival.
 - b. Coordinate all registrations, prizes and day-off activities.
 - c. Work with City PRCS staff to maximize marketing efforts for event.
5. Community Partnership Development
 - a. Meet 4 times a year with community partners and city staff to maximize marketing for heritage activities and other cultural activities. This is in addition to regular communication with PRCS staff on recreation guide submittal information and specific program collaboration.
 - b. City of Shoreline 20th Anniversary Planning - work with city staff and community partners to create a strategy for commemorating Shoreline's 20th anniversary as a city.

6. The Museum facility will allow the City of Shoreline and related organizations the use of meeting space at no cost if available. Space at current facility is limited.
7. The Museum facility will be open year-round, with typical hours being Tuesday through Saturday 10 a.m. to 4 p.m. Archives, special tours and related research to be available by appointment. Unscheduled programming to include both outreach and site-based lectures and oral histories.
8. In an effort to increase program publicity, Museum Director will provide information on upcoming activities for submittal in the PRCS Recreation Guide. PRCS staff will notify Museum Director well in advance of deadlines.
9. The Director will present an annual presentation to the City Council on programs and services provided to the community.

The total compensation for these services shall be \$60,000, payable in four equal payments. A Bill Voucher (Exhibit B) shall be submitted each quarter. Requests are to be submitted at the end of March, June, September and November. A completed Program Attendance Form (Exhibit D) must accompany each Billing Voucher. A Taxpayer Identification Number (Exhibit C) must be submitted prior to any requests for funds.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to Execute a Contract for Professional Services with Perteet, Inc. for On-Call Construction Management and Inspection Services in an amount not to exceed \$150,000 annually for 2015 and renewable for 2016
DEPARTMENT:	Public Works
PRESENTED BY:	Tricia Juhnke, City Engineer
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Staff is requesting Council to authorize the City Manager to execute a contract with Perteet, Inc. to provide on-call construction management and inspection services in support of the City's capital program and right of way inspections. To select Perteet, Inc., a Request for Qualifications (RFQ 7843) was issued and 11 proposals were received. After review of the proposals and final interviews for three firms, Perteet, Inc. was selected as the firm most qualified to meet the City's on-call needs.

RESOURCE/FINANCIAL IMPACT:

Funding for the on-call services comes from approved projects included in the 2015-2020 CIP and from within the approved 2015 budget for Right-of-Way Services. Individual task order will be issued to Perteet, Inc. for specific projects based on available budget.

RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute a contract for on-call professional services with Perteet, Inc. in an amount not to exceed \$150,000 annually for 2015 and renewable for 2016.

Approved By: City Manager **DT** City Attorney **JA-T**

BACKGROUND

Since 2009, most construction management and inspection for capital projects has been performed in-house by the City's Construction Services group, with the exception being large projects such as Aurora Corridor Project and the Richmond Beach Overcrossing Project. This same group, which consists of two City Construction Inspectors and a Construction Inspection Supervisor, also provides for the review and inspection of all right-of-way permits.

Over the last several years, there has been an increase in both right of way permit activity and capital construction. Given this increase in workload, Construction Services has supplemented current resource through use of extra-help and professional service contracts.

In preparing the 2015-2020 CIP there are several projects scheduled for construction in 2015 and 2016; including some projects with federal funding that have more stringent requirements. Review of the resources required to provide adequate construction management and inspection determined a need for resources beyond the existing Construction Services group to ensure proper and adequate construction oversight. Similarly, with the increase in permit activity the City has experienced, the 2015 budget includes use of professional services to support permit inspection.

Utilizing an On-Call contract enables City staff to establish expectations, relationships, and processes with one firm rather than selecting various firms on a project-by-project basis. Staff will authorize work to Perteet, Inc. on an as-needed basis to support capital and/or permit work.

CONTRACTOR SELECTION

To select a consultant to provide these services, a Request for Qualifications (RFQ 7843) was issued and 11 proposals were received. After review of the proposals, three firms were selected for final interviews. Based on these interviews, Perteet, Inc. was selected as the firm most qualified to meet the City's on-call needs.

ALTERNATIVES TO ON-CALL CONTRACT

Not awarding this contract to Perteet, Inc. would result in two primary options for Council consideration:

1. Continue to utilize in-house resources for construction management and inspection.
 - This method, while incurring no contract cost, would result in the delay of several projects to ensure resources were available.
2. Utilize professional services on a project-by-project basis.
 - This method, while not incurring a large contract cost up front, would require additional staff time on projects to select and contract with firms and establish expectations and requirements.

Based on these alternative options, staff recommends utilizing an external consultant to provide construction management and capital project inspection services.

COUNCIL GOAL(S) ADDRESSED

This project addresses City Council Goal #2: Improve Shoreline's utility, transportation and environmental infrastructure.

RESOURCE/FINANCIAL IMPACT

Funding for the on-call services comes from approved projects included in the 2015-2020 CIP and from within the approved 2015 budget for Right-of-Way Services. Individual task order(s) will be issued to Perteet, Inc. for specific projects based on available budget.

RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute a contract for professional services with Perteet, Inc. in an amount not to exceed \$150,000 annually for 2015 and renewable for 2016.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Waiving Council Rule 2.4, A through E and Appointment of Youth Member to serve on the Shoreline Library Board
DEPARTMENT:	Parks, Recreation and Cultural Services
PRESENTED BY:	Mary Reidy, Recreation Superintendent
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

In June 2010, the Council approved Ordinance No. 579 that added two youth members to the Shoreline Library Board. The Library Board consists of nine members including two non-voting youth members. Two youth were appointed by Council in 2013. One of those youth has since been reappointed by the Library Board to serve a second consecutive term. The second youth was formally removed from the Library Board on September 4, 2014 due to inactivity per Library Board By-Laws, Article V, Section 1. Due to the fact that this term had not expired, there is a need to appoint a new youth member to serve for the remainder of the term, which expires June 30, 2015.

Recruitment of youth members to fill board positions has previously proved challenging. Applications to fill this unexpired term were advertised at both libraries in Shoreline, on the City's website, at both high schools and through City-sponsored Youth and Teen Development programs. The City received one application for this position, Ella McGuigan (Attachment A). Ms. McGuigan was interviewed on December 23, 2014 by Sara Lorimer, Library Board Chair, and Mary Reidy, Recreation Superintendent, who recommend she be appointed as a youth member of the Shoreline Library Board.

Appointment of the Youth Member, as proposed by staff, would require that the City Council waive Council Rule 2.4, A through E, which guides the standard appointment process to Boards and Commissions by the Council. Basically waiver of these rules would waive the interview process by the City Council.

RESOURCE/FINANCIAL IMPACT:

There is no financial impact as a result of this appointment.

RECOMMENDATION

Staff recommends that the Council waive Council rules 2.4, A through E, requiring a Council sub-committee to interview potential board candidates and appoint Ella McGuigan to the Shoreline Library Board youth position effective January 5, 2015 with an option for re-appointment on June 30, 2015.

Approved By: City Manager **DT** City Attorney **JA-T**

BACKGROUND

The Shoreline Library Board, whose members are appointed by the City Council, was created in 1995 to provide input to the King County Library System (KCLS) on issues facing Shoreline libraries. The Board also serves as a liaison between KCLS and the citizens of Shoreline in promoting library programs and policies. As an advisory group, the Board's responsibilities include making recommendations to KCLS regarding issues of library utilization, enforcement of rules and regulations, and improvements to Shoreline's library collections, library services and library facilities. The Library Board consists of nine members including two non-voting youth members.

In June 2010, the Council approved Ordinance No. 579 that added the two youth positions to the Shoreline Library Board. While the youth are non-voting members, they do provide valuable input at Library Board meetings. In July 2013, Council approved Ordinance No. 666 changing youth membership terms of the Parks, Recreation and Cultural Services Board and the Library Board from two year to one year terms beginning in September and expiring in June. Youth members shall serve no more than four consecutive one-year terms under this ordinance.

In 2013, two youth were appointed to the Library Board by Council. One of those youth has since been reappointed to serve a second consecutive term. The second youth was formally removed from the Library Board on September 4, 2014 due to inactivity per Library Board By-Laws, Article V, Section 1. This youth's term was set to expire June 30, 2015, thus the need for an interim appointment. To fill this unexpired term, applications were advertised at both libraries in Shoreline, on the City's website, at both high schools and through City-sponsored Youth and Teen Development programs

DISCUSSION

The City received one application for this position -Ella McGuigan (Attachment A). Ms. McGuigan is a sophomore at Shorecrest High School and lives in the North City Neighborhood. She is interested in volunteerism, having been a part of City of Shoreline's Counselor in Training (CIT) program for the past three years. She is on the Shorecrest Hip-Hop Dance team and is very excited to support her community by serving on the Library Board.

Ms. McGuigan was interviewed on December 23, 2014 by Sara Lorimer, Library Board Chair, and Mary Reidy, Recreation Superintendent, who recommend she be appointed as a youth member of the Shoreline Library Board effective January 5, 2015 through June 30, 2015. At this time Ms. McGuigan will be eligible to apply for reappointment to the Board.

Appointment of the Youth Member, as proposed by staff, would require that the City Council waive Council Rule 2.4, A through E, which guides the standard appointment process to Boards and Commissions by the Council. Basically waiver of these rules would waive the interview process by the City Council.

RESOURCE/FINANCIAL IMPACT

There is no financial impact as a result of this appointment.

RECOMMENDATION

Staff recommends that the Council waive Council rules 2.4, A through E, requiring a Council sub-committee to interview potential board candidates and provide a recommendation to the full Council. Staff recommends waiver of this rule and directly appoint Ella McGuigan to the Shoreline Library Board youth position effective January 5, 2015 with an option for re-appointment on June 30, 2015.

ATTACHMENTS

Attachment A - Library Board Application for Ella McGuigan

RECEIVED

DEC 02 2014

CITY CLERK
CITY OF SHORELINE

COMMUNITY SERVICE APPLICATION

For youth membership on the Library Board

There is currently one non-voting, youth position open on the **Library Board**. This position must be filled by youth ages 15-19 years. The youth of our community are users of libraries and their representation should be encouraged and assured.

If you are a youth interested in serving your community and gaining experience with a city board, please provide answers to the questions below. This position will be open until filled. Additional details are available at the end of this application, or you may direct other questions to the Parks, Recreation and Cultural Services Department by e-mail to pks@shorelinewa.gov or by calling (206) 801-2623.

Name: Ella McGuigan

Duration of residency and/or education in Shoreline? 10 years

Neighborhood: Northcity

Which school do you attend? Shorecrest High School

Year in school: 10th grade

Please list any clubs, groups and/or extra-curricular organizations in which you participate.

I am part of Shorecrest's Hip-Hop dance team. I am also an active volunteer at St. Mark School in Shoreline.

Describe your involvement in the Shoreline Community. I have worked as a C.I.T. in camp Shoreline for the past 3 years. I also look forward to applying to be a counselor next summer.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Business License Program and Adoption of Ordinance No. 692 Business License Exemption
DEPARTMENT:	City Clerk's Office
PRESENTED BY:	Jessica Simulcik Smith, City Clerk
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

On November 24, 2014, staff proposed amendments to Shoreline Municipal Code Chapter 5.05, Business Licenses, that would allow a limited exception to licensing requirements for small business at City sponsored or nonprofit sponsored events to encourage place-making and community engagement without the burden of the license fee. These amendments were provided for in proposed Ordinance No. 692. Council asked questions about the applicability and equity of the proposed exemptions as well as the benefits of the business licensing program in general. Tonight staff will provide an update on the business license program and respond to Council questions regarding the proposed ordinance. Also Council will have the opportunity to adopt Ordinance No. 692 which would provide for the recommended limited exemption to the City's business license requirements.

RESOURCE/FINANCIAL IMPACT:

Staff anticipates a small financial impact if proposed Ordinance No. 692 is adopted. The City has not historically monitored licenses from small businesses/individuals that would benefit from this exemption. Staff estimates the financial impact will be less than \$4,000, assuming there are 100 businesses/individuals that qualify for the exemption and that they were applying for a business license in the past.

RECOMMENDATION

Staff recommends that Council move to adopt Ordinance No. 692 allowing for a limited exception to licensing requirements for small businesses at City-sponsored or nonprofit sponsored events. If Council wants to revisit the license fee structure or other aspects of the Business License Program, staff recommends reviewing this item in 2016 to determine if it should be added to staff's work plan at that time.

Approved By: City Manager **DT** City Attorney **JA-T**

INTRODUCTION

On November 24, 2014, staff proposed amendments to Shoreline Municipal Code (SMC) Chapter 5.05, Business Licenses, that would allow a limited exception to licensing requirements for small business at City sponsored or nonprofit sponsored events to encourage place-making and community engagement without the burden of the license fee. These amendments were provided for in proposed Ordinance No. 692. Council asked questions about the applicability and equity of the proposed exemptions as well as the benefits of the business licensing program in general. Tonight staff will provide an update on the business license program and respond to Council questions regarding the proposed ordinance.

For reference, the staff report for the November 24, 2014 Council discussion can be accessed at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport112414-9b.pdf>

BACKGROUND

History of Shoreline's Business Licensing Program

The Revised Code of Washington (RCW) Chapter 35A.82.020 authorizes code cities to license, regulate, and inspect businesses and occupations. In 2009, the City Council authorized a general business license program for “general regulatory purpose” as opposed to a “revenue generating and regulatory” purpose. This business license program was enacted by Ordinance No. 543, which established SMC Chapter 5.05, and Ordinance No. 544, which established the business license fee at \$40 per business per year.

In enacting the business license program in 2009, the City Council found that it was important to know its business landscape and to promote business development within the City. The annual business license fee was set at a cost that would cover administration of the program and to help support economic development services.

The identified purposes for implementing a regulatory business license system in Shoreline included:

- Providing a master list of businesses and types of businesses that conduct business within Shoreline;
- Providing the City with a record of business owners, along with their contact information;
- Helping to ensure compliance with City ordinances (for example, zoning, fire and life safety, etc.);
- Providing a list of businesses that can be used to audit against sales tax receipts to ensure that the City is receiving sales tax from all applicable businesses; and
- Generating revenue to help pay for economic development services provided by the City.

For additional information on the establishment of Shoreline's Business License Program, the staff report and ordinances that were provided to Council in 2009 can be accessed at the following link:

Business License Program Structure and Applicability

The City requires that any person, firm or corporation that is required to register with the Washington State Department of Revenue Business Licensing Service (BLS) to engage in any business, occupation or pursuit in the City should obtain a Shoreline Business License. However, SMC 5.05.040 provides for three exemptions to the requirement to obtain a City Business License:

1. The performance of governmental or proprietary functions by any instrumentality of the United States, the state of Washington, or any political subdivision thereof.
2. Businesses or activities for which a regulatory business license or franchise is required by any other chapter or section of the Shoreline Municipal Code as now or hereafter enacted or amended.
3. The delivery of goods by vehicle to a customer or client by a business where the sale occurred on a business premises outside of the city and the only event occurring within the city is a delivery.

To issue the City's Business Licenses, the City has a contract with BLS to provide this service. As noted above, the cost of a new City license is \$40. However, BLS also charges a processing fee of \$19 to issue the license in a business's initial year (\$59 total). To renew the license, which must be done annually, a business must pay the City's cost (\$40) plus BLS's renewal processing fee of \$11 (\$51 total). There is a single processing fee for an applicant to obtain multiple city and State licenses during a combined application process.

Pursuant to SMC 5.05.070(C), businesses registered with the State of Washington as a nonprofit corporation are required to obtain a Shoreline Business License but are exempt from paying the City's Business License fee (\$40). However, they still have to pay the State's annual processing fee.

The City does not pay any fees to BLS for their licensing services (the processing fees the business pays cover those services), with the exception of costs for reporting requests, special projects, and for access and usage of the BLS system. However, the City's needs for these 'extra' BLS services (and therefore the cost of these services) is small; the City paid just \$284 in usage fees to BLS in the last 12 months.

Business Licensing Program Data

As of December 2014, 5,057 businesses have a Shoreline Business License. Of these businesses, 2,591 (51%) are located in Shoreline, and 2,466 (49%) are located outside of Shoreline. As Council recalls, the Business License Program is structured so that any business *doing* business in Shoreline must obtain a Shoreline Business License, regardless of whether the business is physically located within the City.

Revenue generated from the program has averaged \$183,000 the last three full years. The annual business license revenue from the program's inception is as follows:

Year	Business License Fee Revenue
2009	\$0
2010	\$160,097
2011	\$184,028
2012	\$181,553
2013	\$184,068
2014 (through Dec. 19)	\$171,200

Business Licensing Approval Process

After a business license application has been filed with BLS and applicable fees are paid, the City Clerk’s Office downloads the Agency Requirements Document (ARD) from the BLS system and starts the approval process. If the business is located in Shoreline, the ARD is routed to the Planning & Community Development (PCD) Department so that staff can verify that the business use is allowed in the zone that underlies the address associated with the business. PCD staff also determine if the City should engage in proactive communication when permits might be needed to alter the building that the business occupies. If the business is a home business/occupation, PCD sends the applicant information on home occupation regulations and confirms adequate parking is being provided. If the business is in a commercial zone, the ARD is also routed to the Shoreline Fire Department and acts as a notification for them to go out and perform a commercial fire inspection.

After this internal review is complete, the Clerk's Office approves the business license within the BLS system and mails out New Business Welcome Packets” to each new business in Shoreline. Additionally, the Clerk's Office receives weekly “no City Registration” reports from BLS that are used to send out letters with application forms to businesses that are operating in Shoreline but don't yet have a Shoreline Business License. In managing the Business License Program, staff also create and circulate reports about new businesses that have become licensed and respond to in-person and over-the-phone questions about the program.

Business Licensing Program Benefits

As was noted during the Council discussion on November 24 regarding the Business License Program, there are many benefits to requiring a Shoreline Business License. Staff has identified the following benefits of the program:

- **Connecting businesses with business resource information**
As noted earlier, new businesses to Shoreline are sent a welcome packet that includes a letter from the Mayor, a copy of Vision 2029, the latest issue of Currents, a City of Shoreline Map published by the Chamber of Commerce and the City of Shoreline, a letter from the Economic Development Manager, the latest QuickStart Shoreline schedule, and a handout on Home Business/Occupation (if applicable). The welcome packet serves to not only provide valuable information to new businesses, but helps communicate that Shoreline supports the business community.
- **Communicating with targeted businesses on community issues**
For certain projects the City may want to communicate with particular businesses about City regulations or a City project or initiative. The Business License database

allows for easy access to this business information. Examples of this include communicating to businesses along the Aurora Corridor during the Aurora Project, and communicating with retail establishments when the City adopted carryout bag regulations.

- **Eliminated the need for a Home Occupation Permit**
After the Business Licensing Program was established, PCD was able to eliminate the need for a Home Occupation Permit, which required an applicant to submit an application, critical areas worksheet, home occupation criteria worksheet, site plans and floor plans. This permit required a one-hour minimum submittal fee to process the permit.
- **Commercial Fire Inspections**
The Shoreline Fire Department is responsible for fire code compliance. Notification of a new business or change of use is extremely helpful to the Fire Marshal's Office so they know when to go out and perform an inspection. Without the Business License Program, the Fire Department can only perform inspections when they learn of a new business or change of use.
- **Proactive Permitting Communication**
Information provided on the ARD gives PCD an idea of when a tenant improvement permit might be needed, and they can then communicate the potential permitting information with the applicant.
- **Economic Development**
Having a list of businesses and products/services offered in the City is important for the Economic Development Manager to perform outreach and design programs to assist and market businesses. The list is also shared with the Chamber of Commerce annually to be used to promote commerce and provide educational opportunities.
- **Business Development Support**
Revenue from business licensing support programs like QuickStart.
- **Tax Auditing**
The list of businesses is used to discover discrepancies that when caught result in additional sales tax dollars that the City would otherwise not be aware of.

Business License Programs in Other Cities

According to the Association of Washington Cities 2014 Tax and User Fee Survey, 170 cities responded that they charge a business licensing fee. Of these 170 cities, 116 of them charge a flat fee, similar to Shoreline. The average fee charged is \$40. Attachment A to this staff report contains business licensing information on sixteen cities that are either close in proximity, similar in population size, or are cities used as a labor market comparables to Shoreline. In addition to providing business license fee and fee structure information, the matrix also identifies if the program is regulatory or revenue generating in nature and whether the municipality also charges a Business and Occupation Tax on their business community.

DISCUSSION

Business License Program Exemption Proposal

As was noted when staff first introduced the proposed business license exemptions on November 24, the City provides community events and programs, such as Celebrate Shoreline, recreational classes, and concert series, for which the City contracts with individuals or small business to sell goods or offer a service. Similarly, nonprofit organizations sponsor community events such as fairs or festivals that have vendors that also provide goods or services. Many of these vendors and instructors do not regularly do business in the City, or do minimal business all together, but may still be required to obtain a Shoreline Business License.

Because this license requirement is an additional process that these vendors must adhere to, in addition to the license fee having an economic impact on the vendors, the City anticipates it could create challenges recruiting vendors and entertainers for special events and individuals to instruct classes if no exemption exists for these individuals or small businesses. Therefore, staff has recommended two exemptions to SMC Chapter 5.05 that would encourage place-making by allowing businesses to participate and engage with the community without the burden of obtaining a business license. These exemptions are noted in proposed Ordinance No. 692, which is attached to this staff report as Attachment B.

The first exemption applies to individuals and/or businesses who conduct limited retail sales as part of a City-sponsored event or a recognized 501(c)(3) nonprofit organization-sponsored event no more than six (6) days per calendar year and who generate no more than \$5,000 in gross receipts per calendar year within the City. Included in this category may be food vendors at Celebrate Shoreline and vendors at the Shoreline Holiday Crafts Market.

The second exemption will apply to individuals and/or businesses who provide recreational instruction or performance services as part of a City-sponsored event or a recognized 501(c)(3) nonprofit organization-sponsored event and who generate no more than \$5,000 in gross receipts per calendar year within the City. Examples might be an instructor who teaches watercolor painting a few times per year or an entertainer who performs once a year at Celebrate Shoreline.

Business License Exemption Applicability

Retail vendors, recreation instructors and performers, like all business operators, are required to register their business with the State if they meet any of the following criteria:

- They collect sales tax
- Their gross income is \$12,000 or more per year in Washington State
- They are required to pay other types of taxes or fees
- They are a buyer or processor of specialty wood products

If any of these criteria are met, the business owner would be required to register with the State, and would also be subject to the City's Business License Program.

In most cases, vendors, instructors and performers that might be eligible for the proposed exemption from the City's Business License Program would either meet the

sales tax or \$12,000 gross income criteria. Specifically, those vendors selling food or goods will likely be required to collect sales tax, and vendors, instructors or performers might make \$12,000 per year throughout the State, even if they don't gross that amount of revenue in Shoreline. As many instructors and performers provide service in multiple jurisdictions, while they may not gross \$5,000 in Shoreline in any given year, they may gross \$12,000 or more statewide.

Business License Exemption Examples

At the November 24 Council meeting, Council asked for specific examples of how these exemptions might be applicable to individuals/small businesses. The table below provides these examples:

	Food Truck; 1 Event in Shoreline; Grossed \$4,500 at Shoreline Event	Holiday Craft Vendor; 5 Events in Shoreline; Grossed \$1,000 Total at all Shoreline Events	Famer's Market Produce Vendor; All Season (15 Markets)	Adjunct Professor/ Lecturer at Shoreline Community College	Karate Instructor	Musician; Grossed \$3,000 at all Shoreline Events
Collects Sales Tax?	Yes	Yes	No	No	No	No
Gross Income \$12,000 Per Year or More in Washington State?	Yes	No	Yes	Yes	No	Yes
Required to Pay Other Taxes/ Fees?	No	No	No	No	No	No
Buyer or Processor of Specialty Wood Products?	No	No	No	No	No	No
Shoreline Business License Required	Yes	Yes	Yes	Yes	No	Yes
Qualify for Proposed Exemption?	Yes	Yes	No	No, exemption only is for providing recreation instructional or performance services	Not Applicable	Yes

Similar Exemptions in Other Cities' Regulations

Staff reviewed the municipal codes of the sixteen cities listed in the Comparable Cities Matrix (Attachment A) and found that four (4) of these cities provide a similar exemption that staff is proposing in proposed Ordinance No. 692. The following table provides the Code exemption language from these cities' municipal codes:

City	Exemption Language
Bothell	<p>Exemptions for Nonprofit Festivals</p> <p>A. No license shall be required of any person who operates a business in conjunction with nonprofit community festivals, as approved by the license officer; provided all of the following criteria are met:</p> <ol style="list-style-type: none"> 1. The business does not operate within the city more than three consecutive days; 2. The business does not operate within the city more than 12 days in a calendar year; and 3. The business is authorized to participate in the community festival by the sponsor of the festival. <p>B. Any person claiming the exemption set forth in this section shall register with the city, on a form prescribed by the license officer, each time he or she engages in business within the city to track the number of days said person does business within the city.</p>
Kirkland	<p>No License Required in Certain Circumstances</p> <p>(d) No license is required if a person engages in no activities within the city but the following:</p> <ol style="list-style-type: none"> (2) Activities that are within the term and scope of a city special event permit, pursuant to Chapter 19.24 or a community program activity as defined in Section 19.24.010 (e.g., vendors at a temporary booth who are included under an entity's special event or community program permit, consistent with the term and activity for which the permit was issued); (3) Activities that are within the term and scope of a city-operated and city-managed parks event that would otherwise be exempt if they were conducted pursuant to a special events permit;
Lakewood	<p>License Waivers for Community Events</p> <p>In connection with any activity, business or function for which a business license would be required as provided in this Title, if the City Manager or a majority of the City Council determines that the activity, business or function subject of the license exclusively constitutes or is a part of a civic, community or school event, the license fee may be waived by and in the discretion of the City Manager or a majority of the City Council, after considering the benefits of the event to the community and its impacts on the City.</p>
Redmond	<p>Exemptions</p> <p>(9) Community special events that are sponsored by the city and that are open to the public without the payment of an admission fee are exempt from the requirement to obtain a business license. In addition, no business license shall be required for dealers, vendors, entertainers, instructors, and others with whom the city or any co-sponsor contracts to provide goods or services at the event. As used in this subsection, "community special event" means the following events sponsored or co-sponsored by the City: Derby Days, Redmond Lights, Eggstravaganza, the Digital Arts Festival, the Arts in the Park Series, the Community Lecture Series, Pet Fair, Bridal Fair, the Spring Garden Fair, the Holiday Craft Market, Healthy, Wealthy and Wise Health Fair, Sculpture Garden, and the Great Day of Play.</p>

Council Questions from the November 24 Business License Discussion

Council asked several other questions regarding what types of businesses are required to obtain a Shoreline Business License and how the two proposed exemptions will be applied. Following are the questions and staff response.

1. **Q:** With regard to specialized instruction, would the teacher/contractor/consultant, not be the one collecting sales tax? Wouldn't it be the City that collects any sales tax and then hires the consultant to teach the class?

A: Physical fitness and recreational activities, where the customer is an active participant rather than merely an observer or passive participant (fitness classes), are subject to retail sales tax; however, income derived from instructional lessons (swimming lessons or learning a language) is not subject to retail sales tax. If retail sales tax is applicable, the City collects it and pays it directly to the State.

2. **Q:** Do we have a sense how much it would cost if we charged the fee evenly, and then issued refunds to business that do not reach \$5,000 in gross revenue?

A: Staff believes many of the craft vendors, one-time performance entertainers, and instructors that are hired by the City are not currently obtaining a Shoreline Business License. By not providing for an exemption, there would be an initial staff effort to get them to purchase a license. At the end of the year, it would be the business's responsibility to request a refund from the City if they made less than \$5,001 within the City.

There is a three week period after the end of the year to perform transactions and have them post to the previous year financial accounts. The end of the year is extremely busy for the Clerk's Office processing regulatory business licenses and for the Administrative Services Department wrapping up year end financials. The increased work load of processing up to an estimated 100 check requests would be very challenging to implement, and there would be no income to fund the additional work it would create. Also, it should be noted that the City would be holding on to the business's \$40 for up to one year interest free, and the State's \$19 processing fee would not be refundable.

3. **Q:** Do we have a sense of how many businesses would be exempt from the fee as proposed?

A: Between craft vendors, food vendors, entertainers, and instructors that would be eligible as a result of the requirement of less than \$5,000, staff anticipates approximately 100 businesses would qualify for the exemption. No doubt some vendors currently purchase (and will continue to purchase) City Business Licenses. However our assumption is that many small craft vendors and one-time food vendors have not purchased Shoreline Business Licenses in the past and would not have to with these exemptions.

4. **Q:** Can you clarify for me if the following are required to obtain a Shoreline Business License?

- a) Scouting organizations or similar groups engaged in fundraising?
- b) Political organizations registered with the PDC?
- c) Houses of worship?

A: The City requires a Shoreline Business License if the business is required to register with the State Department of Revenue. If the business is a state registered nonprofit, the City still requires a Shoreline Business License but the \$40 fee is waived.

The Department of Revenue requires registration if the nonprofit conducts taxable business activities. Cash donations (gifts or contributions) are not subject to business and occupation (B&O) tax or retail sales tax as long as the donor does not receive any significant goods or services in exchange for the donation. Qualifying nonprofit organizations only conducting fundraising activities that do not constitute normal operations are not required to register. Political organizations do not qualify for the fundraising exemptions for B&O tax and sales tax. Therefore, if a scouting, political, or house of worship organization met the above criteria, it would not need to obtain a Shoreline Business License. However, most large nonprofits are registered with the state for charitable purposes.

Additional Policy Question

On November 24, Deputy Mayor Eggen expressed a desire to have the proposed exemptions include all nonprofits, not just the ones with 501(C)(3) status. This would be a policy choice for Council to make.

SMC 5.05.070(C) states that a business registered with the Secretary of State must obtain a Shoreline Business License but is exempt from paying the fee. The two exemptions being proposed in proposed Ordinance No. 692 state “a recognized 501(c)(3) non-profit organization sponsored event”. This language could be changed to “event sponsored by a nonprofit corporation registered with the State of Washington” to parallel language that already exists in SMC 5.05.

A State-registered nonprofit is not necessarily a 501(C)(3). The decision to be a 501(C)(3) is driven by the nonprofit’s activities and whether they would benefit (tax wise) from becoming one or could be eligible for grants or other contributions by becoming one. In essence, the larger the group the more likely federal recognition is desired. Thus, by changing the exemption to those events sponsored by State-registered nonprofits, Council would be expanding the scope of events that are available to small vendors.

COUNCIL GOAL ADDRESSED

Business licensing helps support Council Goal #1 to strengthen Shoreline’s economic base by providing the city information on the current business landscape that can be used to engage with and support the business community, and to promote Shoreline for future economic growth.

RESOURCE/FINANCIAL IMPACT

Staff anticipates a small financial impact if proposed Ordinance No. 692 is adopted. The City has not historically monitored licenses from small businesses/individuals that would benefit from this exemption. Staff estimates the financial impact will be less than \$4,000, assuming there are 100 businesses/individuals that qualify for the exemption and that they were applying for a business license in the past.

RECOMMENDATION

Staff recommends that Council move to adopt Ordinance No. 692 allowing for a limited exception to licensing requirements for small businesses at City-sponsored or nonprofit sponsored events. If Council wants to revisit the business license fee structure or other aspects of the Business License Program, staff recommends reviewing this item in 2016 to determine if it should be added to staff's work plan at that time.

ATTACHMENTS

Attachment A – Comparable Cities Business License Program Matrix

Attachment B – Ordinance No. 692, amending SMC, Chapter 5.05 Business License

Comparable Cities Business License Program Matrix

Municipality	Regulation or Revenue Generating?	Minimum License Fee	Fee Base	Fee Rate	One-Time or Annual?	Discount Renewal Fee?	B&O Tax?
Auburn	Regulation	\$50.00	Flat fee	\$50 + \$63 one-time inspection fee	Annual	No	No
Bellevue	Regulation	\$89.00	Flat fee	\$89.00	One-time	Not Applicable	Yes
Bothell	Revenue Generating	\$0.00	Other	Based on (1) type; (2) # of employees; & (3) square feet	Annual	No	No
Burien	Revenue Generating	\$30.00	Number of employees	\$150 40+ emp.; \$75 0-39 emp.; \$30 Home Occupation	Annual	No	Yes
Edmonds	Regulation	\$50.00	Flat fee based on type	\$125 business; \$100 Home Occupation; \$50 business located outside city	Annual	Yes	No
Everett	Regulation	\$10.00	Flat fee	\$10.00	One-time	Not Applicable	Yes
Federal Way	Regulation	\$75.00	Flat fee	\$75.00	Annual	Yes	No
Kent	Revenue Generating	\$100.00	Number of employees	\$100 1-24 emp.; \$200 25-49 emp.; \$400 50-99 emp.; \$600 100+ emp.	Annual	No	Yes

ATTACHMENT A

Municipality	Regulation or Revenue Generating?	Minimum License Fee	Fee Base	Fee Rate	One-Time or Annual?	Discount Renewal Fee?	B&O Tax?
Kirkland	Revenue Generating	\$50.00	Per employee	\$100 base fee + \$100 per emp.	Annual	No	No
Lake Forest Park	Regulation	\$30.00	Flat fee	\$30 inside City; \$60 outside City	Annual	No	Yes
Lakewood	Regulation	\$60.00	Flat fee	\$60.00	Annual	No	No
Olympia	Regulation	\$30.00	Flat fee	30 (+ one time new business fee of \$25, and B&O registration of \$25)	Annual	No	Yes
Redmond	Revenue Generating	\$92.00	Per employee	\$92.00	Annual	No	No
Renton	Revenue Generating	\$110.00	Per employee	\$65.00	Annual	No	No
Sammamish	Regulation	\$15.00	Flat fee	\$15.00	Annual	No	No
Seattle	Regulation	\$55.00	Flat fee	\$110 standard business; \$55 small business	Annual	No	Yes
Shoreline	Regulation	\$40.00	Flat fee	\$40.00	Annual	No	No

ORDINANCE NO. 692

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON
AMENDING SHORELINE MUNICIPAL CODE, CHAPTER 5.05
BUSINESS LICENSES, TO ALLOW FOR A LIMITED EXCEPTION TO
LICENSING REQUIREMENTS FOR SMALL BUSINESS AT CITY-
SPONSORED OR NON-PROFIT SPONSORED EVENTS.**

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington (hereinafter referred to as “City”); and

WHEREAS, the City provides for community programs, such as recreational classes, for which the City contracts with individuals or small business to provide; and

WHEREAS, the City along with non-profit organizations routinely sponsor shows, festivals, or other similar types of events (hereinafter referred to as the “Events”) within the City limits which provide an opportunity for small businesses to sell goods and/or services at retail to those attending or provide for recreation instruction as part of the City’s programs; and

WHEREAS, Shoreline Municipal Code (SMC), Chapter 5.05, requires any person, firm, or corporation which is required to register with the Washington State Department of Revenue to engage in any business, occupation, or pursuit in the City to obtain a business license; and

WHEREAS, the City has set forth an appropriate fee in SMC 3.01.200 for a business license and SMC 5.05.040 provides for limited exceptions to this fee but does not address small business of the types providing recreational services and/or retail sales; and

WHEREAS, to require businesses seeking to contract with the City for recreational services or to participate in Events, most of which are small businesses, to secure a city business license and pay the associated fee would provide an economic burden on those businesses; and

WHEREAS, allowing for an exemption of the city business license fee would encourage place-making by allowing small businesses to participate and engage with the community without the burden of the license fee; and

WHEREAS, the economic burden imposed on these small businesses by requiring them to pay a city business license fee could result in a decision by these businesses not to contract with the City or to participate in Events, with the loss of small business participation adversely impacting recreational services and the Events, potentially resulting in their cancellation; and

WHEREAS, the loss of these types of services and Events would be adverse to the best interests of the citizens of Shoreline and the community they have built; and

WHEREAS, the City Council has determined it to be in the best interests of the citizens of Shoreline and the community to ensure these types of Events continued and that a diverse variety of businesses are encouraged to participated, including small business;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment to Shoreline Municipal Code. Shoreline Municipal Code, Title 5, Section 5.05 shall be amended as follows providing for an exemption from business license regulations:

SMC 5.05.040 – Exception – Applicability of Provisions

This chapter shall not be applicable to:

A. The performance of governmental or proprietary functions by any instrumentality of the United States, the state of Washington, or any political subdivision thereof.

B. Businesses or activities for which a regulatory business license or franchise is required by any other chapter or section of the Shoreline Municipal Code as now or hereafter enacted or amended.

C. The delivery of goods by vehicle to a customer or client by a business where the sale occurred on a business premises outside of the city and the only event occurring within the city is a delivery.

D. Individuals and/or businesses who conduct limited retail sales as part of a city-sponsored event or a recognized 501(c)(3) non-profit organization-sponsored event no more than six (6) days per year and who generate no more than \$5,000.00 in gross receipts per calendar year within the City.

E. Individuals and/or businesses who provide recreation instructional services or performance services as part of a city-sponsored event or a recognized 501(c)(3) non-profit organization-sponsored event and who generate no more than \$5,000.00 in gross receipts per calendar year within the City.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance..

Section 3. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON JANUARY 5, 2015.

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2015
Effective Date: , 2015