



## SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, May 18, 2015  
7:00 p.m.

Council Chamber · Shoreline City Hall  
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
<b>1. CALL TO ORDER</b>		7:00
<b>2. FLAG SALUTE/ROLL CALL</b>		
<b>3. REPORT OF THE CITY MANAGER</b>		
<b>4. COUNCIL REPORTS</b>		
<b>5. PUBLIC COMMENT</b>		
<p><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></p>		
<b>6. APPROVAL OF THE AGENDA</b>		7:20
<b>7. CONSENT CALENDAR</b>		7:20
(a) Minutes of Business Meeting of March 16, 2015	<u>7a1-1</u>	
Minutes of Business Meeting of March 23, 2015	<u>7a2-1</u>	
(b) Adoption of Res. No. 374 Extending the Interfund Loan for Aurora Avenue Improvements	<u>7b-1</u>	
(c) Authorize the City Manager to Execute an Agreement with AltaTerra Consulting LLC for the Puget Sound Drainage Surface Water Basin Plan	<u>7c-1</u>	
<b>8. ACTION ITEMS</b>		
(a) Adoption of Ord. No. 711 – New Chapter for the Shoreline Municipal Code 3.65 – Collection of Debt	<u>8a-1</u>	7:20
<b>9. STUDY ITEMS</b>		
(a) Discussion and Status Update – Classification and Compensation Study – Compensation Policy	<u>9a-1</u>	7:50
<b>10. ADJOURNMENT</b>		8:20

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**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF BUSINESS MEETING**

Monday, March 16, 2015  
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

Mayor Winstead commented on attending the National League of Cities Congressional Cities Conference, along with Councilmembers McGlashan and McConnell. She shared that she was present to hear President Obama announce the TechHire Initiative, a program designed to help people get hired in the Tech Industry. She reported attending educational sessions on transportation, affordable housing, city planning, municipal bonds, environmental regulations, and meeting with Senators Patty Murray and Maria Cantwell. She thanked Councilmember McGlashan for serving in the capacity of Past President of the Gay, Lesbian, Bisexual and Transgender Local Officials (GLBTLO) Board of Directors, and congratulated Councilmember McConnell on being installed as President of the Asian Pacific American Municipal Officials Advocacy Group.

5. PUBLIC COMMENT

**Councilmember McGlashan moved to extend Public Comment for one hour. The motion was seconded by Councilmember McConnell and passed unanimously.**

Rosalyn Lehner, Shoreline resident, asked Council to postpone the rezone. She expressed concern about increased density and tax increases. She talked about preserving a sense of community, and explained that the balloons on display in the Council Chamber represent Edith Macefield of Ballard and depicted in the movie "Up".

Lorn Richey, Shoreline resident, encouraged Council to vote no on the Plan, and to vote yes on a new plan submitted by Dan Jacoby. He commented that the new plan reduces damage to Shoreline residents, and better supports principals of community, economic development, low-income working families, homelessness, and the environment.

Jarett Birchman, Shoreline resident, thanked Deputy Mayor Eggen for his position on the Plan, and asked Council to stop the vote. He expressed he is for growth but without destroying neighborhoods. He wants to ensure that people affected by the Plan are adequately informed, and commented on the lack of policy for accessible housing.

Amy Gore, Futurewise Director of Sustainable Communities, thanked Council for their work. She explained the organization's mission through smart growth strategies, and commented that the expansion of light rail and compact development will prevent sprawl, environmental degradation, and give residents an alternative to driving. She commented that the Plan will ease the overall cost of housing, is a viable compromise, and recommended that the Council adopt the Plan.

Nicholas Bratton, Forterra Policy Director, talked about land use economics and shared that his organization has been a part of many real estate transactions and economic analyses. He commented on the need to provide the private market a big enough supply of land, and the residents with choice and livability options. He cautioned Council about passing rezones that are too small.

Tamara Simon, Shoreline resident and investment property owner, referenced the zoning changes in Ballard and its lack of affordability. She expressed concern about affordability of neighborhoods, taxes, crime and transportation. She asked Council to reconsider the Plan and suggested assessorly dwelling units and patio home developments. She talked about lost opportunities at Gateway Plaza which she believes could have been the heart of the community.

Karen Easterly-Behrens, Shoreline resident, appreciates how the rezone has brought the community together and stated they will also be engaged during the next election. She asked Council to represent the people who elected them.

John Behrens, Shoreline resident, asked Council to blend the present and future together when considering what the City should look like. He asked Council for a clear plan that protects the present and produces benefits for the future that the community can share. He talked about consequences to neighborhoods if lots are combined, the current plan being too big, and recommended traditional zoning.

Mrs. M. Heeres, Shoreline resident, asked the Council to work with people in the community and keep buildings a maximum of four stories high.

Larry Mishkin, Shoreline resident, commented on voting for Light Rail but not for his property to be rezoned. He believes that the rezone makes sense but stated it does not have to consume the entire neighborhood.

Ginny Scantlebury, Shoreline resident, talked about the lack of noticing and information for the 185<sup>th</sup> Street Station Subarea Plan. She questioned how many residents know what a planned action is, and commented that it makes it easier for developers to build. She stated that Bellevue does not use planned action and that Seattle's Yesler Terrace uses it to receive federal funding. She talked about the challenges of working with multiple developers and asked Council to vote no.

Janet Way, Shoreline Preservation Society, commented on the audience being a majority and recommended a four point consensus plan. She asked Council to approve an overlay plan instead of a planned action, and stated an overlay plan will identify zones where development can take place, and allow the community to receive notice, give input, and appeal. She commented that the proposal is too big and on the need to protect the character of the neighborhoods. She expressed concern that the City is no longer protecting historical homes.

Deborah DeMoss, Shoreline resident, talked about growing up in Anaheim, California and experiencing the consequences of high growth. She questioned why the City would tear down houses for high rise buildings. She expressed that she is angry with the Plan and the decision to allow the Polaris Apartments to be built.

Dan Jacoby, Shoreline resident, commented that the zoning decision will be each Councilmember's legacy. He commented that the vocal majority has brought forth many facts in opposition of the Plan, and asked Council not to ignore the facts and work with the Community to go forward.

Norm McFarland, Shoreline resident, commented that his house is his retirement, expressed concern that the rezone will decrease the value of the house and jeopardizes his ability to get a competitive reverse mortgage.

Jerry Borth, Shoreline resident, stated he opposes the rezone and read an excerpt from the City's website regarding the history of Shoreline. He commented that Council action tonight threatens people's homes and lifestyle, and will determine how residents vote for Council positions during the next election.

Brian Derdowski, Sensible Growth Alliance, talked about a four vote consensus, overlay zoning, and shared how King County implemented a successful overlay plan. He commented that an overlay plan will provide market signals, support residents, incentivize appropriate development, predictability, public participation and strong regulations. He shared why a planned action is not the right way to go.

Dan Mann, Shoreline resident and business owner, talked about being an active participant when Shoreline incorporated. He commented that the City incorporated to protect neighborhoods and the School District, to keep tax revenue and have local representation. He read an excerpt from Shoreline's Vision and capital budget statements. He encouraged Council to listen to the people and not create animosity by adopting the Plan.

Elaine Phelps, Shoreline resident, read excerpts from an election questionnaire which identified wanting growth while preserving single family neighborhoods, and requested that Council vote that way tonight. She commented on residents having input in the process, allowing for Light Rail without destroying neighborhoods, the shadow effect of high rise buildings, and limiting the number of new people coming to Shoreline.

Alvin Rutledge, Edmonds resident, commented on the effects of additional new buildings in adjacent cities, keeping the height at 2,900 feet, and asked about the City's Charter.

John Kropf, Shoreline resident, commented on grant funding for 145<sup>th</sup> Street and building a sky tram to help alleviate traffic congestion.

Dale Lydin, 185th Street Citizen Committee Member, commented that he did not envision this kind of zoning. He shared that the Plan's goal was for the development of infrastructure to serve the Light Rail, support private capital investment, and protect the neighborhoods. He stated he supports an overlay plan.

Dr. Cory Secrist, Shoreline resident, questioned if Light Rail can support and sustain increased traffic that comes with expanded growth, affordable housing, and if there will be tax revenue to support public services like schools. He talked about class structure, the quality of life of residents if single-family units are removed, and asked Council to preserve the quality of life in Shoreline.

**Councilmember McConnell moved to extend Public Comment for thirty minutes to accommodate the six people left to speak. The motion was seconded by Deputy Mayor Eggen and passed unanimously.**

Stacey Chlarson, Shoreline resident, explained that she wants to put a face to the families not represented at the meeting tonight. She spoke about why her family moved to Shoreline and asked Council to scale back the rezone.

Les Nelson, Shoreline resident, asked that a copy of the original 1998 City of Shoreline Environment Impact Statement and appendices, and the Draft EIS be entered into record. He commented that these documents were not referenced in either of the Station Subarea Plans and stated they should be considered.

Tom Jamieson, Shoreline resident, commented on the explosion of the Challenger spaceship and finger pointing, and having a similar situation here. He talked about adoption of the three ordinances being out of order on the agenda, and recommended that the Comprehensive Plan be passed first followed by the zoning ordinance.

Sigrid Strom, Shoreline resident, expressed concern that the data is missing or misleading, and that impacts have not been reviewed. She commented that the EIS for 185<sup>th</sup> and 145<sup>th</sup> Subarea Stations should have been looked at together. She asked Council to listen to the residents to make a great future for Shoreline.

Kenrick Jorus, Shoreline resident, commented that Council should plan for the City right now and not for 100 years in the future. He recommended starting the rezone with a very small area and then expanding to reduce risk.

Genevieve Evans, Shoreline resident, commented that the rezone will impact her home and stated that she only received notice about the rezone a week ago. She expressed frustration with having nowhere to go for answers except this forum.

6. APPROVAL OF THE AGENDA

**The agenda was adopted by unanimous consent.**

7. CONSENT CALENDAR

**Upon motion by Deputy Mayor Eggen, seconded by Councilmember Roberts and unanimously carried, the following Consent Calendar items were approved:**

**(a) Minutes of Business Meeting of February 2, 2015**

8. ACTIONS ITEMS

**(a) Adoption of Ord. No. 706 - 185th Street Station Area Development Code Amendment and Zoning Map**

At 8: 24 p.m., Mayor Winstead called for a recess. At 8:27 p.m., Mayor Winstead reconvened the meeting.

Steve Szafran, Senior Planner, reviewed community outreach performed and explained that everyone in the 185<sup>th</sup> Street Station Subarea was notified of tonight's meeting and Council's consideration of adopting the Subarea Plan, Map and Development Code Regulations. He outlined the process of the meeting, and reviewed Ordinance 706, the Alternative 4 Preferred Alternative Phased Zoning Map, and the Amendment Matrix.

**Councilmember Hall moved adoption of Ordinance 706 amending the unified Development Code, Shoreline Municipal Code Title 20, and the official zoning map to implement the 185<sup>th</sup> Street Station Subarea Plan. The motion was seconded by Councilmember McGlashan.**

Councilmember Hall thanked residents for their input in the process and shared that it is valued. He commented on the need to plan for the growth of the community in partnership with residents. He spoke on the importance of avoiding undesirable growth and land value market distortions. He pointed out environmental benefits that will come with the Light Rail Stations since new developments are required to adhere to better environmental standards.

Councilmember Salomon stated that he supports the motion and explained that the region's population is growing and that it is better to accommodate growth in concentrated areas near

transportation networks and to avoid spot development. He shared that, nationally, light rail and zoning for transit oriented development (TOD) has generally led to increases in property values. He shared that David Freiboth, King County Executive Labor Council Treasurer, is in favor of the Plan and stated that it is an opportunity to make a difference for our children, the new middle class. He explained that as density increases, TOD decreases the cost of housing. He noted that a mitigation evaluation will occur between phases to provide checks and balances, and to ensure mitigation issues have been resolved prior to implementing the next phase.

Deputy Mayor Eggen shared that a false dichotomy exists - that a person is either in favor of the current Plan, or is against growth. He stated that it is not true; everyone understands that there has to be some growth around the Light Rail Stations. The question is how big, fast, and controlled the growth will be. He commented on providing opportunities for citizens to appeal an oversized or inappropriate development. He stated he believes that we can have growth that is not overwhelming to the citizens and supports the Light Rail Station without it happening instantaneous over 400 acres.

Councilmember McConnell stated that she will be voting for a smaller area to rezone for the preservation of Shoreline.

Councilmember McGlashan stated he will be supporting the motion and believes that this Map puts growth and development in the right places.

**Councilmember Roberts moved to amend the zoning map to a) change all MUR-45 zoning to MUR-35 between Corliss and Stone Ave b) change from Phase 1 to phase 2 all MUR zones west of 1st Ave c) eliminate all areas currently in Phase 3 from the zone d) eliminate area north of Shoreline Park between 1st and 3rd NE and South of NE 193rd from the zone and e) eliminate all area east of 10th Ave NE and north of NE 180th from the zone that is not adjacent to 10th Ave NE or NE 180th. The motion was seconded by Councilmember McConnell.**

Councilmember Roberts commented on figuring out the right amount of land to rezone to support development around the Station. He shared that a Minneapolis study reported not much growth is expected around station areas in low residential neighborhoods; noted his own experience in Sacramento with not seeing new development around stations; and talked about the City of Portland scaling back rezone areas near their Station. He mentioned other studies that report development occurred in TOD areas near stations when they were in a downtown location or where there were existing large parcels. He stated his map proposal reflects the Council's Light Rail Guiding Principles by providing transitions to TOD in partnership with the local neighborhood. He said his map allows development to start small, reflects what the community supports, and provides an opportunity for more grow later. He recommended that a future Shoreline City Council be allowed to make decisions regarding Phase 3.

Councilmember McConnell concurred with Councilmember Roberts. She expressed that the Map in Ord. 706 is too big. She believes density should be increased around Light Rail but stated that it does not have to be this big. She stated her support for MUR-35 along 185th Street.



Deputy Mayor Eggen stated he will support the amendment. He commented that this map supports the original concept of rezoning within the ½ mile walkshed of the Station and supports connecting corridors to Aurora and North City.

Councilmember McGlashan stated he will not support the amendment because of the changes from MUR-45 and the reduction in the walkability radius to the Station.

Mayor Winstead stated she will not support the amendment and pointed out that the maps are not that different.

**The motion failed 3-4 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting yes.**

**Councilmember Roberts moved to amend the zoning map to have the corridor west of 1st and east of Stone (where it bumps up against TC zones) moved from Phase 1 to Phase 2 zoning, and leaves the TC zones in Phase 1. The motion was seconded by Deputy Mayor Eggen.**

Councilmember Roberts explained the amendment allows for a transition to TOD in partnership with the local neighborhoods, and focuses on ¼ and ½ mile walksheds. He asked what the size of typical developments likely to occur within the Station Area will be. He commented that the 185<sup>th</sup> Street Corridor is not directly related to the Station Area and that it does not fit in the vision of what the Station should be. He commented on the value of creating placemaking in Phase 2, and stated he supports development that is immediately adjacent to the Station.

Ms. Markle provided examples of developments anticipated in the MUR-45 zone. Dan Eernisse, Economic Development Manager, explained that structured parking would not be in MUR-45, and lot percentages would be higher in MUR-70. He explained that the depth depicted on 185<sup>th</sup> Street was to accommodate townhouses with alley access, and that they could be developed with a two parcel assemblage.

Councilmember Hall stated he will not support the amendment and noted that it is similar to the amendment that failed on February 23, 2015. He pointed out that the value of a connecting corridor was studied by the Planning Commission and staff, presented to the public, and that all three groups recommended the connection of Aurora Avenue to North City. He stated that the approved Map was scaled back, incorporates a phased implementation approach, and that the total plan area that is affected in the Subarea Plan is smaller than the area in a ½ mile radius circle. He said the main motion reflects the right size plan for Shoreline.

Deputy Mayor Eggen commented that the Map is larger than it needs to be to fulfill obligations to TOD and growth targets.

Councilmember McConnell stated she will support the amendment and concurs with Deputy Mayor Eggen that the Map is too big.

Councilmember McGlashan stated that the amendment takes away housing opportunities and choices for everyone.

Councilmember Roberts explained that the Development Code allows townhouses to be built in MUR-70 zones if they meet the minimum density requirement. He stressed the importance of the area transitioning to walkable neighborhoods by concentrating zoning closer to the Station.

**The motion failed 3-4, with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting yes.**

**Deputy Mayor Eggen moved to amend the main motion to replace Exhibit B of Ordinance No. 706 with the NE 185th Street Light Rail Station Subarea Walkshed Option Map. The motion was seconded by Councilmember Roberts.**

Deputy Mayor Eggen commented that this amendment moves everything primarily outside the 3/8 mile walkshed, except for on 185<sup>th</sup> Street and the connection to North City, from Phase 1 to Phase 2.

Councilmember Roberts stated that the public has not expressed a particular preference for one map and stated that Mr. Freiboth supports the principle of rezoning in the Light Rail Station Area and not necessarily any given map.

Councilmember Hall commented that literature suggests a 1/4 mile is the correct distance for Light Rail, and not 3/8 mile. He expressed that he does not understand why there is a need to reduce the area, as the current Map provides options to individual land owners.

**The motion failed 3-4 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting yes.**

**Councilmember Hall moved to amend the main motion by amending Ordinance 706 Exhibit A SMC 20.40.506(A) to delete the “MUR-45’ and MUR-70’ zone” and delete SMC 20.40.506(B) in its entirety, amend SMC Table 20.40.160 to delete “P-i” from the MUR-45’ and MUR-70’ column for Single-Family Detached. Also amend SMC 20.30.280 - Non Conformance - to add under 20.30.280(C)(4) “Single family additions shall be limited to 30 percent of the use area and not require a conditional use permit in the MUR-45’ and MUR-70’ zone.” The motion was seconded by Councilmember Salomon.**

Councilmember Hall commented that the amendment protects homeowners by allowing existing single-family homes anywhere in the Subarea to be remodel or rebuilt; and allows single-family homes in MUR-45 and MUR-70 zones to be expanded up to 30% of their footprint. He stated any new construction would have to conform to the Plan’s vision.

Councilmember Roberts asked for the average square foot size of new homes built in Shoreline over the last two years. Ms. Markle responded that her best guess is 2,100 – 2,500 square feet. Councilmember Roberts commented that he wants to make sure he understands the affects the amendment will have on nonconforming use, and stated that expanding the footprint of a 1,000 square foot home by 30% is not that much but with the larger homes there is potentially more of an impact.

**Deputy Mayor Eggen moved to amend the amendment by changing the Development Code 20.30.280(c)(4) to read “Single family additions shall be limited to 50 percent of the use area or a maximum of 1000 sq. ft. whichever is lesser and do not require a conditional use permit in the MUR-45 and MUR-70 zone.” The motion was seconded by Councilmember Roberts.**

Deputy Mayor Eggen commented the amendment provides single family homeowners greater expansion opportunities and requires a maximum limit to prevent overbuilding.

**The motion to amend the amendment passed unanimously.**

**The amendment to amend SMC 20.40.506(A) to delete the "MUR-45' and MUR-70' zone" and delete SMC 20.40.506(B) in its entirety. SMC Table 20.40.160 would also need to be amended to delete "P-i" from the MUR-45' and MUR-70' column for Single-Family Detached, and to amend SMC 20.30.280 - Non Conformance - to add under 20.30.280(C)(4) "Single family additions shall be limited to 50 percent of the use area or a maximum of 1000 sq. ft. whichever is lesser and do not require a conditional use permit in the MUR-45' and MUR-70' zone" passed 6-1 with Deputy Mayor Eggen voting no.**

**Councilmember Hall moved to amend the main motion by amending Exhibit A to Ordinance No. 706 by amending the row 'Minimum Density' in SMC Table 20.50.020(2) to add in 18 dwelling units per acre in the ‘MUR-45’ column.” The motion was seconded by Councilmember Salomon.**

Councilmember Hall explained that the amendment does not affect existing home owners but stated that new projects would have to use land efficiently and meet the minimum 18 dwelling unit requirement.

**The motion passed unanimously.**

**Deputy Mayor Eggen moved to amend the main motion by amending Ordinance 706 Exhibit B (Zoning Map) by eliminating the area between 193rd and 195th and between Corliss and 1<sup>st</sup> Avenue from the zone and rezone the area between Shoreline Park and 195th and between 1st and 3rd from MUR-70’ to MUR-45’ with a transition on 1st of MUR-35’. The motion was seconded by Councilmember Roberts.**

Deputy Mayor Eggen commented that this transition area is well outside the 1/2 mile walkshed.

**The motion failed 3-4 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting yes.**

**Councilmember Hall moved to amend the main motion by amending Ordinance 706 Exhibit A (SMC 20.30.355(D)(1)) to “99 years” instead of “50”. The motion was seconded by Councilmember Roberts and passed unanimously.**

**Councilmember Hall moved to amend the main motion to amend Ordinance 706 Exhibit A Table 20.40.160 to make Research, Development and Testing an allowed use in MUR-70. The motion was seconded by Councilmember Roberts.**

Councilmember Hall commented on Research, Development and Testing now being an unobtrusive use, and explained that the amendment provides consistency with other existing uses.

Councilmember Salomon asked if the amendment would allow testing of viruses like the biosafety lab on the Fircrest Campus, and questioned if it would be appropriate in a transit oriented development community. He stated that he would not support the amendment if this is the case. Mr. Szafran responded that the amendment would allow for the testing of viruses. Ms. Markle added staff would look at the Code to confirm this.

Councilmember McGlashan commented on the distinction between testing for viruses and testing for robotic medical parts.

At 9:55 p.m., Mayor Winstead called for a recess. At 10:00 p.m. Mayor Winstead reconvened the meeting.

**Councilmember Hall moved to extend the meeting to 11:00 p.m. The motion was seconded by Councilmember McGlashan, and passed 6-1 with Deputy Mayor Eggen voting no.**

Ms. Markle reported that any type of lab would fall under the Research, Development and Testing category.

**The motion passed 5-2 with Councilmembers McGlashan and Salomon voting no.**

**Councilmember Roberts moved to delete and renumber SMC 20.30.355(D)(4). The motion was seconded by Deputy Mayor Eggen.**

**The motion was withdrawn by Councilmember Roberts.**

**Councilmember Roberts moved to amend the main motion to amend Ordinance 706 Exhibit A to delete SMC 20.40.235(B)(3) Catalyst Program and SMC 20.30.355(D)4 and renumber the sections accordingly. The motion was seconded by Deputy Mayor Eggen.**

Councilmember Roberts expressed concern over including a Transfer of Development Rights (TDR) Program in the Municipal Code when it has not yet been developed. He commented that the TDR Program would create an 8-year Property Tax Exemption (PTE) Program and recalled that Council recently increased the City's PTE Program to 12 years. He stated preference for consistency with the PTE Program.

Councilmember Hall stated he supports having the potential for the TDR included in the Code and that it allows the City to move forward with the Program. He agreed on providing

consistency with a 12-year PTE Program and recommended refining the language at a future date.

Deputy Mayor Eggen asked if it makes sense to have a reference in the Code to a program that has not been approved. Ms. Markle responded leaving the TDR Program in the Code creates a strong linkage to the increase development potential provided through the rezone and the 'ask' for the purchase of TDRs.

Councilmember McGlashan clarified that the TDR Program will only go into effect upon Council's authorization.

Councilmember Salomon provided an example from his time on the Whatcom County Planning Commission when the Commission looked at purchasing TDRs in a rural farmland area to have the development rights transferred to an urban area. He explained that having a TDR Program helps the City be a regional partner and does not change the City's density zoning. He stated his support for the Program.

Councilmember Roberts commented that the Catalyst Program waives the affordable housing requirements for the first 300 units of development in a TDR Program. He explained that this amendment will ensure that the first 300 units of development meet the affordable housing requirements.

Councilmember McGlashan asked if the TDR can be removed from the Code until it has been developed and if there are repercussions. Ms. Markle stated that it is best to have a clear nexus between the rezone and the TDR Program and it will serve as a place keeper until the Program is developed and approved by Council. She provided an example of why Council would want to consider trading a TDR Program for affordable housing, and explained that Council would have the discretion to say no to a TDR Program if they find it is not financially feasible to make that trade.

Mayor Winstead confirmed that Council will have the option to accept or deny a TDR Program, and verified that affordable housing advocates are in support of the Program. Ms. Markle explained that the TDR Program was recommended by affordable housing advocates.

Deputy Mayor Eggen commented that he is supportive of a TDR Program as it goes to the meaning of having housing in the Station areas rather than urban sprawl, and confirmed that amendment 17 applies only to the Catalyst Program.

Ms. Markle commented on the distinction between the TDR in the Development Agreement Section and the one as the Catalyst Program. Councilmember Salomon asked for clarification on staff's recommendation. Ms. Markle responded that Council can choose to remove the TDR Program and then keep the Catalyst Program so that the nexus between the rezone and purchase of TDRs remains.

**The motion failed 2-5 with Deputy Mayor Eggen and Councilmember Roberts voting yes.**

**Councilmember Salomon moved to amend the main motion to amend Ordinance 706 Exhibit A Table 20.40.160 to exclude biosafety labs as a permitted use. The motion was seconded by Deputy Mayor Eggen.**

Councilmember Roberts called for point of order, and stated that currently there is no language in the Code to support this motion. Ms. Markle concurred that the language will need to be refined.

**The motion was withdrawn by Councilmember Salomon with the agreement that it will be brought back at a future date.**

**Councilmember Roberts moved to amend the main motion to amend Ordinance 706 Exhibit A Table 20.40.160 - MUR 85 Outdoor Performance Center - Delete "P-A", Insert "P"; and under MUR-85 Performing Arts Companies/Theater (excluding Adult Use Facilities) - Delete "P-A", Insert "P". The motion was seconded by Councilmember Hall.**

Councilmember Roberts commented on the Station Area allowing the most range of uses and that a theatre can create placemaking. He added that the amendment will accomplish this.

Deputy Mayor Eggen expressed concern about the noise of an outdoor performance theater in a residential area. He asked if an outdoor performance use would be granted a permit without further review if the amendment passes. Mr. Szafran responded that it would be permitted without additional conditions, other than adherence to the noise ordinance.

Councilmember Salomon also expressed concern about the noise factor of outside performances.

**The motion was withdrawn by Councilmember Roberts.**

**Councilmember Roberts moved to amend the main motion to amend Ordinance 706 Exhibit A Table 20.40.160 - Delete "P-A", Insert "P" for Performing Arts Companies/Theater (excluding Adult Use Facilities). The motion was seconded by Councilmember Hall.**

Deputy Mayor Eggen commented that the motion does not address the noise problem. He asked what use would be applied for a Performance Art Theater Center that has outside performances. Councilmember Hall asked what happens when it is not exactly clear where something fits in the use matrix; pointed out there is a "performance center" and "outdoor performance center" use; and asked where a performance center holding an outdoor performance would be placed. Ms. Markle responded it would be placed under "outdoor performance center" use.

Councilmember Salomon stated he supports Performance Centers with limited noise allowance and creating placemaking, but stated he does not believe they should be policed by the Noise Ordinance.

**Councilmember Salomon moved to table the amendment for further study to address decreasing noise spillage. The motion was seconded by Deputy Mayor Eggen.**

**The motion to table the amendment passed 4-3 with Councilmembers McGlashan, Hall and Roberts voting no.**

**Councilmember Roberts moved to amend the main motion to amend Ordinance 706 Exhibit A 20.50.020(2) Minimum Front Yard Setback MUR-70 - Delete “0 if located on Arterial Street 10ft on Non-arterial Street.” Insert “0”. The motion was seconded by Councilmember Hall.**

Councilmember Roberts explained that this amendment would require that all property be subject to a 90% hardscape requirement in the MUR-70 zone which would allow for efficient use of the property. He stated that a 10 foot setback across from MUR-70 is not needed on a non-arterial street. Councilmember Hall agreed.

Deputy Mayor Eggen commented that grassy and open area space makes high density areas pleasant, and that setbacks on non-arterials streets will create the façade of a quiet neighborhood. He stated he will be opposing the amendment.

Councilmember Salomon stated he will be opposing the amendment and that he supports setbacks on non-arterial streets. He commented that it is critical to make an attractive place and not just to put in as much density as possible. Councilmember McGlashan and McConnell agreed. Councilmember McGlashan explained that he wants to avoid the tunneling effect in neighborhoods.

**The motion failed 2-5 with Councilmembers Hall and Roberts voting yes.**

**Councilmember Roberts moved to amend the main motion to amend Ordinance 706 Exhibit A 20.50.021 - Delete “and MUR-70”. The motion was seconded by Deputy Mayor Eggen.**

Councilmember Roberts explained that due to Phased zoning, in Phase I there will be MUR-70 across the street from R-6, but in Phase II the same R-6 property will open up to MUR-70 eliminating the need for transition standards.

Deputy Mayor Eggen asked staff to elaborate on its suggestion to require transition standards in MUR-70 adjacent to single-family zones for landscaping and screening but not for setbacks. Mr. Szafran responded that staff recommends compliance with SMC 20.50.021 B and C.

At 10:48 p.m., Mayor Winstead called for a recess. At 10:56 p.m., Mayor Winstead reconvened the meeting.

Deputy Mayor Eggen noted that during the recess staff pointed out two areas of the Code that require setback and screening. Councilmember Salomon stated he will be voting against the amendment in order to prevent a canyon effect and to help create tasteful transit oriented development.

Deputy Mayor Eggen asked if this amendment would require a stepback if the words “and MUR-70” are not deleted. Ms. Markle responded yes.

**The motion passed 4-3 with Mayor Winstead and Councilmembers McConnell and Salomon voting no.**

**Councilmember Hall moved to extend the meeting to 11:30 p.m. The motion was seconded by Councilmember Salomon and passed 5-2 with Deputy Mayor Eggen and Councilmember McConnell voting no.**

**Councilmember Roberts moved to amend the main motion to amend Ordinance 706 Exhibit A 20.50.310(A)(5) to strike “MUR-70”. The motion was seconded by Deputy Mayor Eggen.**

Councilmember Roberts explained that the amendment will prevent existing property owners in MUR-70 zones from cutting down trees without having to replace them. Councilmember McGlashan asked how this amendment affects developers wanting to aggregate property for development. Ms. Markle responded that this standard would make commercial and residential development more difficult. Mr. Cohen spoke about a section of the Code that gives a developer the option to transfer the trees they are required to retain to another location in the City.

Councilmember Salomon commented that not allowing developers to cut down trees in the high density areas would push development out to rural areas resulting in environmental loss. He shared that Seattle has maintained their tree canopy in its urban villages and would like staff to research how it was done. He stated he will not be supporting the amendment.

**The motion failed 2-5 with Deputy Mayor Eggen and Councilmember Roberts voting yes.**

**Councilmember Roberts moved to amend the main motion to amend Ordinance 706 Exhibit A to strike 20.50.410(c) which requires parking for all residential units to be included in the sale or rental price. The motion was seconded by Councilmember Hall.**

Councilmember Roberts questioned the legality of requiring parking stalls to be included in the price of rental units, and stated that he does not want to see an increase in the overall cost of the units.

Councilmember Hall commented that it would be odd to require people to pay for parking when they do not own cars and do not derive any benefits.

Deputy Mayor Eggen suggested there may be a question of legality and commented that residents do not have the option to opt out of other amenities. He shared that experience shows that people do not purchase parking spots, and instead park in the neighborhood which leads to overcrowded streets. He recommended being a test market for this provision, and stated he will be opposing this motion. Councilmember McConnell concurred.



Councilmember McGlashan questioned the legality of the requirement and asked if developers must provide parking spaces for all units. He agreed that Shoreline should be the test market for this provision and stated he will be opposing the motion.

Ms. Markle explained that developers will need to provide parking at the rate required by the Code and availability would be on a first come first serve basis. She said while it may not solve all overflow parking in neighborhoods, it will resolve people not parking in parking garages in order to save money.

**The motion failed 2-5 with Councilmember Hall and Roberts voting yes.**

**Deputy Mayor Eggen moved to postpone the vote on Ordinance 706 to a date in the future at least 30 days after the Sound Transit Final Environmental Impact Statement (FEIS) is issued. The motion was seconded by Councilmember Roberts.**

Deputy Mayor Eggen explained that the final decision of the configuration of Light Rail is still in flux and that Council should wait until 30 days after the Sound Transit Board approves the FEIS.

Councilmember McGlashan stated he will oppose the motion because nothing in the FEIS will change that there will be Light Rail Stations at 145<sup>th</sup> and 185<sup>th</sup> Streets, and that planning for the Stations needs to take place.

**The motion failed 3-4 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting yes.**

**Deputy Mayor Eggen moved to amend the main motion to go away from a planned action approach to the rezone and instead use an overlay method where the designated three phases are retained, phase 1 actualized immediately, phase 2 after 6 years, and phase 3 after 18 years. The method by which a rezone would take place would be by application from a developer who is interested in developing, and would be subject to SEPA provisions - although it would be a streamlined SEPA as long as the application corresponded well with the EIS. The motion was seconded by Councilmember McConnell.**

Deputy Mayor Eggen explained that this amendment provides a midstream correction to the Planned Action rezone, allows for a SEPA appeal, and helps address citizens' concerns.

Councilmember McConnell stated she will be supporting the amendment.

Councilmember Roberts commented that he is intrigued by the amendment and questioned why staff did not bring this tool forward for Council consideration.

Councilmember Hall commented that, under the current proposal, Phase 2 and 3 are accomplished by an overlay phased approach. He expressed concern that this amendment was not brought to Council with an adequate amount of time for consideration, and stated that it has not been vetted with the public.

**Councilmember Hall moved the previous question. The motion passed 4-3 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting no.**

**The motion failed 3-4 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting no.**

**Councilmember Hall moved to extend the meeting to 12:00 a.m. The motion was seconded by Councilmember Roberts and passed 4-3, with Deputy Mayor Eggen, and Councilmembers McGlashan and Roberts voting no.**

Councilmember Roberts asked why the overlay rezone approach was not provided as a policy option for Council's consideration.

Mr. Szafran responded that the overlay rezone approach was presented to the Planning Commission who opted for the Alternative 4 Preferred Alternative Phased approach.

Councilmember Roberts expressed disappointment in not having an opportunity to discuss the overlay approach, stated he believes Ordinance 706 is flawed but ultimately is needed and he will be supporting the motion and hopes that it is successful.

**Councilmember McConnell moved to amend the main motion to amend Ordinance 706 Exhibit B to change the areas on 185th Street west of Corliss Avenue N from MUR-45' to MUR-35'. The motion was seconded by Councilmember Roberts.**

Councilmember McConnell expressed concern about placing MUR-45 zoning next to single-family homes, and stated MUR-35 will provide a better transition.

Councilmember Roberts presented an example of a resident with groundwater issues. He stated that with 90% hardscape those issues will increase and that MUR-35 is a better approach.

Councilmember McGlashan commented that the area is currently zoned for the same height as allowed in MUR-35, and that 10feet is not a significant increase. He added that there are now regulations in place to address stormwater issues.

Deputy Mayor Eggen noted that R-6 and MUR-35 might be the same height but are not the same when it comes to density and activity. He stated 185<sup>th</sup> Street is the main road to the Station and expressed concern about over-zoning it and creating traffic issues. He stated that MUR-35 will better serve the corridor and he will be supporting the motion.

**The motion failed 3-4 with Mayor Winstead, and Councilmembers McGlashan, Hall, and Salomon voted no.**

**The vote on main motion to adopt Ordinance 706 amending the Unified Development Code, Shoreline Municipal Code Title 20, and the Official Zoning Map to implement the 185<sup>th</sup> Street Station Subarea Plan as amended, passed 5-2 with Deputy Mayor Eggen and Councilmember McConnell voting no.**

- (b) Adoption of Ord. No. 702 - 185th Street Station Area Plan, Comprehensive Plan Amendment and Land Use Map

**Councilmember Hall moved adoption of Ordinance 702. The motion was second by Councilmember Roberts.**

**Councilmember Roberts moved to amend Ord. 702 Exhibit A to add language under the Utilities section to "consider the use of alternative energy in all new government facilities." The motion was seconded by Deputy Mayor Eggen.**

Councilmember Roberts commented that the amendment provides policy direction for the city to use alternative energy.

Deputy Mayor Eggen asked at what point alternative energy uses would be considered, and by whom. Ms. Markle responded that it would be in the permitting process.

**The motion passed unanimously.**

**Councilmember Roberts moved to amend the main motion to amend Ord. 702 Exhibit A to delete header "Community Renewal Area" and delete the sentence "strategies the City could consider to enhance development potential and facilitate site assembly could include the creation of a Community Renewal Area, if required standards can be met". The motion was seconded by Councilmember Hall.**

Councilmember Roberts commented the amendment would avoid referring to Echo Lake, Meridian Park, and North City as blighted neighborhoods.

**The motion passed unanimously.**

**Councilmember Roberts moved to amend the main motion to amend Ord. 702 Exhibit A to amend the 4th policy under the Housing section to say "Develop a fee schedule in SMC Title 3 to set the fee-in-lieu value for mandatory affordable housing at a rate that is equivalent to the cost of constructing the affordable unit including ongoing maintenance and operation costs." The motion was seconded by Councilmember Salomon.**

Councilmember Roberts explained the amendment provides language to address specific construction costs.

Councilmember Salmon explained that the amendment will required the developer to pay a fee-in-lieu equal to the affordable housing cost.

**The motion passed 6-1 with Deputy Mayor Eggen voting no.**

Deputy Mayor Eggen expressed disappointment about the outcome of the meeting. He shared that the residents are not supportive of the size and scale of the rezone, and reiterated that not supporting a massive rezone does not mean that you do not support new development, affordable

housing and transit oriented development. He stated he cannot support this measure and urged other Councilmembers to vote against it.

Councilmember McConnell stated she will not be supporting the main motion to adopt Ordinance 702 and that a compromise could have been presented to the residents.

Councilmember Salomon pointed out that the rezone covers 290 acres, and noted that it is 50 acres less than the last version of the Map. He compared it to the size of Seattle's Urban Village of 400 acres and said that it is not the smallest or the largest rezone.

**The motion to adopt Ordinance 702 which includes the 185<sup>th</sup> Street Station Subarea Plan and Comprehensive Future Land Use Map passed 5-2 with Deputy Mayor Eggen and Councilmember McConnell voting no.**

(c) Adoption of Ord. No. 707 - 185th Street Station Area Planned Action

**Councilmember Hall moved adoption of Ordinance 707. The motion was seconded by Councilmember McGlashan.**

**Councilmember Hall moved to direct staff to correct any formatting, numbering, cross referencing, or editorial issues in Ordinances 706, 702, and 707 to ensure the three are internally consistent and consistent with any of the votes taken tonight. The motion was seconded by Councilmember Salomon, and passed unanimously.**

**Councilmember Roberts moved to postpone adoption of Ordinance 707 until March 30, 2015. The motion was seconded by Deputy Mayor Eggen.**

Councilmember Roberts expressed concern that there has not been a full Council discussion of the impacts of Ordinance 707. He still has several questions, and wants to approach it with fresh eyes.

Councilmember Hall commented that the City has experience using Planned Action Ordinances and that the recommendation went through full deliberative and public process. He stated he is fully prepared to vote on it tonight.

**The motion failed 3-4 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting yes.**

Councilmember Roberts asked about the City's experience with planned action ordinances and how large of an area it can cover. Mr. Szafran explained that Town Center and North City were redeveloped under planned action. Ms. Markle added that they have reviewed about ten planned action ordinances from other cities, and stated that Town Center and North City are fairly large.

**Councilmember Salmon moved to call the question. The motion passed 4-3 with Deputy Mayor Eggen and Councilmembers Roberts and McConnell voting no.**

**Councilmember Hall moved to extend the meeting to 12:03. The motion was seconded by Councilmember Salmon and passed 5-2 with Deputy Mayor Eggen and Councilmember Roberts voting no.**

**The vote on the main motion to adopt ordinance 707 as amended passed 4-3 with Deputy Mayor Eggen and Councilmembers McConnell and Roberts voting no.**

9. ADJOURNMENT

At 12:01 p.m., Mayor Winstead declared the meeting adjourned.

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Jessica Simulcik Smith, City Clerk

DRAFT

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF BUSINESS MEETING**

Monday, March 23, 2015  
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

There were no Council Reports.

5. PUBLIC COMMENT

**Councilmember Hall moved to limit all speakers to two minutes for a 30 minute period and then provide time at the end of the meeting for additional public comment. The motion dies for lack of second. Deputy Mayor Eggen moved to extend comment period to one hour and allow each speaker two minutes and reassess continuing public comment at the end of the hour. The motion was seconded by Councilmember McConnell and passed unanimously.**

Cecily Kaplan, Ridgecrest Neighborhood Association Boardmember, commented on attending the Citizen University Conference and learning about the power of being an active citizen. She talked about Vision 2029 and the selection of citizen groups to engage in issues that affect the citizens of Shoreline. She explained that the citizens have worked hard and provided their feedback and suggestions. She stated that residents are not against growth but are asking Council to listen to them. She conveyed that she is not sure what is driving Council to rezone the City as

they are, expressed concern about open spaces, and asked Council to delay selection of the preferred alternative.

Yoshiko Saheki, 145<sup>th</sup> Station Citizen Committee (145SCC), read a letter from Robin Lombard, 145SCC Co-leader, expressing concern about size, building height, and the speed Council is moving to rezone. She read that the overwhelming majority of committee members spoke in favor of the Planning Commission's recommendation to postpone the decision until the 145<sup>th</sup> Street Corridor Study has been completed. She read that at the February 19, 2015 meeting, Planning Commissioners cited reasons to postpone the decision as: ownership of 145<sup>th</sup> Street, traffic impacts that need to be studied and mitigated, lack of budget, absence of the Sound Transit EIS, and the lack of evidence supporting the need for an immediate rezone. She read that the zoning maps presented so far are too much too soon, and recommended that a small area around the Station be rezoned first to make sure infrastructure improvements, mitigations and public services are in place before more rezoning.

Lorn Richey, Shoreline resident, asked Council to accept the Planning Commission's recommendation to postpone the decision on the 145<sup>th</sup> Street Station Subarea planning until the Corridor Study is completed. He stated that there is not enough information to make a decision. He asked Council to reach out to residents to mitigate the damage that will be caused by the rezone, to take stock of Shoreline's valuable natural assets and protect them, and not to be desperate to attract developers.

Steve Schneider, Shoreline resident, asked Council to delay selection of the Preferred Alternative until the Corridor Study is completed. He declared that it is the sensible and right course of action for the citizens that live there.

Carolyn Creighton, Shoreline resident, spoke against having eight story apartment buildings in Shoreline. She asked Council to do things slowly and use the talent of residents to come up with innovative ideas.

Susan Ragan-Stuart, Shoreline resident, asked Council to delay the decision on the Preferred Alternative or only rezone the area immediately adjacent to the Station. She talked about conducting research on urban sprawl and stated that the Sierra Club cites population growth as a major factor contributing to urban sprawl. She questioned why height limits were increased to MUR-45 on the connecting corridor around Paramount Park, and recommended implementing maintenance property regulations for parcels purchased by developers to prevent blight and assist with the upkeep of neighborhoods.

Dan Jacoby, Shoreline resident, applauded the Planning Commission for their action. He read an excerpt from the DEIS about implementing a recommendation from the 145<sup>th</sup> Street Corridor Study, and warned that recommendations cannot be implemented from a study that does not exist. He also pointed out that the City does not have control over 145<sup>th</sup> Street. He suggested directing the Planning Commission to determine what rezone will be feasible under a no action scenario on 145<sup>th</sup> Street to understand what limitation exist based on traffic congestion. Then Council could determine what additional rezoning might be feasible if traffic issues are migrated.

Janet Way, Shoreline Preservation Society, encouraged Council to accept the Planning Commission's recommendation, and said that making a decision against their recommendation would be grounds for an appeal. She commented that the DEIS does not consider traffic impacts from other city developments. She talked about critical areas in Shoreline and stated that surface water impacts to the watershed need to be considered. She advised against MUR-35 and MUR-45 zoning around the wetlands. She explained that tall buildings would shade gardens and talked about the need for more open space. She commented that infrastructure and utilities need to be improved and that historical assets need to be protected.

Sharon Cass, Shoreline resident, showed a poster board of the water accumulation on her property and stated that it is bad. She read an email received from Mr. Iwata at Sound Transit regarding acquiring property to build Light Rail, and then read a page from the Shoreline Owner's Manual distributed in 1995 about being a citizen in the City of Shoreline.

Dr. Heather Murphy Secrist, Shoreline resident, said that crucial information is missing for the Council to make a decision on the 145<sup>th</sup> Station Subarea Plan and recommended waiting until the Corridor Study is finished. She cautioned Council against making plans for imaginary future citizens, asked them to consider the desires of their current citizenry, and to accept the Planning Commission's recommendation.

Dr. Cory Secrist, Shoreline resident, cited research that states shorter commute time makes people happier than a higher paying job. He asked Council to wait for the Corridor Study before making a decision on rezoning to understand the effects on traffic. He asked Council to accept the Planning Commission's recommendation.

Krista Tenney, Shoreline resident, commented on moving to Shoreline in 1988 and shared that her children that have graduated high school also want to stay in Shoreline. She expressed concern about the lack of open space and commented that open space is needed for kids of all ages. She talked about Shoreline becoming a Wildlife Habitat and preserving the city's natural assets.

Cynthia Knox, Shoreline resident, acknowledged the Councilmembers' service through thoughtful governance and thanked city staff for the services they provide. She spoke about the importance of democracy and representing the will of the people. She explained that the rezone will greatly impact citizens and the future quality of life. She said she believes the process is being rushed and that the area being considered is enormous. She asked Council to postpone the decision.

Pam Mieth, Shoreline resident, urged Council to follow the Planning Commission's recommendation and stated that the rezones for the Station Subareas are too big. She cautioned against being tied to such a large and nebulous environmental impact statement, and said that the developers should submit their own mitigations.

Patty Hale, Shoreline resident, sang a song about Light Rail and high density. She asked Councilmembers to honor the members of Planning Commission and accept their recommendation to wait until the adoption of the Corridor Study before making a decision.



Jon Horn, Shoreline resident, spoke about the wonderful assets of his property, and explained that he does not know how to make a decision on what to do with his property. He asked Council to delay the vote until they have more information.

Julie Cha, Adult Family Home business owner, stated that her business is being taken from her. She said a Sound Transit representative told her that her property was a "take". She divulged that Sound Transit would not help her or compensate her for her business.

Ellie Bender, Shoreline resident, stated that she supports growth and developing a coherent plan that will maintain the qualities that make Shoreline a great place. She conveyed that her community's priorities are not the priorities of the developers. She expressed concern that her neighbors are feeling discouraged, disillusioned and unheard and asked Council to listen to the people of Shoreline.

Shannon Siena, Shoreline resident, agreed with all the speakers before her, stated that the Community has said yes to transit and growth, but believes that the maps are too large. She asked Council to support the Planning Commission's recommendation. She thanked Deputy Mayor Eggen and Councilmembers Roberts and McConnell for working to coordinate growth with the Community, maintaining neighborhoods, and representing the people of Shoreline. She communicated why she disapproves of the actions of the other Councilmembers.

At 7:56 p.m., Mayor Winstead called for a recess. At 8:02 p.m., Mayor Winstead reconvened the meeting.

Ginny Scantlebury, Shoreline resident, talked about the lack of communication between city staff and residents. She reported on door-belling in Parkwood and encountering people that have not heard of the project. She pointed out that a lot of people in the audience are here for the first time. She then read a quote from a document and asked Council to listen to the Planning Commission's recommendation.

Elaine Phelps, Shoreline resident, commented on a Shoreline Area News press release announcing Council's approval of the 185<sup>th</sup> Station Subarea Plan. She quoted excerpts about the public process, and the rezone creating more choice for property owners and providing seniors the opportunity to downsize. She stated the public process was secretive, a choice that residents did not seek or want and strongly opposed, and that seniors prefer to live in their own homes as long as they can. She concluded her comments by reading another quote regarding options of homeowners, and said she believes potential buyers would not want to invest in a single-family nonconforming use home.

Tom McCormick, Shoreline resident, read from the staff report citing the advantages and disadvantages of moving forward with subarea planning in 2015, or waiting to resume planning in 2016 after the Corridor Study has been completed. He stated he takes exception to the two disadvantages listed and that the "significant cost" mentioned in the report needs to be identified.

Les Nelson, Shoreline resident, spoke about the Growth Management Act encouraging growth and providing protections for everyone. He stated that the Act requires concurrent planning with the City of Seattle, must meet public notification requirements, and cautioned Council about

violating State law. He commented that residents are left with two choices, to sue or to suffer with Council's decision. He requested that the 1998 Environment Impact Statement for the City be included in the review of this project and asked Council to support the Planning Commission's recommendation.

**Deputy Mayor Eggen moved to allow the last three speakers to provide Public Comment. The motion was seconded by Councilmember Salomon and passed unanimously.**

Sigrid Strom, Shoreline resident and former Southeast Neighborhood Citizens Advisory Committee Member, commented on the need to slow down the process and on the cumulative impacts that the 185<sup>th</sup> and 145<sup>th</sup> Street Station Subarea Plans will have on the residential blocks between the two zones, and on neighboring entities like the City of Seattle and Lake Forest Park. She stated she did not see specific definitions for multifamily units, senior housing, and low income housing. She asked for transit plans that include mass transit within the city and that have east to west connections.

Chuck Dolam, Thornton Creek Alliance Boardmember, applauded the City for protecting the headwaters along 10<sup>th</sup> Avenue and at Cromwell Park. He stated if additional time is needed to provide the same protection to Twin Ponds and Paramount Park, Council should follow the Planning Commission's recommendation and take that time.

Bob Oswald, Shoreline resident, said he is here to understand the document he received in the mail titled "Are You Being Railroaded". He commented that he is interested in the happiness of people living in area, and that he is retired and his taxes are going up. He asked if homes up to three stories high will be allowed next to homes that are one story high.

6. APPROVAL OF THE AGENDA

**The agenda was approved by unanimous consent.**

7. CONSENT CALENDAR

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

**(a) Minutes of Special Meeting of February 23, 2015**

**(b) Approval of expenses and payroll as of March 6, 2015 in the amount of \$2,383,559.98 in the following detail:**

**\*Payroll and Benefits:**

<b>Payroll Period</b>	<b>Payment Date</b>	<b>EFT Numbers (EF)</b>	<b>Payroll Checks (PR)</b>	<b>Benefit Checks (AP)</b>	<b>Amount Paid</b>
1/18/15-1/31/15	2/6/2015	59524-59722	13671-13690	59236-59241	\$464,185.08
2/1/15-2/14/15	2/20/2015	59723-59918	13691-13714	59366-59373	\$583,745.48
					\$1,047,930.56

**\*Wire Transfers:**

<b>Expense Register Dated</b>	<b>Wire Transfer Number</b>	<b>Amount Paid</b>
2/26/2015	1091	\$6,283.23
		\$6,283.23

**\*Accounts Payable Claims:**

<b>Expense Register Dated</b>	<b>Check Number (Begin)</b>	<b>Check Number (End)</b>	<b>Amount Paid</b>
2/11/2015	57562	57562	(\$12.00)
2/11/2015	59207	59207	\$12.00
2/12/2015	59208	59209	\$2,785.10
2/12/2015	59210	59220	\$191,689.51
2/12/2015	59221	59235	\$6,055.51
2/12/2015	59242	59245	\$3,064.70
2/13/2015	59246	59246	\$1,000.00
2/19/2015	59247	59270	\$488,641.56
2/20/2015	59271	59283	\$19,977.17
2/20/2015	59284	59306	\$167,514.92
2/20/2015	59307	59309	\$15,302.16
2/20/2015	59310	59313	\$20,607.27
2/20/2015	59314	59315	\$55,268.48
2/20/2015	59316	59316	\$340.00
2/20/2015	59317	59317	\$1,031.40
2/20/2015	59318	59318	\$5,674.25
2/26/2015	59319	59319	\$3,455.00
2/26/2015	59320	59320	\$180.60
2/26/2015	59321	59345	\$58,816.95
2/26/2015	59346	59365	\$92,493.68
3/4/2015	59374	59374	\$3,000.00
3/4/2015	59375	59376	\$530.84
3/4/2015	59377	59387	\$9,579.96
3/4/2015	59388	59404	\$49,008.31
3/4/2015	59405	59424	\$133,328.82
			\$1,329,346.19

(c) Authorize the City Manager to Extend the Contract with Albright Floor Care (dba Pro Team Janitorial) for Janitorial Services

**(d) Authorize the City Manager to Purchase a Street Sweeper and Backhoe Loader**

**(e) Adoption of Res. No. 371 Authorizing Reimbursement of Expenditures for Costs Relating to Surface Water Capital Projects from Bond Proceeds**

8. STUDY ITEMS

(a) Discussion of 145th Light Rail Station Preferred Alternative to be Studied for the Final Environmental Impact Statement and Planning Commission Recommendation

Miranda Redinger, Senior Planner, highlighted past meetings of Council's discussion of potential zoning scenarios for the 185<sup>th</sup> Street Station Subarea. She explained that the Planning Commission did not make a recommendation on the Preferred Alternative. She stated staff is seeking direction from Council tonight on whether to move forward and select a Preferred Alternative to be studied in the Final Environmental Impact Study or to wait for the 145<sup>th</sup> Street Corridor Study to be completed. She then reviewed the timeline advantages and disadvantages for the two options, and maps for the No Action, Connecting Corridor, Compact Community, and Phased Approach scenarios.

**Councilmember Salomon moved to delay the adoption of the preferred alternative until after the 145th Corridor Study is completed. The motion was seconded by Deputy Mayor Eggen.**

Councilmember Salomon disclosed that he owns a home in the Station Subarea and stated he will make the best decision for the residents of the Community. He explained that the Corridor Study will provide complete information to help Council make an informed decision. He stated that preservation of parks and expansion of parks should go hand in hand with increased density and said he would like to see this objective incorporated into planning as the process moves forward.

Deputy Mayor Eggen disclosed that he lives in the Station Subarea and said that he is committed to making a decision based on facts and for the good of the community. He echoed the need for additional parks, and commented that the Corridor Study will provide clarity on what needs to happen and what can be done on 145<sup>th</sup> Street. He stated that he will be supporting the motion.

Councilmember McGlashan pointed out that the Corridor Study will look at current characteristics of 145<sup>th</sup> Street and explained if the zoning changed then different criteria would have to be studied. He expressed concern about excluding information that needs to be studied in the FEIS based on a Corridor Study completed using the current characteristics of 145<sup>th</sup> Street. He questioned if the rezone needs to take place prior to the Corridor Study. Ms. Markel responded that the Corridor Study would look at different criteria if the area was rezoned. She said completing the rezone first allows the ability to be more precise when choosing what to study, and added that both the FEIS and the Corridor Study will inform each other.

Councilmember Hall talked about keeping the energy and engagement of the people and expressed hesitancy over completely stopping the process now and resuming again in eight months. He recommended that community outreach and engagement be continued, and to

implement town hall meetings. He commented on the hydrology and wetlands in the Subarea. He stated he would like the City to do further investigation of streams and wetlands, and create an opportunity to make portions of Thornton Creek more accessible to the public and improve habitat conditions. He commented that land use, transportation, transit, and parks are all interdependent and stated that there is more work to be done on these matters regardless of when a decision is made. He also reiterated the need for a safe pedestrian bridge across Interstate 5.

Councilmember Hall explained that although the Light Rail Stations are not scheduled to open until 2023, construction of the Stations will start in 2-3 years severely altering the neighborhood. Part of the reason for making the planning decisions now is to provide certainty for people so they can make decisions about their property, and to allow time to plan for parks, open spaces, and transportation. He listed several other cities that have gone through the Subarea planning process to accommodate Light Rail.

Councilmembers McConnell disclosed that she owns a single-family home in the Station Subarea and shared that she wants to get a sense of what the community wants, and to do the right thing for the Community.

Councilmember Salomon stated that he is hoping the Corridor Study will analyze all the scenarios presented in the staff report and questioned if the Corridor Study can be modified to look at the potential zoning scenarios.

Councilmember McGlashan and Mayor Winstead asked what scenarios are being used in the Corridor Study. Ms. Markel responded that the DEIS is informing the Corridor Study.

Councilmember Hall noted that several alternatives were studied in the DEIS and are potentially still in play and moving towards selecting a preferred alternative now will provide the clarity that some residents are looking for.

**The main motion passed unanimously.**

At 8:49 p.m., Mayor Winstead called for a recess. At 8:58 p.m. Mayor Winstead reconvened the meeting.

(b) Discussion of 2015-2017 Council Goals

John Norris, Assistant City Manager reviewed the proposed 2015 – 2017 Council goals are:

- Goal 1: Strengthen Shoreline’s economic base to maintain the City provided public services that the community expects
- Goal 2: Improve Shoreline’s utility, transportation, and environmental infrastructure
- Goal 3: Prepare for two Shoreline light rail stations
- Goal 4: Enhance openness and opportunities for community engagement
- Goal 5: Promote and enhance the City’s safe community and neighborhood programs and initiatives

He presented two proposed changes submitted by Councilmember Hall are:

- Delete ‘city provided’ from proposed title of Council Goal #1; Goal would now read: *Strengthen Shoreline’s economic base to maintain the public services that the community expects; and*
- Goal 3, Action Step 4: Develop a Transit Service Integration Plan to deliver people to the future light rail stations, as an alternative to single occupancy vehicles. Add in language regarding *safe bike and pedestrian access for all ages and abilities, including a bridge over I-5 north of 145th connecting to the light rail station.*

Councilmember Hall commented on the services that are provided in the City based on tax revenue and wanting to capture other agencies that provide community services like the Fire and School Districts, and Libraries. He explained the language addition to Goal 3, Action Step 4 keeps the issue of a safe bike and pedestrian bridge, to cross Interstate 5 north of 145<sup>th</sup> Street, in front of Council, the Public and funding agencies, and makes it explicit in the Council Goals.

Councilmember Roberts stated he thinks the proposed Council goals are a good set of goals and looks forward to adopting them. He supports calling out the bridge but questions if this is the correct language. He suggested adding a period after "abilities" to separate out the rest of the sentence, and commented on a need for a bridge for both 145<sup>th</sup> and 185<sup>th</sup> Streets. He questioned what “evaluate” means in Goal 3.5, and stated he is interpreting this Action Step as applying to the Stations and not the Stations Subareas. He suggested using the language “design of the Light Rail Stations”. In Goal 5.3 He proposed talking about the intent of the program and not calling out specific programs.

Mr. Norris concurred with Councilmember Roberts that Goal 3 addresses the Station and not the Station Subareas, and responded that Chief Ledford expressed that specific language in 5.3 to assist in communicating with officers.

Councilmember McGlashan expressed concern about calling out a bridge at 145<sup>th</sup> Street in Goal 3.4 and excluding 185<sup>th</sup> Street, and stated he wants to ensure safe and reliable east-west connections at both Stations.

Deputy Mayor Eggen commented that he likes the proposed goals and calling out the bridge at 145<sup>th</sup>, and stated he would like the same done for 185<sup>th</sup> Street. He asked staff to come up with language if Councilmembers concur.

Councilmember Hall explained that the existing bridge deck can be used for safe bike and pedestrian access on 185<sup>th</sup> Street, and that there are different challenges at 145<sup>th</sup> Street due to freeway onramps that will require a separate bridge be built.

Councilmember Roberts suggested putting language about bridges in Goal 3, Action Step 3.

Councilmember Salomon offered support for Councilmember Hall's recommendations.

Mayor Winstead stated that she supports the 2015-17 proposed Council Goals and expressed that the suggested changes are good ones. She asked staff to incorporate them into the Goals for Council approval.

9. ADJOURNMENT

At 9:17 p.m., Mayor Winstead declared the meeting adjourned.

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Jessica Simulcik Smith, City Clerk

DRAFT

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Resolution No. 374, Extending an Interfund Loan to the Roads Capital Fund for the Aurora Corridor Improvements Project From the General Fund in an Amount Not to Exceed \$2,500,000 with Interest Charges
<b>DEPARTMENT:</b>	Administrative Services Department
<b>PRESENTED BY:</b>	Patti Rader, Interim Administrative Services Director
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

Council approved Resolution No. 362, approving a \$2.5 million loan for the period of June 1, 2014 to May 31, 2015. Staff is requesting to extend this interfund loan for a period of up to one year. Construction activities for the 192nd to 205th segment of the Aurora Corridor Improvements project continue through 2015 with completion expected in early 2016. The majority of the funding sources for this segment are grants and utility reimbursements. The submittal of the reimbursement occurs within 15 to 30 days of payment of expenses each month. Grant reimbursements have been received on average within 30 to 45 days of submittal. This results in a deficit cash flow while the City waits to receive reimbursement from the granting agency. Given this, an interfund loan is needed. Proposed Resolution No. 374 would provide for this interfund loan.

**RESOURCE/FINANCIAL IMPACT:**

The unaudited 2014 ending fund balance in the General Fund is \$11,863,010. Council policy requires the General Fund to retain a fund balance of \$3 million for cash flow purposes. The policy also requires a budget contingency of 2% of the budgeted operating revenues (\$688,594) and an insurance reserve (\$255,000). Both of which are already included in the 2015 budget. The General Fund could temporarily loan up to \$2.5 million to the Aurora Corridor Improvements project to provide sufficient cash flow to cover the gap between the time of expenditure payments and the receipt of grant reimbursements. The project would repay the loan at the end of the one year term (May 31, 2016) or sooner, returning the fund balance in the General Fund to its current projected level. As required by state law the borrowing fund must pay interest to the lending fund. The additional interest expense for the project is estimated to be approximately \$6,250. This expense would need to be absorbed within the current project budget.



**RECOMMENDATION**

Staff recommends that Council approve Resolution No. 374 authorizing a one year extension of the interfund loan from the General Fund to the Roads Capital Fund in an amount not to exceed \$2.5 million for the period of one year commencing on June 1, 2015.

Approved By:           City Manager ***DT*** City Attorney ***MK***

## **BACKGROUND**

Construction activities for the 192nd to 205th segment of the Aurora Corridor Improvement project continue this year with completion anticipated in early 2016. The current 2015 project budget includes nearly \$18.3 million in expenditures and nearly \$17 million in revenues from grants and utility reimbursements. All of our grant awards and utility agreements require the City to expend funds for the project and then request reimbursement from each agency as appropriate. Most of the agreements include a provision to reimburse the City within 30 days of receipt of a reimbursement request. Historically, grant reimbursement requests have been received on average within 30 to 45 days of submittal. The submittal of the reimbursement occurs within 15 to 30 days of payment of expenses each month. This results in a deficit cash flow while the City waits for 45 to 75 days to receive reimbursement after invoices are paid.

During prior phases of this project, Council authorized an interfund loan to offset this reimbursement waiting period. Council approved Resolution No. 311 on December 13, 2010 for the 2011 fiscal year authorizing a \$2.5 million loan for the project from the Revenue Stabilization Fund. On January 23, 2012, Council approved Resolution No. 321, to extend the loan for a second year and subsequently approved Resolution No. 336 on December 10, 2012 to extend the loan for another year through December 31, 2013. As project work was completed during 2013, the project repaid the loan on October 30, 2013.

## **DISCUSSION**

The unaudited 2014 ending fund balance in the Roads Capital Fund is \$3,937,477. This leaves a limited amount of fund balance available to cover cash flow needs for this and other transportation improvement projects while the City waits for reimbursement payments. The City must ensure that each fund has sufficient cash available to meet its obligations during the year as we cannot end a month with a fund being in a negative cash position.

The City's Financial Policies contain a provision in Section VII, Debt Policy that states: "The City will use interfund borrowing where such borrowing is cost effective to both the borrowing and the lending fund." The following guidance is included in the 2015 Budgeting, Accounting, and Reporting System (BARS) manual:

*The minimum acceptable procedures for making and accounting for interfund loans are as follows:*

- 1. The legislative body of a local government must, by ordinance or resolution, approve all interfund loans, indicating the lending and borrowing funds, and provide in the authorization a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest (based on the external rate available to the municipality) to be paid to the lending fund. The planned schedule of repayment should specify the due date(s) of payment (s) needed to repay the principal and interest on the loan.*

2. *Interest should be charged in all cases, unless:*
  - a. *The borrowing fund has no other source of revenue other than the lending fund; or*
  - b. *The borrowing fund is normally funded by the lending fund*
3. *The borrowing fund must anticipate sufficient revenues to be able over the period of the loan to make the specified principal and interest payments as required in the authorizing ordinance or resolution*
4. *The loan status should be reviewed annually by the legislative body at an open public meeting*
5. *The term of the loan may continue over a period of more than one year, but must be “temporary” in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. A loan that continues longer than three years will be scrutinized for a permanent diversion of moneys. (Note: these restrictions and limitations do not apply to those funds which are legally permitted to support one another through appropriations, transfers, advances, etc.)*
6. *Appropriate accounting records should be maintained to reflect the balances of loans in every fund affected by the transactions*

Staff is proposing an interfund loan from the General Fund in the amount of \$2.5 million to the Roads Capital Fund for a one year period beginning on June 1, 2015. As noted earlier, the Roads Capital Fund began the year with an available fund balance of nearly \$4 million. Monthly project expenditures are estimated to exceed \$1 million for the remainder of 2015.

The General Fund has sufficient fund balance to provide a loan at this time. The unaudited 2014 ending fund balance in the General Fund is \$11,863,010. Staff is proposing that the Roads Capital Fund pay interest to the General Fund at a rate of approximately 0.25% annually. This rate is based upon the current rate of return for investments that the City is receiving for a one year investment. Interest would be charged on a monthly basis for the duration of the loan. The additional interest expense for the project is estimated to approximately \$6,250. Proposed Resolution No. 374 would provide for this interfund loan.

### **RESOURCE/FINANCIAL IMPACT**

The unaudited 2014 ending fund balance in the General Fund is \$11,863,010. Council policy requires the General Fund to retain a fund balance of \$3 million for cash flow purposes. The policy also requires a budget contingency of 2% of the budgeted operating revenues (\$688,594) and an insurance reserve (\$255,000). Both of which are already included in the 2015 budget. The General Fund could temporarily loan up to \$2.5 million to the Aurora Corridor Improvements project to provide sufficient cash flow to cover the gap between the time of expenditure payments and the receipt of grant reimbursements. The project would repay the loan at the end of the one year term (May 31, 2016) or sooner, returning the fund balance in the General Fund to its current projected level. As required by state law the borrowing fund must pay interest to the lending fund. The additional interest expense for the project is estimated to be approximately \$6,250. This expense would need to be absorbed within the current project budget.

## **RECOMMENDATION**

Staff recommends that Council approve Resolution No. 374 authorizing a one year extension to the interfund loan from the General Fund to the Roads Capital Fund in an amount not to exceed \$2.5 million for the period of one year commencing on June 1, 2015.

## **ATTACHMENTS**

Attachment A – Resolution No. 374

**RESOLUTION NO. 374**

**A RESOLUTION OF THE CITY COUNCIL, CITY OF SHORELINE, WASHINGTON, AUTHORIZING AN EXTENSION OF AN INTERFUND LOAN TO THE ROADS CAPITAL FUND FROM THE GENERAL FUND IN AN AMOUNT NOT TO EXCEED \$2,500,000 AND INTEREST CHARGES FOR A PERIOD NOT TO EXCEED ONE YEAR**

**WHEREAS**, the Roads Capital Fund was established to account for activities related to capital transportation projects; and

**WHEREAS**, the Aurora Avenue Improvements project is accounted for in the Roads Capital Fund; and

**WHEREAS**, a significant portion of the total project funding for the Aurora Avenue Improvements is from grants and utility reimbursements; and

**WHEREAS**, the City is required to expend monies for project costs before requesting reimbursement from granting agencies and utilities; and

**WHEREAS**, there is an approximate lag of 30 to 45 days between when payments for expenditures are made and reimbursements are received from granting agencies and utilities; and

**WHEREAS**, the projected fund balance for the General Fund at the end of 2014 is \$11,863,010; now therefore

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

Section 1. The General Fund is authorized to loan the Roads Capital Fund up to \$2,500,000. The term of the loan is one year commencing on June 1, 2015.

Section 2. The loan amount will be assessed an interest rate which is equal to the current rate of return that the City would receive for a one-year investment on June 1, 2015. The projected rate in effect on June 1, 2015 is 0.25%. Interest charges will be assessed monthly based on the loan balance.

**ADOPTED BY THE CITY COUNCIL ON MAY 18, 2015.**

\_\_\_\_\_  
Shari Winstead, Mayor

**ATTEST:**

\_\_\_\_\_  
Jessica Simulcik Smith, City Clerk

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize the City Manager to Execute an Agreement with AltaTerra Consulting LLC for the Puget Sound Drainages Surface Water Basin Plan
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Dan Repp, Public Works Operations Manager
<b>ACTION:</b>	<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 Puget Sound Drainages Surface Water Basin Plan consists of studies to assess surface water, drainage, and infrastructure conditions within the Puget Sound Drainage areas (which includes large portions of the City's Richmond Beach, Innis Arden, and Highlands neighborhoods) and three smaller drainage areas adjacent to City boundaries: portions of the Edmonds Way, Densmore and West Lake Washington Basins. This basin plan will complete the City's drainage basin planning efforts to identify problems and develop and prioritize management actions to address drainage, infrastructure, water quality, and habitat issues. Staff requests Council to authorize the City Manager to execute a contract with AltaTerra Consulting LLC for \$430,000 to provide consultant services for the 2015 basin plan that will include assessment of surface water and pipe infrastructure.

**FINANCIAL IMPACT:**

The total budget for the Puget Sound Drainages Surface Water Basin Plan is \$445,000. This consultant services contract is budgeted to use \$430,000 of this amount. The total cost is budgeted for in the Surface Water Capital Fund.

**RECOMMENDATION**

Staff recommends that Council move to authorize the City Manager to execute an agreement with AltaTerra Consulting LLC for \$430,000 to provide consultant services including a surface water infrastructure condition assessment for the Puget Sound Drainages Surface Water Basin Plan.

Approved By:            City Manager **DT**    City Attorney **MK**

## **BACKGROUND**

The Puget Sound Drainages Surface Water Basin Plan is part of the citywide basin planning program in the Surface Water Master Plan, which was adopted by Council in 2011. This basin plan consists of studies to assess surface water, drainage, and infrastructure conditions within the Puget Sound Drainage areas (which includes large portions of the City's Richmond Beach, Innis Arden, and Highlands neighborhoods) and three smaller drainage areas adjacent to City boundaries: portions of the Edmonds Way, Densmore and West Lake Washington Basins. This plan will complete the City's drainage basin planning efforts. The goal of these studies is to develop and prioritize management actions to be completed in these basins that will address flooding, aquatic habitat, and water quality problems.

## **DISCUSSION**

In February, the City solicited consultants to provide their qualifications for the Puget Sound Drainages areas basin plan. Four submittals were received from the following Consultants:

<b>Consultant Name</b>
Otak
Anchor QEA
Louis Berger
AltaTerra

City staff reviewed the consultant submittals and selected AltaTerra as the most qualified for the Basin Plan Project. AltaTerra scored highest in both the technical approach and in related project experience. AltaTerra's work on previous basin plans (Boeing, Storm, McAleer and Lyon Basins) has resulted in good quality products as well as good technical analysis of the City's drainage system. Staff is confident that the City will continue to receive similar service from Alta Terra for this project.

The consultant's scope of work consists of the following major tasks:

- Review and assess drainage, water quality, and habitat conditions in the basins
- Perform a video condition assessment of City owned and maintained pipes in these basins
- Update the City's stormwater infrastructure GIS mapping for each area
- Identification of drainage, water quality and habitat issues and management actions (including CIPs) to address those issues

The proposed scope of work is provided as Attachment A. A significant effort for the project will be a video condition assessment of all storm water pipes more than eight (8) inches in diameter within the basin (s). The assessment will provide a condition rating for each pipe and potentially add to the list of storm pipes needing repair or replacement.

**COUNCIL GOAL(S) ADDRESSED**

This project supports Council Goal #2 to improve Shoreline’s utility, transportation, and environmental infrastructure. This project will meet this goal by assessing the surface water systems – both natural and manmade - within basin boundaries, identifying ongoing or potential issues, and proposing solutions. This project will focus especially on assessing then making recommendations for repairing or replacing the City’s storm water infrastructure.

**RESOURCE/FINANCIAL IMPACT**

The total budget for the Puget Sound Drainages Surface Water Basin Plan is \$445,000. The 2015-2020 Capital Improvement Program allocated \$200,000 for this plan, with this cost estimate originating from a very basic cost estimate created over five years ago. A \$245,000 budget amendment was determined to be necessary after the project cost estimate was updated using comparable costs from recent basin plans. This 2015 budget amendment was adopted by the Council on April 20, 2015.

The project budget and revenue sources are as follows:

<b>EXPENDITURES</b>	
Project Administration:	
Staff and other Direct Expenses	\$15,000
<b><i>Consultant Design Contract</i></b>	<b><i>\$430,000</i></b>
<hr/>	
Total Project Cost	\$445,000
 <b>REVENUE</b>	
Surface Water Capital Fund	\$445,000
<hr/>	
Total Revenue	\$445,000

**RECOMMENDATION**

Staff recommends that Council move to authorize the City Manager to execute an agreement with AltaTerra Consulting LLC for \$430,000 to provide consultant services including a surface water infrastructure condition assessment for the Puget Sound Drainages Surface Water Basin Plan.

**ATTACHMENTS**

Attachment A: Basin Plan-Puget Sound Basins City of Shoreline Scope of Work



**Basin Plan – Puget Sound Basins  
City of Shoreline  
Scope of Work  
May 7, 2015**

## **Introduction and Background**

The City of Shoreline (City) is embarking on its final Surface Water Basin Plan. This Basin Plan will encompass several drainage areas on the City's perimeter that are not contained by the City's larger drainage basins. Most of these basins are located on the western edge of the City conveying surface water to Puget Sound. Potential issues in these basins include steep topography that could contribute to challenging conditions for managing stormwater conveyance infrastructure as well as mixed types and ages of stormwater infrastructure that have been constructed as the area has developed.

## **Goals and Objectives**

The specific project objectives for this basin plan includes:

- Condition assessment of stormwater pipes 8 inches and greater owned by the City;
- Condition assessment of stormwater catch basins and manholes owned by the City;
- Update GIS drainage infrastructure inventory;
- Identification and evaluation of management actions for surface water and infrastructure problems (flooding, erosion, water quality);
- Evaluation of stormwater treatment strategies for future development and redevelopment (regional facilities, alternative standards, etc.); and
- Prioritized list of structural and programmatic strategies including a repair and replacement schedule.

## **Project Tasks**

The tasks below describe the general work flow and elements that will be conducted to accomplish the project goals.

### **Task 1- Project Management**

Project management will include communications with the City of Shoreline project manager and the consultant team; scheduling and oversight of the various project activities; and budget tracking and oversight, including preparation of monthly invoices and progress reports. The primary consultant point of contact for this project will be Erin Nelson.

**Assumptions:**

The following assumptions are associated with this task.

- The project will be 12 months in duration, from mid-May 2015 through mid-May 2016.
- Bi-weekly phone calls to discuss project progress with appropriate staff for the phase of the project being discussed. The meetings will be no more than ½ hour.
- A project charter will be developed jointly by the City project manager and the Consultant team project manager, outlining scope, schedule, budget, responsibilities, and communication.
- A project kick-off meeting will be held with key team members and City staff. The meeting will last no more than 2 hours.

**Deliverables:**

- Twelve monthly progress reports and project invoices

**Task 2- Review Existing Information**

This task involves reviewing relevant information that will be used to evaluate existing conditions, identify data gaps, inform the field assessment, and develop capital and programmatic solutions.

**Assumptions:**

- The City will provide the Altaterra team with the following information for review prior to the start of this task:
  - City of Shoreline GIS and CAD layers showing location of stormwater drainage features and attributes (type, diameter, inverts, length, and age).
  - City of Shoreline GIS layers for geology or soils, zoning, property types and boundaries, impervious areas (buildings, transportation and other), topography water features (streams, and lakes), subbasin boundaries and wetlands.
  - Digital aerial photographs and LiDAR maps.
  - All available water quality monitoring data.
  - As-builts or design drawings for stormwater facilities
  - Maintenance, flooding, and stormwater complaint records.
  - Hydraulic and hydrologic models developed by others.
- The Altaterra team will also acquire and review the following publically available information:

- Booth, Derek B., Troost, Kathy Goetz, and Shimel, Scott A. 2005. Geologic Map of Northwestern Seattle (part of the Seattle North 7.5' x 15' quadrangle), King County, Washington: U.S. Geological Survey Scientific Investigations Map 2903, 1:12,000 Available from The Pacific Northwest Center for Geologic Mapping Studies (GeoMapNW) and at <http://geomapnw.ess.washington.edu/index.php>.
- Geological boring log data available through Washington State Department of Ecology of GeoMapNW.
- United States Department of Agriculture, Soil Conservation Service (USDA SCS). 1973. *King County Soil Survey*.
- United States Department of the Interior (USDI). 1987a. *National Wetlands Inventory*,
- King County wetlands inventory data (1990) as available in county GIS mapping (iMAP).
- Stream and wetland information available from WDFW on line (PHS on the web, SalmonScape).
- United States Department of the Interior (USDI). 1987b. *National Wetlands Inventory, Seattle North, West, Washington 7.5-minute USGS Quadrangle*.
- Washington State Department of Ecology (Ecology). 2004. *Shoreline Slope Stability in Coastal Zone Atlas*. Washington State Department of Ecology, Shorelands and Coastal Zone Management Program. Olympia, WA.

**Deliverables:**

There are no deliverables for this task. A summary of background information and document review will be included in the Basin Plan Report, Task 8.

**Task 3- Infrastructure Condition Assessment and Update GIS Coverages**

Stormwater infrastructure will be assessed through a video inspection survey of the publicly owned and maintained piped conveyance system. This includes CCTV inspection of pipes eight inches in diameter and larger and culverts, which is approximately 18 miles of pipe. Additionally, manholes and catch basins will be assessed and rated. Approximately 900 manholes and catch basins are estimated to be included. All reports and videos will then be hyperlinked with the GIS data, and ratings will be associated with each pipe. Pipes will be categorized for replacement, maintenance or other management actions in the development of projects and strategies in Task 6.

This task also includes collection of elevation data at the rims of catch basins and manhole structures using a handheld GPS. This effort would be conducted independently of the condition assessment vendor.

**Assumptions:**

The following assumptions are associated with this task.

- Approximately 900 structures will require collection of rim elevations. It is assumed this effort will take approximately 4 weeks.
- Pipes that cannot be inspected without cleaning will be cleaned. However, pipe jetting attempts will only be two to three passes per pipe. An incomplete report and CCTV video will be recorded up to the point that the blockage is reached in the pipe.
- Vendor will procure all required City right-of-way use permits and provide traffic control as needed to complete inspections.
- City will request right-of-entry from property owners for which access may be needed.
- Consultant will complete field assessments prior to kicking off the CCTV vendor to note any discrepancies between GIS data. All discrepancies including, additional discrepancies found by the vendor will be noted (see next assumption).
- City will provide numbering system for the Consultant team to use when new infrastructure (pipe or structure) are identified. GIS layers will be updated with new infrastructure by the consultant team. A list of new infrastructure (including identification number and type) will be provided to the City.
- GIS maps of pipes and structures within the basin will be created on ArcGIS online. The Vendor will utilize Wi-Fi in the field to view the maps. No physical maps will be provided.
- The NASSCO rating system (PACP and MACP) will be used for all pipes and modified for the Manholes and Catch Basins with CCTV inspection.
- The CCTV data files will be in the PACP (Pipeline Assessment and Certification Program) Microsoft Access database format for future input into the City's asset management program, CityWorks.
- City will provide Consultant with log-in information to cloud server in order for consultant to make dynamic updates to the GIS data base and access GIS data.
- Pipe and structure location updates will be made available on the cloud server. All updates to ratings, pipe diameters, pipe materials, etc. will be provided to the City in an Excel spreadsheet to be transferred to GIS by City GIS staff.
- CCTV video files, PDF reports and PACP/MACP databases will be transferred from the CCTV Vendor weekly via portable hard drives.
- Condition Assessment is a time and materials not to exceed budget with the following assumptions:

**Deliverables:**

- Map and GIS inventory database of all structures and pipes inspected.
- Videos inspection in MP4 format and inspection data in PACP/MACP compliant Microsoft Access format for all City-owned structures and pipes 8 inches in diameter and larger within the Puget Sound basins.
- Updated GIS stormwater inventory database with industry standard condition or rating identified.

**Task 4- Assess Physical and Biological Basin Characteristics**

This task involves a qualitative field assessment of geomorphology, fisheries, aquatic habitat, wetlands and infrastructure conditions and problem identification. A field team consisting of a geomorphologist, fisheries biologist and wetland ecologist will walk the in-city open channel portions of the stream channels in the Puget Sound basins from the mouths (generally Puget Sound) to the headwaters (generally wetlands, seeps, or surface water pipes in the uplands). Blue Heron (~1.3 miles) and Coyote (~0.5 miles) creeks in the Innis Arden North and Innis Arden South basins will be walked and additional time will be reserved to walk at least half of the 1.5 miles of stream channel that are mapped in the City's GIS system.

During the stream walks, physical and biological conditions will be noted in a field notebook and on maps with geographic references, such as road crossings. Current conditions will be compared to documented conditions described in previous reports. Results of the field assessment will be used to identify problems and potential solutions and opportunities. Streams included in the field evaluation will also be typed according to SMC 20.80.470, which relies in part on the criteria for fish passability established by the Washington Department of Fish and Wildlife. The field assessment of in-stream conditions will also include:

- General vegetation conditions (type, density, size, width of vegetation corridor adjacent to stream channel)
- In-stream and hillslope erosion processes (incision, aggradation and landslides) and geologic units
- Stream channel widths and passage barriers as needed to assist with stream typing
- Aquatic habitat conditions (pools, riffles, large woody debris, flow)
- Location of riparian wetlands
- Location of stormwater outfalls, pipes and groundwater seeps
- Potential pollution sources
- General in-stream sediment distribution throughout stream channel
- Wildlife activity (presence of beaver dams)
- Estimates of Manning's roughness coefficients for future hydraulic models

- Stream channel geometry estimates for input into future hydraulic models, if needed.

Overall biological and physical characteristics in the rest of the project area (outside the stream corridors) will be documented through targeted field visits by the team wetland ecologist, stormwater engineer, and/or technical lead to identified wetlands, open spaces, road networks and neighborhoods.

**Assumptions:**

The following assumptions are associated with this task:

- The City will obtain right-of-entry permission from private property owners for the stream walk and field investigation.
- The City will provide access to stormwater infrastructure as needed.
- The stream walk will take no more than 3 days.
- Upland field assessment will take no more than 2 days.
- The field crew will decontaminate boots and field gear according to recognized protocol in order to reduce the transport of New Zealand mudsnails from one location to another.
- Identification of pollutions sources will be limited to routine observable conditions noted in the field. No water, soil or other testing or sampling will be conducted for the purposes of identifying potential pollutant sources.
- Determinations of jurisdictional stream status for roadside ditches and other small watercourses outside of the 3 miles of open channels mentioned above are not included.

**Deliverables:**

None. Field evaluation data, including field notes, forms and photos will be summarized in the Basin Plan Reports and presented in an Appendix (Task 8).

**Task 5- Hydraulic Modeling**

This task involves developing an EPASWMM model to simulate existing and potential future surface water run-off and routing conditions in the Richmond sub-basin. The model will be used to identify current stormwater capacity issues in the existing conveyance system and size potential future infrastructure upgrades.

**Assumptions:**

The following assumptions are included in this task:

- City-provided GIS layers identified in Task 2 will be used to perform hydrologic and hydraulic modeling.

- The existing Richmond Basin boundary is accurate and will not require revision for the modeling effort. Up to 20 sub-basins will be delineated to generate runoff throughout the various reaches of the system.
- Existing land use impervious areas will be based on City provided GIS. Pervious (forest, grass, and pasture) areas will be measured in GIS based on aerial photography (2012 or more recent, if available). Future land use assumptions will be based on City of Shoreline zoning.
- Total impervious area (TIA) will be converted to effective impervious area (EIA) based on estimated percent connected factors in accordance with the guidance provided in the Snohomish County Drainage Needs Reports 2002.
- The model will be used to assess existing and future storm drainage pipe conveyance capacity.
- Everett gage 15-minute precipitation data will be used.
- Flow frequency analysis will be performed to determine 2-year, 10-year and 25-year events. These events will be used to determine pipe capacity level of service.
- Calibration of simulated flows to flow gage data will not be necessary.

**Deliverables:**

- Draft hydrologic and hydraulic modeling memorandum documenting modeling data inputs, assumptions, and results. The final memorandum will be included as an appendix in the Basin Plan Report (Task 8).
- Electronic copy of modeling files.

**Task 6- Develop Projects and Strategies**

This task involves the development of alternative management strategies including structural and non-structural solutions to problems identified in Tasks 2, 3 and 4 and identified by City staff. A brainstorming session will be held with members of the consultant team and City staff to discuss problems and potential solutions. Challenges and opportunities for each identified strategy will be assessed, including permitting, community acceptance, cost, funding possibilities, and technical feasibility. Conceptual designs (location, layout and section) of potential structural solutions will be developed along with planning level cost estimates.

**Assumptions:**

- One ½ day brainstorming session will be held with up to 5 members of the consultant team, and relevant City personnel including the project manager, and maintenance and operations staff.
- Programmatic solutions will include evaluation of existing drainage easements and potential need for additional easements according to protocol developed by the City.
- Stormwater solutions will also be developed with a focus on future development and redevelopment opportunities, and coordination with other City projects

proposed by Parks and Transportation. Solutions may also include companion habitat improvement projects.

- Capital projects identified as a result of the Infrastructure Condition Assessment will be prioritized and packaged according to protocol being developed simultaneously as part of another project.
- Conceptual designs will be developed for up to 10 capital projects at an approximate 30% design level, including location, general size and layout, and cross sections. Surveyed elevations will not be included in the conceptual design.
- Planning level cost estimates will be provided for each capital project and management alternative.

**Deliverables:**

- Consolidated list of projects and strategies.

**Task 7- Implementation Schedule (OPTIONAL)**

This task involves prioritization and development of an implementation schedule for projects (a) within the areas encompassed by this basin plan, and (b) city-wide.

**Assumptions:**

The following assumptions are associated with this task.

- Projects and strategies will be prioritized using protocol established during previous basin planning efforts.
- Implementation schedules will be jointly developed by the City and the Consultant team, with significant input from the City on budgetary considerations, priorities, and funding mechanisms.
- Puget Sound basin implementation schedule will be included in the Basin Plan report (Task 8)
- There will be two review cycles for the City-wide implementation schedule.
- The City will provide a consolidated set of review comments to the consultant team for both the preliminary draft and final draft city-wide implementation schedule.

**Deliverables:**

- Preliminary draft city-wide implementation schedule.
- Revised draft city-wide implementation schedule.
- Final city-wide implementation schedule.

**Task 8- Basin Plan Report**

This task involves development of a draft and final Basin Plan Report that includes the following:

- General description of the basin planning area, including topographic, climatic, geologic and land use conditions.



- Field assessment photographic log for use in future comparisons
- Hydraulic Modeling Memorandum, which will include modeling results and documentation for future use of the model(s).
- Detailed descriptions of surface water management strategies including potential partners, funding mechanisms, challenges and opportunities, and planning level cost estimates for strategies that reduce flooding, or improve water quality and aquatic habitat.
- Capital improvement project conceptual design sheets.
- Updated GIS maps with stormwater infrastructure, and links to condition assessment videos and documentation.
- Summary of water quality data provided by the City.
- Description of public outreach events and public comments received during public or council meetings (Task 9).

**Assumptions:**

The following assumptions are associated with this task.

- One annotated outline of the basin plan report will be prepared for review and approval prior to report preparation.
- There will be two review cycles for the basin plan report, including a preliminary draft report and final draft report. The draft reports will be submitted electronically.
- The City will provide a consolidated set of review comments to the consultant team for both the preliminary draft and final draft reports.
- Draft deliverables associated with previous tasks (Tasks 3, 5 and 6) will be finalized in the basin plan report.

**Deliverables:**

- One annotated basin plan report outline (electronically submitted).
- One preliminary draft basin plan report (electronically submitted). It is anticipated that this report will be approximately 100 pages, including text, tables, figures and appendices.
- One final draft basin plan report (electronically submitted) that addresses comments made on the preliminary draft report. This report will be submitted in track changes format and as a clean copy so the City can easily see how comments were addressed.
- Final Basin Plan Report incorporating changes requested in previous submittals. This report will be submitted electronically as a pdf.

**Task 8- Public Meetings and Stakeholder Involvement**

This task involves the following items:

- Development of presentation materials for public meetings

- Participation at public meetings.

**Assumptions:**

The following assumptions are associated with this task.

- Up to four public meetings will occur.
- Only one member of the consultant team will participate in each public meeting.
- Public meeting presentation materials will include a power-point presentation and one large presentation board per meeting.
- The City will identify key stakeholders who may have an interest in the basin plan outcome.
- Assume one person per meeting.

**Deliverables:**

- Public meeting presentation materials.
- Summary notes from public meetings, including comments received.

**Task 9- Management Reserve**

This task includes a management reserve for additional tasks or scope items requested during this project.

**Assumptions:**

The following assumptions are associated with this task.

- The management reserve will not be used without written authorization from the City's project manager.

**BUDGET**

The estimated budget for this project is \$445,150. The condition assessment portion of the project is estimated to be \$183,750. See Table 1 on next page for summary and potential options for reducing the overall project cost through modification of scope items.

Attachment A

Table 1 Summary of Estimated Budget and Potential Options

Task	Description	Estimated Cost	Option 1	Estimated Cost	Option 2	Estimated Cost
Project Management	Monthly summary reports/invoices, kick-off meeting, bi-weekly phone calls	\$14,270	No additional options			
Review Documentation	Review existing reports and data	\$17,660	No additional options – may take less time, depending on amount of information available.			
Condition Assessment and GIS Update	Condition assessment of pipes >/= 8" dia. and structures	\$236,640	No video on structures	\$223,515	No structures (CCTV or elevation data)	\$175,024
Assess physical and biological basin characteristics and field work	Streams, wetlands, facilities, upland characteristics in support of projects	\$33,370	Eliminate stream typing	\$30,240		
Hydraulic Analysis-Richmond Basin	Develop hydraulic model	\$29,710				
Develop Projects	Includes up to 10 conceptual designs	\$49,160	Reduce number of conceptual designs to 5	\$38,144		
Implementation Schedule	Puget Sound Basins and City-wide Implementation Schedule	\$11,720	Eliminate City-wide implementation schedule	\$2,169.50		
Documentation	Basin Plan Report	\$43,840	No additional options			
Public Meetings	4 public meetings	\$8,780	No additional options			
	Total	\$445,150	Total w/Option 1 condition Assessment	\$432,025	Total w/ Option 2 Condition Assessment	\$383,534

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 711 – New Chapter for Shoreline Municipal Code 3.65 – Collection of Debt
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Patti Rader, Interim Administrative Services Director
<b>ACTION:</b>	<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:**

Occasionally, City taxpayers or customers become delinquent on payments to the City. Staff has proposed a collection process to attempt to fully collect on these overdue accounts. On April 13, staff presented proposed Ordinance No. 711 for Council discussion. The ordinance will designate that the Administrative Services Director establish, maintain, and enforce procedures for the collection of debt, allow the Director to contract with a collection agency, and allow the Director and City Manager to write off debt that has been deemed as being uncollectable. Tonight’s report also includes additional information about other city’s municipal code language that addresses the collection of unpaid debt.

**FINANCIAL IMPACT:**

There is no direct financial impact in adopting this ordinance. In the event that the City contracts with a collection agency, all associated fees would be paid by the debtor.

**RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 711 to establish procedures for the collection of debt and enacting a new chapter 3.65 - Collection of Debt.

Approved By:            City Manager **DT**    City Attorney **MK**

## **BACKGROUND**

Staff presented proposed Ordinance No. 711 on April 13 for Council discussion. As discussed, some taxpayers or customers become delinquent on payments and staff has proposed a collection process to attempt to fully collect on these overdue accounts. Staff would also like the ability to use a collection agency to assist with collections and to have the ability to administratively write off smaller debts when collection efforts have not been successful or when there is no cost effective means of collecting the debt.

This ability, subject to certain procedural requirements, is authorized by RCW 19.16.500. The State has a contract currently in place with multiple collection agencies, and they screen the agencies and hold them to a standard that includes the use of best practices when attempting to recover debts. The contract also allows the collection agencies to pass on all costs associated with the collection of the debt to debtors, resulting in no additional cost to the contracting entity. The April 13 staff report on this topic can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2015/staffreport041315-9a.pdf>.

## **DISCUSSION**

As was noted on April 13, adoption of proposed Ordinance No. 711 would allow for the following actions:

- Designate that the Administrative Services Director to establish, maintain, and enforce procedures for the collection of debt,
- Allow the Administrative Services Director to contract with a collection agency to assist with the collection of outstanding debt,
- Allow the Administrative Services Director to write off debt that has been deemed as being uncollectable in amounts of \$1,000 or less, and
- Allow the City Manager to write off debt that has been deemed as being uncollectable in amounts between \$1,001 and \$5,000.

As just noted, if proposed Ordinance No. 711 is approved, staff will proceed with the development of a Debt Collection Policy. The policy will detail the City's procedure for collecting debts, including debts related to insufficient funds checks, damage to City property, breach of contract, code enforcement abatement costs, assessment of civil penalties, and taxes and fees. It will also include procedures to write-off or remove uncollectible debt from the City's accounts receivable ledger and a reporting mechanism to keep the City Council apprised of approved debt write-offs.

Procedures specific to the collection of delinquent sewer accounts will need to be addressed separately in another ordinance once the assumption of the Ronald Wastewater District (RWD) is complete (or in anticipation of the assumption). At that time, the Council can decide whether and how to include those delinquent fees within this policy. The need for this ordinance and the timing of its adoption will be discussed by the RWD Assumption Transition Committee of Elected Officials as part of their transition planning process.

During the April 13 discussion, Council stated their interest in understanding how other cities manage this issue. Staff reviewed the municipal codes of Washington cities to find examples of language being used for debt collection, including the use of collection agencies and the write-off of uncollectible debt. Various municipal codes include language addressing procedures for the use of collection agencies and uncollectible debt.

Several cities that have enacted a Business and Occupation Tax have included a provision in their codes entitled "Charge-off of Uncollectible Taxes", with the following language:

*The director may charge off any tax, penalty, or interest that is owed by a taxpayer, if the director reasonably ascertains that the cost of collecting such amounts would be greater than the total amount that is owed or likely to be collected from the taxpayer.*

These cities include Bellevue, Bremerton, Burien, Des Moines, Dupont, Issaquah, Lake Forest Park, and Mercer Island.

While the City of Lakewood has similar language, it is applied broadly to any type of accounts receivable and also allows for the use of a collection agency:

*The City shall make reasonable attempts to collect all money owing in compliance with city policy and procedure. If such attempts fail and at least one-hundred twenty (120) days have passed since the original due date, the receivable will be sent to a collection agency. No less than twenty-four (24) months after the original due date, if the receivable remains uncollected, the City may write-off the debt, provided the amount of the receivable is less than two hundred fifty dollars (\$250.00), and both the City Manager and Assistant City Manager for Finance authorize the write-off. Any decisions regarding write-off are discretionary with the City and may consider any variety of factors, including but not limited to resources of the City for purposes of attempting collection and aggregate impact of receivables at the time.*

The Auburn Municipal Code includes Chapter 3.30 Use of Collection Agencies that includes specific procedures for debt collection:

1. *There must be proof that the City sent a written invoice to debtor*
2. *If invoice is not paid within 60 days, the Finance Director sends a written notice to include the unpaid amount, any penalties, and notice that if the debt is not paid within 30 days, it may be sent to a collection agency and that the debtor will be responsible for any associated collection fees*

The Vancouver Municipal Code includes Chapter 3.25 Bad Debt:

- *3.25.010 – Write-off of Amounts in Excess of \$25,000 – Council Approval*
- *3.25.020 – Write-off of Amounts of \$25,000 or Less – Administrative Approval*
  - *City Manager - \$15,001 to \$24,999*
  - *Director or Financial and Management Services and City Attorney - \$1-\$14,999*
- *3.25.040 – Reservation of Right to Pursue Write offs*
  - *Allows the use of collection agencies*

As can be seen from the various City codes, proposed Ordinance No. 711 is in alignment with how other cities are managing the collection of debt.

### **FINANCIAL IMPACT**

There is no direct financial impact in adopting this ordinance. In the event that the City contracts with a collection agency, all associated fees will be paid by the debtor.

### **RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 711 to establish procedures for the collection of debt and enacting a new chapter 3.65 - Collection of Debt.

### **ATTACHMENTS**

Attachment A: Proposed Ordinance No. 711

**ORDINANCE NO. 711**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, ESTABLISHING PROCEDURES FOR THE COLLECTION OF DEBT AND USE OF COLLECTIONS AGENCIES AND ENACTING A NEW CHAPTER 3.65 COLLECTION OF DEBT, IN THE SHORELINE MUNICIPAL CODE.**

WHEREAS, RCW 19.16.500 authorizes cities, subject to certain procedural requirements, to retain collection agencies for the purpose of collecting outstanding accounts receivable; and

WHEREAS, it is desirable to authorize the Administrative Services Director to refer uncollectible debts or delinquent accounts of any City department to a collection agency for collections; and

WHEREAS, it is necessary to write off certain debts or accounts if found to be uncollectible; and

WHEREAS, it is desirable to authorize the City Manager and the Administrative Services Director to write off certain accounts receivables if found to be uncollectible;

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

**Section 1. Findings of Fact.** The recitals set forth above are hereby adopted as findings of the City Council.

**Section 2. New Chapter.** A new chapter 3.65 Collection of Debt is added to the Shoreline Municipal Code to read as follows:

**3.65.010 Establishment of Procedures**

The Administrative Services Director shall establish and maintain policies and procedures relating to the collection of debt. All City departments must comply with these policies and procedures.

**3.65.020 Use of Collection Agencies**

The Administrative Services Director shall establish policies and procedures governing the assignment or other referral of delinquent accounts or debt to a collection agency that has entered into a contract with the City for that purpose. All City departments must comply with these policies and procedures.

**3.65.030 Write-off of Amounts of \$5,000 or Less – Administrative Approval**

In certain cases amounts which are due any department of the City, including its public utilities, from any individual or corporate debtor thereto under provisions of leases, contracts, other instruments or agreements, or under provisions of rate or other ordinance or resolutions, or



which are due and legally enforceable from any person, corporation or insurance company as a result of damages to city property may remain unpaid for long time periods. After the Administrative Service Director has determined that there is no cost effective means of collecting the debt, the debt may be canceled, written off, reduced or otherwise compromised as follows:

- A. Amounts due the city which are in excess of \$1,000 but which are no greater than \$5,000 may, after reasonable efforts for the collection or settlement thereof have been exhausted, be authorized by the City Manager or designee to be canceled, written off or settled in part upon recommendation of the City Attorney and Administrative Services Director.
- B. Amounts due the city which are no greater than \$1,000 may, after reasonable efforts for the collection or settlement thereof have been exhausted, be authorized by the Administrative Services Director to be canceled, written off or settled in part upon approval of the City Attorney and Administrative Services Director, based on written procedures developed by the Administrative Services Director and approved by the City Manager.

3.65.035 Write-off of Amounts in Excess of \$5,000 – Council Approval

Amounts due the city in excess of \$5,000 which are due any department of the city, including public utilities, from any individual or corporate debtor thereto under provision of leases, contracts, other instruments or agreements, or under provisions of rate or other ordinances or resolutions, or which are due and legally enforceable from any person, corporation or insurance company as a result of damages to city property, may not be canceled, written off, reduced or otherwise compromised without the authorization of the City Council upon recommendation of the City Manager.

**Section 3. Effective Date.** A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

**APPROVED BY THE CITY COUNCIL ON MAY 18, 2015**

\_\_\_\_\_  
Mayor Shari Winstead

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jessica Simulcik Smith  
City Clerk

\_\_\_\_\_  
Margaret King  
City Attorney

Publication Date:  
Effective Date:

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of Compensation and Classification Study Labor Market Recommendation		
<b>DEPARTMENT:</b>	Human Resources		
<b>PRESENTED BY:</b>	Paula Itaoka, Human Resources Director		
<b>ACTION:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

**PROBLEM/ISSUE STATEMENT:**

In early 2014, the City Council directed the City Manager to conduct a holistic review of the City's compensation plan in 2015. In September of last year, Council provided direction regarding the scope of the study to include base salary compensation and classification, non-salary cash and deferred compensation and employer contributions toward health care. Subsequent to this discussion, staff conducted a request for proposal to engage a consulting firm to conduct the study, and Ralph Andersen and Associates was selected. The project manager for the study from Ralph Andersen and Associates is Doug Johnson.

On March 23<sup>rd</sup>, Mr. Johnson attended a Council Dinner Meeting to facilitate a labor market discussion in advance of conducting the compensation study. Mr. Johnson subsequently recommended a set of survey agencies to the City Manager. The City Manager is also recommending continuation of the City's Y-Rating policy. Tonight, Mr. Johnson is joining the Council to follow up on the discussion from March 23 and review the recommended survey agencies with the Council.

**RESOURCE/FINANCIAL IMPACT:**

There is no financial impact resulting from the selection of survey agencies. Any potential financial impact as a result of the study will be examined at the conclusion of the study.

**RECOMMENDATION**

Staff recommends that Council discuss and consider the City Manager's recommendations for survey agencies and continuation of the City's Y-Rating policy and provide feedback prior to proceeding with the Compensation and Classification study.

Approved By:           City Manager **DT**   City Attorney **MK**

## **BACKGROUND**

In early 2014, the City Council directed the City Manager to conduct a holistic review of the City's compensation plan in 2015. On September 8, 2014 staff received policy direction from Council regarding the scope of the study to include base salary compensation and classification, non-salary cash and deferred compensation and employer contributions toward health care. The memo provided to the Council on September 8 regarding the scope of this study can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/dinner/090814Dinner.pdf>.

Subsequent to this discussion, staff conducted a request for proposal to engage a consulting firm to conduct the study. Ralph Andersen and Associates was selected to conduct the study and on January 26, 2015 Council approved a contract for professional services.

As was noted in the staff report provided to Council when requesting contract approval, Ralph Andersen and Associates has provided human resource consulting services since 1972. Their firm has a strong focus on serving public sector clients, and they have had a lot of experience conducting compensation and classification studies for cities across the country. Ralph Andersen also conducted Shoreline's only compensation and classification study in 1997. More information about Ralph Andersen and Associates can be found at their website: <http://www.ralphandersen.com>.

The project manager for the study from Ralph Andersen and Associates is Doug Johnson. Mr. Johnson attended the Council Dinner Meeting on March 23, 2015 to facilitate a labor market discussion in advance of conducting the study. The memo and related exhibits provided to the Council on March 23 can be found at the following links:

- [March 23, 2015 Dinner Meeting Memo](#)
- [March 23, 2015 Dinner Meeting Memo - Attachment A](#)
- [March 23, 2015 Dinner Meeting Memo - Attachment B](#)

Mr. Johnson subsequently recommended a set of survey agencies to City Manager Tarry. Tonight, Mr. Johnson is joining the Council to follow up on the discussion from the March 23 dinner meeting and review the recommended survey agencies with the Council.

## **DISCUSSION**

The recommended survey agencies were developed by Mr. Johnson taking into consideration a balance of the following factors: historical practice, nature of services, geographic proximity, employer size, economic similarity, and efficiency in providing data.

Thirteen survey agencies are recommended as follows:

<b>City of Shoreline Recommended Survey Agencies</b>						
<b>Survey Agency</b>	<b>Population Served</b>	<b>Distance From Shoreline</b>	<b>ERI - Cost of Living Index</b>	<b>ERI - Wage Index</b>	<b>Government Form</b>	<b>Historical Comparable</b>
<b>Shoreline</b>	<b>53,990</b>	<b>0</b>	<b>100.0</b>	<b>100.0</b>	<b>Council-Manager</b>	
Seattle	626,600	11	127.0	100.4	Mayor-Council	
Bellevue	132,100	16	121.4	100.4	Council-Manager	X
Everett	104,200	18	97.0	100.1	Mayor-Council	X
Renton	95,540	23	97.7	100.3	Mayor-Council	X
Kirkland	81,730	17	113.4	100.0	Council-Manager	X
Marysville	62,100	24	97.6	99.7	Mayor-Council	
Redmond	55,840	21	114.2	100.3	Mayor-Council	X
Sammamish	48,060	28	101.5	100.0	Council-Manager	
Burien	48,030	23	90.7	100.0	Council-Manager	
Edmonds	39,950	5	91.8	99.9	Mayor-Council	X
Lynnwood	35,960	6	94.1	99.8	Mayor-Council	
Bothell	34,460	14	102.3	99.9	Council-Manager	
Kenmore	21,170	5	93.0	99.5	Council-Manager	
<b>Median</b>	<b>55,840</b>	<b>17</b>	<b>97.7</b>	<b>100.0</b>		

**Data Sources:**

Population - State of Washington, City and Town Profiles

Distance - Google Maps

Cost of Living Index - Economic Research Institute Relocation Assessor; Jan 2015

Wage Index - Economic Research Institute Geographic Assessor; Jan 2015

Six of the recommended agencies are historical - Bellevue, Everett, Renton, Kirkland, Redmond and Edmonds. Five historical agencies are no longer recommended - Kent, Auburn, Lakewood, Olympia and King County. All of the recommended agencies are within 28 miles of Shoreline. The median population served of the recommended agencies is 55,480; Shoreline's population size is 53,990. There is also balance between larger and smaller agencies; the largest is Seattle and the smallest is Kenmore.

As well, based on research from the Economic Research Institute (ERI), there is similarity in the cost-of-living (COL) amongst the labor market cities with some being slightly higher than Shoreline and some being slightly lower. The median ERI COL is 97.7, with Shoreline being 100. This is also the case with the ERI Wage Index, which highlights the similarities in wages of like employers in the surveyed communities. In this case, Shoreline is right at the median of the ERI Wage.

There won't be any Director matches from Seattle because those positions are much larger in scope. When salary surveys are done, regardless of the labor market, position matches have to take into account span-of-control (size) and job scope differences. In

other words, one entity may have positions that match with Shoreline positions and others may not because of span of control and responsibility differences. It is likely that non-director positions will have some matches from all recommended agencies, positions such as professional, technical, administrative, vocational, clerical, etc.

**Y-Rating**

In addition to the 13 recommend survey agencies, the City Manager recommends continuation of City’s current Y-Rating policy located in the Employee Handbook. This policy is noted in section 5.07.I of the handbook:

- I. Y-Rating. When a regular employee’s position has been y-rated, the employee will remain at the same rate of pay until the pay range increases enough to include that rate. At that time, the employee shall be placed in the first step that does not provide for a decrease. No COLA or step increase will be awarded during this period.

Therefore, y-rating would prevent a reduction in an employee’s existing pay as a result of the compensation study.

**NEXT STEPS**

The next steps sequentially outlined in the consultant’s scope of work include:

Reviewing Position Questionnaires	Happening Now
Conducting Job Analysis Interviews	Happening Now
Preparing and Reviewing Preliminary Classification Report	Coming Up Soon
Updating City Job Descriptions	Coming Up Soon
Undertake Management/Employee Review Process (Class Specifications, Feedback from Employees, Follow-Up Phone Interview as Needed)	Coming Up Soon
Finalizing Classification Recommendations	Coming Up Soon
Discuss and Document Compensation Policy	May/June/July
Collect Compensation Data	May/June/July
Compile and Format Compensation Data	May/June/July
Audit and Finalize Compensation Data	May/June/July
Conduct Internal Relationship Analysis	May/June/July
Develop Salary Range Recommendations	May/June/July
Develop Implementation Strategy Options and Compute Implementation Costs	May/June/July
Prepare and Review Preliminary Compensation Report	May/June/July
Prepare and Submit Final Reports	May/June/July
Reviewing Position Questionnaires	May/June/July

## **RESOURCE/FINANCIAL IMPACT**

There is no financial impact resulting from the selection of survey agencies. Any potential financial impact as a result of the study will be examined at the conclusion of the study.

## **RECOMMENDATION**

Staff recommends that Council discuss and consider the City Manager's recommendations for survey agencies and continuation of the City's Y-Rating policy and provide feedback prior to proceeding with the Compensation and Classification study.