



# AGENDA

## STAFF PRESENTATIONS

## PUBLIC COMMENT

### SHORELINE CITY COUNCIL

### VIRTUAL/ELECTRONIC REGULAR MEETING

Monday, March 29, 2021  
7:00 p.m.

Held Remotely on Zoom  
<https://zoom.us/j/95015006341>

**In an effort to curtail the spread of the COVID-19 virus, the City Council meeting will take place online using the Zoom platform and the public will not be allowed to attend in-person. You may watch a live feed of the meeting online; join the meeting via Zoom Webinar; or listen to the meeting over the telephone.**

**The City Council is providing opportunities for public comment by submitting written comment or calling into the meeting to provide oral public comment. To provide oral public comment you must sign-up by 6:30 p.m. the night of the meeting. Please see the information listed below to access all of these options:**



[Click here to watch live streaming video of the Meeting on shorelinewa.gov](https://www.shorelinewa.gov)



Attend the Meeting via Zoom Webinar: <https://zoom.us/j/95015006341>



Call into the Live Meeting: 253-215-8782 | Webinar ID: 950 1500 6341



[Click Here to Sign-Up to Provide Oral Testimony](#)

*Pre-registration is required by 6:30 p.m. the night of the meeting.*



[Click Here to Submit Written Public Comment](#)

*Written comments will be presented to Council and posted to the website if received by 4:00 p.m. the night of the meeting; otherwise they will be sent and posted the next day.*

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. ROLL CALL		
(a) Proclamation of Cesar Chavez Day	<u>2a-1</u>	
3. APPROVAL OF THE AGENDA		
4. REPORT OF THE CITY MANAGER		
5. COUNCIL REPORTS		
6. PUBLIC COMMENT		

*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. Speakers are asked to*

sign up by 6:30 p.m. the night of the meeting via the Remote Public Comment Sign-in form. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed up.

**7. CONSENT CALENDAR**

- (a) Approval of Minutes of Special Meeting of March 5 and 6, 2021 7a1-1  
Approval of Minutes of Regular Meeting of March 15, 2021 7a2-1
- (b) Adoption of Federal Legislative Priorities 7b-1
- (c) Adoption of Ordinance No. 926 - Limited Tax General Obligation (LTGO) Bond 2021 – VLF Supported Transportation Improvement Projects 7c-1
- (d) Authorize the City Manager to Execute an Amendment to the Professional Services Agreement with KPFF Consulting Engineers in the Amount of \$2,147,473 for Final Design of the 148<sup>th</sup> Street Non-Motorized Bridge Project 7d-1
- (e) Approval of Property Tax Exemption Program Contract for the Shoreline Multifamily, LLC Project Located at 18815 Aurora Avenue N 7e-1
- (f) Approval of Property Tax Exemption Program Contract for the Quinn by Vintage Project Located at 20057 Ballinger Way NE 7f-1

**8. ACTION ITEMS**

- (a) Public Hearing and Discussion on the Community Development Block Grant Round Three Funding from the Coronavirus Aid, Relief, and Economic Security Act 8a-1 7:20

*All interested persons are encouraged to listen and/or attend the remote online public hearing and to provide oral and/or written comments. Written comments should be submitted to Bethany Wolbrecht-Dunn, Community Services Manager, at [bwolbrec@shorelinewa.gov](mailto:bwolbrec@shorelinewa.gov) by no later than 4:00 p.m. local time on the date of the hearing. Any person wishing to provide oral testimony at the hearing should register via the Remote Public Comment Sign-in form at least thirty (30) minutes before the start of the meeting. A request to sign-up can also be made directly to the City Clerk at (206) 801-2230.*

- (b) Action on the 2021 Comprehensive Plan Amendment Docket 8b-1 7:35

**9. STUDY ITEMS**

- (a) Discussion of Ordinance No. 928 – Repealing Ordinance No. 780 and Resolution No. 474 – Repealing Resolution No. 417 to Provide for a New Shoreline Municipal Code Chapter 13.05 and Wastewater Financial Policies 9a-1 7:50
- (b) Discussion of 2021-2023 Council Goals and Action Steps 9b-1 8:20

**10. ADJOURNMENT** 8:40

*Any person requiring a disability accommodation should contact the City Clerk's Office at 206-801-2230 in advance for more information. For TTY service, call 206-546-0457. For up-to-date information on future agendas, call 206-801-2230 or visit the City's website at [shorelinewa.gov/councilmeetings](http://shorelinewa.gov/councilmeetings). Council meetings are shown on the City's website at the above link and on Comcast Cable Services Channel 21 and Ziplly Fiber Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m.*

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

<b>AGENDA TITLE:</b>	Proclamation Declaring Cesar Chavez Day in the City of Shoreline		
<b>DEPARTMENT:</b>	Community Services		
<b>PRESENTED BY:</b>	Sunil Tolton, Equity and Social Justice Program Coordinator		
<b>ACTION:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Proclamation

**ISSUE STATEMENT:**

Born in Yuma, Arizona on March 31, 1927, Cesar Chavez was a Mexican-American labor and civil rights leader who fought to improve the working and living conditions of farm workers. After losing their homestead through fraud and foreclosure, his family moved to California as migrant farm workers in the late 1930s during the Great Depression. Mr. Chavez experienced the unfair labor practices and abuses that farmworkers endured, such as exposure to dangerous pesticides, low wages, lack of access to clean water or restrooms, and terrible housing conditions.

After the 8<sup>th</sup> grade, Mr. Chavez worked full time in the fields and joined the U.S. Navy at age 19 in a segregated unit for two years. After he returned, he married Helen Fabela, and would eventually have eight children. In 1952, Chavez began working for the Community Service Organization (CSO), a Latino civil rights group, as a grassroots organizer and became a national director registering new voters and fighting for racial and economic justice.

In the 1940s through the 1960s, the exploitative “bracero program” brought thousands of Mexicans to the U.S. to fill World War II labor shortages, undercut domestic wages, and break strikes. Workers attempting to organize into unions faced discrimination and were violently suppressed. Influenced by the nonviolent civil disobedience of Gandhi and Dr. Martin Luther King, Jr., Mr. Chavez used his life savings and co-founded the National Farm Workers Association (NFWA) in 1962 with Dolores Huerta, who had also worked at CSO.

In 1965, the NFWA launched a strike against California’s grape growers along with the Agricultural Workers Organizing Committee (AWOC), a Filipino-American labor group. The strike lasted five years with critical actions led by Mr. Chavez, including a 340-mile march from Delano to Sacramento in 1966, and his 25-day hunger strike in 1968. With national support, the strike led to a nationwide boycott of California grapes, successful negotiations with farmers, and recognition of the importance and rights for all farm workers.

The NWFA and AWOC merged and eventually became the United Farm Workers of America (UFW). Cesar Chavez continued to lead efforts to support farm workers' right to unionize and negotiate for better wages and working conditions. In 1993, Mr. Chavez died in his sleep near Yuma, Arizona and was honored by more than 50,000 mourners from Florida to California who came to show their respect. In recognition of Mr. Chavez's impact, President Barack Obama borrowed "Si, se puede" or "Yes, we can" as part of his presidential campaign in 2008.

Cesar Chavez saw the need for change and made a courageous choice to work to improve the lives of his fellow farm workers. All residents are encouraged to observe this day to recognize the contributions of farm workers, importance of labor rights, and take action to honor Cesar Chavez's enduring legacy.

### **RECOMMENDATION**

Staff recommends that the Mayor announce the issuance of the proclamation.

### **ATTACHMENT:**

Attachment A: Cesar Chavez Day Proclamation

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



## PROCLAMATION

WHEREAS, Cesar Chavez was born on March 31, 1927, faced many struggles with his family as migrant farm workers, including exposure to dangerous pesticides, low wages, and terrible living conditions, and

WHEREAS, Mr. Chavez saw the need for change and led courageous efforts to improve the lives of his fellow farm workers through community organizing and non-violent civil disobedience, and

WHEREAS, Mr. Chavez founded the United Farm Workers (UFW) with Dolores Huerta, and fought for years to win historic gains for workers which improved wages and working conditions; and

WHEREAS, laborers across the country continue to struggle for fair treatment and fair wages to this day, let us remember the hope and determination of Cesar Chavez, echoing the words that have inspired so many, "Sí, se puede" – "Yes, we can!";

NOW, THEREFORE, I, Will Hall, Mayor of the City of Shoreline, on behalf of the Shoreline City Council, do hereby proclaim March 31, 2021 as

## CESAR CHAVEZ DAY

in the City of Shoreline, and encourage all residents to observe this day by remembering the contributions of farm workers whose labor feeds the nation and to engage in action that honors Cesar Chavez's enduring legacy.

---

Will Hall, Mayor

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF SPECIAL MEETING**  
Annual Strategic Planning Workshop

**Friday, March 5 and Saturday, March 6, 2021**  
**Via Zoom Video Conference**

**March 5, 2021 – 1:00 p.m.**

PRESENT: Mayor Hall, Deputy Mayor Scully, Councilmembers Chang, McConnell, McGlashan, Roberts, and Robertson

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Randy Witt, Public Works Director; Margaret King, City Attorney; Don Moritz, Human Resources Director; Rachael Markle, Planning and Community Development Director; Sara Lane, Administrative Services Director; Colleen Kelley, Recreation, Cultural and Community Services Director; Shawn Ledford, Shoreline Police Chief; Nate Daum, Economic Development Program Manager; and Pollie McCloskey, City Council Executive Assistant

GUESTS: Allegra Calder, Principal, BERK Consulting, Workshop Facilitator

At 1:02 p.m., the Special Meeting was called to order by Mayor Hall. Mayor Hall turned over the meeting to Allegra Calder, the workshop facilitator, to review the agenda and conduct introductions. Mayor Hall then provided a statement about the purpose of the Workshop.

Council then discussed the 2020 City Accomplishments. Assistant City Manager John Norris provided a brief overview of the City's accomplishments, with a specific focus on the COVID-19 pandemic response. Other key accomplishments were also noted from Councilmembers and staff.

Council then discussed their proposed 2021-2023 City Council Goals and Action Steps. City Manager Debbie Tarry provided an overview of the staff-proposed Council Goals and Action Step changes. Council discussed the potential for adding an Action Step regarding police services under City Council Goal #5 but wanted to discuss adding an Action Step in the future following the Police Services discussion, which was scheduled for the second day of the Workshop. Mayor Hall also proposed to add an Action Step under Council Goal #1 regarding reviewing the development regulations for the MUR-70 zone. Councilmember Roberts proposed to add an Action Step focused on implementation of the federal COVID-19 relief funding that the City would likely receive if federal legislation is adopted. Staff stated that they would

develop these proposed amendments to bring back to Council for additional review at a regular Council meeting following the Workshop.

The Council then discussed private and right-of-way tree regulations in Shoreline. Ms. Tarry provided an overview of the materials in the Workshop packet, and Rachael Markle, Director of Planning and Community Development, and Randy Witt, Director of Public Works, provided additional information from the materials. Staff also noted that generally, more trees are planted than removed in the City, and the last tree canopy analysis showed overall tree canopy growth in Shoreline.

Deputy Mayor Scully stated that he appreciates the balance that the Code makes between development potential and environmental protection in its private tree regulations, but he has some concerns with R-4 and R-6 regulations and would like to require more tree preservation in these zones when redevelopment occurs. He also stated that he would like the Street Tree List to be reviewed, as he is concerned that the trees listed may not provide enough environmental value to the community.

Mayor Hall stated that he would like more data on this topic, such as the different age classes of known trees, tree species information, and whether there really is a loss of mature trees occurring in the City. Councilmember Robertson asked about right-of-way trees and sidewalk construction, and what the options are for preserving more trees. Mr. Witt answered that the frontage improvement options identified in the Council Workshop materials are the common ways trees are preserved when new frontage improvements are required.

Councilmember Chang asked if the City's Engineering Development Manual (EDM) gives staff enough flexibility when looking at frontage options to preserve trees, and Mr. Witt responded that there is flexibility provided in the Manual. Councilmember Roberts stated that he supports providing more clarity in the EDM, such as through illustrations, to clearly articulate the City's intent regarding flexibility for frontage improvements. Councilmember McGlashan stated that he would like to look at every development project to determine how to save the most trees as possible.

Councilmember Robertson supported the suggestion of staff looking at the tree regulations in the R-4 and R-6 zones. She also supported increasing fines and penalties for tree removal violators, increasing interactions with developers regarding frontage improvements options and flexibility, and prioritizing the Street Tree List based on environmental functions.

Councilmember Roberts stated that staff may want to look at the EDM with regard to the requirements for sidewalk width and provide flexibility to allow more narrow sidewalks for tree preservation. Mayor Hall generally agreed with the majority of Councilmembers that the City should continue to try to make the City's private tree regulations better if possible. Deputy Mayor Scully stated that he would want the tree regulation analysis in the R-4 and R-6 zones to accompany the proposed private tree regulation amendments that the Planning Commission is currently reviewing as part of the 2021 Batch Development Code amendments. He also stated that he would support delay of the tree code amendments in the Batch to also review tree regulations in the R-4 and R-6 zones.

Ms. Tarry then summarized the discussion by stating that staff will review the EDM as part of a future update to review the flexibility it provides for frontage improvements relative to tree retention and will continue the review of the Batch Development Code amendments regarding tree regulations. She noted she would keep Council apprised if staff needs more time to review R-4 and R-6 zones tree regulations. Ms. Tarry said staff will also look at increased inspections and violation fine amounts for development sites with tree impacts, which may increase the cost of permitting and development.

Following this discussion, the Council discussed post-pandemic public engagement and government service provision. Councilmember Chang opened the discussion by stating that virtual Council meetings have been very helpful during the pandemic, but she wants to go back to in-person meetings once it is safe to do so while keeping the increased public engagement virtual meetings have provided. Mayor Hall agreed and stated he is deeply committed to keeping the community safe, so he wants to ensure members of the public attending future public meetings are vaccinated. Deputy Mayor Scully stated that he would like to continue to offer remote options for public engagement in perpetuity. He also stated that he is cautious about re-opening in the near term and doesn't want to check the vaccination status of public meeting attendees.

Councilmember Roberts stated that in addition to wanting both in-person and remote options for public engagement at Council meetings, he would also like both options for Board and Commission meetings, other public meetings, and neighborhood development meetings. Councilmember Roberts also felt that when the Center for Disease Control changes their guidelines regarding social distancing being six feet, it may dictate when in-person Council meetings can occur, as the spacing at the Council dais does not allow for six feet of separation.

Ms. Tarry commented that virtual participation at public meetings has worked well during the pandemic, and that the City is planning to not hold any large events in the community through August 2021. Councilmember Robertson also stated that she is not in a rush to go back to in-person Council meetings and that a good threshold for when this should occur is when everyone in the community is able to be vaccinated. Councilmember McGlashan agreed with comments from his fellow Councilmembers and Councilmember McConnell agreed as well, and also added that she appreciates in-person interactions at Council meetings. Councilmember Roberts stated that he feels it would be fine for staff to present agenda items remotely at future Council meetings even if Council conducts the meeting in person, which Mayor Hall agreed with.

Councilmember Robertson then asked if the Council would be willing to bring back dinner meetings in a virtual format, and Councilmember Roberts stated he likes unstructured dinner meeting time. Mayor Hall recommended that Council dinner meetings continue to be put on hold until Council can be in-person again, but he reiterated the importance of intergovernmental meetings, which are often conducted at Council dinner meetings, and exploring if there was a way to continue to have those types of meetings even if dinner was not involved.

The first day of the Strategic Planning Workshop was adjourned at 4:20 pm.



**March 6, 2021 – 9:00 a.m.**

PRESENT: Mayor Hall, Deputy Mayor Scully, Councilmembers Chang, McConnell, McGlashan, Roberts, and Robertson

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Shawn Ledford, Police Chief, Christina Arcidy, CMO Management Analyst

GUESTS: Allegra Calder, Principal, BERK Consulting, Workshop Facilitator

At 9:01 a.m., the second day of the Special Meeting was called to order by Mayor Hall. Mayor Hall turned over the meeting to Allegra Calder, the workshop facilitator, who in turn introduced City Manager Debbie Tarry to introduce the Police Services discussion. Additional comments were also provided by Christina Arcidy, CMO Management Analyst, prior to the Council discussion.

Councilmember McGlashan opened the discussion with a question about the former neighborhood police storefronts, and whether those services provided at the police storefronts are still being provided. Chief Shawn Ledford responded that services are still being provided in a different way. Councilmember McGlashan then asked about unarmed civilian response and whether there is liability with that concept, as he is concerned with this approach.

Councilmember Chang stated that she was interested in learning more about the CAHOOTS program from Eugene, OR, and whether they were a separate entity or part of the police department. Deputy Mayor Scully stated that he is interested in a co-responder model, including the expansion of RADAR, but would like it much broader in scope, and that he is generally supportive of the CAHOOTS model. He said a primary question will be how to pay for a program expansion such as this and that he doesn't want to reduce the number of police officers to support the expansion of RADAR or implementation of a program similar to CAHOOTS. He expressed that even if there was no recommendation regarding funding for program expansion, he would like staff to continue to explore it.

Councilmember Roberts asked how the CAHOOTS and RADAR programs operate. Chief Ledford responded regarding RADAR stating that only one of the four Mental Health Navigator positions are currently filled, and that the current Navigator has regular shifts in Shoreline on Fridays, although they are available to support Shoreline incidents on other days as well. Chief Ledford explained that the challenge with RADAR is that it is not a '24-7' model. Ms. Tarry stated that RADAR has built a foundation for an expanded model, but if the Council wanted two Navigator positions on '24-7' coverage, it would require 12 FTEs to provide this coverage, which would be very expensive. Some Councilmembers commented that they would want to wait and see how a fully-staffed RADAR program works and how much success it could achieve prior to expanding RADAR or moving to a CAHOOTS-type responder model. Mayor Hall stated that he was not inclined to support a levy lid lift to fund a new responder model.

Deputy Mayor Scully stated that he doesn't want to worry about funding at this point or to be constrained by how the RADAR program operates when looking at a larger co-responder model. He also stated that he was surprised by the background check process for the RADAR Navigators and that the process was a potential barrier to filling the positions. Councilmember Robertson stated that she was also interested in a co-responder model, and that the goal should be to reduce the burden on current police officers and maximize the RADAR program. Councilmember Roberts asked how the rules around the RADAR program may limit its effectiveness and questioned whether the City should be looking at a program outside of a police structure. Councilmember McConnell shared her concerns with the background check process for hiring Navigators and stated that it is impossible to assess how the RADAR program is working with the level of vacancies in the program.

Councilmember Chang asked whether it would make sense to have a co-responder model be a County or regional program, not just a City program, and Deputy Mayor Scully stated that if co-responder program was structured this way, that response times could go up. Deputy Mayor Scully also stated that the City should be pursuing the proposals in the Workshop materials regarding the criminal justice and court system. Mayor Hall stated that when Community Court was set up, it was a big step forward and that he is looking forward to Community Court coming back in person at the close of the pandemic.

Ms. Tarry stated that staff will work on an additional proposed Action Step under Council Goal #5 that would explore future development of a co-responder model, maximize the RADAR program, and continue to look at strategies to support alternatives in the criminal justice and court system.

The Council then moved to a discussion on the various policy issues identified in their Workshop materials packet, which began with a discussion of the Shoreline Farmer's Market. Councilmembers were supportive of staff's recommendation outlined in the Workshop materials and concurred that the Farmer's Market should be working to become a self-sustaining non-profit. Some Councilmembers also supported closing off City right-of-way for a future market location while Shoreline Place is not available.

The Council then discussed the potential for an earlier effective date of Phase 3 zoning of the 185<sup>th</sup> Street Station Subarea. Councilmember Chang stated that she was in support of keeping the timing for Phase 3 as is, and other Councilmembers agreed with this. Councilmember McGlashan stated that he would be willing to push up the effective date of Phase 3, but not right away, and agreed that more information would be helpful to make this decision. He stated that he would like an additional review of the Station Subarea in 2024 when the light rail station opens. Mayor Hall, Deputy Mayor Scully, and Councilmembers McConnell, Roberts, and Robertson all agreed that a review of the light rail station subareas every four to five years is appropriate. Councilmember Roberts stated that even after Phase 3 zoning is effective, continued review of development in the 185<sup>th</sup> Station Subarea is important. Mayor Hall suggested that a year after the 185<sup>th</sup> Station opens, which will be 2025, would be a good time for the next review. Mayor Hall also provided some comments on reviewing the MUR-70 development regulations, specifically regarding the allowance for Development Agreements in the Code. Staff noted that Council is scheduled to discuss this at a regular Council meeting in April.

The Council next discussed the possibility of a program to encourage residential conversion of oil heat and a policy to prohibit the use of natural gas in new construction. Councilmember Robertson asked whether the City could approach the City of Seattle about partnering in their oil heat conversion program and Deputy Mayor Scully asked whether the City could support the marketing of other types of oil heat conversion programs. He also provided his support of a prohibition on natural gas in new construction, but not for kitchen appliances. Councilmember Chang was supportive of staff's recommendation to not move forward on an oil heat conversion program but had mixed feelings on a prohibition on natural gas in new construction, especially for cooking. Mayor Hall stated his support for the staff recommendation and suggested that staff reach out to the City of Seattle and others in the industry to promote heat pump oil conversion programs. Mayor Hall also said he would like to understand where oil tanks are located in the City and if many are in the station areas, as the issue may resolve itself through future redevelopment in these areas. He stated he is supportive of a prohibition on natural gas in residential construction for both heating and cooking but is comfortable with an exemption for commercial cooking in new construction. Councilmember Roberts stated that the City should work with the City of Seattle in future utility franchises to make sure the City has the same access to energy and other programs as utility ratepayers in the City of Seattle. He also supports a full prohibition on natural gas in new construction. Councilmember McGlashan stated that he agreed with Councilmember Chang's comments, and that he has some concerns about natural gas regulation, especially for cooking. Councilmember McConnell stated that she was supportive of staff recommendation on the oil heat conversion program but was concerned about the natural gas prohibition. Staff stated that they would begin work on exploring a regulation to prohibit natural gas in new construction but would provide options for how the regulation is structured for Council's consideration.

The Council then discussed the possibility of establishing a City arts commission. Councilmember Robertson stated that she supports the staff recommendation but would also like the City to consider moving the Public Art Coordinator to a full-time role. Councilmember Roberts stated that he would like to move forward with an arts commission, and potentially add 'cultural services' from the current Parks, Recreation and Cultural Services/Tree Board to an arts commission. Deputy Mayor Scully stated that the Parks, Recreation and Cultural Services/Tree Board's scope is broad, and that provides the Board an opportunity to balance various priorities. He and other members of the Council expressed concern about "single-issue" boards, and that they would be interested in the exploration of dividing the current Parks, Recreation and Cultural Services/Tree Board into two separate boards. The first being a Recreation, Cultural and Community Services Board, with focus on recreation, arts and culture and potentially human services; and the second being a Parks and Tree Board, with a focus on physical park and open space and publicly owned trees. Councilmember McConnell voiced her support for a stand-alone arts commission, while Mayor Hall said he was not supportive of one, adding that he doesn't think the City is chronically underfunding the arts. Councilmember McGlashan also doesn't support a stand-alone arts commission. Councilmember Chang was also concerned about the role and cost of an arts commission. Councilmember Robertson stated that she would support analyzing the scope of the current Parks, Recreation and Cultural Services/Tree Board and would support a future staff recommendation on this. The majority of the Council were generally supportive of the staff recommendation to continue to review this question as part of the Public Art Plan update.

The Council then discussed providing compensation for resident members of City boards, commissions, and advisory committees. A slight majority of Councilmembers supported base stipends for all members of boards and commissions, with \$25-\$50 per meeting suggested as a possible stipend amount. Some additional Councilmembers supported providing needs-based stipends, but concerns were voiced with how it would work and over privacy issues related to collecting financial need information. Some Councilmembers stated their preference to offer a base stipend and allow people to “opt out”, as opposed to “opt in” based on need. Staff stated that they would review if needs-based documentation or personal financial information provided by a board or commission member would be exempt from disclosure if requested under the Public Records Act. All Councilmembers stated that they support trying to increase racial and other diversity on boards and commissions regardless of compensation provided.

Finally, the Council discussed adding Juneteenth (June 19<sup>th</sup>) as an Official City Holiday. A slight majority of Councilmembers were opposed to adding Juneteenth as a paid City holiday; however, if the State adopts it as a State holiday Councilmember McGlashan stated he would be interested in revisiting this policy question. Staff stated that they would continue to track this at the State and regional level.

Following the review of the Council policy issues, the Council briefly discussed Police accountability and provided direction to further discuss this topic at a forthcoming regular City Council meeting.

Council wrapped up the Special Meeting with their reflections on the Strategic Planning Workshop. The Special Meeting was adjourned at 12:20 pm.

---

Jessica Simulcik Smith, City Clerk

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

Monday, March 15, 2021  
7:00 p.m.

Held Remotely via Zoom

PRESENT: Mayor Hall, Deputy Mayor Scully, Councilmembers McConnell, McGlashan, Chang, Robertson, and Roberts

ABSENT: None.

1. CALL TO ORDER

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

2. ROLL CALL

Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided an update on the COVID-19 pandemic and reported on various City meetings, projects and events.

4. COUNCIL REPORTS

Councilmember Chang said, as part of her involvement on the Regional Transit Committee, she recently met with King County Councilmember Rod Dembowski to share concerns about the upcoming Metro route restructuring associated with the opening of the Light Rail stations.

5. PUBLIC COMMENT

Ameer Dixit, Shoreline resident, shared his perspective on how the neighborhood would change and listed the negative impacts that would be created if the proposed Comprehensive Plan Land Use Designation and Zoning Amendment being discussed tonight is approved.

Rebecca Jones, Seattle resident and Shoreline business owner, spoke as a representative of Save Shoreline Trees. She summarized the negative impacts of the tree removal associated with the Washington State Department of Transportation project and urged preservation of mature trees.

Marlin Gabbert, Shoreline resident, spoke regarding a recent purchase of property zoned R-18 and shared the plans for development and the need for up-zoning.

Jodi Dixit, Shoreline resident, shared her concerns about the proposed Comprehensive Plan Amendment. She said there is critical information that has been omitted and incorrect data in the City's report. She urged the Council to carefully review the public comment submitted.

Jackie Kurlle, Shoreline resident, stated that she is not averse to helping the homeless, but feels there are missing pieces relative to the set up and management of the Enhanced Shelter project and the impacts to the surrounding neighborhood. She encouraged active monitoring of the facility to protect the safety of the community.

Kathleen Russell, Shoreline resident and representative of Save Shoreline Trees, spoke regarding the impact to significant trees and the role they play in stabilization of the hillside at the site of the proposed Comprehensive Plan Land Use Designation and Zoning Amendment.

Janet Way, Shoreline resident and representative of Shoreline Preservation Society, spoke in opposition of Amendment No. 1 on the Draft 2021 Comprehensive Plan Docket. She said the area under consideration for rezoning is a critical area and shared history of the hillside and the value of the existing significant trees. She said the presentation photos from the Planning Commission Hearing were inaccurate.

John Ramsdell, Shoreline resident, asked that the subject of healthcare be added to the 2021 Federal Legislative Priorities and described the importance of the 2021 Medicare for All Act.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

**Upon motion by Deputy Mayor Scully and seconded by Councilmember McGlashan and unanimously carried, 7-0, the following Consent Calendar items were approved:**

- (a) Approval of Minutes of Regular Meeting of February 22, 2021  
Approval of Minutes of Regular Meeting of March 1, 2021**
- (b) Adoption of Ordinance No. 920 - Repealing Shoreline Municipal Code Chapter 3.01**
- (c) Adoption of Ordinance No. 921 - Establishing a Fee Schedule for Impact Fees**
- (d) Adoption of Resolution No. 471 - Adopting a Fee Schedule**
- (e) Authorize the Extension of the City Manager's Change Order Authorization Limit for the Westminster Way N and N 155th Street Intersection Improvements Project in the Amount of \$200,000**

**(f) Authorize the City Manager to Execute an Agreement with Sound Transit for the Ridgecrest Park Retaining Wall Betterment as Part of the Lynnwood Link Extension Project**

8. ACTION ITEMS

(a) Action on Resolution No. 470 - Amending the Council Rules of Procedure

Jessica Simulcik Smith, City Clerk, delivered the staff presentation. She explained the purpose of the Council Rules of Procedure and reviewed the amendments under consideration, stating that staff recommends adoption of proposed Resolution No. 470.

**Councilmember Roberts moved adoption of Resolution No. 470. The motion was seconded by Councilmember McConnell.**

**The motion passed unanimously, 7-0.**

9. STUDY ITEMS

(a) Discussion of Federal Legislative Priorities

Jim Hammond, Intergovernmental Program Manager, delivered the staff presentation. He noted that this discussion was delayed this year because of the uncertainty associated with the pandemic and he welcomed the City's federal lobbyist, Jake Johnston, President of the Johnston Group, who briefly described his work with the City of Shoreline.

Mr. Hammond said the purpose of the Federal Legislative Priorities is to clearly identify the City values and interests, support communication with the congressional delegation, and provide staff with guardrails within which they can operate on behalf of the City. He emphasized the importance clarity and consistency play in helping the priorities of the City be heard at the federal level.

Mr. Hammond listed the key priorities and gave an overview of each one, with Mr. Johnston elaborating on several of the priorities as follows:

- **COVID-19 Relief:** Mr. Hammond stated that staff are developing a distribution plan for the federal long-term relief funding, with an emphasis on recovery. Mr. Johnston described the timing and intent of the phased release of the funds.
- **Transportation:** Mr. Hammond said that Shoreline continues to advocate for a set-aside designated for medium-sized cities and Mr. Johnston reviewed the history of the work toward meeting this goal. It was emphasized that the City maintains a commitment to funding that supports light rail investments and non-motorized infrastructure.
- **Community and Economic Development:** Mr. Johnston described the importance of the Community Project Funding Program, which allows members of Congress to designate certain projects within their community for direct grant support from the federal budget.

- **Green Stormwater**
- **Other Key Policies:** Support for Marginalized Communities, Climate Change, Salmon Recovery/Watershed Restoration, and Gun Safety.

Councilmember Robertson expressed support for the priorities and noted how they reflect the values of Shoreline. She asked when it would be time to stop pursuing a set-aside for medium-sized cities and Mr. Hammond said the speed of change is slow, but the City is continuing to make progress, and Mr. Johnston said the question is considered annually and shared details on policy considerations and grant programs. Deputy Mayor Scully spoke to the importance of the identified environmental priorities, particularly green stormwater treatment and he and Councilmember Robertson expressed interest in a future discussion around healthcare issues. Mr. Hammond emphasized that while the adopted policies are good guardrails, they are flexible, and recognized the importance of addressing emerging issues. Mayor Hall added that it is a federal mandate to deal with culverts and stormwater, and the Council needs to continue to ask the federal government to step up with funding. Councilmember McConnell was supportive of acting quickly on priorities and expressed her gratitude for Mr. Johnston's and Mr. Hammond's work.

It was agreed that the Federal Legislative Priorities would return as a Consent Item.

(b) Discussion of the 2021 Comprehensive Plan Amendment Docket

Steve Szafran, Senior Planner, delivered the staff presentation. He stated that the Growth Management Act limits the ability to change the Comprehensive Plan to no more than once a year and directs cities to establish a docket with a list of proposed amendments collected throughout the year. He reviewed the process for the compilation of the Docket, explaining that anyone may propose an amendment for the Docket and the items have not yet been evaluated. Mr. Szafran noted that tonight's discussion is a step in determining if items on the Docket should be studied and if other requests should be added to the Final Docket.

Mr. Szafran said Amendment No. 1 would change the Comprehensive Plan Land Use Map of one parcel from Public Facility to High-Density Residential and change the zoning from R-18 to R-48. He displayed a map of the parcel, described the site and the adjacent zoning, and shared photographs of the area. Mr. Szafran displayed sketches of the proposed townhouse development submitted by the applicant but cautioned that plans can change, and the applicant would not be locked into the displayed designs.

Mr. Szafran stated that King County Metro had expressed a desire to move forward with studying Transit Oriented Development at the 192nd and Aurora Park & Ride Lot, therefore an additional Amendment No. 2, is being proposed that would amend the Comprehensive Plan Land Use Map designation from Public Facility to Mixed-Use 1 and the zoning to Mixed Business and he displayed vicinity maps.

Mr. Szafran described the upcoming steps toward finalizing the 2021 Docket should Council decide to add the amendments, and said staff recommends adding both amendments to the Final Docket for further study.



In discussing Amendment 1, Councilmembers reviewed stepdown and setback requirements. Councilmember Chang said she opposes the increase in density to R-48 and Councilmember Roberts said there are site specific issues with this parcel that make it difficult to suggest that R-48 can be accommodated. He said the parcel is best left as R-18 and there is no need to change the Comprehensive Plan Designation at this point. Mayor Hall drew attention to the similarities in tree retention and stormwater requirements in the R-18 and R-48 zones and observed that it is important to balance public interest in environmental protection and affordable housing goals. Councilmember McGlashan confirmed that the site under consideration consists of two properties that were recently consolidated into one parcel.

The impact of the current land use designation of Public Facility was discussed, and it was confirmed that the designation does not prevent development that falls within the zoning regulations.

Councilmember Robertson said the value of the natural resources on the site is greater than any high density development would be.

Mayor Hall said he agrees with changing the Comprehensive Plan Designation to something other than Public Facility and suggested that other private properties still identified as Public Facility also be changed to the appropriate land use designation. He suggested data that would be useful in evaluating the environmental impact per unit in the different residential zones. He said in considering zoning changes he wants to look at the most environmental and affordable way to house our population. Deputy Mayor Scully pointed out his concern over having a broader policy discussion while addressing a site-specific land use change request because of the possibility of not getting to the level of detail needed. Mayor Hall recognized this perspective and explained that he heard a belief that there are different tree retention requirements and stormwater impacts between R-18 and R-48 zones and he wanted to make sure everyone has the facts. Councilmember Chang replied that she is aware of the differences between the zones and elaborated her concern is with the intensity of development.

The Councilmembers held differing opinions on moving Amendment No. 1 forward.

In discussing proposed Amendment No. 2, Deputy Mayor Scully confirmed that the areas to the south and north of the Park and Ride on Aurora are currently zoned Mixed Business and expressed support for making the zoning consistent in the area. Mr. Szafran added that having two zones on one site would also cause problems for redevelopment.

Mayor Hall and Councilmembers Robertson and McConnell expressed support for moving Amendment No. 2 forward.

There was general conversation about the importance of taking a holistic look at the Comprehensive Plan Designations and Zoning along the Aurora Corridor. Councilmember Robertson agreed that it is important to make decisions about zoning on the Corridor before there is additional pressure of pending developments. Mayor Hall echoed the sentiment and added that the areas with a Public Facility designation or split zoning should be cleaned up.

In preparation for action, Staff was directed to bring the Docket forward with the Planning Commission's recommendation and prepare an amendment to remove Amendment No. 1 and an amendment to add Amendment No. 2.

(c) Discussion of Ordinance No. 926-- Limited Tax General Obligation Bond 2021 – VLF Supported Transportation Improvement Projects

Sara Lane, Administrative Services Director, delivered the staff presentation. Ms. Lane summarized that the Vehicle License Fee (VLF) revenue supports the sidewalk rehabilitation program and the annual road surface maintenance program and the bonds being proposed would be supported by the pledge of the VLF revenue, allowing the City to accelerate the schedule for both programs. She said the pledge of the revenue would ensure that should there be a future challenge to the VLF revenues, the City would have an impairment claim upon the revenue so that it could not be impinged for the life of the bond. She explained that if revenue from the VLF should not adequately support the debt service, the City would be pledging other revenues to support the bonds.

Ms. Lane outlined the financial impact, assuring Council that there is more than enough revenue anticipated to support the bond, and explained how any excess revenue could be used. She said Ordinance No. 926 would authorize the City Manager to execute the bond documents within the parameters set in the Ordinance. She described the methods of sale authorized in the Ordinance and said the City anticipates using competitive private placement for sale and defined the issuance parameters.

Ms. Lane stated that staff recommends adoption of Ordinance No. 926 when it returns to Council on March 29, 2021 and reviewed the next steps should that happen. She concluded by stating Deanna Gregory, Bond Council with Pacifica Law Firm, and Fred Eoff, Financial Advisor with PFM Financial Management, were available for questions.

Councilmember Robertson asked for an explanation of an impairment claim and Ms. Gregory said it would be if there was a movement to revoke or remove the source of revenue pledged to repay the bonds, the City would have a claim in response to that measure.

Upon a request for clarification, Ms. Lane said this revenue option would allow previously identified City projects to be expedited and would not add to the scope. She shared specifics on revenue availability and timing, and said Public Works is working on how the projects would be executed. In response to Councilmember Roberts' question, Ms. Lane said the City would likely go for the full \$8.35M at one time, rather than in increments. Councilmember Roberts asked if the current Ordinance allocates a specific percentage of funding to each of the programs, and Ms. Lane said Council has indicated a division of funds but does have some flexibility to change the use to any other authorized transportation project.

It was agreed that Ordinance No. 926 would return as a Consent Item.

10. ADJOURNMENT

At 9:02 p.m., Mayor Hall declared the meeting adjourned.

---

Jessica Simulcik Smith, City Clerk

DRAFT

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

<b>AGENDA TITLE:</b>	Adopting the 2021 Federal Legislative Priorities		
<b>DEPARTMENT:</b>	City Manager's Office		
<b>PRESENTED BY:</b>	Jim Hammond, Intergovernmental Program 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:**

Staff has drafted proposed 2021 Federal Legislative Priorities ("Priorities") for the City's ongoing advocacy efforts in Washington, DC. For 2021, staff proposes a focus on COVID-19 relief and continued advocacy for transportation funding policies that support station area investments that connect to light rail, including non-motorized access projects and the 145<sup>th</sup> Street Corridor. The City has long prioritized the success of light rail station area improvements to fully leverage the value of Lynnwood Link, which is scheduled to open in 2024.

These identified federal priorities are complementary with state and regional priorities, ensuring that the City's key messages are clear and consistent across all audiences. In addition, the proposed priorities encourage Congress to tackle pressing federal challenges that line up with Shoreline's values, such as sustainability, addressing climate change, the enhancement of community and economic development, and other important social goals.

At its March 15<sup>th</sup> meeting, the City Council reviewed and discussed the proposed Priorities. Tonight, Council is scheduled to adopt the 2021 Federal Legislative Priorities.

**RESOURCES/FINANCIAL IMPACT:**

This item has no direct financial impact.

**RECOMMENDATION**

Staff recommends that the City Council adopt the 2021 Federal Legislative Priorities.

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

## **BACKGROUND**

For 2021, staff proposes a focus on COVID-19 relief and continued advocacy for transportation funding policies that support station area investments that connect to light rail, including non-motorized access projects and the 145<sup>th</sup> Street Corridor. The City has long prioritized the success of light rail station area improvements to fully leverage the value of Lynnwood Link, which is scheduled to open in 2024.

These identified federal priorities are complementary with state and regional priorities, ensuring that the City's key messages are clear and consistent across all audiences. In addition, the proposed priorities encourage Congress to tackle pressing federal challenges that line up with Shoreline's values, such as sustainability, addressing climate change, the enhancement of community and economic development, and other important social goals.

## **DISCUSSION**

At its March 15<sup>th</sup> meeting, the City Council reviewed and discussed the proposed 2021 Federal Legislative Priorities, which are attached to this staff report as Attachment A. The staff report for this March 15<sup>th</sup> Council discussion can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport031521-9a.pdf>.

Council was supportive of the Federal Priorities as drafted and did not propose any changes to the proposed Priorities. Council directed staff to bring the 2021 Federal Legislative Priorities back to Council for adoption tonight.

## **RESOURCES/FINANCIAL IMPACT**

This item has no direct financial impact.

## **RECOMMENDATION**

Staff recommends that the City Council adopt the 2021 Federal Legislative Priorities.

## **ATTACHMENTS**

Attachment A: 2021 Federal Legislative Priorities



## 2021 Shoreline Federal Legislative Priorities

### Shoreline-specific local needs:

#### *COVID-19 Relief*

- Continued support for both economic and public health recovery from the pandemic.
- Direct funding to the City of Shoreline for COVID-19 costs, lost revenue and economic recovery.
- Extension of unemployment benefits throughout the pandemic.
- Extension of housing assistance and stabilization funding throughout the pandemic.

#### *Transportation*

- Development of a new transportation funding program targeted at medium-sized cities with populations between 10,000 and 75,000 in population size.
- Expansion of funding for non-motorized projects and transit in a Federal Infrastructure bill
- Increased funding allocation to Metropolitan Planning Organizations like the Puget Sound Regional Council in a federal transportation bill.
- Direct appropriations and funding criteria changes that support the City's work on connecting communities to light rail, e.g., N 145<sup>th</sup> corridor and interchange improvements, N 148<sup>th</sup> non-motorized bridge, east-west bicycle and pedestrian connections, and station-area sidewalk networks.

#### *Community and economic development*

- Restoration of Congressionally directed spending, using a fully transparent process, that would allow public agencies to attain one-time funding for economic development, transportation, infrastructure, and human services programs.
- Increased funding for Community Development Block Grants and the Home Investment Partnership Program
- Development of municipal tax policies that support strong municipal authority, including tax credits that facilitate economic development and meet critical local housing needs and preservation of municipal authority over tax authority and local public revenue streams.

#### *Environment and sustainability*

- Passage of Green Stormwater infrastructure initiatives, including adding green stormwater treatment as scoring criteria for transportation and infrastructure projects and a tax credit program for retrofits and new development that incorporates green stormwater projects.
- Creation of a new federal program to fund culvert replacement, fish passage improvements and habitat restoration in municipal streams and creeks.
- Funding for salmon recovery and watershed restoration.

**The City of Shoreline also urges Congress to tackle the pressing policy challenges that are aligned with the City's values, including the following:**

- Immediate federal action to curtail the impact of climate change, including legislation to meet carbon reduction goals and transition our economy to a carbon-neutral future.
- Passage of the EQUALITY Act to protect LGBTQ+ citizens in all communities from discrimination
- Opposing any policies that would prevent our community from being a safe, inviting and equitable community for everyone without regard to immigration status
- Passage of significant gun control legislation to enhance the safety of our community, including universal background checks and Red Flag laws

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

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 926 - Limited Tax General Obligation Bond 2021 – Vehicle License Fee Supported Transportation Improvement Projects
<b>DEPARTMENT:</b>	Administrative Services Department
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services 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:**

RCW chapter 36.73 enables cities and counties to create transportation benefit districts to finance and carry out transportation improvements necessitated by economic development and to improve the performance of transportation systems. In 2009, the City imposed a \$20 vehicle license fee (VLF) to support the City’s Annual Road Surface Maintenance (ARSM) Program. In 2018, the City Council adopted Ordinance No. 822 imposing an additional \$20 vehicle license fee for the purpose of preserving, maintaining and operating the transportation infrastructure of the City, including to assist in the funding of multi-modal improvements such as curbs, gutters and sidewalk (the “Projects”).

The City has dedicated this additional revenue stream to support the Sidewalk Rehabilitation Programs. Traditionally, the City has programmed both the ARSM and Sidewalk Rehabilitation work on a “pay-as-you-go” basis. Given the current favorable bond market and a desire to speed delivery of this work, staff recommend issuing one or more series of debt that would be supported by a pledge of the VLF revenue.

Council discussed proposed Ordinance No. 926, which provides for this Bond debt issuance, on March 15, 2021 and direct staff to return proposed Ordinance No. 926 for adoption tonight.

**RESOURCE/FINANCIAL IMPACT:**

Proposed Ordinance No. 926 authorizes the issuance of Bonds up to \$8.35 million to facilitate the delivery of sidewalk rehabilitation, annual road surface maintenance or other transportation improvement projects authorized to be supported by VLF revenue. True interest cost on the Bonds will not exceed 4.0%. Staff anticipates VLF revenue estimated at \$1.5 million per year will be sufficient to fully satisfy the debt service payments that are estimated at \$64,500 per year per million of debt for a 20-year term, or \$516,000 for \$8.35 million. However, should there not be adequate VLF revenue to satisfy the debt service, the Bonds may be partly paid for with Real Estate Excise Tax



(REET), investment income deposited in the Roads Capital Fund, and/or monies from the City's General Fund, if needed.

The Bonds would be issued for a term no longer than 20 years. Should future initiatives or legislative actions impact the City's authority to levy the VLF, the City would have an impairment claim on the revenue for the life of the bonds.

If Council chooses to move forward with proposed Ordinance No. 926, the Mid-Biennial Budget Modification Amendment to be presented to Council later this year will include amendments to increase appropriations for the ARSM Program and Sidewalk Rehabilitation Program in the Roads Capital Fund and reflect the bond proceeds as the revenue source and reflect the debt service costs in the new Debt Service Fund.

### **RECOMMENDATION**

Staff recommends that the City Council adopt Ordinance No. 926 and direct staff to begin the process to issue debt supported by the VLF and include appropriate budget amendments in the Mid-Biennial Budget Modification Amendment to be presented to Council later this year.

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

## **BACKGROUND**

State law (RCW chapter 36.73) enables cities and counties to create transportation benefit districts to finance and carry out transportation improvements necessitated by economic development and to improve the performance of transportation systems. In 2009, the City imposed a \$20 vehicle license fee (VLF). Through the adoption of the Capital Improvement Program, Council has historically dedicated the VLF to support the City's Annual Road Surface Maintenance (ARSM) Program. In 2018, City Council adopted Ordinance No. 822 imposing an additional \$20 VLF for the purpose of preserving, maintaining and operating the transportation infrastructure of the City, including to assist in the funding of multi-modal improvements such as curbs, gutters and sidewalk (the "Projects").

Through adoption of the 2019-2020 Biennial Budget, Council dedicated the additional VLF to support the Sidewalk Rehabilitation Program. Traditionally, the City has programmed work on both the ARSM and Sidewalk Rehabilitation Program on a "pay-as-you-go" basis. Given the current favorable bond market and a desire to speed delivery of this work, staff recommends issuing one or more series of debt that would be supported by a pledge of the VLF revenue. The funds will be used to support faster delivery of priority street overlays and BST from 2021 pavement rating and sidewalk replacement/repairs from the existing list with specific projects to be determined.

## **DISCUSSION**

Proposed Ordinance No. 926 (Attachment A) authorizes issuance of one or more series of limited tax general obligation bonds (Bonds) in a principal amount of not to exceed \$8.35 million, to fund transportation improvement projects supported by VLF, primarily ARSM and Sidewalk Improvement Programs and costs of issuance of the Bonds. The Bonds of each series will have a maximum 20-year maturity, with a true interest cost not to exceed 4.0%. The administrative costs to issue the Bonds are estimated to range from \$100,000 to \$160,000, depending on the method of sale/issuance.

Administrative issuance costs will be paid from Bond proceeds, thus the reason for authorizing \$8.35 million to allow for issuance costs and other contingencies to realize \$8 million in proceeds. The Bonds are payable from the pledge of VLF revenue. Once pledged, the revenue would be obligated to repayment of the debt for the life of the bonds. In the unlikely event that VLF revenue collections are not adequate to support debt service they would be payable by other City revenues including, Real Estate Excise Tax (REET), and/or General Fund sources as required to meet the obligations of the debt.

Approval of the proposed Ordinance No. 926 authorizes the City Manager (the "Designated Representative") to execute agreements necessary to pay these associated costs. Details on the potential debt issue are provided in Attachment B, which details potential administrative and debt service costs for two potential debt issue scenarios. Actual costs will be based upon the debt issuance option selected.

Staff's current forecast anticipates that forecasted VLF revenue of \$1.5 million per year will be more than enough VLF revenue collections to cover the full costs of debt service

and support either additional debt issues and/or continue to support pay-as-you-go work. Depending on the terms of the final issue, staff may also be able to retire the debt early. In the future, should additional debt funding be desired beyond the initial \$8.35 million, staff will return to Council to seek approval to issue additional tranches of debt. Funding recommendations will be focused on maximizing the availability of funds to speed delivery of projects while minimizing interest and debt issuance costs.

As noted above, Attachment B (Funding Scenarios) provides estimates of the potential debt service for the \$8.35 million dollar issue and “excess revenue” beyond the forecasted VLF revenue. It also provides a scenario that shows future tranches at \$5 million every three years for illustration purposes only, and a \$1 million dollar debt service estimate for scalability if the City chose to issue less than \$8.35 million. The actual amount of debt issued initially and in each tranche of debt would be determined based on the amount of work that could reasonably be accomplished in the three-year period.

The City Council discussed proposed Ordinance No. 926 on March 15, 2021. The staff report for this Council discussion can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport031521-9c.pdf>. Following this discussion, Council directed staff to bring back proposed Ordinance No. 926 for action tonight.

### **COUNCIL GOAL(S) ADDRESSED**

This item addresses City Council Goal 2 - Continue to deliver highly-valued public services through management of the City’s infrastructure and stewardship of the natural environment, Action Step 1 - Implement the new Sidewalk Construction Program.

### **RESOURCE/FINANCIAL IMPACT**

Proposed Ordinance No. 926 authorizes the issuance of Bonds up to \$8.35 million to facilitate the delivery of sidewalk rehabilitation, annual road surface maintenance or other transportation improvement projects authorized to be supported by VLF revenue. True interest cost on the Bonds will not exceed 4.0%. Staff anticipates VLF revenue estimated at \$1.5 million per year will be sufficient to fully satisfy the debt service payments that are estimated at \$64,500 per year per million of debt for a 20-year term, or \$516,000 for \$8.35 million. However, should there not be adequate VLF revenue to satisfy the debt service, the Bonds may be partly paid for with Real Estate Excise Tax (REET), investment income deposited in the Roads Capital Fund, and/or monies from the City’s General Fund, if needed.

The Bonds would be issued for a term no longer than 20 years. Should future initiatives or legislative actions impact the City’s authority to levy the VLF, the City would have an impairment claim on the revenue for the life of the bonds.

If Council chooses to move forward with proposed Ordinance No. 926, the Mid-Biennial Budget Modification Amendment to be presented to Council later this year will include amendments to increase appropriations for the ARSM Program and Sidewalk

Rehabilitation Program in the Roads Capital Fund and reflect the bond proceeds as the revenue source and reflect the debt service costs in the new Debt Service Fund.

### **RECOMMENDATION**

Staff recommends that the City Council adopt Ordinance No. 926 and direct staff to begin the process to issue debt supported by the VLF and include appropriate budget amendments in the Mid-Biennial Budget Modification Amendment to be presented to Council later this year.

### **ATTACHMENTS**

Attachment A – Proposed Ordinance No. 926  
Attachment B – Funding Scenarios

**ORDINANCE NO. 926**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,350,000 TO FINANCE COSTS RELATED TO TRANSPORTATION IMPROVEMENT PROJECTS AND TO PAY COSTS OF ISSUING EACH SERIES OF BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.**

WHEREAS, chapter 36.73 RCW enables cities and counties to create transportation benefit districts to finance and carry out transportation improvements necessitated by economic development and to improve the performance of transportation systems; and

WHEREAS, pursuant to chapter 36.73 RCW, on June 25, 2009 the Shoreline City Council (the “Council” or the “City Council”) approved Ordinance No. 550 creating the Shoreline Transportation Benefit District (the “District”) with boundaries coterminous with the City of Shoreline, Washington (the “City”); and

WHEREAS, the District was originally organized as a legally separate municipal entity and taxing authority from the City; and

WHEREAS, on October 22, 2015, the City Council approved Ordinance No. 726, whereby the Council assumed the rights, powers, immunities, functions and obligations of the District, as allowed by Second Engrossed Substitute Senate Bill 5987, Section 302 (July 15, 2015), and as a result, the District was absorbed into the City and is no longer considered a legally separate entity; and

WHEREAS, chapter 36.73 RCW permits the City (acting through its assumed powers of the District) to impose various fees and charges with and without a public vote, including vehicle licensing fees and sales and use taxes; and

WHEREAS, pursuant to Ordinance No. 822 passed by the City Council on June 12, 2018, the City increased its vehicle license fee to a current amount of \$40.00 (the “Vehicle License Fee” or “VLF”) for the purpose of preserving, maintaining and operating the transportation infrastructure of the City, including to assist in the funding of multi-modal improvements such as curbs, gutters and sidewalk (the “Projects”); and

WHEREAS, after due consideration the Council has further determined that it is in the best interest of the City to authorize the issuance and sale from time to time of one or more series of limited tax general obligation bonds (as further defined herein, the “Bonds”) to pay a portion of the costs of the Projects and related costs of issuance; and

WHEREAS, the Bonds authorized herein shall be payable from and secured by, among other sources of funds, transportation benefit district revenue received by the City (acting through its assumed powers of the District) under chapter 36.73 RCW from the Vehicle License Fees; and

WHEREAS, the City Council wishes to delegate authority to the City Manager and designee (the “Designated Representative”), for a limited time, to select the method of sale for the Bonds authorized hereunder that is in the best interest of the City and to approve the interest rates, maturity dates, redemption terms and principal maturities for the Bonds within the parameters set by this Ordinance; and

WHEREAS, the City Council now desires to authorize the issuance of one or more series of Bonds, which shall be sold by either a private placement or be underwritten, all as set forth herein;

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

Section 1. Definitions. As used in this Ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates otherwise, words importing the singular number shall include the plural number and vice versa.

**Administrative Services Director** means the City’s Administrative Services Director or the successor to such officer.

**Beneficial Owner** means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Underwritten Bonds (including persons holding Underwritten Bonds through nominees, depositories or other intermediaries).

**Bond Counsel** means Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

**Bond Purchase Contract** means one or more contracts, if any, for the purchase of any Underwritten Bonds sold by negotiated sale to the initial purchaser, executed pursuant to Section 12.

**Bond Register** means the registration books showing the name, address and tax identification number of each Registered Owner of a series of Bonds, maintained for the Bonds in the manner required pursuant to Section 149(a) of the Code.

**Bond Registrar** means (a) for any Underwritten Bonds, initially, the fiscal agent of the State, and (b) for any Direct Purchase Bonds, the Administrative Services Director of the City or the fiscal agent of the State.

**Bonds** mean the limited tax general obligation bonds authorized to be issued from time to time in one or more series pursuant to this Ordinance in the aggregate principal amount of not to exceed \$8,350,000.

***Certificate of Award*** means one or more certificates, if any, for the purchase of any Underwritten Bonds sold by competitive sale awarding the Bonds of a series to the bidder as set forth in Section 12 of this Ordinance.

***City*** means the City of Shoreline, Washington, a municipal corporation duly organized and existing by virtue of the laws of the State.

***City Attorney*** means the duly appointed and acting City Attorney of the City, including anyone acting in such capacity for the position, or the successor to the duties of that office.

***City Clerk*** means the duly appointed and acting City Clerk of the City or the successor to the duties of that office.

***City Manager*** means the duly appointed and acting City Manager of the City or the successor to the duties of such office.

***City Mayor* or *Mayor*** means the duly elected and acting Mayor of the City or the successor to the duties of such office.

***Closing*** means the date of issuance and delivery of a series of Bonds to the applicable Underwriter or Direct Purchaser.

***Code*** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Tax-Exempt Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

***Commission*** means the United States Securities and Exchange Commission.

***Continuing Disclosure Certificate*** means one or more written undertakings for the benefit of the owners and Beneficial Owners of any Underwritten Bonds as required by Section (b)(5) of the Rule.

***Council* or *City Council*** means the Shoreline City Council, as the general legislative body of the City, as the same is duly and regularly constituted from time to time.

***Debt Service Fund*** means one or more funds or accounts created pursuant to this Ordinance for the purpose of paying debt service on a series of Bonds.

***Designated Representative*** means the City Manager of the City, or his or her written designee.

***Direct Purchase Bonds*** means any Bond or Bonds sold to a Direct Purchaser pursuant to Section 12 of this Ordinance.

**Direct Purchaser** means any bank or other financial institution selected to purchase one or more Direct Purchase Bonds (or to accept delivery of one or more Direct Purchase Bonds to evidence the City's obligations under a Loan Agreement) pursuant to Section 12 of this Ordinance.

**District** means the Shoreline Transportation Benefit District established by the City pursuant to chapter 36.73 RCW and Ordinance No. 550 of the City Council, as the same may be amended from time to time.

**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for any Underwritten Bonds pursuant to this Ordinance.

**Fair Market Value** means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation § 1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

**Federal Tax Certificate** means one or more certificates of the City pertaining to the tax-exemption of interest on a series of Tax-Exempt Bonds, and any attachments thereto.

**Government Obligations** means those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, as such chapter may be hereafter amended or restated.

**Letter of Representations** means the Blanket Issuer Letter of Representations given by the City to DTC, as amended from time to time.

**Loan Agreement** means one or more loan or purchase agreements, if any, between the City and a Direct Purchaser under which the Direct Purchaser will make a loan to the City, evidenced by a Direct Purchase Bond, or under which the Direct Purchaser will purchase the Direct Purchase Bond.

**MSRB** means the Municipal Securities Rulemaking Board or any successors to its functions.

**Official Statement** means the disclosure documents prepared and delivered in connection with the issuance of any Underwritten Bonds.

**Project Fund** means the fund or account created pursuant to Section 8 of this Ordinance.

**Projects** mean the transportation improvement projects that are eligible transportation benefit district projects as described in chapter 36.73 RCW and contained in the City's Transportation Plan, as it may be amended from time to time.



**Record Date** means the Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with this Ordinance.

**Registered Owner** means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds of a series are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

**Rule** means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Sale Document** means the Bond Purchase Contract, Certificate of Award or Loan Agreement, if any, executed by a Designated Representative in connection with the sale of a series of Bonds pursuant to Section 12 of this Ordinance.

**State** means the State of Washington.

**Taxable Bonds** means any Bonds determined to be issued on a taxable basis pursuant to Section 12.

**Tax-Exempt Bonds** mean any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 12.

**Underwriter** means any underwriter, in the case of a negotiated sale, or initial purchaser, in the case of a competitive sale, for a series of Bonds selected pursuant to Section 12.

**Underwritten Bonds** means Bonds of a series, if any, sold pursuant to a negotiated or a competitive sale by the City to an Underwriter pursuant to Section 12 of this Ordinance.

**VLF Revenue** means revenue remitted to the City from the Vehicle License Fees.

**Vehicle License Fees** or **VLF** means the vehicle license fees imposed by the City (acting through its assumed powers of the District) on qualifying vehicles accordance with chapter 36.73 RCW and RCW 82.80.140, as each may be amended from time to time, and currently imposed in the amount of \$40.00.

Section 2. Authorization of the Projects. The Council hereby approves the construction, maintenance, rehabilitation, repair and/or preservation of the Projects, as such Projects are to be more fully described in the plans and specifications prepared by and filed with the City.

The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative and relocation expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Projects. Such Projects shall be complete with all necessary equipment and appurtenances.

The City will determine the exact specifications for the Projects, and the components thereof, as well as the timing, order and manner of completing the components of the Projects. The City may alter, make substitutions to, and amend the Projects as it determines are in the best interests of the City and consistent with the general descriptions provided herein.

Section 3. Authorization and Description of Bonds. For the purpose of paying and/or reimbursing the City for costs of the Projects and paying costs of issuance, the City is hereby authorized to issue and sell from time to time one or more series of limited tax general obligation bonds in an aggregate principal amount not to exceed \$8,350,000 (the “Bonds”).

The Bonds of each series shall be general obligations of the City and shall be designated “City of Shoreline, Washington, Limited Tax General Obligation Bond(s),” with the year and any applicable series or other designation as set forth in the applicable Sale Document. The Bonds of each series shall be fully registered as to both principal and interest and shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Bonds of each series shall be dated as of the date of Closing for such series of Bonds and shall mature on the date or dates and in the principal amounts, bear interest at the rates and payable on such dates, be subject to redemption and/or purchase prior to maturity, and be subject to other terms as set forth in the applicable Sale Document. The Bonds of each series shall be sold as either Direct Purchase Bonds or Underwritten Bonds.

Section 4. Registration, Exchange and Payments.

(a) *Underwritten Bonds.* The terms of this Section 4(a) shall apply to any Underwritten Bonds unless otherwise provided for in the applicable Sale Document.

(1) Bond Details. Any Bonds of a series may be sold as Underwritten Bonds. Underwritten Bonds shall be issued in denominations of \$5,000 each, or any integral multiple thereof, within a series and maturity.

(2) Bond Registrar/Bond Register. The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of State fiscal agencies. The City shall cause the Bond Register to be maintained by the Bond Registrar. So long as any Underwritten Bonds of a series remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of such Underwritten Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Administrative Services Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Administrative Services Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Underwritten Bonds transferred or exchanged in accordance with the provisions of such Bonds and this Ordinance and to carry out all of the Bond Registrar’s powers and duties under this Ordinance. The Bond Registrar shall be responsible for its representations contained in the certificate of authentication on the Bonds.

(3) Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Underwritten Bond of a series as the absolute owner thereof for all purposes (except as provided in a Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Underwritten Bond shall be made only as described in Section 4(a)(8), but such Underwritten Bond may be transferred as herein provided. All such payments made as described in Section 4(a)(8) shall be valid and shall satisfy and discharge the liability of the City upon such Underwritten Bond to the extent of the amount or amounts so paid.

(4) DTC Acceptance/Letters of Representations. The Underwritten Bonds of a series initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Underwritten Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Underwritten Bonds, any notice which is permitted or required to be given to Registered Owners under this Ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Underwritten Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Underwritten Bonds.

(5) Use of Depository.

(A) The Underwritten Bonds of a series shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Underwritten Bond of each series maturing on each of the maturity dates for such Underwritten Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Underwritten Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the Administrative Services Director pursuant to subparagraph (B) below or such substitute depository’s successor; or (iii) to any person as provided in subparagraph (D) below.

(B) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Administrative Services Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Administrative Services Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(C) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (A) above, the Bond Registrar shall, upon receipt of all outstanding Underwritten Bonds together with a written request on behalf of the Administrative Services Director, issue a single new Underwritten Bond for each maturity of that series then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Administrative Services Director.

(D) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Administrative Services Director determines that it is in the best interest of the Beneficial Owners of the Underwritten Bonds that such owners be able to obtain physical bond certificates, the ownership of such Underwritten Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Administrative Services Director shall deliver a written request to the Bond Registrar, together with a supply of physical bonds, to issue Underwritten Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Underwritten Bonds of a series together with a written request on behalf of the Administrative Services Director to the Bond Registrar, new Underwritten Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(6) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Underwritten Bond may be registered and Underwritten Bonds may be exchanged, but no transfer of any such Underwritten Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Underwritten Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Underwritten Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Underwritten Bond (or Underwritten Bonds at the option of the new Registered Owner) of the same date, series, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Underwritten Bond, in exchange for such surrendered and cancelled Underwritten Bond. Any Underwritten Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Underwritten Bonds of the same date, series, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Underwritten Bond during the 15 days preceding any principal payment or redemption date.

(7) Bond Registrar's Ownership of Bonds. The Bond Registrar may become the Registered Owner of any Underwritten Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners or Beneficial Owners of Bonds.

(8) Place and Medium of Payment. Both principal of and interest on the Underwritten Bonds shall be payable in lawful money of the United States of America. Interest on the Underwritten Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day

months. For so long as all Underwritten Bonds are held by a depository, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Underwritten Bonds are no longer held by a depository, interest on the Underwritten Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Underwritten Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Underwritten Bonds shall be payable upon presentation and surrender of such Underwritten Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Underwritten Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Underwritten Bond until the Underwritten Bond is paid.

(b) *Direct Purchase Bonds.* The terms of this Section 4(b) shall apply to any Direct Purchase Bonds unless otherwise provided for in the applicable Sale Document.

(1) Bond Details. Any Bonds of a series may be sold as Direct Purchase Bonds.

(2) Registrar/Bond Registrar. The Administrative Services Director or the fiscal agent of the State shall act as Bond Registrar for any Direct Purchase Bonds. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Direct Purchase Bonds if transferred or exchanged in accordance with the provisions of the Direct Purchase Bonds and this Ordinance and to carry out all of the Bond Registrar's powers and duties under this Ordinance with respect to Direct Purchase Bonds.

(3) Registered Ownership. The City and the Bond Registrar may deem and treat the Registered Owner of any Direct Purchase Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(4) Transfer or Exchange of Registered Ownership. Direct Purchase Bonds shall not be transferrable without the consent of the City unless (i) the Direct Purchaser's corporate name is changed and the transfer is necessary to reflect such change, (ii) the transferee is a successor in interest of the Direct Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets, or (iii) such transfer satisfies requirements set forth in the Sale Document relating to such Direct Purchase Bonds.

(5) Place and Medium of Payment. Both principal of and interest on Direct Purchase Bonds shall be payable in lawful money of the United States of America. Interest on Direct Purchase Bonds shall be calculated as provided in the applicable Sale Document relating to such Direct Purchase Bonds. Principal and interest on Direct Purchase Bonds shall be payable by check, warrant, ACH transfer or by other means mutually acceptable to the Direct Purchaser and the City.

Section 5. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Redemption of Bonds.* The Bonds of each series shall be subject to mandatory redemption to the extent, if any, as set forth in the applicable Sale Document and as approved by the Designated Representative pursuant to Section 12. The Bonds of each series shall be subject to optional redemption and/or prepayment on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by the Designated Representative pursuant to Section 12.

(b) *Purchase of Bonds.* The City reserves the right to purchase any or all the Bonds offered to it at any time at a price deemed reasonable by the Administrative Services Director plus accrued interest to the date of purchase.

(c) *Selection of Bonds for Redemption.* If the Underwritten Bonds of a series are held in book-entry only form, the selection of particular Underwritten Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Underwritten Bonds are no longer held by a depository, the selection of such Underwritten Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Underwritten Bonds of a series having the same maturity date, the particular Underwritten Bonds or portions of Underwritten Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of an Underwritten Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Underwritten Bond as representing such number of separate Underwritten Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Underwritten Bond by \$5,000. In the event that only a portion of the principal sum of a Underwritten Bond is redeemed, upon surrender of such Underwritten Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Underwritten Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption or Prepayment.*

(1) Official Notice. Notice of any prepayment of Direct Purchase Bonds shall be provided by the City to the Direct Purchaser as provided in the applicable Sale Document.

For so long as the Underwritten Bonds of a series are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Unless waived by any Registered Owner of Underwritten Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Underwritten Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state: (A) the redemption date; (B) the redemption price; (C) if fewer than all outstanding Underwritten Bonds of such series are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (D) any conditions to redemption; (E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Underwritten Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (F) the place where such Underwritten Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Underwritten Bonds or portions of Underwritten Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Underwritten Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Underwritten Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Underwritten Bonds or portions of Underwritten Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Underwritten Bonds at the redemption price, then from and after such date such Underwritten Bonds or portions of Underwritten Bonds shall cease to bear interest. Upon surrender of such Underwritten Bonds for redemption in accordance with said notice, such Underwritten Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Underwritten Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

If addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Underwritten Bonds being redeemed; (B) the date of issue of the Underwritten Bonds as originally issued; (C) the rate of interest borne by each Underwritten Bond being redeemed; (D) the maturity date of each Underwritten Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Underwritten Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Underwritten Bonds.

The foregoing notice provisions of this Section 5, including but not limited to the

information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of Bonds. The Bonds of each series shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference.

Section 7. Execution of Bonds. The Bonds of each series shall be executed on behalf of the City by the facsimile or manual signature of the Mayor and shall be attested to by the facsimile or manual signature of the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted, or otherwise reproduced thereon.

In the event any officer who shall have signed or whose facsimile signatures appear on any of the Bonds shall cease to be such officer of the City before said Bonds shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though said person had not ceased to be such officer. Any Bond may be signed and attested on behalf of the City by such persons who, at the actual date of execution of such Bond shall be the proper officer of the City, although at the original date of such Bond such persons were not such officers of the City.

Only such Bonds as shall bear thereon a certificate of authentication manually executed by an authorized representative of the Bond Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance. Such certificate of authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Ordinance and the applicable Sale Document.

Section 8. Application of Bond Proceeds; Project Fund. The Administrative Services Director is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. A portion of the proceeds of each series of Bonds, net of any Direct Purchaser or Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of such Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Projects and, unless otherwise provided by the City, to pay costs of issuance of such Bonds.

The Administrative Services Director shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted by law to cities of the State and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Upon completion of the Projects, any remaining Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City or shall be transferred to the Debt Service Fund for the allocable series of Bonds.

Section 9. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on any Tax-Exempt Bonds from the gross income of the owners of such Tax-



Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of such Tax-Exempt Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Projects.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Projects other than in the ordinary course of an established government program under Treasury Regulation § 1.141-2(d)(4) or (ii) any real property components of the Projects, unless it has received an opinion of Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Tax-Exempt Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Exempt Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to a series of Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Tax-Exempt Bonds.

(i) *Bank Qualification.* In the Federal Tax Certificate executed in connection with the issuance of each series of Tax-Exempt Bonds, the City may designate such Bonds as “qualified

tax-exempt obligations” under Section 265(b)(3) of the Code for investment by financial institutions.

Section 10. Debt Service Fund and Provision for Tax Levy Payments. The City hereby authorizes the creation of one or more funds, and accounts held therein which may be one or more segregated accounts held within another fund, to be used for the payment of debt service on each series of Bonds, designated as the “Limited Tax General Obligation Bond Debt Service Fund” or other such designation selected by the City (the “Debt Service Fund”). No later than the date each payment of principal of or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it shall include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds when due.

The City hereby further irrevocably pledges all VLF Revenues to the portion of each series of Bonds issued to finance the Projects and related costs of issuance. The City covenants to impose and collect Vehicle License Fees under chapter 36.73 RCW on qualifying vehicles as set forth in RCW 82.80.140 and chapter 36.73 RCW so long as the Bonds are outstanding.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this Ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this Ordinance. The City shall give written

notice of defeasance of any Bonds of a series in accordance with the applicable Continuing Disclosure Certificate.

Section 12. Sale of Bonds; Sale Document.

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to determine the method of sale for the Bonds in one or more series and to approve the final interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds. Bonds may be issued pursuant to this Ordinance at one time or from time to time as provided herein. The Designated Representative is hereby authorized to approve the issuance, from time to time, of one or more series of Bonds and to determine whether the Bonds of such series shall be sold in a private placement to a Direct Purchaser or to an Underwriter through a competitive public sale or a negotiated sale, as set forth below.

(b) *Direct Purchase.* If the Designated Representative determines that the Bonds of a series are to be sold by private placement, the Designated Representative shall select the Direct Purchaser that submits the proposal that is in the best interest of the City. Direct Purchase Bonds shall be sold to the Direct Purchaser pursuant to the terms of a Loan Agreement.

(c) *Negotiated Bond Sale.* If the Designated Representative determines that the Bonds of a series are to be sold by negotiated public sale, the Designated Representative shall select the Underwriter whose proposal the Designated Representative believes is in the best interest of the City. Such Bonds shall be sold to the Underwriter pursuant to the terms of a Bond Purchase Contract.

(d) *Competitive Sale.* If the Designated Representative determines that the Bonds of a series are to be sold at a competitive public sale, the Designated Representative shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) request that a good faith deposit in an amount not less than one percent of the principal amount of the offering accompany each bid; (4) cause notice of the public sale to be given; and (5) provide for such other matters pertaining to the public sale as such person deems necessary or desirable. The Designated Representative shall cause the notice of sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. Such Bonds shall be sold to the Underwriter pursuant to the terms of a Certificate of Award.

(e) *Sale Parameters.* The Designated Representative is hereby authorized approve the method of sale and the final interest rates, aggregate principal amount, principal maturities, and redemption rights for each series of Bonds in the manner provided hereafter so long as:

(1) the aggregate principal amount (face amount) of all Bonds issued pursuant to this Ordinance does not exceed \$8,350,000;

(2) the final maturity date for each series of Bonds is no later than 20 years from the respective Closing date;

(3) the true interest cost for each series of Bonds does not exceed 4.00%; and

(4) the Bonds of each series are sold (in the aggregate) at a price not less than 98%.

Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the applicable Sale Document for a series of Bonds. Following the execution of the applicable Sale Document, the Designated Representative shall provide a report to the Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 11 shall expire one year after the effective date of this Ordinance. If a Sale Document for the Bonds of a series has not been executed by such date, the authorization for the issuance of such series of Bonds shall be rescinded, and such Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council.

(f) *Delivery of Bonds; Documentation.* The proper officials of the City, including the Administrative Services Director, the City Clerk, the City Mayor and the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a municipal Bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of the Bonds as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

Section 13. Preliminary and Final Official Statements. The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 14. Undertaking to Provide Ongoing Disclosure; Covenants.

(a) The City covenants to execute and deliver at the time of Closing of any Underwritten Bonds a Continuing Disclosure Certificate. The Administrative Services Director and the City Manager are each hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of any Underwritten Bonds with such terms and provisions as such individuals shall deem appropriate and in the best interests of the City.

(b) The City may agree to provide the Direct Purchaser certain financial or other information and agree to such additional covenants as determined to be necessary by the Designated Representative and as set forth in the applicable Sale Document and approved by the Designated Representative.

Section 15. Lost, Stolen or Destroyed Bonds. In case any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like series, amount, date and tenor to the Registered Owner thereof if the Registered Owner pays the expenses and charges of the Bond Registrar and the City in connection therewith and files with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership thereof, and furnishes the City and the Bond Registrar with indemnity satisfactory to both.

Section 16. Severability; Ratification. If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds. All acts taken pursuant to the authority granted in this Ordinance but prior to its effective date are hereby ratified and confirmed.

Section 17. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this Ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 18. Effective Date. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this Ordinance, consisting of the title, may be published in lieu of publishing this Ordinance in its entirety.

**PASSED BY THE CITY COUNCIL ON MARCH 29, 2021.**

\_\_\_\_\_  
Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Pacifica Law Group LLP  
Bond Counsel

Date of Publication: \_\_\_\_\_, 2021  
Effective Date: \_\_\_\_\_, 2021

## EXHIBIT A

## FORM OF BOND

[DTC LANGUAGE]

[TRANSFER RESTRICTIONS]

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF SHORELINE

LIMITED TAX GENERAL OBLIGATION BOND, 20\_\_\_\_[(Taxable)]

INTEREST RATE: \_\_\_\_%

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE &amp; CO.

PRINCIPAL AMOUNT:

The City of Shoreline, Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from \_\_\_\_\_, 20\_\_\_\_, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on \_\_\_\_\_ 1, 20\_\_\_\_, and semiannually thereafter on the first days of each succeeding \_\_\_\_\_ and \_\_\_\_\_. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the “Bond Registrar”). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. 926 duly passed by the City Council on March 29, 2021 (the “Bond Ordinance”). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of

\$ \_\_\_\_\_ and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary to pay the costs of certain transportation improvements and to pay costs of issuance.

The bonds of this issue are subject to [prepayment/redemption prior to their stated maturities] as provided in the [Bond Purchase Contract/Certificate of Award/Loan Agreement].

The City has irrevocably covenanted with the owner of this bond that it shall include in its annual budget and levy taxes annually, within and a part of the tax levy permitted to the City without a vote of the electorate, upon all the taxable property in the City in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond when due. The full faith, credit and resources of the City are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The City has further irrevocably pledged all VLF Revenues to the portion of the Bonds allocable to the Projects.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Shoreline, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[SEAL]

CITY OF SHORELINE, WASHINGTON

By \_\_\_\_\_  
/s/ manual or facsimile  
Mayor

ATTEST:

\_\_\_\_\_  
/s/ manual or facsimile  
City Clerk

The Bond Registrar’s Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Bonds, 20\_\_, of the City of Shoreline, Washington, dated \_\_\_\_\_, 20\_\_.

WASHINGTON STATE FISCAL AGENT,  
as Bond Registrar

By \_\_\_\_\_

[FOR DIRECT PURCHASE BONDS]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This Bond is the Limited Tax General Obligation Bonds, 20\_\_, of the City of Shoreline, Washington, dated \_\_\_\_\_, 20\_\_, described in the within-mentioned Bond Ordinance.

\_\_\_\_\_  
[\_\_\_\_\_] ,  
as Bond Registrar

REGISTRATION CERTIFICATE

This Bond is registered in the name of the Registered Owner on the books of the City, in the office of the Administrative Services Director of the City, as to both principal and interest. All payments of principal of and interest on this Bond shall be made by the City as provided in the Bond Ordinance.



Date of Registration                      Name and Address of Registered Owner  
\_\_\_\_\_                                      \_\_\_\_\_  
\_\_\_\_\_, 20\_\_\_\_

PAYMENT SCHEDULE

Principal and interest on this Bond shall be payable as set forth in the following schedule:

Date	Principal	Interest	Total Payment
------	-----------	----------	---------------

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Shoreline, Washington (the “City”), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. 926 (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on March 29, 2021 as that Ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect after its passage and publication as provided by law; and

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to Washington State Governor Inslee’s emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, temporarily suspending portions of the Open Public Meetings Act (chapter 42.30 RCW), and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. That Ordinance No. 926 has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 29<sup>th</sup> day of March, 2021.

---

City Clerk

Attachment B - Funding Scenarios

**City of Shoreline, Washington**  
Sidewalk Improvement Projects  
\$8 Million Funding Scenarios

<b>20-year Term</b>			
Year	Principal	Interest	Total
2021	\$ -	\$ 160,375	\$ 160,375
2022	195,000	320,750	515,750
2023	205,000	311,000	516,000
2024	215,000	300,750	515,750
2025	225,000	290,000	515,000
2026	235,000	278,750	513,750
2027	245,000	267,000	512,000
2028	260,000	254,750	514,750
2029	275,000	241,750	516,750
2030	285,000	228,000	513,000
2031	300,000	213,750	513,750
2032	315,000	198,750	513,750
2033	330,000	183,000	513,000
2034	350,000	166,500	516,500
2035	365,000	149,000	514,000
2036	385,000	130,750	515,750
2037	405,000	111,500	516,500
2038	425,000	91,250	516,250
2039	445,000	70,000	515,000
2040	465,000	47,750	512,750
2041	490,000	24,500	514,500
	\$ 6,415,000	\$ 4,039,875	\$ 10,454,875

<b>15-year Term</b>			
Year	Principal	Interest	Total
2021	\$ -	\$ 161,375	\$ 161,375
2022	300,000	322,750	622,750
2023	315,000	307,750	622,750
2024	330,000	292,000	622,000
2025	345,000	275,500	620,500
2026	365,000	258,250	623,250
2027	380,000	240,000	620,000
2028	400,000	221,000	621,000
2029	420,000	201,000	621,000
2030	440,000	180,000	620,000
2031	465,000	158,000	623,000
2032	490,000	134,750	624,750
2033	510,000	110,250	620,250
2034	535,000	84,750	619,750
2035	565,000	58,000	623,000
2036	595,000	29,750	624,750
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
	\$ 6,455,000	\$ 3,035,125	\$ 9,490,125

**Estimated Sources and Uses of Funds**

Sources

Par Amount	\$ 6,415,000
Reoffering Premium	1,743,201
Total Sources	\$ 8,158,201

Uses

Project Fund	\$ 8,000,000
Underwriter's Discount	38,490
Issuance Costs	119,711
Total Uses	\$ 8,158,201

**Key Statistics (Estimated)**

True Interest Cost (TIC):	2.47%
Total Debt Service:	\$10,454,875
Average Annual Debt Service:	\$514,725
Annual Debt Service per \$1 million:	\$64,341

**Estimated Sources and Uses of Funds**

Sources

Par Amount	\$ 6,455,000
Reoffering Premium	1,700,424
Total Sources	\$ 8,155,424

Uses

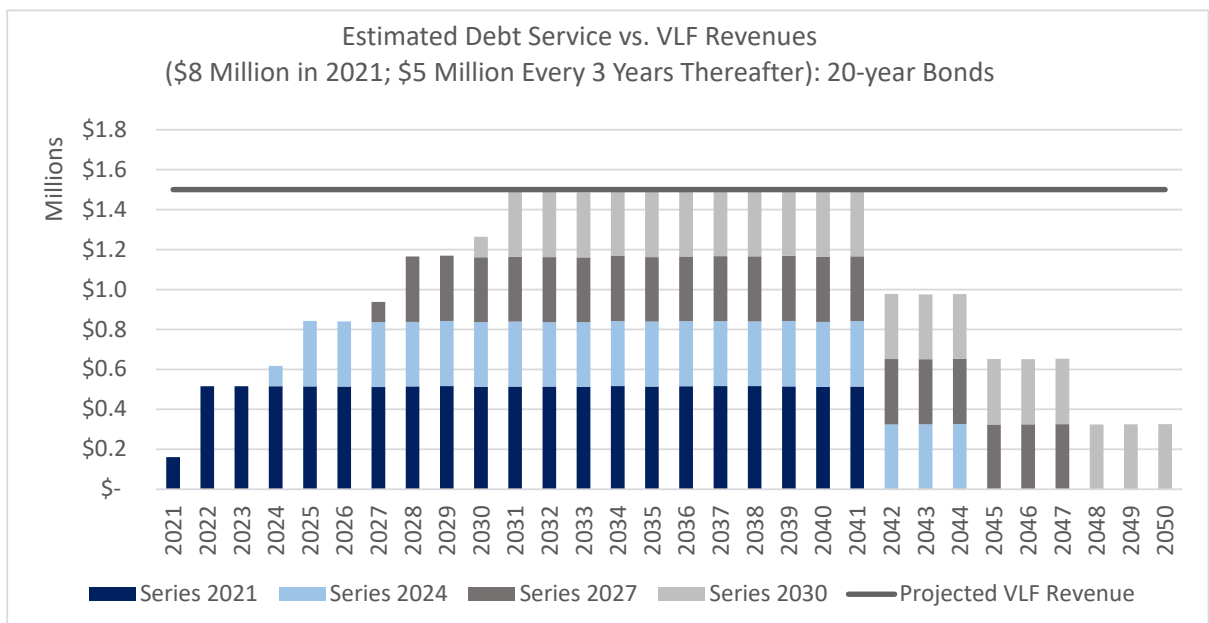
Project Fund	\$ 8,000,000
Underwriter's Discount	38,730
Issuance Costs	116,694
Total Uses	\$ 8,155,424

**Key Statistics (Estimated)**

True Interest Cost (TIC):	1.94%
Total Debt Service:	\$9,490,125
Average Annual Debt Service:	\$621,917
Annual Debt Service per \$1 million:	\$77,740

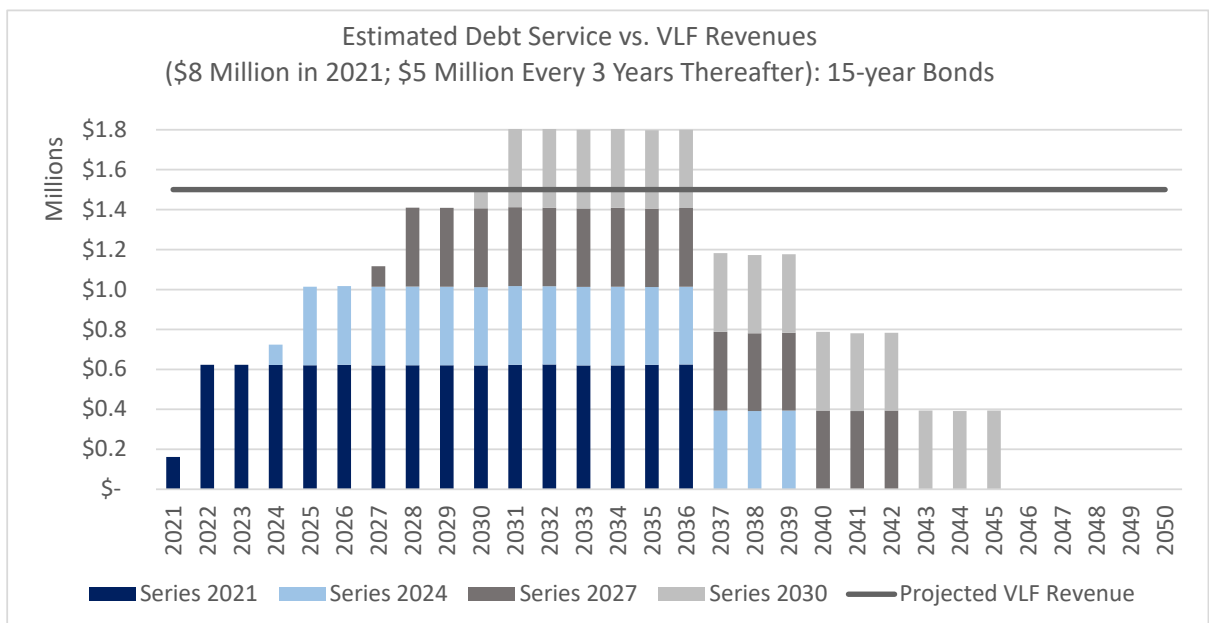
Estimated Debt Service: Projected Future Issuances

20-year Term						
\$8 million in 2021; \$5 Million Every Three Years Thereafter						
Year	2021	2024	2027	2030	Total	Excess Revenue
2021	\$ 160,375	\$ -	\$ -	\$ -	\$ 160,375	\$ 1,339,625
2022	515,750	-	-	-	515,750	984,250
2023	516,000	-	-	-	516,000	984,000
2024	515,750	\$ 101,375	-	-	617,125	882,875
2025	515,000	327,750	-	-	842,750	657,250
2026	513,750	326,500	-	-	840,250	659,750
2027	512,000	325,000	\$ 101,375	-	938,375	561,625
2028	514,750	323,250	327,750	-	1,165,750	334,250
2029	516,750	326,250	326,500	-	1,169,500	330,500
2030	513,000	323,750	325,000	\$ 101,375	1,263,125	236,875
2031	513,750	326,000	323,250	327,750	1,490,750	9,250
2032	513,750	322,750	326,250	326,500	1,489,250	10,750
2033	513,000	324,250	323,750	325,000	1,486,000	14,000
2034	516,500	325,250	326,000	323,250	1,491,000	9,000
2035	514,000	325,750	322,750	326,250	1,488,750	11,250
2036	515,750	325,750	324,250	323,750	1,489,500	10,500
2037	516,500	325,250	325,250	326,000	1,493,000	7,000
2038	516,250	324,250	325,750	322,750	1,489,000	11,000
2039	515,000	327,750	325,750	324,250	1,492,750	7,250
2040	512,750	325,500	325,250	325,250	1,488,750	11,250
2041	514,500	327,750	324,250	325,750	1,492,250	7,750
2042		324,250	327,750	325,750	977,750	522,250
2043		325,250	325,500	325,250	976,000	524,000
2044		325,500	327,750	324,250	977,500	522,500
2045			324,250	327,750	652,000	848,000
2046			325,250	325,500	650,750	849,250
2047			325,500	327,750	653,250	846,750
2048				324,250	324,250	1,175,750
2049				325,250	325,250	1,174,750
2050				325,500	325,500	1,174,500
	\$ 10,454,875	\$ 6,609,125	\$ 6,609,125	\$ 6,609,125	\$ 30,282,250	\$ 14,717,750



Estimated Debt Service: Projected Future Issuances

15-year Term						
\$8 million in 2021; \$5 Million Every Three Years Thereafter						
Year	2021	2024	2027	2030	Total	Excess Revenue
2021	\$ 161,375	\$ -	\$ -	\$ -	\$ 161,375	\$ 1,338,625
2022	622,750	-	-	-	622,750	877,250
2023	622,750	-	-	-	622,750	877,250
2024	622,000	\$ 102,000	-	-	724,000	776,000
2025	620,500	394,000	-	-	1,014,500	485,500
2026	623,250	394,500	-	-	1,017,750	482,250
2027	620,000	394,500	\$ 102,000	-	1,116,500	383,500
2028	621,000	394,000	394,000	-	1,409,000	91,000
2029	621,000	393,000	394,500	-	1,408,500	91,500
2030	620,000	391,500	394,500	\$ 102,000	1,508,000	(8,000)
2031	623,000	394,500	394,000	394,000	1,805,500	(305,500)
2032	624,750	391,750	393,000	394,500	1,804,000	(304,000)
2033	620,250	393,500	391,500	394,500	1,799,750	(299,750)
2034	619,750	394,500	394,500	394,000	1,802,750	(302,750)
2035	623,000	389,750	391,750	393,000	1,797,500	(297,500)
2036	624,750	389,500	393,500	391,500	1,799,250	(299,250)
2037		393,500	394,500	394,500	1,182,500	317,500
2038		391,500	389,750	391,750	1,173,000	327,000
2039		393,750	389,500	393,500	1,176,750	323,250
2040			393,500	394,500	788,000	712,000
2041			391,500	389,750	781,250	718,750
2042			393,750	389,500	783,250	716,750
2043				393,500	393,500	1,106,500
2044				391,500	391,500	1,108,500
2045				393,750	393,750	1,106,250
2046					-	1,500,000
2047					-	1,500,000
2048					-	1,500,000
2049					-	1,500,000
2050					-	1,500,000
	\$ 9,490,125	\$ 5,995,750	\$ 5,995,750	\$ 5,995,750	\$ 27,477,375	\$ 17,522,625



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

<b>AGENDA TITLE:</b>	Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with KPFF Consulting Engineers in the Amount of \$2,147,473 for Final Design of the 148 <sup>th</sup> Street Non-Motorized Bridge Project
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Tricia Juhnke, City Engineer
<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 2021-2026 Capital Improvement Plan includes the 148<sup>th</sup> Street Non-Motorized Bridge project. The principal goal of the project is to provide a non-motorized bridge to directly connect neighborhoods west of Interstate-5 with the future light rail station, which will in turn connect users to centers of employment, commerce and educational opportunities. The initial work for this project was to develop a preliminary design based on the preferred alignment previously approved by Council. The next step is to advance that preliminary design to final design.

Consultant services are needed to develop the final design. KPFF Consulting Engineers was selected during preliminary design as the most qualified firm to support this project through the construction phase. Staff have negotiated a supplemental agreement to the preliminary design contract for the completion of final design. This supplemental agreement will include development of the final design, community outreach and stakeholder engagement. Council authorization is needed to enter the supplemental agreement with KPFF Consulting Engineers. Tonight, staff is seeking this Council authorization.

**RESOURCE/FINANCIAL IMPACT:**

This project is currently funded in the 2021-2026 CIP for design. Final design and a portion of construction is currently fully funded. Funding for right-of-way (ROW) and the remaining construction cost is currently being pursued. A summary of current funding is shown below:

**Summary of Project Costs:**

<b>DESIGN</b>		
DESIGN (KPFF DESIGN ENGINEERS)		
PRELIMINARY DESIGN CONTRACT	\$	897,854
<b>FINAL DESIGN CONTRACT</b>	<b>\$</b>	<b>2,147,473</b>
CITY STAFF & OTHER RESOURCES	\$	350,000
CONTINGENCY (10%)	\$	340,000
<b>SUBTOTAL</b>		<b>\$ 3,743,551</b>
<b>RIGHT-OF-WAY</b>		
ROW COST	\$	1,600,000
CONTINGENCY (10%)	\$	160,000
<b>SUBTOTAL</b>		<b>\$ 1,760,000</b>
<b>CONSTRUCTION</b>		
CONSTRUCTION COST	\$	13,430,000
CONTINGENCY (40%)	\$	5,370,000
<b>SUBTOTAL</b>		<b>\$ 18,800,000</b>
<b>CONSTRUCTION MANAGEMENT</b>		
CM COST	\$	4,700,000
CITY STAFF & OTHER RESOURCES	\$	900,000
CONTINGENCY (10%)	\$	560,000
<b>SUBTOTAL</b>		<b>\$ 6,160,000</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 30,463,551</b>

**Summary of Project Revenue:**

<b>REVENUES</b>		
GENERAL FUND	\$	350,000
ROADS CAPITAL FUND	\$	150,000
STP NON-MOTORIZED	\$	2,055,000
ST SYSTEM ACCESS	\$	3,700,000
KING COUNTY PARKS LEVY	\$	4,800,000
<b>SUBTOTAL</b>		<b>\$ 11,055,000</b>
<b>TOTAL REVENUE</b>		<b>\$ 11,055,000</b>
<b>FUNDING GAP (EXPENDITURE- REVENUE)</b>		<b>\$ 19,408,551</b>

To date, the City has not secured funds required to fully fund the construction phase of the Project and may not be able to secure all construction funds prior to the opening of the Lynnwood Link Extension light rail project in 2024. However, there is adequate funding for final design which includes this contract amendment.

**RECOMMENDATION**

Staff recommends the Council authorize the City Manager to execute a supplemental agreement to the professional services contract with KPFF Consulting Engineers in the amount of \$2,147,473 for the 148<sup>th</sup> Street Non-Motorized Bridge Project.

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



## **BACKGROUND**

Interstate-5 (I-5) forms a barrier from the neighborhoods to the west of the interstate to the Sound Transit Shoreline South/145<sup>th</sup> Station to the east. The 148<sup>th</sup> Street Non-Motorized Bridge project will design a pedestrian/bike bridge spanning I-5 and connecting to the north-end light rail station plaza. Improvements will include integration with the station plaza area (east side of I-5) including ramps and stairs. West side landing improvements will include ramps and stairs, safe pedestrian and bicycle connections to 1<sup>st</sup> Avenue NE, and evaluation of the need for a drop-off/pick-up area.

A feasibility analysis of non-motorized crossing options to the Shoreline South/145<sup>th</sup> Station was conducted in 2016/2017 to determine the feasibility of a non-motorized bridge to connect the west side of I-5 to the Sound Transit station and east-side area. Based on the results of the feasibility study, Council adopted the 148<sup>th</sup> Street crossing as the preferred location. The cost estimate in the feasibility study was \$13,331,000. At the February 27, 2017 Council meeting, staff presented the [145<sup>th</sup> Street Station Access Non-Motorized Crossing Options Feasibility Analysis](#). The staff report for this discussion can be found at the following link: [February 27, 2017 Staff Report](#).

The 2019-2024 Capital Improvement Plan (CIP) included \$499,999 in funding to proceed with conceptual design of the 148<sup>th</sup> Non-Motorized Bridge project and continued coordination with Sound Transit. On June 24, 2019, the City Council authorized the City Manager to enter into a contract with KPFF, Inc. for the preliminary design services for the 148<sup>th</sup> Street Non-Motorized Bridge project. The current contract with KPFF is to 30% design and environmental review. The staff report for the Council authorization to enter into this contract can be found at the following link: [June 24, 2019 Staff Report](#).

On June 1, 2020, staff presented results of a [Type, Size and Location Analysis](#) with recommended preferred design and project delivery approach options to the City Council. The recommended options were formally authorized and subsequently advanced to 30% design. The staff report for this council discussion can be found at the following link: [June 1, 2020 Staff Report](#).

Since adoption of the CIP, this project has received a federal grant, via the USDOT Federal Highway Administration (FHWA) Surface Transportation Program (STP) to be applied to the design phase of the project. Funding has also been secured from regional sources in the form of Central Puget Sound Regional Transit Authority (Sound Transit) System Access Funds (SA), and from King County. The project is funded through final design and partially into construction. Staff continues to pursue funding partners to move this project forward to ROW and completed construction.

## **DISCUSSION**

On January 28, 2019, the City issued a Request for Qualifications (RFQ) for this project. Two firms submitted Statements of Qualifications (SOQ's), which were reviewed by staff. One firm, KPFF, was subsequently interviewed and selected as best qualified for this project.

The scope of work for the original contract was initially to progress the project through preliminary design. If approved by Council, this supplemental agreement will advance the project to final design.

The current project delivery approach is to design and construct the project in two distinct phases:

- **Phase 1** – Full design, environmental and construction of improvements on the east side of I-5.
- **Phase 2** – ROW, construction of improvements on the west side of I-5 and installation of the bridge superstructure.

This project currently has a \$20 million funding gap for construction. The purpose of the phased approach is to allow for the project to move forward with construction of the improvements in close proximity of Sound Transit infrastructure before the Lynnwood Link Light Rail goes into revenue service, after-which construction will become more complex and costly. Staff are currently seeking approval from the grantors to allow for this approach.

The scope of work for KPFF Consulting Engineers is attached to this staff report as Attachment A. Work to be completed under this scope includes final design of all improvements, assistance in community outreach/stakeholder engagement, and preliminary right of way acquisition and easement processes, and cost estimates for ROW and construction.

The alternative to authorizing the award of this contract is to not award the contract, in which case the project would not proceed. This is not recommended by staff.

### **COUNCIL GOAL(S) ADDRESSED**

This project supports 2019-2021 City Council Goal 3: “Continue preparation for regional mass transit in Shoreline.”

### **RESOURCE/FINANCIAL IMPACT**

This project is currently funded in the 2021-2026 CIP for design. Final design and a portion of construction is currently fully funded. Funding for ROW and the remaining construction cost is currently being pursued. A summary of current funding is shown below:

**Summary of Project Costs:**

<b>DESIGN</b>		
DESIGN (KPFF DESIGN ENGINEERS)		
PRELIMINARY DESIGN CONTRACT	\$	897,854
<b>FINAL DESIGN CONTRACT</b>	\$	<b>2,147,473</b>
CITY STAFF & OTHER RESOURCES	\$	350,000
CONTINGENCY (10%)	\$	340,000
<b>SUBTOTAL</b>		<b>\$ 3,743,551</b>
<b>RIGHT-OF-WAY</b>		
ROW COST	\$	1,600,000
CONTINGENCY (10%)	\$	160,000
<b>SUBTOTAL</b>		<b>\$ 1,760,000</b>
<b>CONSTRUCTION</b>		
CONSTRUCTION COST	\$	13,430,000
CONTINGENCY (40%)	\$	5,370,000
<b>SUBTOTAL</b>		<b>\$ 18,800,000</b>
<b>CONSTRUCTION MANAGEMENT</b>		
CM COST	\$	4,700,000
CITY STAFF & OTHER RESOURCES	\$	900,000
CONTINGENCY (10%)	\$	560,000
<b>SUBTOTAL</b>		<b>\$ 6,160,000</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 30,463,551</b>

**Summary of Project Revenue:**

<b>REVENUES</b>		
GENERAL FUND	\$	350,000
ROADS CAPITAL FUND	\$	150,000
STP NON-MOTORIZED	\$	2,055,000
ST SYSTEM ACCESS	\$	3,700,000
KING COUNTY PARKS LEVY	\$	4,800,000
<b>SUBTOTAL</b>		<b>\$ 11,055,000</b>
<b>TOTAL REVENUE</b>		<b>\$ 11,055,000</b>
<b>FUNDING GAP (EXPENDITURE- REVENUE)</b>		<b>\$ 19,408,551</b>

To date, the City has not secured funds required to fully fund the construction phase of the Project and may not be able to secure all construction funds prior to the opening of the Lynnwood Link Extension light rail project in 2024. However, there is adequate funding for final design which includes this contract amendment.

## **RECOMMENDATION**

Staff recommends the Council authorize the City Manager to execute a supplemental agreement to the professional services contract with KPFF Consulting Engineers in the amount of \$2,147,473 for the 148<sup>th</sup> Street Non-Motorized Bridge Project.

## **ATTACHMENTS**

Attachment A - KPFF Consulting Engineers Supplemental Agreement Scope of Services

**Exhibit A  
Scope of Work**

***City of Shoreline N 148<sup>th</sup> Non-Motorized Bridge Project – Bridge and Trail Final Design Development Services***

**PROJECT DESCRIPTION**

The City of Shoreline has conducted a feasibility analysis to evaluate and recommend a preferred alignment alternative for a new pedestrian and bicycle bridge crossing Interstate 5 (I-5) linking the west side of freeway to the planned Sound Transit Shoreline South/148<sup>th</sup> light rail station. The preferred trail and bridge alignment connects to 1<sup>st</sup> Ave NE along NE 148<sup>th</sup> where it crosses I-5 and lands at the northern plaza of the station.

This project is one of many that will improve the area serving the future Shoreline South/145<sup>th</sup> Station which is expected to open in 2024.

This phase of the project will build on the recently completed 30% design phase and will develop final design and construction documents for the bridge and trail connections.

**PROJECT OBJECTIVES**

The primary objectives of this work are to:

1. Develop final design and construction documents for a non-motorized bridge that is consistent and supportive of the City of Shoreline's goals and policies.
2. Continue to engage the public and stakeholders in the design process for coordination, permits and to generate support for the project.
3. Attain formal project permissions from the Washington State Department of Transportation (WSDOT) and the Federal Highway Administration (FHWA) with Sound Transit (ST) concurrence.
4. Acquire all right-of-way (ROW) necessary for the project.

**PROJECT TEAM**

The project team is made up of the following:

Owner	City of Shoreline
Prime Consultant	KPFF Consulting Engineers
Structural Engineering	KPFF Consulting Engineers
Civil Engineering	KPFF Consulting Engineers
<u>Subconsultants:</u>	
Bridge Architecture	LMN Architects
Urban Design	KPG Inc.
Landscape Architecture	KPG Inc.
Illumination & Electrical	KPG Inc.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 2

Public Outreach  
 Environmental Permitting  
 Geotechnical Engineering  
 Surveying  
 Right-of-Way

Stepherson & Associates  
 Landau Associates  
 Landau Associates  
 Furtado & Associates  
 RES Group NW

**PROJECT SCHEDULE**

This phase of the project is anticipated to last approximately 13 months following notice-to-proceed (NTP). Estimated deliverable dates are as follows:

- Main Span Bridge Canopy Preliminary Design: 2 months after NTP
- 60% Design: 5 months after NTP
- 90% Design: 9 months after NTP
- 100% Design: 11.5 months after NTP
- Bid Documents: 13 months after NTP

A more detailed schedule will be agreed upon between the Design Team and the City following NTP.

**SCOPE OF WORK**

The following is a scope of work for the Final Design phase of the project. Future phases of the project like construction support services are not included at this time.

**TASK NO. 1.0 – PROJECT MANAGEMENT AND ADMINISTRATION**

*Task No. 1.01 Project Work Plan, Risk Register and Quality Management Plan*

KPFF shall provide a work plan to the design team and the City outlining the project objectives, organization of the team, lines of communication, and deliverables.

KPFF shall provide and maintain a project risk register. The risk register will identify and assess project risks and include potential mitigation strategies. The risk register will be updated by the KPFF Project Manager, in cooperation with the City, throughout this phase of the project.

KPFF shall provide a Quality Management Plan (QMP) for the project. The QMP will outline quality assurance/quality control/ (QA/QC) processes for the design team including roles and responsibilities for each team member.

*Task No. 1.02 Project Schedule*

KPFF shall create a project design schedule in Microsoft Project that spans from the notice-to-proceed to the completion of this phase of Work. The schedule will include all deliverable submittal dates and project milestones.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 3

The schedule shall be updated by KPFF on a monthly basis. Subconsultants and the City will review and provide input on the draft schedule.

KPFF will update the project schedule on a monthly basis.

*Task No. 1.03 Subconsultant Agreements*

KPFF shall prepare sub-consultant contracts for all team members.

*Task No. 1.04 – Progress Reports & Invoices*

A progress report form shall be provided to each Subconsultant. This form shall be filled out on a monthly basis and submitted with the invoice for the work described in the progress report. KPFF shall then compile the progress reports into a single document to be submitted to the City with the associated monthly invoice.

Subconsultants shall prepare monthly invoices for work completed. KPFF shall compile the invoices into a single document to be submitted to the City. The overall team monthly invoices will be formatted to provide the billing per project task and include percentage completion and billings to date.

*Task No. 1.05 – Project Kickoff Meeting*

KPFF and all Subconsultants shall prepare for and attend a two (2) hour long project kickoff meeting. KPFF, in conjunction with the City, shall coordinate the date, time and agenda items for this meeting.

*Task No. 1.06 – Project Communication Meetings*

KPFF and the Subconsultants shall prepare for and attend bi-weekly project communication meetings with City staff to review the progress of the project and review technical and project management topics. The meetings will be attended by the KPFF Project Manager, key stakeholders, and key members of the design team as needed for discussion of the task items. For the basis of this scope of work the assumed number of monthly meetings attended by each design team member is as follows:

- KPFF:
  - Project Manager: 28
  - Lead Structural: 10
  - Lead Civil: 10
- KPG: 10
- LMN: 10
- Landau Associates:

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 4

- Lead Geotechnical Engineer: 2
- Environmental Permitting Lead: 2
- Stepherson & Associates: 2
- Furtado & Associates: 2
- RES Group NW: 2

*Task No. 1.07 – Internal Team Meetings & Coordination*

KPFF, LMN and KPG design team members shall meet on a bi-weekly basis to discuss project issues, schedule, progress, and general coordination of effort as needed.

*Assumptions:*

- Project kickoff meeting will take place using video conferencing (e.g. Teams).
- Project communications meetings will take place at the City offices or via video conferencing and will last approximately one (1) hour.
- Agenda will be provided by KPFF a minimum of two (2) working days prior to the date of the meeting.
- Meeting notes will be prepared and distributed by KPFF for review and comment by meeting attendees within two (2) working days of the date of the meeting.

*Deliverables:*

- Project work plan, Draft and Final (electronic copy)
- Project risk register, including monthly updates (electronic copy)
- Project QMP, Draft and Final (electronic copy)
- Project schedule with monthly updates (electronic copy)
- Monthly progress reports and invoices (Assume 13)
- Project kickoff meeting, agenda and meeting notes (electronic copies)
- Monthly project communication meetings including agenda and notes (electronic copies)

**TASK 2.0 – WSDOT AND SOUND TRANSIT DESIGN COORDINATION & MEETINGS**

*Task No. 2.01 – WSDOT/FHWA & Sound Transit (ST)/FTA Kickoff Meeting*

KPFF will prepare for, attend and document one (1) final design kickoff meeting with WSDOT/FHWA, one (1) final design kickoff meeting with Sound Transit/FTA. The purpose of these meetings will be as follows:

- Reintroduce these key stakeholders to the project
- Gather information on stakeholder constraints and concerns
- Review comments from WSDOT & ST on 30% design submittal

The following design team members will attend the WSDOT/FHWA and ST/FTA kickoff meetings:



**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 5

- KPFF: Project Manager, Lead Structural, Lead Civil
- KPG: Urban Design Lead
- LMN: Bridge Architect Lead

*Task No. 2.02 – WSDOT/FHWA & Sound Transit/FTA Coordination*

KPFF will perform general coordination with WSDOT/FHWA and Sound Transit/FTA throughout the final design phase to discuss project issues, schedule, progress and general coordination of effort. It is assumed that the City will serve as the main point of contact for both WSDOT and ST, with KPFF providing support, as needed.

In addition to general coordination, the design team will attend coordination meetings with WSDOT and ST. For the basis of this scope of work the assumed number of meetings is as follows:

- KPFF:
  - KPFF Project Manager: 10
  - KPFF Lead Civil: 6
  - KPFF Lead Structural: 6
- KPG Urban Design Lead: 4
- LMN: Bridge Architect Lead: 4

*Assumptions:*

- The City will make initial contact with WSDOT and Sound Transit to schedule and coordinate kickoff meeting and invite appropriate City staff.
- The WSDOT/FHWA and ST/FTA kickoff meetings will last two (2) hours each and will occur via video/teleconference.
- The WSDOT/FHWA and ST/FTA coordination meetings will last up to one (1) hour each and will occur via video/teleconference.
- Agenda will be provided by KPFF a minimum of two (2) working days prior to the date of the meeting.
- Meeting notes will be prepared and distributed by KPFF for review and comment by meeting attendees within two (2) working days of the date of the meeting.

*Deliverables:*

- Meetings with WSDOT and Sound Transit including agenda, meeting materials and notes (Word Documents, PDF)

**TASK 3.0 – GEOTECHNICAL ENGINEERING**

Landau Associates, Inc. will provide geotechnical engineering services. The services will include reviewing in-house information, readily available geologic reports and maps, and completing a supplemental, site-specific subsurface exploration and laboratory testing program as a basis for developing design-level geotechnical engineering recommendations.

*Task No. 3.01 Supplemental Geotechnical Investigation Program*

To further characterize subsurface soil and groundwater conditions at the west end of the project alignment, Landau Associates will subcontract a drilling contractor to advance two supplemental exploratory borings at the project site; one in the vicinity of proposed bridge Piers 1 and 2 and one at the location of the proposed cantilever sign bridge foundation. The supplemental exploratory boring in the vicinity of proposed bridge Piers 1 and 2 will be advanced to a depth of about 100 ft below ground surface (bgs) and the supplemental exploratory boring at the location of the proposed cantilever sign bridge will be advanced to a depth of 30 ft bgs.

It is anticipated that access to the cantilever sign bridge location will be via the shoulder of I-5. While the exploratory boring for the proposed cantilever sign bridge will be advanced behind the highway guard rail to minimize impacts to traffic, some impacts to traffic are anticipated while unloading and loading the drill rig. Therefore, a WSDOT General Permit and associated traffic control will be required. Landau Associates will coordinate with WSDOT to obtain a General Permit and will hire a traffic control subcontractor to prepare a traffic control plan and provide traffic control services during the supplemental exploration program.

Proposed Piers 1 and 2 are located in an area with steep terrain and thick vegetative cover (primarily Himalayan blackberries). In order to facilitate access to the drill site, Landau Associates will hire an excavation subcontractor to clear brush and perform minor grading as needed to create a relatively level platform for the drilling rig.

A representative from Landau Associates will observe the advancement of the supplemental exploratory borings, obtain soil samples from the borings, and prepare field logs of conditions observed. Soil samples will be obtained from the exploratory borings on about a 2½- or 5-ft depth interval using the Standard Penetration Test (SPT) procedure. The soil samples will be delivered to a geotechnical laboratory for further examination and classification. Soil samples obtained from the explorations will be held in the laboratory for 30 days after submittal of the final report. After that date, the soil samples will be disposed of unless arrangements are made to retain them. While a monitoring well is not planned for the proposed boring at the location of the cantilever sign bridge foundation, groundwater occurrence at the time of drilling will be noted on the summary boring log, if observed. Upon completion of sampling and logging, the cantilever sign bridge boring will be decommissioned in accordance with the requirements of Chapter 173-160 of the Washington Administrative Code (WAC). A groundwater monitoring well will be installed within the boring advanced in the vicinity of Proposed Piers 1 and 2 in order to monitor groundwater levels over time. The well will be installed in accordance with the requirements of Chapter 173-160 of the WAC. Upon completion of the exploratory boring, Landau Associates will hire an excavation subcontractor to restore grades in the vicinity of the

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 7

exploratory boring to approximately match pre-existing conditions. Landau Associates personnel will make up to two return visits to record groundwater levels within the monitoring well. Excess cuttings from the exploratory borings will be discreetly disposed of onsite.

Prior to performing field activities, Landau Associates will arrange for underground utility location (“call before you dig”). Landau Associates will also hire a private utility locating service to check for the presence of buried utilities at planned boring locations.

Landau Associates will complete a geotechnical laboratory testing program consisting of natural moisture content and grain size and/or Atterberg Limits determinations on selected soil samples to aid in classifying site soils. Laboratory testing will include up to 6 moisture content determinations and 12 grain size distributions or Atterberg limits determinations.

*Task No. 3.02 Geotechnical Analysis and Reporting*

Landau Associates will evaluate the information collected as part of the supplemental field investigation and laboratory testing program in order to develop design-level geotechnical engineering conclusions and recommendations related to the design and construction of the proposed non-motorized bridge project.

Summary logs and a site plan showing the locations of the initial and supplemental exploratory borings and pertinent site features will be included in the draft and final versions of the report.

Seismic design criteria will be provided in accordance with applicable AASHTO standards. KPFF shall provide the governing design standards prior to the evaluation. Landau Associates will provide an assessment of the liquefaction and lateral spreading susceptibility of the soils in the vicinity of proposed foundations.

Recommendations for site preparation and fill placement will include the following: criteria for clearing, stripping and grubbing; an evaluation of the suitability of on-site soil for use as structural fill; gradation criteria for imported fill; guidance for preparation of subgrade soil, which will support the bridge approaches; and criteria for structural fill placement and compaction. Recommended static and dynamic lateral earth pressures, hydrostatic pressures, and surcharge pressures will also be provided in the event that it is necessary to construct column silos around the Sound Transit guideway piers.

Recommendations will be provided for the design of drilled, cast-in-place concrete shaft foundations for Piers 1 through 3. The recommendations will include the following: recommended tip elevation, axial resistance, downdrag loads and loss of side resistance during seismic loading, uplift resistance,

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 8

lateral shaft analysis, lateral spreading loads, and construction considerations.

Recommendations for MSE wall support for the proposed west abutment approach ramp will be provided. The recommendations will include considerations for design of MSE walls, including soil parameters for use in internal wall design, nominal bearing resistance and foundation settlement, resistance to lateral loads, wall backfill and drainage, and an assessment of global stability.

Recommendations for other site retaining walls including soil parameters for use in internal wall design, nominal bearing resistance and foundation settlement, resistance to lateral loads, wall backfill and drainage, and an assessment of global stability.

Foundation recommendations for the proposed cantilever sign bridge, including allowable lateral bearing resistances for the soils observed and construction considerations.

Deliverables will include a draft report containing geotechnical findings, conclusions and recommendations. A final report will be created that contains the results of mutually agreed upon comments from other team members and the City.

For estimating purposes, Landau Associates has assumed participation in up to three internal meetings for consultation during design, as requested by the City and KPFF.

*Assumptions:*

- KPFF will provide Landau Associates a project base map in AutoCAD format.
- The main span of the proposed bridge is a single-span structure.
- Landau Associates will not be responsible for coordinating right of entry to gain access to exploration locations. Rights-of-entry required for entry into private property will be obtained by the City.
- Landau Associates will prepare the WSDOT General Permit application and associated traffic control plan, but the City will assist with coordination necessary to obtain a WSDOT General Permit. Landau Associates has assumed up to one round of revisions to the WSDOT permit application may be required.
- The exploratory boring proposed in support of design of Piers 1 and 2 will be located outside of WSDOT Right-of-Way, therefore it is anticipated that no WSDOT coordination will be required for this boring.
- The geotechnical information gathered by others as part of the Sound Transit Lynnwood Link project will be sufficient to develop design recommendations for the east abutment/foundation (Pier 3) of the proposed non-motorized bridge.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 9

- Landau Associates will not be responsible for damage to underground utilities that are mismarked or not located.
- The locations of proposed Piers 1 and 2 and the cantilever sign bridge will be marked in the field by Furtado and Associates prior to the start of the supplemental geotechnical exploration program.
- The proposed exploration locations will be accessible to a track-mounted drill rig and a small tracked excavator.
- Permits will not be required to clear brush and/or create a relatively level working surface for the drill rig.
- Landau Associates will provide temporary erosion and sediment control measures by placing straw wattles along the downslope perimeter of the disturbed area.
- Restoration of disturbed vegetation will not be required; however, Landau Associates will stabilize areas of disturbed ground with mulch or straw at the completion of the subsurface investigation.
- The proposed exploratory borings will be conducted in unpaved areas (i.e., no pavement coring or restoration will be required).
- Ground improvement design by Landau Associates will not be needed.
- A site-specific ground motion response analysis will not be required.
- Additional borings may be required if during the design process the locations of the bridge foundations change.

*Deliverables:*

- Draft Geotechnical Report (One electronic copy, PDF)
- Final Geotechnical Report (One electronic copy, PDF)
- Comment Responses on Draft Geotechnical Report (One electronic copy, PDF)

**4.0 – PUBLIC OUTREACH & STAKEHOLDER ENGAGEMENT**

Stepherson & Associates (Stepherson) will provide Public Outreach and Stakeholder Engagement services.

*Task No. 4.01 – Public Outreach Communication Coordination Meetings*

Stepherson will update and manage the implementation of the Public Involvement Plan. Once approved a workplan will be developed and actively managed. Stepherson will plan, facilitate and report on Public Outreach communication coordination meetings with City. The purpose of these meetings will be to plan and coordinate Public Outreach efforts with City staff. Stepherson will plan and meet regularly as a team to coordinate work.

*Assumptions:*

- One (1) update to the Public Involvement Plan and twelve (12) updates to community outreach workplan.
- Assumes up to twelve (12) meetings.
- These meetings will occur at City offices or via video conference.
- Meetings will last approximately one (1) hour.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 10

- KPFF Project Manager and the Public Outreach Lead will participate in all meetings. A public outreach coordinator will participate in up to eight (8) meetings.
- For the basis of this scope of work the assumed number of Public Outreach Communication Coordination meetings for other design team members is as follows:
  - LMN Lead Bridge Architect: 3
  - KPG: Urban Design Lead: 3

*Deliverables:*

- Agenda and pre-meeting materials (electronic copy)
- Meeting minutes and action items (electronic copy)

*Task No. 4.02 – Communication Materials Development*

Stepherson will coordinate with the City and the design team to facilitate preparation, production and distribution of all public-facing communication materials, including project fact sheet, frequently asked questions (FAQ) and topic sheets (topic-specific sheets might describe elements of a bridge, right-of-way and/or trail connections) and web content. Materials could include translation in up to three (3) languages.

*Assumptions:*

- Stepherson will provide content updates, photos and graphics to City for City-hosted project website. Webpage updates will be submitted to City for review, approval and posting.
- Fact sheet (2), FAQ (2) and topic sheets (2) will be translated into Spanish and Korean. Other languages will be translated upon request.
- Stepherson will coordinate and pay for translation services.

*Deliverables:*

- Project fact sheet: one (1) draft and one (1) final at 60% design as well as one (1) draft and one (1) final at 90% design (electronic copy) one (1) draft and one (1) final at final design (electronic copy)
- Project FAQ: one (1) draft and one (1) final at 60% design as well as one (1) draft and one (1) final at 90% design (electronic copy)
- Project topic sheets: one (1) draft and one (1) final, for up to 2 topic sheets (electronic copy)
- Website update content (up to 4)

*Task No 4.03 – Online Presentation*

Stepherson will plan, coordinate, promote and attend one (1) online presentation. The online presentation will provide information and gather input on draft 60% design. Stepherson will prepare a detailed event plan for the online presentation that identifies goals, team member roles, promotions,

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 11

and a work back schedule for meeting preparation. Three (3) prep sessions will be facilitated by Stepherson.

*Assumptions:*

- Stepherson will coordinate printing and mailing, and translation services.
- The City will be invoiced directly for printing and mailing, and translation services.
- The City will use their communication channels to actively promote the online presentation and online open house.
- Assumes a 1-hour event with closed captioning.
- Stepherson will coordinate and pay for closed captioning.
- Interpretation services will be provided upon request and coordinated and paid for by Stepherson.
- Assumes up to one (1) preliminary practice /organization session one (1) hour in duration and two (2), 2-hour practice sessions.
- KPFF Project Manager and three (3) Stepherson staff will attend the online presentation and the practice sessions.
- KPFF Project Manager and the City will take the lead in developing Power Point presentation.
- KPFF, LMN and KPG will provide graphics and content for the online presentation (see Task 4.04).

*Deliverables:*

- Detailed event plan for one (1) online presentation, Draft and Final (electronic copy)
- Mailer/postcard for one (1) online presentation (jointly promoting online open house), Draft and Final (electronic copy)
- Online presentation activity report and summary (1 Draft, 1 Final)

*Task No 4.04 – Online Open House and Survey*

Stepherson will plan, set up, draft content, promote and report on two (2) online open house and survey as a companion to the online presentation. The online open house will have up to eight pages, contain project and City branding elements, and include a survey.

Stepherson and the KPFF Project Manager will assist on the City, as needed, with preliminary responses to the survey questions.

*Assumptions:*

- The City will use their communication channels to actively promote the online presentation (1) and online open house (2).
- Stepherson will coordinate and pay for printing of mailers (2).
- City will pay for mailing through postage account at Haller Lake Post Office.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 12

- Up to two (2) drafts, one final and maintenance of online open house site for up to three weeks.
- Will utilize Stepherson’s online open house platform infocommunity.org.
- The online open house will meet City branding standards and guidelines.
- Google translate will be utilized for translations.
- Graphics will be provided by the other design team members including:
  - After completion of the 60% Design Phase, KPG will provide presentation quality graphic showing urban design and trail features for the western trail connection and bridge landings. Assume up to four (4) individual graphics.
  - After completion of the 60% Design Phase, LMN will provide up to six (6) presentation quality renderings showing the bridge main span and east landings. KPG will assist LMN by providing input on plantings and other urban design features in this area.

*Deliverables:*

- Survey questions, Draft and Final (electronic copy)
- Presentation quality urban design and trail graphics of west trail connections and landings, draft and final (electronic copy)
- Presentation quality renderings of main bridge span and east landings, draft and final (electronic copy)
- Online open house and survey, two (2) drafts and one (1) final
- PDF of online open house (electronic copy)
- Review of up to 1000 (approx. 500/survey) survey responses
- Online open house activity reports (3)
- Online open house activity and survey report (1 draft, 1 final)
- Mailer/postcard for two (2) online open houses (one of which will jointly promote the online presentation), Draft and Final (electronic copy)

*Task No. 4.05 – Briefings and Community Presentations*

Stepherson will schedule, prepare for, staff and report on one-on-one meetings, stakeholder briefings and community presentations. This includes briefing support with each of the 3 churches (3 briefings/each) near the eastside bridge landing, the Parkwood and Ridgecrest Neighborhood Associations (2 briefings/each) and up to 8 briefings with Title VI populations and other stakeholders.

*Assumptions:*

- Assumes three (3) briefings with each of the three (3) churches (9 total)
- Assumes two (2) briefings each with Parkwood and Ridgecrest Neighborhood Associations (4 total)
- City will provide existing property owner contact information
- City will participate in briefings (with 3 churches and any other property owners where right-of-way may be acquired)



**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 13

- One (1) Stepherson staff and KPFF Project Manager will attend these briefings and presentations.
- Stepherson will coordinate and pay for interpretation services, if required.

*Deliverables:*

- Draft and Final individual stakeholder briefing reports (up to 21) (electronic copy)

*Task No. 4.06 – Correspondence & Reporting*

Stepherson will support City in the development of responses to public communications and reporting of project related community outreach during design.

*Assumptions:*

- Stepherson will draft responses. The City will review, finalize and distribute responses.
- Stepherson will draft a summary of community outreach activities that details how community was informed and involved in the project. This report will be drafted in a manner to be used with internal and external audiences.

*Deliverables*

- Up to twenty-five (25) draft communication responses (electronic copy)
- Draft and final community outreach report (electronic copy)

**TASK 5.0 – EASEMENT & PROPERTY ACQUISITION SUPPORT SERVICES**

*Task No. 5.01– Administrative and Meetings*

RES Group NW (RESGNW) will coordinate property acquisition activities with the appropriate City staff. Coordinate on schedule, budget, and deliverables for the duration of the work. Prepare parcel files (hard copy and electronic) meeting the documentation requirements of the effective WSDOT Local Agency Guidelines at the time of acquisition to include, but is not limited to, fair offer letters, recording and ancillary documents, a standard diary form indicating all contacts with owner(s), and other items necessary for negotiations.

RESGNW will attend up to eight (8) tele/videoconference meetings with the City to discuss ROW related topics. KPFF, in conjunction with the City, shall coordinate the date, time and agenda items for this meeting. RESGNW will submit weekly status reports to the City.

*Assumptions:*

- City will coordinate and schedule meetings with appropriate City staff.
- Weekly status reports will be submitted once negotiations begin

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 14

*Deliverables:*

- Weekly status reports (electronic copies)

*Task No. 5.02 – Title Services*

Conduct final review of up to three (3) title reports to assess type of ownership structure, existing encumbrances including access easements and potential conflicts from utility encumbrances, etc., that may require subordination agreements, reconveyances, etc., or pose obstacles or delays to the acquisition closing process. Coordinate with the City in assessing risk of existing parcel encumbrances and exceptions as they apply to the proposed acquisition on the parcel. Make recommendations regarding title encumbrances and exceptions in coordination with the City.

*Assumptions:*

- Title updates will be provided by the City.
- RESGNW will negotiate directly with SBA Inc (Cell tower owner) regarding renegotiation of existing utility easement on Iglesia parcel to keep existing utilities in place and any new easements for utilities installed for the cell tower as part of this project.

*Deliverables:*

- Title Summaries and Updated Title Summaries, draft and final (electronic copies)

*Task No. 5.03 – Appraisal Services*

RESGNW will contract with a WSDOT approved Fee Appraiser and Fee Review Appraiser for up to five (5) Appraisal Reports and five (5) reviews of the reports, this includes three (3) private properties, a WSDOT easement and a temporary construction easement from Sound Transit and one (1) valuation of the cell tower easement, if needed.

Submit all Appraisal Report(s) and Appraisal Review(s) to the City for review and establishment of Just Compensation by the City.

*Assumptions:*

- Contract for appraisal and review appraisal will be through RESGNW. Costs will be included as a reimbursable expense.

*Deliverables:*

- One (1) valuation of cell phone tower easement (electronic copy)
- Five (5) appraisal reports (electronic copy)
- Five (5) appraisal reviews (electronic copy)

*Task No. 5.04 – Negotiation Services*

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 15

RESGNW will perform property acquisition negotiation services for up to five (5) parcels for the project, this includes the permanent easement from WSDOT for the bridge pier and a temporary construction easement from Sound Transit. These services include:

- RESGNW will prepare a letter of introduction to property owners.
- Prepare offer and conveyance documents and submit offer packages for review by City and the governing funding agency, if applicable, utilizing WSDOT Local Agency forms or equivalent.
- Promptly present offers and negotiate in good faith with property owners to acquire necessary real property rights.
- Set up and maintain complete real property acquisition files for each impacted tax parcel or larger parcel.
- Conduct a minimum of three (3) significant and meaningful contacts with each property owner before recommendation of impasse in negotiations. Prepare Administrative Settlement Justification statements for up to three (3) properties. Provide written notice to the City of impasse in negotiations. Provide written notice to the City of recommendation for condemnation, if applicable.
- RESGNW will work with WSDOT to obtain an aerial/airspace easement for the main span of the proposed bridge and a permanent easement for the eastern bridge pier within WSDOT ROW.

*Assumptions:*

- Process will follow federal requirements for property acquisitions.
- All forms and documents shall comply with WSDOT standards and in accordance with statutory requirements.
- The City will review offer packages prior to presentation to property owners.

*Deliverables:*

- Five (5) electronic copy of complete real property acquisition files for the project and up to five (5) parcels as well as all original, signed conveyance documents required for recording and any other original documents required to comprise a complete property acquisition record (electronic copy)
- Requests for Payment supported by a signed a W-9 and other documents required to process payment (electronic copy)
- Aerial/airspace easement from WSDOT (electronic copy)
- Permanent easement from WSDOT for the eastern bridge pier (electronic copy)

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 16

*Task No. 5.05 – Closing Services*

RESGNW will provide the following closing services for the project:

- Conduct comprehensive checklist reviews for each acquisition file to support City's acquisition file review.
- Provide closing services to property owners for up to five (5) parcels.
- Submit signed conveyance documents with requests for payment and other supporting documents including signed W-9(s) and Excise Tax Affidavits, as applicable to the City for document recording and payment processing.
- Prepare payment vouchers for title clearing charges and submit to the City to process payment for up to Five (5) parcels.

*Assumptions:*

- The Consultant will transmit the signed conveyance documents and payment requests to the City for approval and processing
- The City will record conveyance documents and make payment for any and all compensation payments to property owners. The City will pay for all fees charged by trustees, and/or beneficiaries to clear encumbrances of record and other closing costs such as title policies, recording fees, and escrow fees if applicable

*Deliverables:*

- Five (5) electronic copy of complete real property acquisition files for the project and up to five (5) parcels as well as all original, signed conveyance documents required for recording and any other original documents required to comprise a complete property acquisition record

*Task No. 5.06 – ROW Plans and Legal Descriptions*

Furtado and Associates (F&A) will provide Parcel Maps and legal descriptions for all permanent acquisitions, TCEs, and WSDOT Airspace Lease. F&A will perform the following ROW services:

**Associated Field Survey**

F&A will perform field surveying necessary to complete the Right-of-Way services listed below.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 17

*Assumptions:*

- Surveying will be based on previous surveying efforts and limited to two (2) days
- No new survey areas are anticipated
- Surveying efforts will not extend beyond the properties already surveyed

*Deliverables:*

- Updating project existing conditions basemaps (electronic copy)

**ROW Plan Preparation**

F&A will prepare a draft and a final set of additional Right-of-Way Plans at a scale of 1" = 20' per Client standards and include:

- Quarter section, Township and Range
- Existing ST property limits
- Updated property ownership on ROW Plans
- Street labels
- Adjacent property lines, parcel identification (ID) numbers, Client ROW ID numbers, and owner names
- ROW centerlines with bearings and distances
- Fee take parcels
- Easements, existing (as appropriate) and proposed (temporary and permanent)
- Call-outs for parcels to be dedicated by Client to others (specify city, agency, etc.)
- Modifications to existing easements
- Temporary construction easements (TCE)

*Assumptions:*

- F&A will submit one set of ROW plans for the draft PE submittal.
- F&A will submit one set of ROW plans for the final PE submittal.
- Existing ROW lines will be modified by Subcontractor based upon survey.
- A maximum of three (3) ROW plans are required

*Deliverables:*

- CAD and PDF files of ROW Plans

**WSDOT Temporary and Permanent Airspace Lease Plan Preparation**

F&A will prepare a draft and a final set of WSDOT TCAL and ASL plans and legal description for 148<sup>th</sup> Non- Motorized bridge crossing at Interstate 5.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 18

*Assumptions:*

- F&A will submit one set of draft WSDOT TCAL and ASL plans
- F&A will submit one set of final WSDOT TCAL and ASL plans
- A maximum of one (1) each of TCAL and ASL plans are required

*Deliverables:*

- PDF files of WSDOT TCAL and ASL plans

**Parcel Maps Preparation**

- F&A will prepare draft and final Parcel Maps for the sites requiring partial acquisitions or easements in a format similar to those previous prepared for Client.
- The Subcontractor will prepare legal descriptions for the sites requiring partial acquisitions or permanent easements.
- Parcel Maps shall follow the Client template, per ROW Engineering Guide and include:
  - Two locational markers (e.g. - adjacent streets) if possible
  - Centerline of adjacent streets
  - Metes and bounds line work for parcel
  - Existing easements (as appropriate)
  - Proposed acquisitions including types and areas
  - Feature line work (e.g. nearby buildings, walls, curbs, edge of pavement)
  - North arrow, legend, scale, and title block

*Assumptions:*

- Legal descriptions for temporary construction easements (TCEs) will not be prepared.
- Each parcel map & legal description will be delivered as a draft and signed when ready for acquisition.
- There will be a maximum of four (4) properties requiring parcel maps & legal descriptions.
- Parcel maps & legal descriptions will require no more than two (2) drafts (one revision) each
- Title reports for affected properties will be provided by the Client

*Deliverables:*

- Up to four (4) Draft Parcel Maps and Legal Descriptions
- Up to four (4) Signed Parcel Maps and Legal Descriptions

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 19

**TASK 6.0 – ENVIRONMENTAL SERVICES**

Landau Associates is providing support for acquisition of environmental permits/authorizations under the 30% design phase, and this task is included to continue coordination with the Project Team to ensure permit conditions are adequately incorporated in final plans and specifications.

This task includes consulting services to coordinate with regulatory agencies to clarify permit conditions as necessary, review and comment of project plans and specifications in regard to environmental permit conditions, and coordination with the Project Team to ensure conformance of plans and specification with applicable environmental permits.

*Assumptions:*

- Project specifications and/or Plans will be provided to LAI

*Deliverables:*

- Markup of plans and/or specifications prepared by the Project Team (electronic copy)

**TASK 7.0 – BRIDGE CANOPY DESIGN - OPTIONAL**

*Task No. 7.01 – Preliminary Design*

As part of the 30% design, a tensile fabric canopy was proposed for the main bridge span. The City would like to explore a more traditional canopy structure with an option of including this in the final design. This task covers preliminary design of this canopy for evaluation by the City.

LMN and KPFF shall provide preliminary design for a more conventional main bridge span canopy. LMN will lead the design effort with KPFF providing structural and civil design support and KPG providing electrical/lighting design support.

Ott-Sakai will determine quantities and provide unit costs for structural and architectural bid items related to the canopy design.

KPG will provide quantities and unit costs for lighting/electrical design items related to the canopy design

*Assumptions:*

- Canopy will be of a traditional structural system, not tensile fabric.
- Canopy extends over the main bridge span only.
- The canopy will be designed such that it can be eliminated from the design with minimal impact to the design of the throw barrier or bridge structure

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 20

- LMN will coordinate with other disciplines on canopy structure, drainage, lighting design

*Deliverables:*

- Preliminary plans, elevations, sections, 3D modeled views (electronic copies)
- Estimated quantities and construction costs (electronic copies)

**TASK 8.0 – BRIDGE & TRAIL 60% DESIGN**

KPFF and the Subconsultants will perform the work necessary to complete the 60% design for the project.

The existing 30% bridge and trail design serves as the basis of design for all subsequent design phases.

KPFF will compile and submit to the City all deliverables described below in one complete package.

The following tasks are anticipated for the 60% design:

*Task No. 8.01 – Civil Engineering*

KPFF shall perform civil engineering work in support of the 60% design submittal including grading, paving, drainage, utilities, and traffic control design. See Exhibit 1 for anticipated civil design sheets to be included with this design submittal.

60% design will advance traffic control plans and coordination with WSDOT including draft versions of a WSDOT traffic management plan, TMP strategies, and site-specific traffic control plans for shoulder work on NB/SB I-5, including a full closure.

KPFF shall prepare a draft Stormwater Report for the project.

KPFF shall coordinate utility relocations required for the project, including preparing plans for any adjustments to water and sewer. Other utility relocations will typically be designed by the Utility and KPFF will assist in coordinating these relocations. Anticipated utilities include Ronald Wastewater District, Seattle City Light, Seattle Public Utilities and franchise utilities.

KPFF will provide 60% civil quantities and associated estimated costs. KPFF will provide technical special provisions for all non-standard bid items.



**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 21

*Assumptions:*

- Technical specifications will be based on and conform to the WSDOT Standards Specifications.
- Civil design will be in accordance with the 2020 City of Shoreline Engineering Design Manual.
- Stormwater will be managed in accordance with the City of Shoreline Engineering Design Manual 2020 and WSDOT Highway Runoff Manual.

*Deliverables:*

- 60% design Civil Plans (electronic copy)
- 60% design Civil Technical Special Provisions (electronic copy)
- 60% civil design quantities and unit costs (electronic copy)
- Draft Traffic Control documentation (electronic copy)
- Draft Stormwater Report (electronic copy)

*Task No. 8.02 – Structural Engineering*

KPFF shall perform the structural engineering work in support of the 60% design submittal See Exhibit 1 for anticipated structural design sheets to be included with this design submittal.

KPFF shall provide 60% structural quantities and bid items necessary for cost estimating.

KPFF will provide technical special provisions for all non-standard, structural bid items.

*Assumptions:*

- Technical specifications will be based on and conform to the WSDOT Standards Specifications.

*Deliverables:*

- 60% design Structural Plans (electronic copy)
- 60% design structural quantities (electronic copy)
- 60% design Structural Technical Special Provisions (electronic copy)

*Task No. 8.03 – Urban, Landscape, Illumination and Electrical Design*

KPG will perform Urban, Landscape, Illumination and Electrical Design work in support of the 60% design submittal, including illumination and electrical as required for bridge structure. See Exhibit 1 for anticipated urban/landscape/illumination and electrical design sheets to be included with this design submittal.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 22

KPG will provide urban/landscape/Illumination/electrical design quantities and associated estimated costs.

KPG will provide technical special provisions for all non-standard, urban/landscape/illumination/electrical bid items.

*Assumptions:*

- Technical specifications will be based on and conform to the WSDOT Standards Specifications.
- Urban, landscape and illumination design on East side connection will be coordinated with WSDOT and Sound Transit for compatibility and integrated design features.
- KPG will coordinate with KPFF for final trail alignment and bridge connection adjustments. KPFF will provide proposed backgrounds in AutoCAD for reference.
- KPFF will provide electronic template for technical special provisions and cost estimating.
- KPG will coordinate with LMN to provide illumination and electrical for the bridge structure as required.
- KPG will respond to recommendations included in the Arborists report for existing tree preservation, in the Tree Retention plan, as part of Task 12.1.

*Deliverables:*

- 60% Urban/Landscape/Illumination/Electrical design drawings (electronic copy)
- 60% design Urban/Landscape/Illumination/Electrical quantities and unit costs (electronic copy)
- 60% design Urban/Landscape/Illumination/Electrical Technical Special Provisions (electronic copy)
- Updated urban design illustrative package (electronic copy)
- Updated illumination report with preferred alternative (electronic copy)

*Task No. 8.04 – Bridge Architecture Design*

LMN shall perform the Bridge Architecture Design work in support of the 60% design submittal.

However, the architectural design of the elements listed below will be affected by a re-design of the canopy, per the city's direction. See Exhibit 1 for anticipated bridge architecture sheets to be included with at this design submittal.

Architectural Design will include design drawings and specifications for:

- Throw barriers
- Guardrails/Handrails
- Deck Finish
- Bridge paint colors, architectural finishes and other aesthetic elements.
- Coordination with other disciplines in design of lighting and drainage

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 23

LMN will provide technical special provisions for all non-standard bridge architecture bid items.

*Assumptions:*

- Technical specifications will be based on and conform to the WSDOT Standards Specifications.
- Bridge Architecture Design is assumed to encompass the span between the support abutments.
- Architectural design of the east approach and landings are excluded.
- Guardrails and handrails and lighting beyond the abutments will be documented by others (landscape and lighting disciplines), using similar design detailing by LMN as used for the main span

*Deliverables:*

- 60% design Bridge Architecture Drawings (electronic copy)
- 60% design Bridge Architecture Technical Specifications (electronic copy)

*Task No. 8.05 – 60% Cost Estimating, Constructability Review and Construction Schedule*

Ott-Sakai will calculate quantities and provide cost estimating for the structural and bridge architecture design elements (See Task 8.02 and 8.04). Ott Sakai will provide unit costs for these elements. KPFF will compile these into the overall project cost estimate.

Ott-Sakai will provide a construction schedule based upon the 60% design drawings. The construction schedule will show all construction activities, durations and interdependencies

Ott-Sakai will constructability review of the structural and bridge architecture design elements. These tasks include:

- Review and comment on structural and bridge architecture plans with respect to constructability
- Review and comment on structural and bridge architecture specifications with respect to constructability
- Review and provide input on construction staging. KPFF will lead development of staging plans.

*Assumptions:*

- The design team will provide 60% technical special provisions and design drawings to Ott-Sakai two (2) weeks in advance of the deliverable date.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 24

*Deliverables:*

- Structural and architectural quantities and unit costs (electronic copy)
- Constructability review comment on design drawings, specifications and staging plans (electronic copy)
- Construction schedule (electronic copy)

*Task No. 8.06 – 60% Division 1 Specifications, Deliverables Preparation & Submittal*

KPFF will provide 60% general special provisions and project specific special provisions for Division 1 of the project specifications.

KPFF will assemble all plan sheets and deliverables listed under Task 8.0 and compile them into a single deliverable for submittal to the City.

*Assumptions:*

- The City will provide a boilerplate for the Division 1 specifications and any other front-end documents.

*Deliverables:*

- Compiled 60% deliverables (Plans, specifications cost estimate, reports, memos, etc) (1 hardcopy, electronic copy)
- Division 1 general special provisions and project special provisions (electronic copy)

**TASK 9.0 – BRIDGE & TRAIL 90% DESIGN**

KPFF and the Subconsultants will perform the work necessary to complete the 90% design. Based on currently available funding, the project is expected to be delivered in two construction phases:

- Phase 1: Eastside trail landing and TCEs required for construction of Phase I elements
- Phase 2: Main span bridge, west trail connection, east bridge foundation, all ROW acquisition and TCE's required for construction of Phase 2 elements

Based on this delivery method, KPFF and the Subconsultants will split the project into two separate bid packages, each including the elements described above.

KPFF will compile and submit to the City all deliverables described below in one complete package.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 25

The following tasks are anticipated for the 90% design:

*Task No. 9.01 – Civil Engineering*

KPFF shall perform civil engineering work in support of the 90% design submittal as outlined in Task 8.01. See Exhibit 1 for anticipated civil design sheets to be included with this 90% design submittal.

KPFF will provide 90% civil quantities and associated estimated costs.

KPFF will provide technical special provisions for all non-standard civil bid items.

*Assumptions:*

- See Task 8.01 design assumptions.

*Deliverables:*

- Comment responses from 60% submittal (electronic copy)
- 90% design Civil Plans (electronic copy)
- 90% design Civil Technical Special Provisions (electronic copy)
- 90% design Civil quantities and unit costs (electronic copy)
- Final Traffic Control Documentation (electronic copy)
- Final Stormwater Report including responses to comments received on draft report (electronic copy)

*Task No. 9.02 – Structural Engineering*

KPFF shall perform the structural engineering work in support of the 90% design submittal See Exhibit 1 for anticipated structural design sheets to be included with this design submittal.

KPFF shall provide 90% structural quantities and bid items necessary for cost estimating. KPFF will provide technical special provisions for all non-standard, structural bid items.

*Assumptions:*

- See Task 8.02 design assumptions.

*Deliverables:*

- Comment responses from 60% submittal (electronic copy)
- 90% design Structural Plans (electronic copy)
- 90% design quantities and unit costs (electronic costs)
- 90% design Structural Technical Special Provisions (electronic copy)

*Task No. 9.03 – Urban, Landscape, Lighting and Electrical Design*

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 26

KPG will perform Urban, Landscape, Illumination and Electrical Design work in support of the 90% design submittal, including illumination and electrical as required for bridge structure.

KPG will provide urban /landscape/ illumination and electrical design quantities and associated estimated costs.

KPG will provide technical special provisions for all non-standard urban /landscape/illumination and electrical design bid items.

*Assumptions:*

- See Task 8.03 design assumptions.

*Deliverables:*

- Comment responses from 60% submittal (electronic copy)
- 90% Urban/Landscape/Illumination/Electrical design drawings (electronic copy)
- 90% design Urban/Landscape/Illumination/Electrical quantities and unit costs (electronic copy)
- 90% design Urban/Landscape/Illumination/Electrical Technical Special Provisions (electronic copy)

*Task No. 9.04 – Bridge Architecture Design*

LMN shall advance the 60% Bridge Architecture Design work in support of the 90% design submittal. See Exhibit 1 for anticipated bridge architecture sheets to be included with at this design submittal.

LMN will provide technical specifications for all non-standard bridge architecture bid items.

*Assumptions:*

- See Task 8.04 design assumptions.

*Deliverables:*

- Comment responses from 60% submittal (electronic copy)
- 90% design Bridge Architecture Drawings (electronic copy)
- 90% design Bridge Architecture Technical Specifications (electronic copy)

*Task No. 9.05 – 90% Cost Estimating, Constructability Review and Construction Schedule*

Ott-Sakai will calculate quantities and provide cost estimating for the structural and bridge architecture design elements (See Task 9.02 and 9.03). Ott-Sakai will provide unit costs for these elements. KPFF will compile these into the overall project cost estimate.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 27

Ott-Sakai will provide a construction schedule based upon the 90% design drawings. The construction schedule will show all construction activities, durations and interdependencies.

Ott-Sakai will constructability review of the structural and bridge architecture design elements. These tasks include:

- Review and comment on structural and bridge architecture plans with respect to constructability
- Review and comment on structural and bridge architecture specifications with respect to constructability
- Review and provide input on construction staging. KPFF will lead development of staging plans.

*Assumptions:*

- The design team will provide 90% technical special provisions and design drawings to Ott-Sakai two (2) weeks in advance of the deliverable date.

*Deliverables:*

- Structural and architectural quantities and unit costs (electronic copy)
- Constructability review comment on design drawings, specifications and staging plans (electronic copy)
- Construction schedule (electronic copy)

*Task No. 9.06 – 90% Division 1 Specifications, Deliverables Preparation & Submittal*

KPFF will provide 90% general special provisions and project specific special provisions for Division 1 of the project specifications.

KPFF will assemble all plan sheets and deliverables listed under Task 9.0 and compile them into a single deliverable for submittal to the City.

*Assumptions:*

- See Task 8.06 for assumptions.

*Deliverables:*

- Compiled 90% deliverables (Plans, specifications, cost estimate, reports, memos, etc) (1 hardcopy, electronic copy)
- Division 1 general special provisions and project special provisions (electronic copy)

**TASK 10.0 – BRIDGE & TRAIL 100% DESIGN**

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 28

KPFF and the Subconsultants will perform the work necessary to complete the 100% design. The 100% design will be based on the 90% design.

KPFF will compile and submit to the City all deliverables described below in one complete package.

The following tasks are anticipated for the 100% design:

*Task No. 10.01 – Civil Engineering*

KPFF shall perform civil engineering work in support of the 100% design submittal. See Exhibit 1 for anticipated civil design sheets to be included with this design submittal.

KPFF will provide 100% civil quantities and associated estimated costs.

KPFF will provide technical special provisions for all non-standard civil bid items

*Assumptions:*

- See Task 9.01 design assumptions.

*Deliverables:*

- Comment responses from 90% submittal (electronic copy)
- 100% design Civil Plans (electronic copy)
- 100% design quantities and unit costs (electronic copy)
- 100% design Civil Technical Special Provisions (electronic copy)

*Task No. 10.02 – Structural Engineering*

KPFF shall perform the structural engineering work in support of the 100% design submittal See Exhibit 1 for anticipated structural design sheets to be included with this design submittal.

KPFF shall provide 100% structural quantities and bid items necessary for cost estimating.

KPFF will provide technical special provisions for all non-standard, structural bid items.

*Assumptions:*

- See Task 9.02 design assumptions.

*Deliverables:*

- Comment responses from 90% submittal (electronic copy)



**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 29

- 100% design Structural Plans (electronic copy)
- 100% structural quantities and bid items (electronic copy)
- 100% design Structural Technical Special Provisions (electronic copy)

*Task No. 10.03 – Urban, Landscape, Illumination and Electrical Design*

KPG will perform Urban, Landscape, Illumination and Electrical Design work in support of the 100% design submittal. See Exhibit 1 for anticipated urban/landscape/Illumination and electrical design sheets to be included with this design submittal.

KPG will provide urban/landscape/illumination/electrical design quantities and associated estimated costs.

KPG will provide technical special provisions for all urban/landscape/illumination/electrical non-standard bid items.

*Assumptions:*

- See Task 9.03 design assumptions.

*Deliverables:*

- Comment responses from 90% submittal (electronic copy)
- 100% Urban/Landscape/Illumination/Electrical design drawings (electronic copy)
- 100% design Urban/Landscape/Illumination/Electrical quantities and unit costs (electronic copy)
- 100% design Urban/Landscape/Illumination/Electrical Technical Special Provisions (electronic copy)

*Task No. 10.04 – Bridge Architecture Design*

LMN shall advance the 90% Bridge Architecture Design work in support of the 100% design submittal. See Exhibit 1 for anticipated bridge architecture sheets to be included with at this design submittal.

LMN will provide technical special provisions for all non-standard bridge architecture bid items.

*Assumptions:*

- See Task 9.04 design assumptions.

*Deliverables:*

- Comment responses from 90% submittal (electronic copy)
- 100% design Bridge Architecture Plans (electronic copy) as listed in Exhibit 1
- 100% design Bridge Architecture Technical Specifications (electronic copy)

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 30

*Task No. 10.05 – 100% Cost Estimating and Constructability Review*

Ott Sakai will provide cost estimating for the structural and bridge architecture design elements (See Task 10.02 and 10.04). Ott Sakai will provide unit costs for these elements. KPFF will compile these into the project cost estimate.

Ott-Sakai will calculate quantities and provide cost estimating for the structural and bridge architecture design elements (See Task 10.02 and 10.03). Ott-Sakai will provide unit costs for these elements. KPFF will compile these into the overall project cost estimate.

Ott-Sakai will provide a construction schedule based upon the 100% design drawings. The construction schedule will show all construction activities, durations and interdependencies.

Ott-Sakai will constructability review of the structural and bridge architecture design elements. These tasks include:

- Review and comment on structural and bridge architecture plans with respect to constructability
- Review and comment on structural and bridge architecture specifications with respect to constructability
- Review and provide input on construction staging. KPFF will lead development of staging plans.

*Assumptions:*

- The design team will provide 100% technical special provisions and design drawings to Ott-Sakai two (2) weeks in advance of the deliverable date.

*Deliverables:*

- Structural and architectural quantities and unit costs (electronic copy)
- Constructability review comment on design drawings, specifications and staging plans (electronic copy)
- Construction schedule (electronic copy)

*Task No. 10.06 – 100% Division 1 Specifications, Deliverables Preparation & Submittal*

KPFF will provide 100% general special provisions and project specific special provisions for Division 1 of the project specifications.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 31

KPFF will assemble all plan sheets and deliverables listed under Task 9.0 and compile them into a single deliverable for submittal to the City.

*Assumptions:*

- See Task 9.06 for assumptions.

*Deliverables:*

- Compiled 100% deliverables (Plans, specifications, cost estimate, reports, memos, etc) (1 hardcopy, electronic copy)
- Division 1 general special provisions and project special provisions (electronic copy)

**TASK 11.0 – BRIDGE & TRAIL BID DOCUMENTS**

KPFF and the Subconsultants will perform the work necessary to complete bid documents for the project.

All bid documents will be stamped and sealed by an architect, landscape architect or professional engineer licensed in the State of Washington.

KPFF will compile and submit to the City all deliverables described below in one complete package.

The following tasks are anticipated for the bid documents:

*Task No. 11.01 – Civil Engineering*

KPFF shall perform civil engineering work in support of the Bid Document design. See Exhibit 1 for anticipated civil design sheets to be included with this design submittal.

KPFF will provide civil quantities and associated estimated costs for Bid Documents.

KPFF will provide technical special provisions for all non-standard civil bid items

*Assumptions:*

- See Task 10.01 design assumptions.

*Deliverables:*

- Bid Document Civil Plans, signed and sealed (electronic copy)
- Bid Document Civil quantities and unit costs (electronic copy)
- Bid Document Civil Technical Special Provisions, signed and sealed (electronic copy)

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 32

*Task No. 11.02 – Structural Engineering*

KPFF shall perform the structural engineering work in support of the Bid Document design submittal. See Exhibit 1 for anticipated structural design sheets to be included with this design submittal.

KPFF shall provide structural quantities and bid items necessary for cost estimating. KPFF will provide technical special provisions for all non-standard, structural bid items.

*Assumptions:*

- See Task 10.02 design assumptions.

*Deliverables:*

- Bid Document Structural Plans, signed and sealed (electronic copy)
- Bid Document structural quantities (electronic copy)
- Bid Document Structural Technical Special Provisions, signed and sealed (electronic copy)

*Task No. 11.03 – Urban, Landscape, Illumination and Electrical Design*

KPG will perform Urban, Landscape, Illumination and Electrical Design work in support of the Bid submittal. See Exhibit 1 for anticipated urban/landscape/Illumination and electrical design sheets to be included with this design submittal.

KPG will provide urban/landscape/Illumination/electrical design quantities and associated estimated costs. KPG will provide technical special provisions for all non-standard bid items.

*Assumptions:*

- See Task 10.03 design assumptions.

*Deliverables:*

- Bid Urban/Landscape/Illumination/Electrical design drawings, signed and sealed (electronic copy)
- Bid Urban/Landscape/Illumination/Electrical quantities and unit costs (electronic copy)
- Bid Urban/Landscape/Illumination/Electrical Technical Special Provisions, signed and sealed (1 hardcopy, electronic copy)

*Task No. 11.04 – Bridge Architecture Design*

LMN shall update the 100% Bridge Architecture Design work in support of the Bid Documents submittal. See Exhibit 1 for anticipated bridge architecture sheets to be included with at this design submittal.

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
 Page 33

LMN will update technical specifications for all non-standard bridge architecture bid items.

*Assumptions:*

- See Task 10.04 design assumptions.

*Deliverables:*

- 100% design Bridge Architecture Plans, signed and sealed (electronic copy)
- 100% design Bridge Architecture Technical Specifications, signed and sealed (electronic copy)

*Task No. 11.05 – Bid Documents Cost Estimating*

Ott Sakai will provide cost estimating for the structural and bridge architecture design elements (See Task 11.02 and 11.04). Ott Sakai will provide unit costs for these elements. KPFF will compile these into the project cost estimate.

*Task No. 11.06 – Bid Documents Division 1 Specifications, Deliverables Preparation & Submittal*

KPFF will provide Bid Document general special provisions and project specific special provisions for Division 1 of the project specifications.

KPFF will assemble all plan sheets and deliverables listed under Task 9.0 and compile them into a single deliverable for submittal to the City.

*Assumptions:*

- See Task 10.06 for assumptions.

*Deliverables:*

- Compiled Bid Document deliverables (Plans, specifications, cost estimate, reports, memos, etc) (1 hardcopy, electronic copy)
- Division 1 general special provisions and project special provisions (electronic copy)

**TASK 12.0 – TREE ASSESSMENT AND ARBORIST REPORT**

KPG will perform consulting arborist work on trees within the limits of disturbance in support of the 60% Design submittal. KPG will conduct a tree inventory which will assess location, size, condition, health, species, and tree preservation policy for all trees anticipated to be impacted by the proposed design. The tree inventory will be used to prepare a draft Arborist Report, which will include a Tree Retention Plan (to be included in the 60% submittal). The

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 34

draft Arborist Report will be submitted to the City for review. KPG will address City comments and resubmit a final Arborist Report.

*Task No. 12.01 – Tree Assessment, Arborist Report & Tree Retention Plan*

*Assumptions:*

- Electronic survey will be provided by KPFF
- KPFF to provide further survey information if trees are determined to be severely impacted by the proposed design and are outside of current survey limits.
- Site access will be facilitated by the City and KPFF, including access to the WSDOT site
- Code research for tree mitigation will be part of Task 8.03.
- Design solution for reducing impact on trees on private property will be part of Task 8.03.

*Deliverables:*

- Draft and Final Arborist Report, including Tree Retention Plan (electronic copies)

**TASK 13.0 – ADDITIONAL UNANTICIPATED, URGENT OR SPECIAL SERVICES**

KPFF and the Subconsultants may provide engineering services which are unplanned, urgent and/or critical to maintaining the project schedule and progress of the work. The work of this task must be specifically scoped, agree to and authorized in writing by the City prior to performing the work. Work areas may include, but are not limited to the following:

- Provide additional surveying
- Attend meetings
- Coordinate with public utilities and companies
- Provide ROW services
- Prepare draft responses to technical questions from the public and other associated with engineering design
- Provide services pertaining to civil, structural, urban design, landscape, architectural, permitting, geotechnical and cost estimating
- Other tasks to complete final design of project

**Exhibit A – Scope of Work**  
**City of Shoreline, N 148<sup>th</sup> Non-Motorized Bridge Project**  
Page 35

*Deliverables:*

- Reports, estimates, drawings, memorandums and documentation, as appropriate

*Assumptions:*

- Up to 632 hours are planned for this task. The specific hours will be determined based upon actual services authorized.

DRAFT





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

<b>AGENDA TITLE:</b>	Approval of Property Tax Exemption Program Contract for the Shoreline Multifamily, LLC Project Located at 18815 Aurora Avenue N
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	Nathan Daum, Economic Development Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

**PROBLEM/ISSUE STATEMENT:**

The City Manager has approved an application by Shoreline Multifamily, LLC for a Multi-Family Limited Property Tax Exemption (MFTE; also known as PTE for Property Tax Exemption) on a project at 18815 Aurora Avenue N. The applicant has agreed to a contract with the City stating that the residential improvements of their projects will be exempt from property taxation for 12 years in exchange for providing affordable housing and other conditions. SMC 3.27.060 specifies that City Manager approval is subject to approval by the City Council. Tonight, staff is seeking Council approval of this MFTE contract (Attachment A).

**RESOURCE/FINANCIAL IMPACT:**

During the development of an MFTE project, the value of the residential improvements is taxable until the City certifies completion of the project and compliance with MFTE requirements. On the following January 1, the 12-year tax exemption on residential improvements begins, but this does not reset tax revenues for the City or other districts. That taxation—typically less than 100% of the ultimate, finished-project value—is effectively shifted to other taxpayers. If, in the event an assessment of the property is filed at 100% completion, but before issuance of a final certificate of tax exemption, the total value of the project could be added to the City's total assessed value. As an MFTE project, the exempted taxes on the improvements would, in that case be collected from taxpayers across the City. This shift to the City's approximately 22,000 households would amount to approximately \$100,000 in City share of property taxes, or \$5 per household per year.

The tax foregone is only that amount levied on the difference between the assessed value when evaluated during construction and upon completion. The balance will not be added to the assessed value until the 13<sup>th</sup> year. When the assessor last valued

properties, construction had not begun so a precise estimate was not calculated. For the purposes of this report, zero tax revenue to the City on the value of the improvements was assumed during the 12-year exemption period. However, due to the assumed increase in population, staff estimates tax revenues to the City overall would increase despite the exemption on the improvements.

Staff and consultant time is required to process applications, file annual reports to the state and King County, and to monitor compliance with affordable housing requirements.

### **RECOMMENDATION**

Staff recommends that the City Council approve the MFTE contract for the Shoreline Multifamily, LLC project located at 18815 Aurora Avenue N.

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

## **BACKGROUND**

The Multi-Family Tax Exemption (MFTE; also known as PTE for Property Tax Exemption) program was instituted by the state legislature to provide incentives to construct multifamily housing and later amended to help create affordable housing. According to the conclusions of the Growth Management Act and the legislature, multifamily housing and affordable housing are needed throughout the Puget Sound area to help mitigate negative environmental impacts of population growth in the region.

The MFTE program provides the property owner an exemption from the *ad valorem* property taxes on new or rehabilitated housing improvements (including residential parking) for the duration of the exemption period. Shoreline has offered an MFTE program in nine (9) designated Residential Targeted Areas for many years. A summary of the previously approved MFTE projects in Shoreline is included in Attachment B to this staff report. The current Shoreline MFTE program requires that at least 20% of the project be affordable and provides a qualified project 12 years of exemption from property taxation.

## **DISCUSSION**

The City Manager has approved an application by Shoreline Multifamily, LLC for an MFTE on a project located at 18815 Aurora Avenue N (Attachment A). The applicant has agreed to a contract with the City stating that the residential improvements of their projects will be exempt from property taxation for 12 years in exchange for providing affordable housing and other conditions. SMC 3.27.060 specifies that City Manager approval is subject to approval by the City Council. Tonight, staff is seeking Council approval of this MFTE contract.

This project complies with all applicable requirements of RCW 84.14.060 and SMC 3.27.040. The next step in the MFTE process is for the City Council to approve or deny the contract that defines the terms under which the City will grant property tax exemptions, including binding the property to provide affordable housing for the period according to the RCW 84.14 and Chapter 3.27 SMC. Project details include:

Location:	18815 Aurora Ave N
Residential Targeted Area:	Aurora Avenue North Corridor
Units provided:	315
Affordable units provided:	63
Duration of tax exemption:	12 years
Affordability levels:	Studio and 1-bedroom units—70% AMI 2-bedroom and larger units—80% AMI
Duration of affordability:	12 years
Expected completion:	September 2022
Permit number:	PLN19-0179

## **RESOURCE/FINANCIAL IMPACT**

During the development of an MFTE project, the value of the residential improvements is taxable until the City certifies completion of the project and compliance with MFTE requirements. On the following January 1, the 12-year tax exemption on residential improvements begins, but this does not reset tax revenues for the City or other districts. That taxation—typically less than 100% of the ultimate, finished-project value—is effectively shifted to other taxpayers. If, in the event an assessment of the property is filed at 100% completion, but before issuance of a final certificate of tax exemption, the total value of the project could be added to the City's total assessed value. As an MFTE project, the exempted taxes on the improvements would, in that case be collected from taxpayers across the City. This shift to the City's approximately 22,000 households would amount to approximately \$100,000 in City share of property taxes, or \$5 per household per year.

The tax foregone is only that amount levied on the difference between the assessed value when evaluated during construction and upon completion. The balance will not be added to the assessed value until the 13<sup>th</sup> year. When the assessor last valued properties, construction had not begun so a precise estimate was not calculated. For the purposes of this report, zero tax revenue to the City on the value of the improvements was assumed during the 12-year exemption period. However, due to the assumed increase in population, staff estimates tax revenues to the City overall would increase despite the exemption on the improvements.

Staff and consultant time is required to process applications, file annual reports to the state and King County, and to monitor compliance with affordable housing requirements.

### **Tax Exemption Savings**

While assessor's data won't be available until the project is constructed, rough estimates based on other Shoreline MFTE projects suggest that over the 12 years of exemption the owner will save somewhere between \$1.2 million to \$1.6 million in city taxes and \$10.6 million to \$14 million from all taxing districts (about \$223,000 per affordable unit).

### **Public Benefit Calculation**

Current income and rent limits are attached to this staff report (Attachment C). Using the reported market rents of another new, nearby property, the City estimates the 12-year value of the affordable housing (the public benefit) to be approximately \$3,660,000, or \$58,000 per affordable unit. (This "rent gap" could turn out to be higher or lower, depending on relative changes between market and affordable rents over time.)

### **Limited Fiscal Analysis**

Although the valuation of the project may not be fully on the City's tax rolls for 12 years, therefore lowering the amount of new property tax collected, there are other revenue

streams that will be generated by the project and the occupants of the units to off-set the costs of providing services to the new residents. These include one-time revenues and on-going revenues, which are highlighted below.

Estimated One-time City Revenues

One-time revenues for this project include the following:

- Real Estate Excise Tax (REET): REET is collected when a property is sold. The REET collected by the City on the developer’s purchase of this property is estimated at approximately \$47,500.
- Sales and Use Tax: Sales and use tax is collected by the City on construction when a project is developed in Shoreline. The City’s share of sales taxes, which are collected on the total of a project’s hard and soft costs, are estimated at \$509,345 for this project.
- Impact Fees: The City currently collects park and transportation impact fees for all new residential units (single-family and multi-family). In 2021, each new multi-family apartment unit is assessed a transportation impact fee of \$4,608 and a park impact fee of \$2,838. Therefore, an estimated \$2,345,569 in impact fees will be collected for the 315 units of this Project. While impact fees are designed to ensure concurrency with a level of service as a result of the growth in population, they also contribute to prioritized projects of benefit to the whole community.

In total, it is anticipated that this project will pay the City an estimated \$2,902,414 in one-time taxes and fees, not including permit fees. This is outlined in Table 1 below:

**Table 1: Estimated One-time City Revenues (18815 Aurora Ave N)**

REET on Land Sale	\$47,500
Sales Tax of 1.05% (Construction)	\$509,345
Impact Fees (315 Units X \$7,446)	\$2,345,569
<b>Total</b>	<b>\$2,902,414</b>

On-Going Revenues

On-going revenues for the project include the following:

- Sales and Use Tax: As new residents occupy the multi-family units, they buy goods in Shoreline that generate sales tax. On average, staff estimates that each resident of a multi-family unit generates approximately \$119.74 per year of sales taxes in Shoreline.
- Utility Taxes: All residents of multi-family housing use a variety of utilities which are subject to utility taxes and franchise fees. This includes water, wastewater, solid waste, electricity, natural gas, cable, telecommunications, and surface water. On average, staff estimates that each resident of a multi-family unit generates approximately \$114.77 per year of utility taxes.
- State Shared Revenues: Many of the state shared revenues distributed to the City are based on a per capita basis. Assuming that the average multi-family unit

occupancy is two people per unit, each resident of a unit generates approximately \$36.15 per year of state shared revenues.

Table 2 below provides a comparison of estimated on-going annual City revenues from the property prior to the development, the annual revenues during the 12-year property tax exemption period, and the annual revenues following the expiration of the 12-year tax exemption period. This project is under construction on a former commercial property. Due to confidentiality laws, tax data pertaining to an individual taxpayer was not available for staff's analysis of the preexisting use. For a rough estimate, staff determined an equivalent of 100 taxpayers residing on the property could be substituted. As such, the pre-redevelopment City revenues from the property and business located on it are estimated to have been approximately \$38,400 per year. Despite the tax exemption on the improvements, this total would more than quadruple during the 12-year tax exemption period to nearly \$182,000 per year. By staff's analysis, 94% of those ongoing annual revenues could be attributed to the new residents, not the building developer or owner. Following the expiration of the tax exemption, the addition of the higher assessed value of the new improvements could bring this total to more than \$290,000 in revenues to the City, 58% of which could be attributed to the new residents.

**Table 2: Estimated Annual Revenue - 18815 Aurora Ave N**

	<b>Pre-Development</b>	<b>Development and MFTE Program Duration</b>	<b>Post MFTE Program</b>
<b>Assumptions</b>		(Years 1-12)	(Years 13+)
<b>Total Units</b>	0	315	315
<b>MFTE Program-Enrolled Affordable Units</b>	0	63	0
<b>Population</b>	0	630	630
<b>Property Tax (Land)</b>	\$11,300	\$11,300	\$11,300
<b>Property Tax (Improvements)</b>	0	0	\$109,000
<b>Sales Tax</b>	\$12,000	\$75,400	\$75,400
<b>Utility Tax</b>	\$11,500	\$72,300	\$72,300
<b>State-Shared Revenue (restricted)</b>	\$3,600	\$22,800	\$22,800
<b>Total (Annual)</b>	\$38,400	\$181,800	\$290,800

**Next Steps**

If the Council approves the proposed contract, the City Manager will issue Conditional Certificates of Property Tax Exemption to the applicant. The applicant has three years to complete the project and then may apply to the City for a Final Certificate. The City Manager may approve (or deny) the Final Certificate application without Council action.

If approved, the City will file the Final Certificate with the County Assessor and the residential improvements will be exempt beginning the following January 1.

### **RECOMMENDATION**

Staff recommends that the City Council approve the MFTE contract for the Shoreline Multifamily, LLC project located at 18815 Aurora Avenue N.

### **ATTACHMENTS**

Attachment A: Proposed MFTE Contract for the Shoreline Multifamily, LLC Project

Attachment B: Summary of Approved MFTE Projects in Shoreline

Attachment C: 2020 Income and Rent Limits

WHEN RECORDED, MAIL TO:

City of Shoreline  
17500 Midvale Ave N  
Shoreline, WA 98133

ATTN: City Clerk

**WASHINGTON STATE COUNTY AUDITOR/RECORDER/S INDEXING FORM**

<p><b>Document Title(s)</b> <i>(or transactions contained therein):</i></p> <p><b>MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT-18815 AURORA AVE N</b></p>
<p><b>Reference Number(s) of Documents assigned or released:</b></p> <p><input type="checkbox"/> Additional reference numbers on page ____ of document.</p>
<p><b>Grantor(s)</b> <i>(Last name first, then first name and initials):</i></p> <p>1. <u>Shoreline Multifamily, LLC</u></p> <p><input type="checkbox"/> Additional names on page __ of document.</p>
<p><b>Grantee(s)</b> <i>(Last name first, then first name and initials):</i></p> <p>1. <u>CITY OF SHORELINE, WASHINGTON</u></p> <p><input type="checkbox"/> Additional names on page __ of document.</p>
<p><b>Legal Description</b> <i>(abbreviated form; i.e., lot, block, plat name, section-township-range):</i></p> <p><u>LOTS 72 AND 73, RICHMOND HIGHLANDS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 18 OF PLATS, PAGE 77, IN KING COUNTY, WASHINGTON; EXCEPT THAT PORTION OF LOT 72 HERETOFORE CONVEYED TO THE STATE OF WASHINGTON FOR ROAD BY DEED RECORDED UNDER RECORDING NUMBER 2173656; EXCEPT THAT PORTION OF LOT 73 CONDEMNED IN KING COUNTY SUPERIOR COURT CASE NO. 190508 FOR STATE ROAD NO. 1.</u></p> <p><input checked="" type="checkbox"/> Additional legal on Exhibit "A" of document.</p>
<p><b>Assessor's Property Tax Parcel Account Number(s):</b></p> <p><u>728390-0720</u></p>

*The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document.*



**MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT**

**18815 AURORA AVE N**

THIS MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT (the "Contract") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between the CITY OF SHORELINE, a Municipal Corporation of the State of Washington (the "City"); Shoreline Multifamily, LLC, a California limited liability company (the "Owner").

WHEREAS, the City has an interest in stimulating new construction or rehabilitation of multi-family housing in Residential Targeted Areas in order to reduce development pressure on single-family residential neighborhoods, increase and improve housing opportunities, provide affordable housing opportunities, and encourage development densities supportive of transit use; and

WHEREAS, the City has, pursuant to the authority granted to it by Revised Codes of Washington (RCW) Chapter 84.14, designated various areas of the City as Residential Targeted Areas for the provision of a limited property tax exemption for new or rehabilitation multi-family housing; and

WHEREAS, the City has, as set forth in Chapter 3.27 SMC, enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the King County Assessor that the owner is eligible to receive a limited property tax exemption; and

WHEREAS, the Owner is interested in receiving a limited property tax exemption for constructing 315 units of NEW multifamily housing ("Project") within the Aurora Avenue North Corridor Residential Targeted Area pursuant to SMC 3.27.030; and

WHEREAS, the Owner submitted to the City a complete application for Property Tax Exemption outlining the proposed Project to be constructed on property located at 18815 Aurora Avenue N in Shoreline, Washington ("Property") and legally described in **Exhibit A** of this Contract; and

WHEREAS, in consideration of the City's approval of Permit No. \_\_\_\_\_, the Owner accepts certain conditions affecting the use of the Property and the improvements authorized by Permit No. \_\_\_\_\_. It is the purpose of this Contract to set forth those conditions and to impose enforceable restrictions on the use and occupancy of the residential portion of the Property; and

WHEREAS, on November 17, 2019 the city manager determined that the application met all the eligibility and procedural requirements to qualify for a Conditional Certificate of Acceptance of Property Tax Exemption as provided in Chapter 3.27 SMC, with the exception of entering in to and recording this Contract; and

WHEREAS, on \_\_\_\_\_, the City Council authorized the city manager to execute this contract; and

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption.

NOW, THEREFORE, for and in consideration of the mutual promises aforesaid and made and relied upon by the parties hereto, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the City mutually agree as follows:

SECTION 1 – DEFINITIONS

Unless otherwise expressly provided herein, the following terms shall have the respective meanings set forth below. If a term is not defined herein, then it shall be defined as provided in Chapter 20.20 SMC or given its usual and customary meaning.

"Affordable Units" means the sixty-three (63) units in the Project designated by the Owner and approved by the City, as set forth in **Exhibit B**, and reserved for occupancy by Eligible Households with maximum rents pursuant to Section 3.

"City's Designee" mean that individual(s) authorized by the City to administer this Contract.

"Completion Date" means the date of the first certificate of occupancy issued by the City for the Project.

"Compliance Period" means twelve (12) years from the date of initial occupancy of the Affordable Units.

"Dwelling Unit" means a residential living facility, used, intended, or designed to provide physically segregated complete independent living facilities for one or more persons, including living, sleeping, cooking and sanitation facilities.

"Eligible Household" means one or more adults and their dependents who meet the qualifications for eligibility set forth in Section 3.F. or Section 3.I.

"Household Income" means gross annual income from all household members over the age of 18 residing in the household. Gross annual income consists of all wages, benefits (e.g. military, unemployment, welfare), interest, and other such income. Income of dependents over the age of 18 who reside within a household for less than three (3) months of the year will not be counted toward Household Income.

"Household Size" means all of the persons, related or unrelated, occupying an Affordable Unit. For the purpose of calculating maximum Housing Expenses, the following assumptions apply:

<u>UNIT TYPE</u>	<u>ASSUMED HOUSEHOLD SIZE</u>
Studio	1 Person
Open 1-Bedroom	1.5 Persons
1 Bedroom	1.5 Persons
2 Bedroom	3 Persons
3 Bedroom	4.5 Persons

"Housing Expense" means a tenant's costs for rent, parking for one motor vehicle, if a parking space is available, Utilities or an equivalent Utility Allowance, and any recurring expenses required by the Owner as a condition of tenancy. Expenses that the Owner makes optional, such as pet rent, extra storage space, or additional parking, are not considered Housing Expenses for the purpose of this Contract.

"Median Income" means the median family income for the *Seattle-Bellevue, WA HUD Metro FMR Area* as most recently published by the Secretary of Housing and Urban Development (HUD), as amended. In the event that HUD no longer publishes median family income figures, the City may estimate the Median Income applicable to the City in such manner as the City shall reasonably determine in its sole discretion.

"Property" means the real property, together with improvements, legally described in **Exhibit A**.

"Project" means the Owner's multi-family residential building containing 315 Dwelling Units also known as "18815 Aurora Ave N."

"SMC" means the Shoreline Municipal Code, as it now exists or hereinafter amended.

"Utility" or "Utilities" means water, electricity, natural gas, sewer, and garbage collection but not including phone, internet service, or cable or satellite television.

"Utility Allowance" means that portion of Housing Expenses that the City determines, from time to time, is adequate for the reasonable Utility costs of Affordable Units in the event the Owner makes tenants responsible for payment for their own Utilities.

SECTION 2 – THE PROJECT

A. General Description. The Owner will construct the Project for purposes of providing multi-family rental housing, and the Owner shall own, manage, and operate (or cause the management and operation of) the Project. The Owner agrees to construct the Project in compliance with all applicable land use regulations and as approved and permitted by the City. In no event shall such construction provide less than fifty percent (50%) of the space for permanent residential occupancy as required by SMC 3.27.040(A)(2).

B. The Owner agrees to complete construction of the agreed upon improvements within three (3) years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption, or within any extension thereof granted by the City.

C. Conversion from Renter-Occupied to Owner-Occupied. In the event the Property is proposed for conversion to a condominium, owner-occupied, or non-rental residential use during the Compliance Period, the Owner must submit to the City for its review a plan for preserving the Affordable Units. The City may consider options which would convert the Affordable Units to owner-occupancy by Eligible Households and are consistent with the provisions of Chapter 3.27 SMC and SMC 20.40.235. The Owner must receive authorization from the City prior to conversion to condominium, owner-occupied, or non-rental residential use. This section does not waive the Owner's obligations to comply with any other law or regulations pertaining to conversion to ownership use.

SECTION 3 – AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS

A. Number of Affordable Units. The Project shall include the number and types of Affordable Units as set forth in the table below.

**Dwelling Units in the Project**

<b>Unit Type (Bedrooms)</b>	<b>Total Units</b>	<b>Affordable Units</b>
Studio	56	11
Open 1-bedroom	110	22
1-bedroom	96	19
2-bedroom	53	11
Total	315	63

B. Similar Quality Construction. All of the Dwelling Units in the Project shall be constructed of similar quality. The Affordable Unit(s) shall have substantially the same net square footage, equipment, and amenities as other Dwelling Units in the Project with a comparable number of rooms.

C. Designation of Affordable Units. Affordable Units shall be generally distributed throughout the Project. The Owner agrees to designate the Dwelling Units identified in **Exhibit B** as Affordable Units. The Owner, from time to time, may propose to change the specific Dwelling Units designated as Affordable Units herein, in which case the Owner shall notify the City of the proposed change in writing for the City's approval. The City will review the proposed changes and shall approve or deny the proposed changes based upon the criteria that at all times at least 63 of all of the Dwelling Units in the Project are designated as Affordable Units, and provided that at all times the same unit mix and affordability mix is retained.

D. Maximum Rents for Affordable Units.

(1) The Housing Expense of an Affordable Unit shall not exceed thirty percent (30%) of the Income Level relevant for the Unit Type shown in the following table, with adjustments for assumed Household Size.

**Maximum Affordable Rents**

<b>Unit Type</b>	<b>Income Level (Percent of Median Income)</b>
Studio, Open 1-bedroom, or 1-bedroom	70%
2 or more bedrooms	80%

(2) An Affordable Unit's contract rent shall not exceed the Unit's maximum Housing Expense less a Utility Allowance (if applicable) and any other recurring expenses required by the Owner as a condition of rental.

(3) No Affordable Unit's tenant shall have more than one rent increase for the same Unit in any twelve (12)-month period; provided, however, that in the event an Affordable Unit's lease expires and said tenant elects to continue leasing the Affordable Unit on a month-to-month tenancy, and the tenant remains an Eligible Household, the Owner may increase the rent for that Affordable Unit up to once every thirty (30) days but no higher than the maximum contract rent as set forth in this section.

E. Renting Affordable Units to Eligible Households. During the Compliance Period, the Owner shall lease or rent, or make available for lease or rental, to Eligible Households all of the Affordable Units in the Project. If at any time the Owner is unable to rent or lease an Affordable Unit, then the Affordable Unit shall remain vacant pending rental or lease to Eligible Households.

F. Income Qualifications for Eligible Households.

(1) To qualify as an Eligible Household for initial occupancy of an Affordable Unit, a household's Household Income may not exceed the applicable Percent of Median Income set forth in the table below, adjusted for the household's Household Size.

**Maximum Income at Initial Occupancy Maximum**

Bedrooms	Percent of Median Income
Studio, Open 1-bedroom, or 1-bedroom	70%
2 or more bedrooms	80%

(2) At time of recertification, as provided in Section I below, a tenant will remain an Eligible Household as long as said tenant's Household Income does not exceed the Maximum Income for Recertification.

G. Occupancy Limits for Affordable Units. The Owner shall utilize the following occupancy standards for Affordable Units:

Unit Type	Minimum Occupants
Studio, Open 1-bedroom, or 1-bedroom	1 person
2-bedroom	2 persons
3-bedroom	3 persons
4-bedroom	4 persons

H. Completion of Certificate of Household Eligibility. Prior to allowing any household to occupy any Affordable Unit, the Owner shall require the prospective tenant to complete a Certification of Household Eligibility ("COHE") that shall be substantially in the form set forth in **Exhibit C**. The Owner shall also undertake a good faith effort to verify the prospective tenant's Household Income, as reported on the completed COHE. The Owner's obligation to verify the reported Household Income shall be limited to requesting copies of and reviewing the prospective tenant's federal income tax returns, unless the Owner has actual knowledge, or reason to believe, that the information provided by the prospective tenant is materially inaccurate. In the event federal income tax returns are not available, the Owner shall verify Household Income using wage or salary statements, or other income records that the City may consider appropriate.

I. Household Eligibility Recertification. At each renewal of a lease for an Affordable Unit, the Owner shall require all tenants occupying Affordable Units to complete and return to the Owner an updated COHE. The Owner shall undertake a good faith effort to verify the reported Household Income as set forth in Section 3(H). If a tenant's Household Income exceeds the Maximum Income for Recertification set forth below when the tenant's lease expires, then within ninety (90) calendar days either (a) the Owner may charge said tenant the current, applicable market rent for the Dwelling Unit and the Owner must designate and rent the next available comparable market rate Dwelling Unit as an Affordable Unit, or (b) the tenant must vacate the Dwelling Unit, unless otherwise prohibited by law, so as to make it available for an Eligible Household.

**Maximum Household Income for Recertification**

Bedrooms	Percent of King County Median Income
Studio, Open 1-bedroom, or 1-bedroom	90%
2 or more bedrooms	100%

J. Equal Access to Common Facilities. Tenants in the Affordable Units shall have equal access to all amenities and facilities of the Project, such as parking, fitness centers, community rooms, and swimming pools. If a fee is charged for the use of an amenity or facility, then all tenants in the Project must be charged equally for such use.

## SECTION 4 - MULTI-FAMILY LIMITED PROPERTY TAX EXEMPTION

A. The City agrees to issue the Owner a Conditional Certificate of Acceptance of Tax Exemption ("Conditional Certificate") once this Contract is approved by the City Council, fully executed, and recorded with the King County Recorder's Office. The Conditional Certificate shall expire three (3) years from the date the City Manager approved the Owner's application for tax exemption, unless extended by the City Manager as provided in SMC 3.27.060(B).

B. The Owner shall, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, file with the City Manager an application for Final Certificate of Tax Exemption ("Final Certificate") with the information and fees required by SMC 3.27.070. Required information includes:

(1) A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire Property;

(2) A description of the completed work and a statement of qualification for the exemption;

(3) A statement that the work was completed within the required three-year period or any authorized extension; and

(4) A statement that the Project meets affordable housing requirements of Chapter 3.27 SMC.

C. The City agrees, conditioned on the Owner's successful completion of the improvements in accordance with the terms of this Contract and on the Owner's filing of the materials described in Section B above, to file a Final Certificate with the King County Assessor within forty (40) days of application.

D. The Owner agrees, by December 15 of the year in which the City issued a Final Certificate for the Project, to provide the City information sufficient to complete the City's report to the Washington State Department of Commerce as set forth in SMC 3.27.090(D).

E. If the Owner converts any of the new or rehabilitated multi-family housing units constructed under this Contract into another use, the Owner shall notify the King County Assessor and the City Manager within sixty (60) days of such change in use.



F. Owner agrees that the Contract is subject to the Shoreline Multi-Family Housing Tax Exemption set forth in Chapter 3.27 SMC.

SECTION 5 - ENFORCEMENT

A. Enforcement Provisions. The Owner shall exercise reasonable diligence to comply with the requirements of this Contract and shall correct any noncompliance within sixty (60) calendar days after such noncompliance is first discovered by the Owner, or would have been discovered by the exercise of reasonable diligence, or within 60 calendar days after the Owner receives notice of such noncompliance from the City, whichever is earliest; provided however, that such period for correction may be extended by the City if the Owner is exercising due diligence to correct the noncompliance. If such noncompliance remains uncured after such period, then the Owner shall be in default and the City on its own behalf may take any one or more of the following actions:

(1) By any suit, action or proceeding at law or in equity, require the Owner to perform its obligations under this Contract, or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder; it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default;

(2) Have access to, and inspect, examine and make copies of, all of the books and records of the Owner pertaining to the Project; provided, however, the City shall not divulge such information to any third party unless required by law or unless the same is necessary to enforce the City's rights hereunder; and

(3) Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants, conditions, and agreements of the Owner under this Contract.

SECTION 6 - CANCELLATION OF TAX EXEMPTION

A. The City reserves the right to cancel the Final Certificate should the Owner, its successors and assigns, fail to comply with any of the terms and conditions of this Contract, Chapter 3.27 SMC, or for any reason that the Project or that portion of the Property on which the Project is constructed no longer qualifies for the tax exemption.

B. Upon determining that a tax exemption is to be canceled, the City Manager shall notify the Owner by certified mail, return receipt request. The Owner may appeal the determination in accordance with SMC 3.27.100.

C. The Owner acknowledges that, in the event the City cancels the tax exemption, state law requires that an additional real property tax is to be imposed in the amount of (1) the difference between the tax paid and the tax that would have been paid if it had included the value of the non-qualifying improvements, dated back to the date that the improvements became non-qualifying; (2) a penalty of 20% of the difference calculated under (1) of this Paragraph C; and (3) interest at the statutory rate on delinquent property taxes and penalties, calculated from the date the tax would have been due without penalty if the improvements had been assessed without regard to the exemptions provided by Chapter 84.14 RCW and Chapter 3.27 SMC. The Owner acknowledges that, pursuant to RCW 84.14.110, any additional tax owed, together with interest and penalty, become a lien on that portion of the Property on which the Project is constructed and attached at the time the portion of the Property is removed from multi-family use or the amenities no longer meet applicable requirements, and that the lien has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the Property may become charged or liable. The Owner further acknowledges that RCW 84.14.110 provides that any such lien may be foreclosed in the manner provided by law for foreclosure of liens for delinquent real property taxes.

#### SECTION 7 – REPORTING REQUIREMENTS

A. Notice of Occupancy Permit. The Owner shall notify the City's Designee of receipt of the first occupancy permit for the Project within thirty (30) calendar days of the permit's issuance.

B. Initial Project Certification. After the Completion Date and until ninety percent (90%) of all rental units in the Project are occupied, the Owner shall file with the City a Project Certification report, substantially in the form of **Exhibit D**, attached with copies of the COHE required under Section 3 of this Contract.

C. Annual Project Certification. The Owner shall file with the City Manager, within thirty (30) days following the first anniversary of the City's filing of the Final Certificate and each year thereafter for the duration of the property tax exemption, a

report substantially in the form of **Exhibit D**, attached with copies of the COHE and which includes information required by SMC 3.27.090, which includes:

(1) A statement of occupancy and vacancy of the newly constructed or rehabilitated Project during the past twelve (12) months ending with the anniversary date;

(2) A certification by the Owner that the Project has not changed use since the date the City approved the Final Certificate and that Project conforms with affordable housing requirements of Chapter 3.27 SMC; and

(3) A description of any subsequent changes or improvements constructed after issuance of the Final Certificate.

D. Maintain Complete Records. The Owner shall maintain complete and accurate records pertaining to the Affordable Units and shall, during regular business hours, permit any duly authorized representative of the City, including, without limitation, the City's Designee, to inspect the books and records of the Owner pertaining to the Affordable Units, including the Initial and Annual Project Certifications, and if applicable, income documentation of households residing in Affordable Units in the Project. The Owner's failure to maintain such records or failure to allow inspection by the City or any duly authorized representative shall constitute a material default hereunder. The Owner shall retain all records pertaining to the Affordable Units for at least six (6) years.

E. Form of Certification. Notwithstanding anything in this Section to the contrary, the Owner shall submit all documentation required by this Section on the forms designated herein, which may be modified by the City from time to time. Changes to forms by the City shall not increase the Owner's obligations hereunder.

## SECTION 8 – SUBSIDIZED TENANTS

The Owner shall accept as tenants for Affordable Units, on the same basis as all other prospective households, households who receive state or federal rent subsidies, such as Housing Choice Vouchers under Section 8 of the United States Housing Act of 1937, or other rent subsidies. The Owner shall not apply, or permit the application of, management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of any Dwelling Units by rent subsidy recipients.

## SECTION 9 – LEASE PROVISIONS

A. It is the Owner's responsibility to screen and select tenants for desirability and credit worthiness. Except as restricted in this Contract and under state and federal law, such selection is within the Owner's discretion. If written management policies exist, or exist in the future, with respect to the Project, the City may review such written policies and may require changes in such policies, if necessary, so that the policies comply with the requirements of this Contract.

B. All leases for Eligible Households shall contain clauses wherein each individual lessee: (i) certifies the accuracy of the statements made in the COHE, (ii) agrees that the Household Income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy, and (iii) agrees that misrepresentation in the COHE is a material breach of the lease, entitling the Owner to immediately terminate tenant's lease for the Affordable Unit.

## SECTION 10 – SALE OR TRANSFER OF THE PROJECT

The Owner hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project or any portion thereof without first providing a written statement executed by the purchaser that the purchaser understands the Owner's duties and obligations under this Contract and will enter into a contract with the City for the continuation of those obligations. Such notice must be received by the City at least ten (10) working days prior to the close of escrow.

## SECTION 11 – TERM

This Contract shall become effective upon its execution and shall continue in full force and effect throughout the Compliance Period, unless sooner modified or terminated by the City or property owner consistent with SMC 3.27.100, as adopted on the date of execution of this Agreement.

## SECTION 12 – NO DISCRIMINATION

The Owner shall not discriminate on the basis of race, creed, religion, color, sex, sexual orientation, age, national origin, marital status, citizenship or immigration status, honorably discharged veteran or military status, or presence of any mental

or physical handicap as set forth in RCW 49.60.030, as now existing and as may be amended, in the lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

#### SECTION 13 – COVENANTS RUN WITH LAND

A. The City and Owner hereby declare their understanding and intent that the covenants, conditions and restrictions set forth herein directly benefit the land (i) by enhancing and increasing the enjoyment and use of the Project by certain Eligible Households, and (ii) by furthering the public purposes of providing housing for Eligible Households.

B. The City and the Owner hereby declare that the covenants and conditions contained herein shall bind the Owner and all subsequent owners of the Project or any interest therein, and the benefits shall inure to the City, all for the Compliance Period. Except as provided in Section 12 of this Contract, each and every contract, deed or other instrument hereafter executed conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants and conditions of this Contract, provided however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants and conditions, regardless of whether or not such covenants and conditions are set forth or incorporated by reference in such contract, deed or other instrument.

C. Hold Harmless. The Owner shall defend, indemnify, and hold the City, its officers, officials, employees, volunteers and its Designee and any other party authorized hereunder to enforce the terms of this Contract, harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising out of or resulting from this Contract. This provision shall survive termination or expiration of this Contract.

D. No Third-Party Beneficiaries. The provisions of this Contract and of the documents to be executed and delivered in connection herewith are and will be for the benefit of the Owner and the City only and, are not for the benefit of any third party (including, without limitation, any tenants or tenant organizations), and accordingly, no third party shall have the right to enforce the provisions of this Contract or of the documents to be executed and delivered in connection herewith.

E. The provisions, covenants, and conditions contained in this Contract are binding upon the parties hereto and their legal heirs, representatives, successors, assigns, and subsidiaries and are intended to run with the land.

SECTION 14 – FORECLOSURE

In the case of any foreclosure, the immediate successor in interest in the Property pursuant to the foreclosure shall assume such interest subject to the lease(s) between the prior Owner and the tenant(s) and to this Contract for Affordable Units. This provision does not affect any state or local law that provides longer time periods or other additional protections for tenants.

SECTION 15 – ESTOPPEL CERTIFICATE

The City agrees, upon the request of the Owner or its successor in interest, to promptly execute and deliver to the Owner or its successor in interest or to any potential or actual purchaser, mortgagor, or encumbrancer of the Project, a written certificate stating, if such is true, that the City has no knowledge of any violation or default by the Owner of any of the covenants or conditions of this Contract, or if there are such violations or defaults, the nature of the same.

SECTION 16 – AGREEMENT TO RECORD

The Owner shall cause this Contract to be recorded in the real property records of King County, Washington. The Owner shall pay all fees and charges incurred in connection with such recording and shall provide the City with a copy of the recorded document.

SECTION 17 – RELIANCE

The City and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by City and the Owner. The City assures the Owner that during the duration of this Agreement, any amendments or modifications to SMC 3.27.020.A Affordable Housing or SMC 3.27.040 Eligibility Standards shall not apply unless required by federal or state law. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and Eligible Households, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In performing its duties hereunder, the Owner may rely on the Certificates of Household

Eligibility unless the Owner has actual knowledge or reason to believe that such Certificates are inaccurate.

SECTION 18 – GOVERNING LAW

This Contract shall be governed by the laws of the State of Washington, except to the extent such laws conflict with the laws of the United States or the regulations of federally insured depository institutions or would restrict activities otherwise permitted in relation to the operation of federally insured depository institutions. Venue for any legal actions shall be in King County Superior Court or, if pertaining to federal laws, the U.S. District Court for Western Washington.

SECTION 19 – NO CONFLICT WITH OTHER DOCUMENTS

The Owner warrants that it has not executed and will not execute, any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Contract are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

SECTION 20 – AMENDMENTS

This Contract shall be amended only by a written instrument executed by the parties hereto or their respective successors in interest, and duly recorded in the real property records of King County, Washington. Amendments to **Exhibit B** shall be considered approved in writing when the **Revised Exhibit B** is signed by the Owner and the City without the need for a further written document attaching the revised exhibit and striking prior versions of the exhibit. In the event of conflict between versions of **Exhibits B**, the version maintained by the City as the then-current version, signed by Owner and City, shall prevail.

SECTION 21 – NOTICE

A. Any notice or communication hereunder, except legal service of process, shall be in writing and may be given by registered or certified mail. The notice or communication shall be deemed to have been given and received when deposited in the United States Mail, properly addressed with postage prepaid. If given otherwise, it shall be deemed to be given when delivered to and received by the party to whom addressed. Such notices and

communications shall be given to the Parties' representatives hereto at their following addresses:

If to the City: City of Shoreline  
17500 Midvale Ave N  
Shoreline, WA 98133  
Attn: City Manager

With a copy to the City's Designee:  
Mike Stanger  
13626 92<sup>nd</sup> Place NE  
Kirkland, WA 98034

If to the Owner: Shea Properties  
130 Vantis Street, Suite 200  
Aliso Viejo, CA 92656  
Attn: Greg Anderson

B. Any party may change its identified representative and address for notices upon ten (10) calendar days prior written notice to the other parties. Legal counsel for a party may deliver notices on behalf of the represented party and such notice shall be deemed delivered by such party.

#### SECTION 22 – SEVERABILITY

If any provision of this Contract shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

#### SECTION 23 – CONSTRUCTION

Unless the context clearly requires otherwise, words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Contract and to sustain the validity hereof.

#### SECTION 24 – TITLES AND HEADINGS

The titles and headings of the sections of this Contract have been inserted for convenience of reference only, are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or



given any effect in the construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

SECTION 25 - COUNTERPART ORIGINALS

This Agreement may be executed in any number of counterpart originals, each of which shall be deemed to constitute an original agreement, and all of which shall constitute one agreement. The execution of one counterpart by a Party shall have the same force and effect as if that Party had signed all other counterparts.

SECTION 26 - AUTHORITY TO EXECUTE

Each person executing this Agreement on behalf of a Party represents and warrants that he or she is fully authorized to execute and deliver this Agreement on behalf of the Party for which he or she is signing. The Parties hereby warrant to each other that each has full power and authority to enter into this Agreement and to undertake the actions contemplated herein and that this Agreement is enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Owner and City have each executed the Multi-Family Housing Limited Property Tax Exemption Contract on the Date first above written.

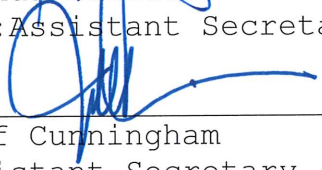
Owners:

SHORELINE MULTIFAMILY, LLC,  
a California limited  
liability company

City:

  
\_\_\_\_\_  
Joshua Harnett  
Its: Assistant Secretary

\_\_\_\_\_  
Debbie Tarry

  
\_\_\_\_\_  
Jeff Cunningham  
Assistant Secretary

Its: City Manager

Approved as to Form:

\_\_\_\_\_  
Julie Ainsworth-Taylor  
Assistant City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Orange )

On December 16, 2020, before me, Angela Santana, a Notary Public, personally appeared Joshua Harnett, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Angela Santana

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Orange )

On December 16, 2020, before me, Angela Santana, a Notary Public, personally appeared Jeff Cunningham, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Angela Santana

STATE OF WASHINGTON            }  
  }        ss.  
COUNTY OF KING                }

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of the CITY OF SHORELINE, who executed the foregoing document on behalf of said City, and acknowledged the said document to be the free and voluntary act and deed of said City, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of Washington.

Print Name \_\_\_\_\_

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

STATE OF WASHINGTON }  
 } ss.  
COUNTY OF KING }

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me,  
a Notary Public in and for the State of Washington, duly  
commissioned and sworn, personally appeared  
\_\_\_\_\_, to me known to be the  
\_\_\_\_\_ of \_\_\_\_\_, a Washington  
limited liability company, who executed the foregoing instrument  
on behalf of the said corporation, and acknowledged the said  
document to be the free and voluntary act and deed of said  
corporation for the uses and purposes therein mentioned, and on  
oath stated that he or she was authorized to execute said  
document.

IN WITNESS WHEREOF I have given under my hand and official seal  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of Washington.

Print Name \_\_\_\_\_

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

**EXHIBIT A**

LEGAL DESCRIPTION

THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF SHORELINE,  
COUNTY OF KING, STATE OF WASHINGTON DESCRIBED AS FOLLOWS:

LOTS 72 AND 73, RICHMOND HIGHLANDS, ACCORDING TO THE PLAT  
THEREOF RECORDED IN VOLUME 18 OF PLATS, PAGE 77, IN KING COUNTY,  
WASHINGTON;

EXCEPT THAT PORTION OF LOT 72 HERETOFORE CONVEYED TO THE STATE  
OF WASHINGTON FOR ROAD BY DEED RECORDED UNDER RECORDING NUMBER  
2173656;

EXCEPT THAT PORTION OF LOT 73 CONDEMNED IN KING COUNTY SUPERIOR  
COURT CASE NO. 190508 FOR STATE ROAD NO. 1.

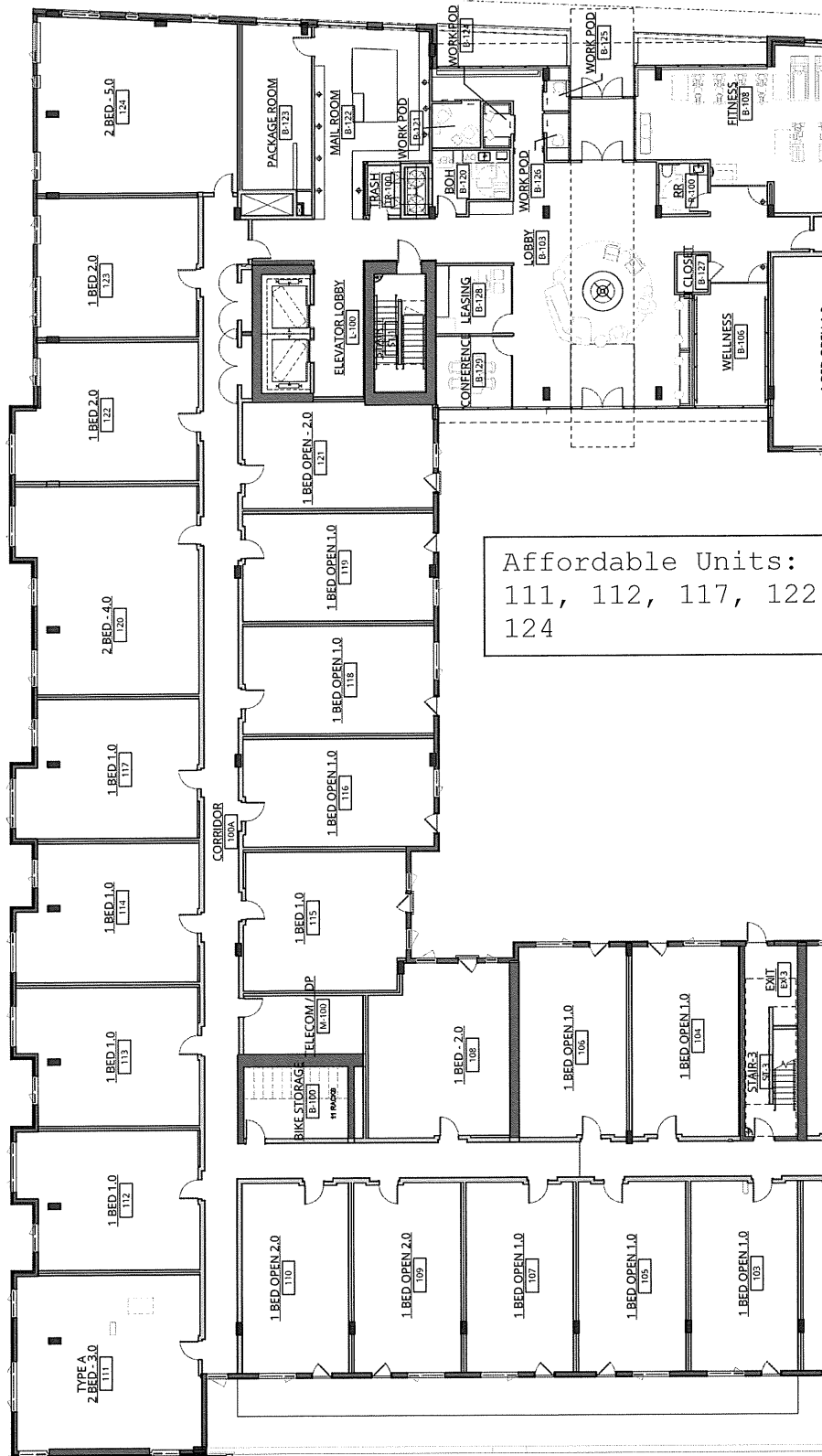
## EXHIBIT B

## DESIGNATION OF AFFORDABLE UNITS

Unit Number	Unit Type	Unit Size (sq ft)
227	Studio	480
229	Studio	480
231	Studio	480
235	Studio	480
237	Studio	480
327	Studio	480
329	Studio	480
335	Studio	480
337	Studio	480
430	Studio	480
519	Studio	480
203	Open 1-bedroom	573
206	Open 1-bedroom	573
210	Open 1-bedroom	573
221	Open 1-bedroom	573
233	Open 1-bedroom	573
247	Open 1-bedroom	573
249	Open 1-bedroom	573
251	Open 1-bedroom	573
303	Open 1-bedroom	573
310	Open 1-bedroom	573
319	Open 1-bedroom	573
321	Open 1-bedroom	573
333	Open 1-bedroom	573
334	Open 1-bedroom	573
345	Open 1-bedroom	573
348	Open 1-bedroom	573
352	Open 1-bedroom	573
354	Open 1-bedroom	573
425	Open 1-bedroom	573
513	Open 1-bedroom	573
613	Open 1-bedroom	573
706	Open 1-bedroom	573
112	1-bedroom	680
117	1-bedroom	680
122	1-bedroom	680
212	1-bedroom	680
217	1-bedroom	680

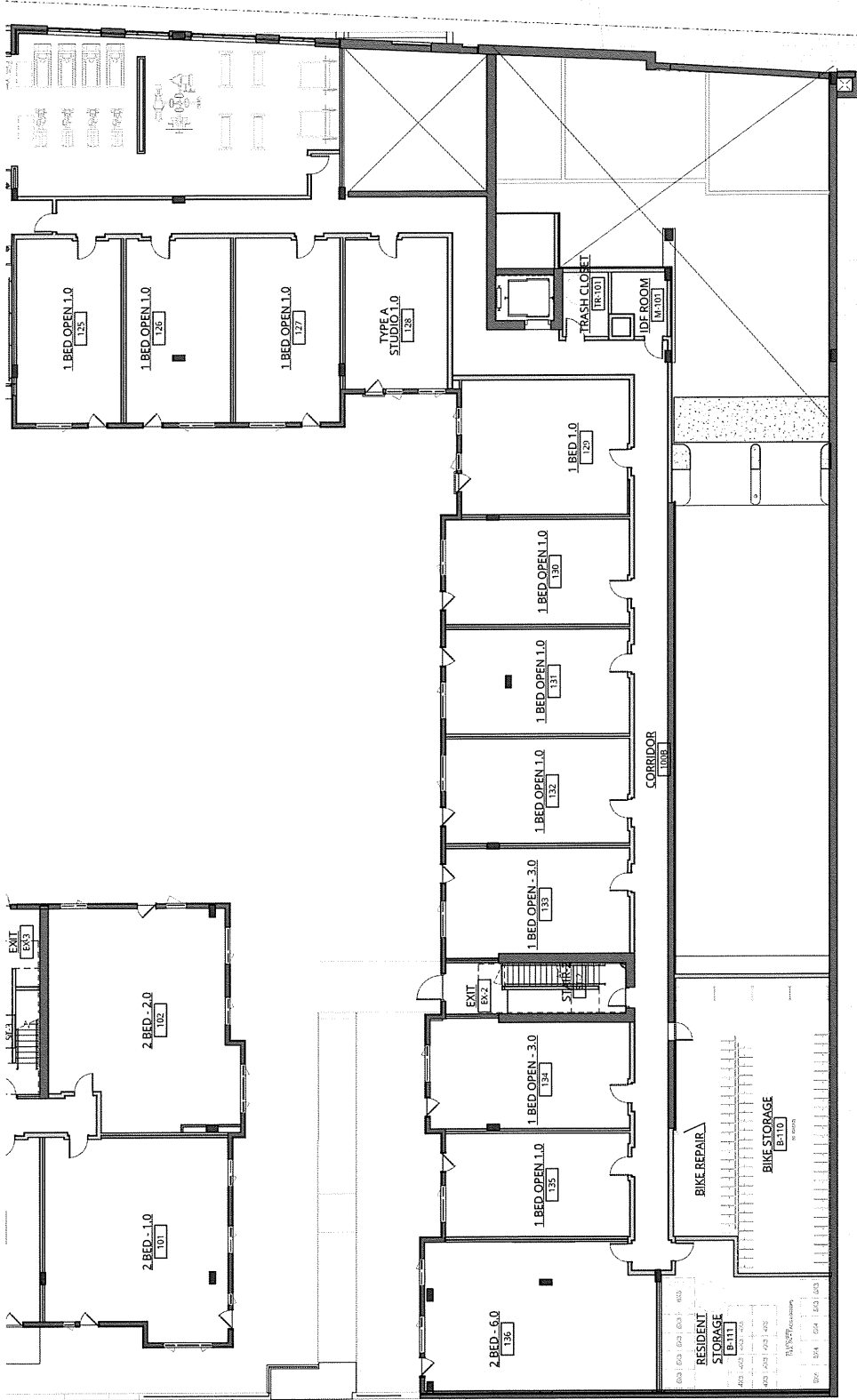
222	1-bedroom	680
240	1-bedroom	680
242	1-bedroom	680
338	1-bedroom	
341	1-bedroom	680
342	1-bedroom	680
431	1-bedroom	
434	1-bedroom	680
531	1-bedroom	
534	1-bedroom	680
631	1-bedroom	
634	1-bedroom	680
724	1-bedroom	
727	1-bedroom	680
111	2-bedroom	890
124	2-bedroom	
224	2-bedroom	966
252	2-bedroom	962
320	2-bedroom	987
324	2-bedroom	966
340	2-bedroom	1,047
412	2-bedroom	987
512	2-bedroom	987
516	2-bedroom	966
533	2-bedroom	1,047

See attached diagram(s).

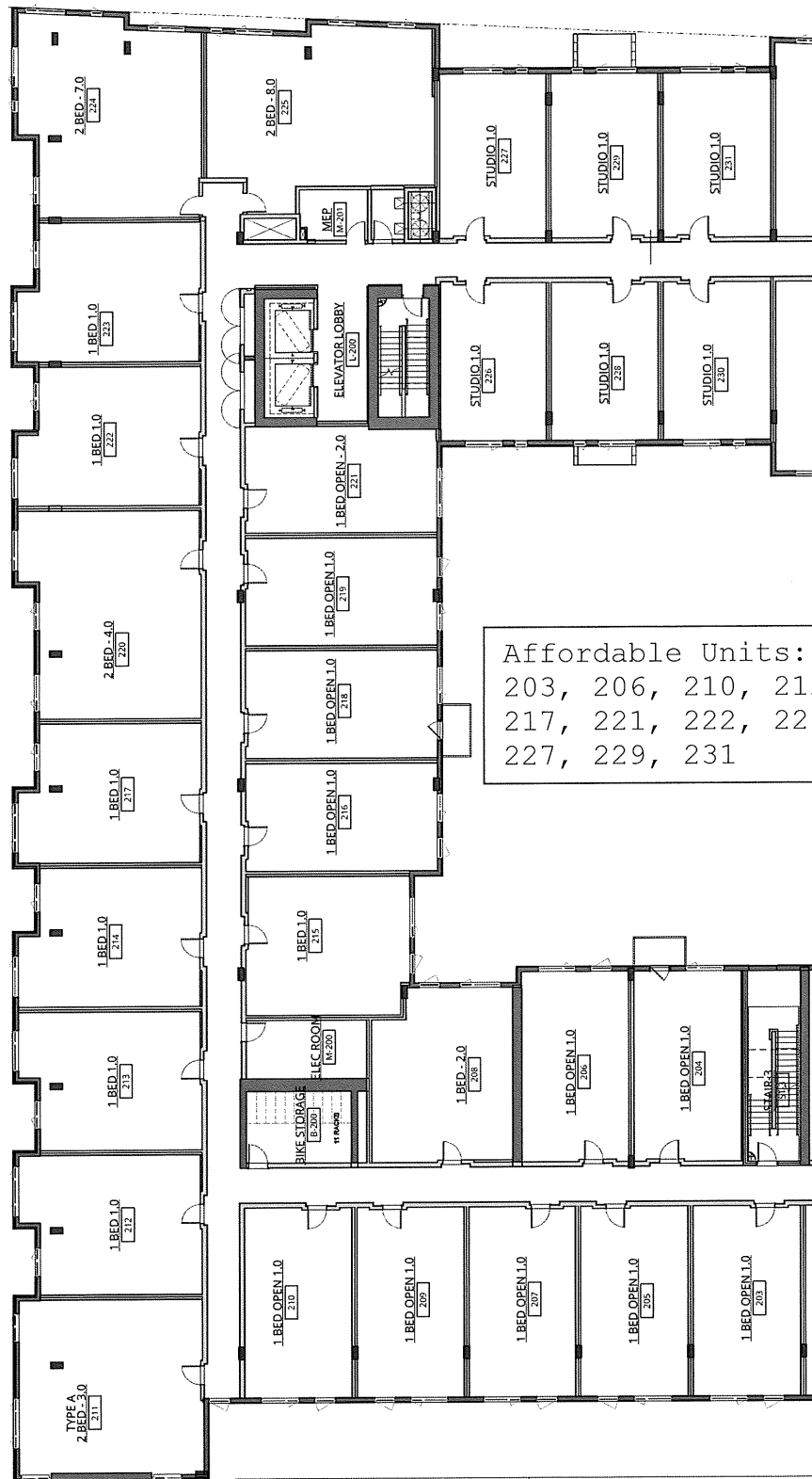


Level 1 (half)



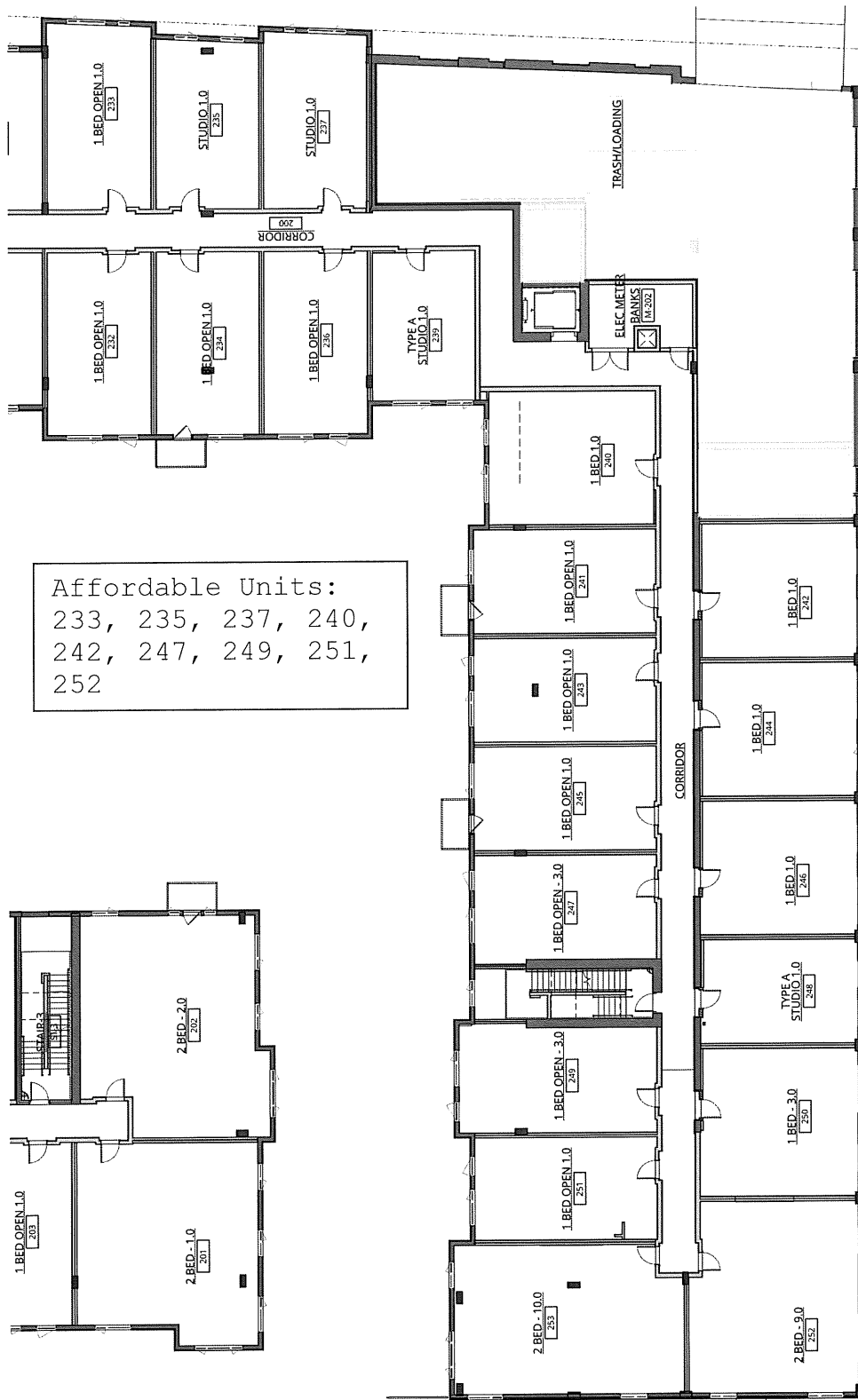


Level 1 (half)



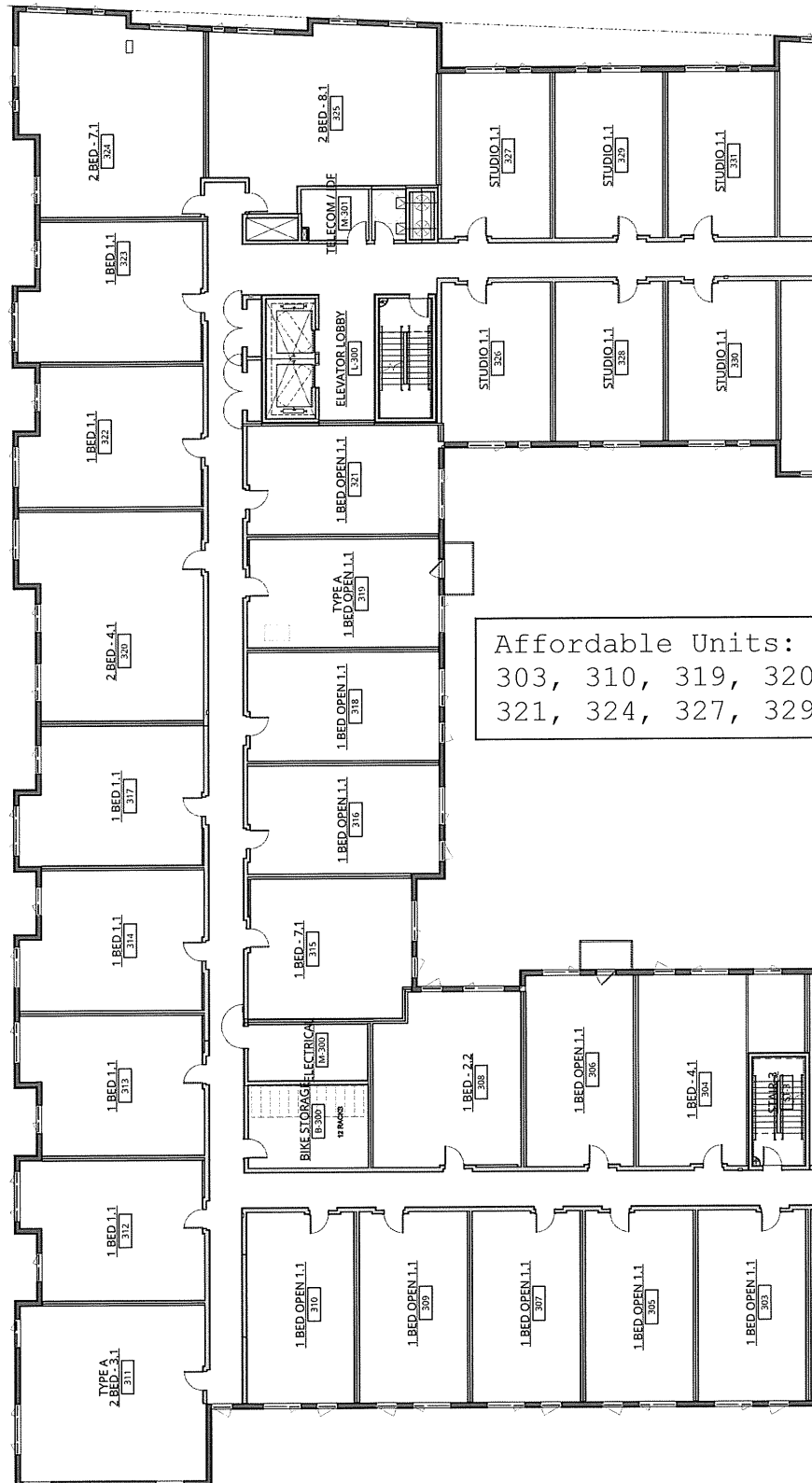
Affordable Units:  
 203, 206, 210, 212,  
 217, 221, 222, 224,  
 227, 229, 231

Level 2 (half)



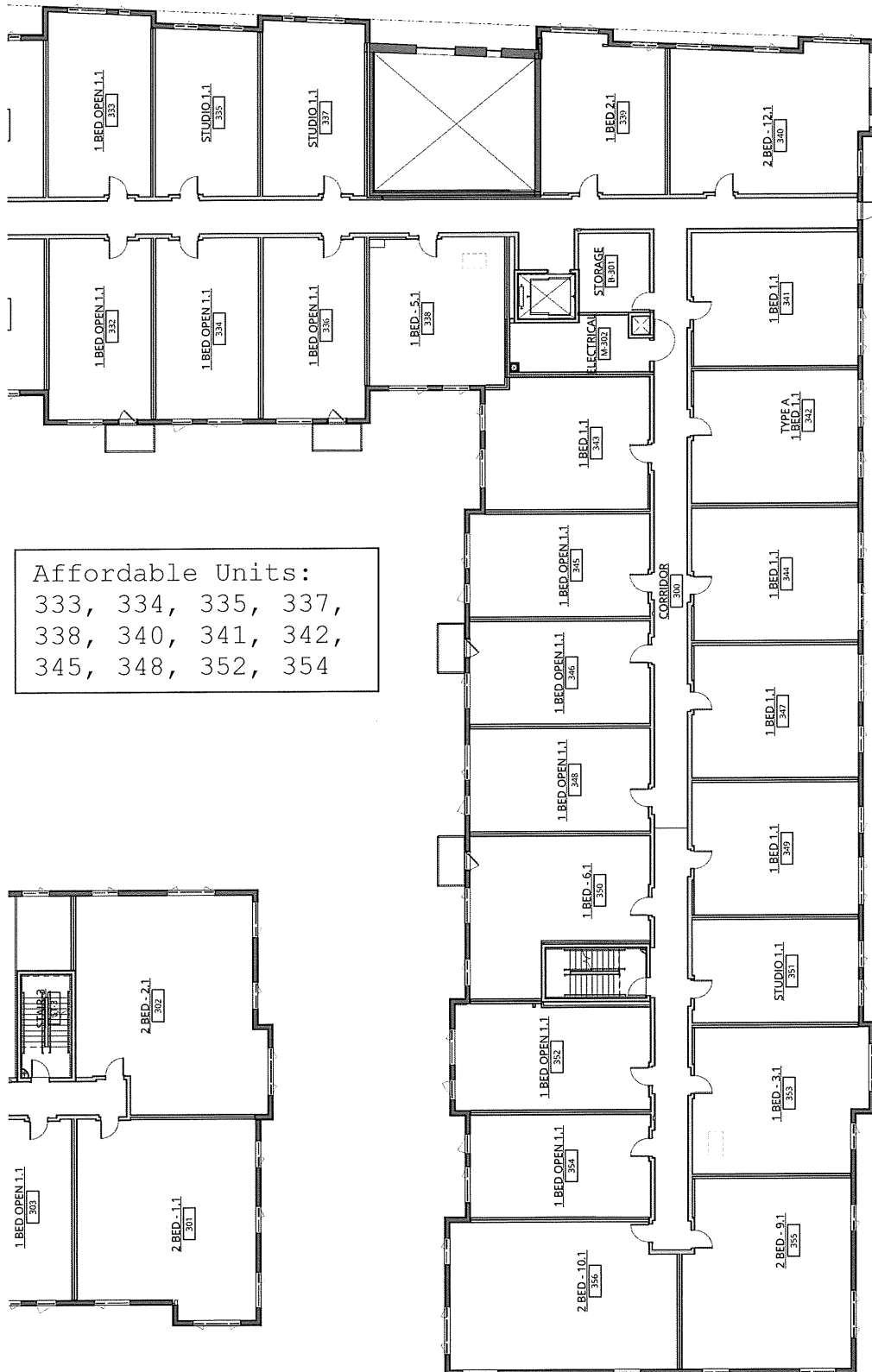
Affordable Units:  
233, 235, 237, 240,  
242, 247, 249, 251,  
252

Level 2 (half)

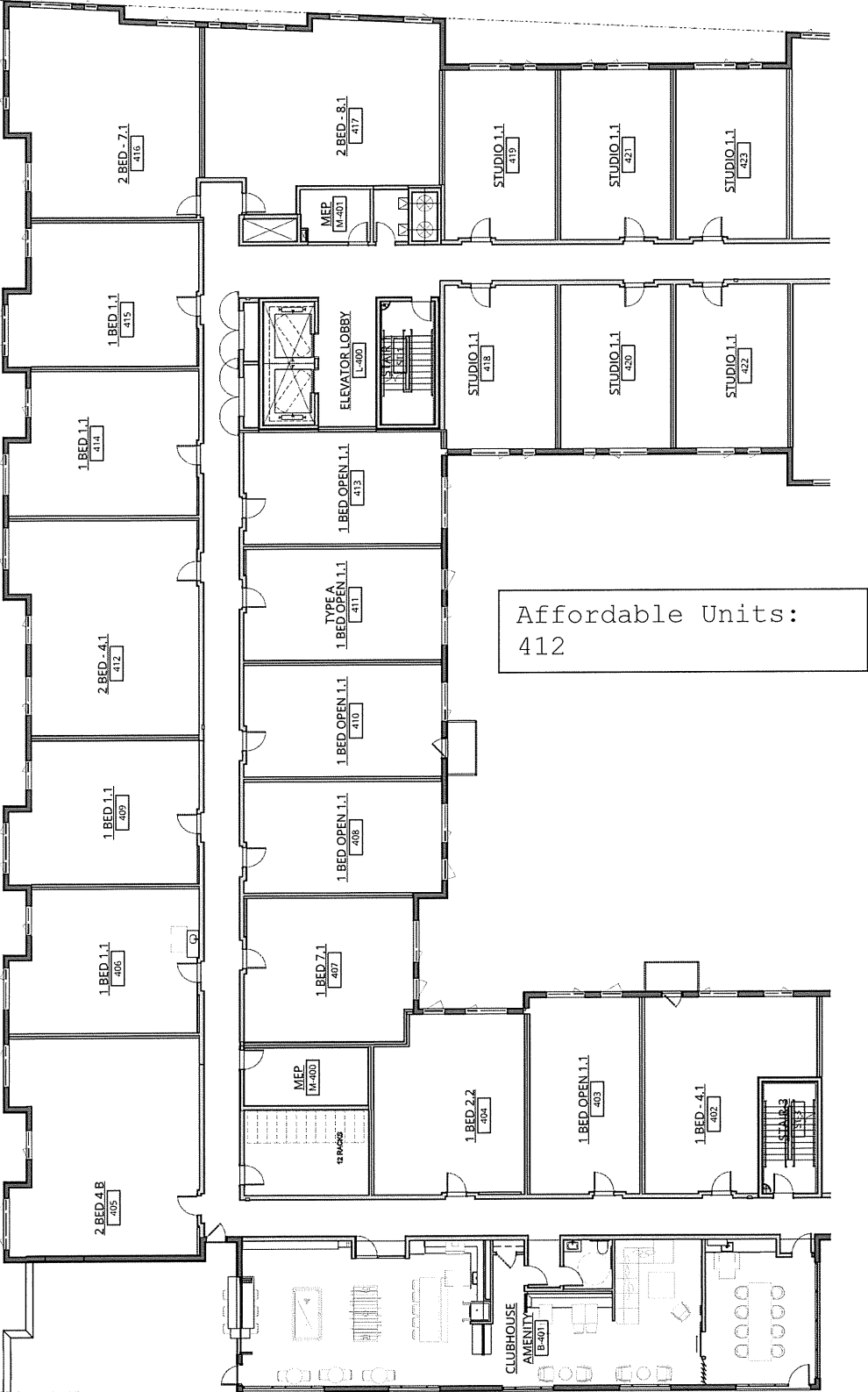


Affordable Units:  
303, 310, 319, 320,  
321, 324, 327, 329

Level 3 (half)



Level 3 (half)



Affordable Units:  
412

Level 4 (half)



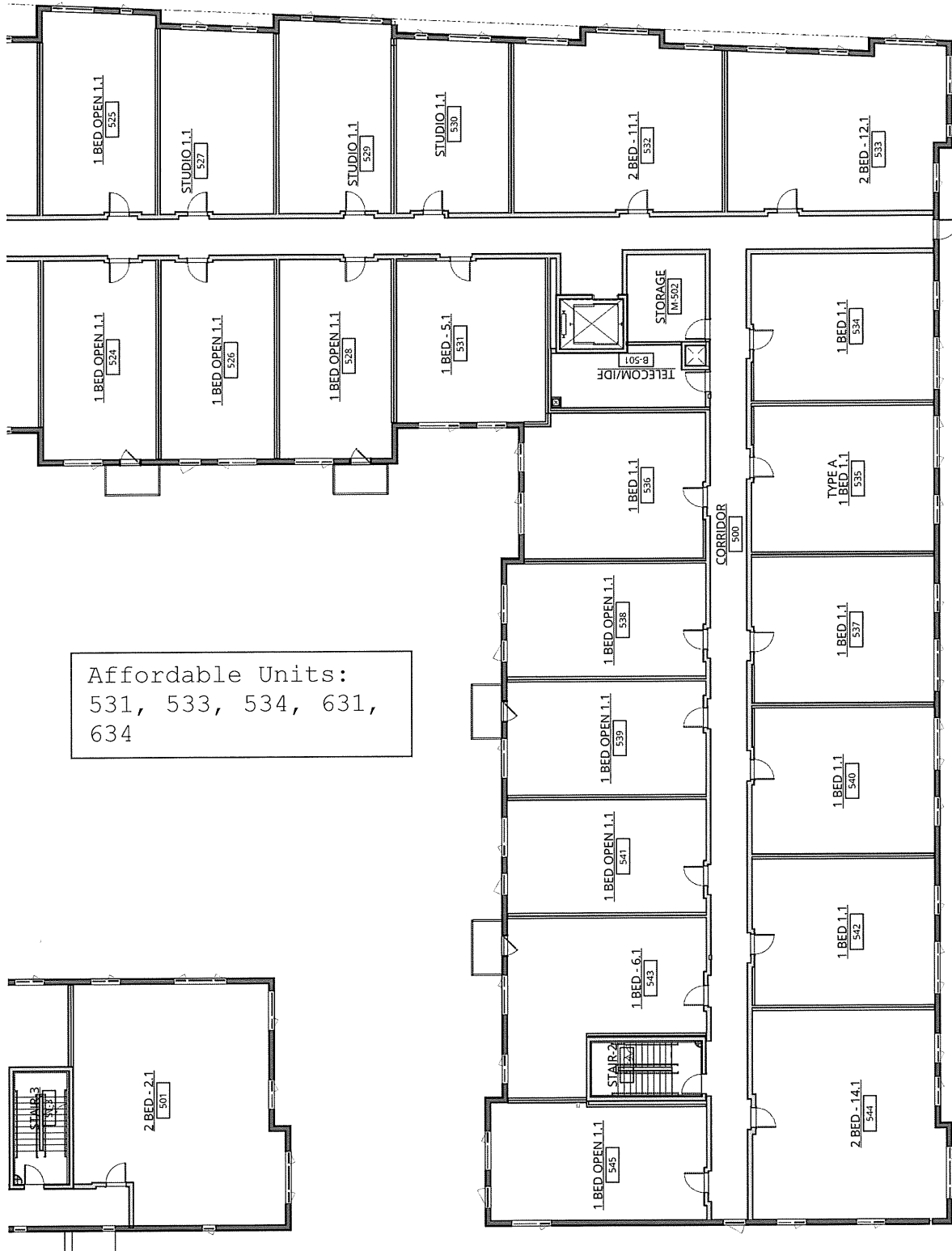
Level 4 (half)



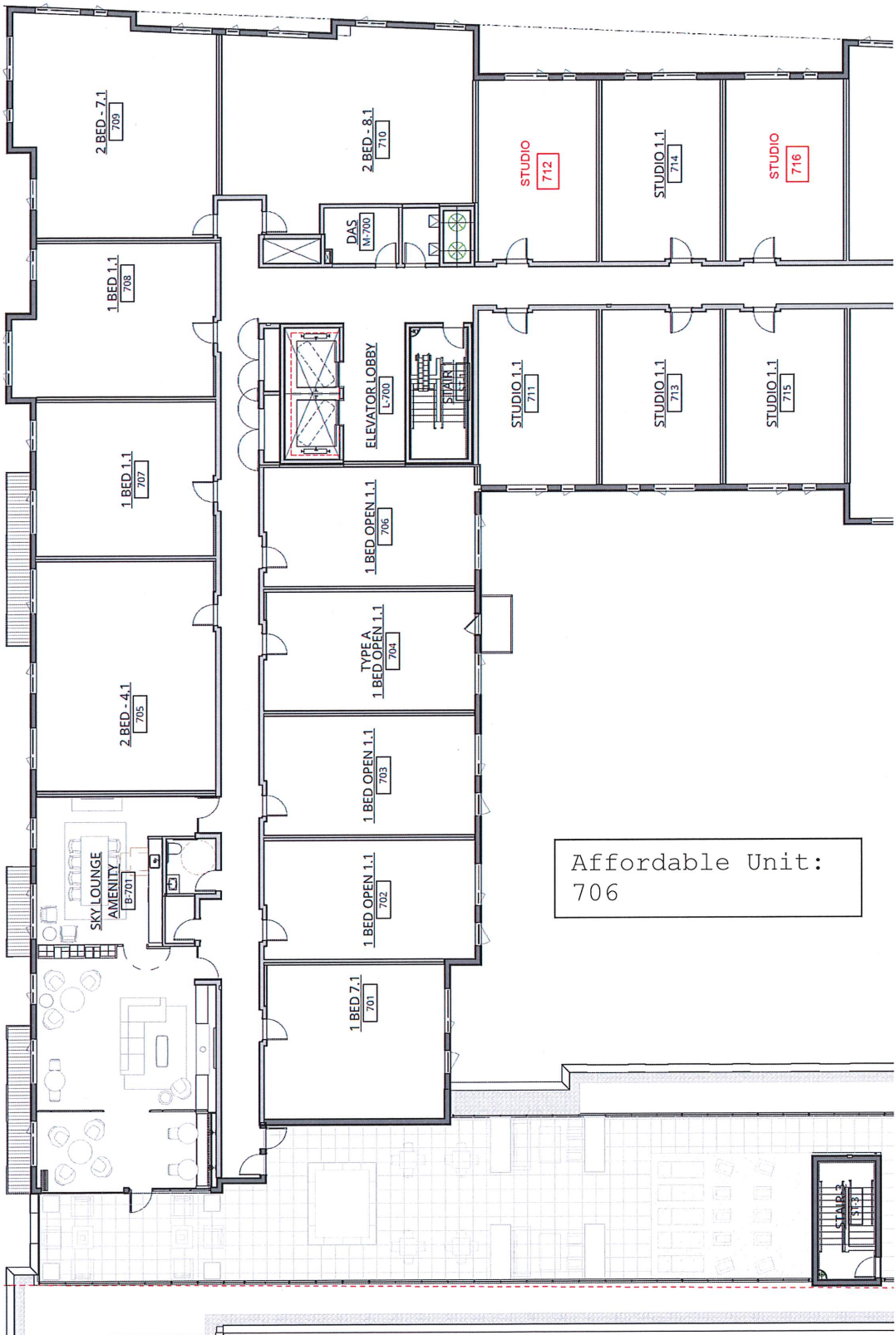
Affordable Units:  
 512, 513, 516, 519,  
 613

Levels 5 & 6 (half)

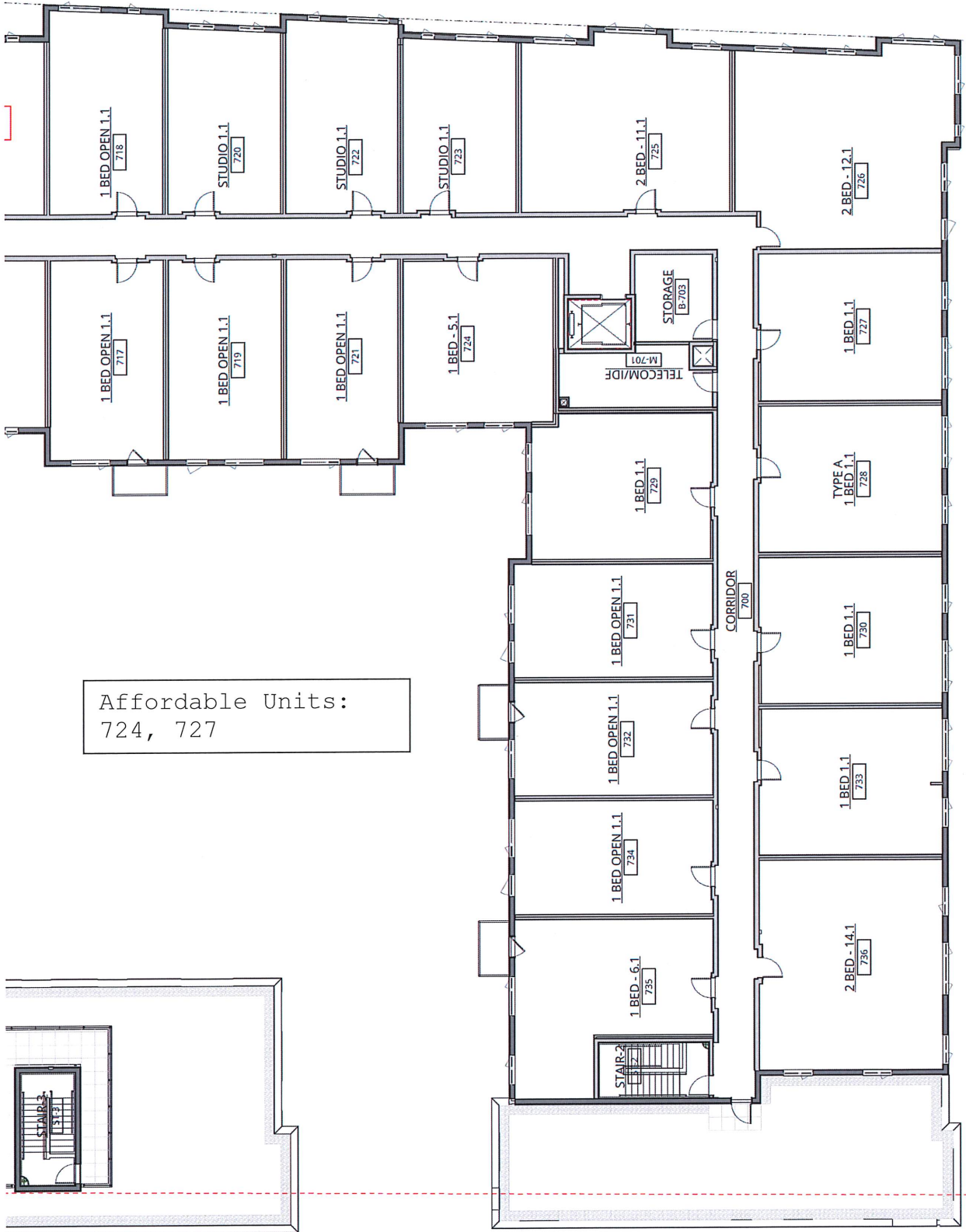




Levels 5 & 6 (half)



Level 7 (half)



Affordable Units:  
724, 727

Level 7 (half)

EXHIBIT C

FORM OF CERTIFICATE OF HOUSEHOLD ELIGIBILITY

CERTIFICATION OF HOUSEHOLD ELIGIBILITY

City of Shoreline Affordable Housing

I, \_\_\_\_\_, and I, \_\_\_\_\_, as applicants for rental of the following Affordable Unit, do hereby represent and warrant that my/our adjusted annual income is \$ \_\_\_\_\_.

Property: \_\_\_\_\_ Property Address: \_\_\_\_\_

Unit # \_\_\_\_\_ No. of Bedrooms: \_\_\_\_\_ Household size:<sup>1</sup> \_\_\_\_\_ Disabled: Yes / No

The attached computation includes all income I/we received for the date I/we execute a rental agreement for an affordable unit, or the date on which I/we will initially occupy such unit, whichever is earlier.

This affidavit is made with the knowledge that it will be relied upon by the City to determine maximum income for eligibility. I/We warrant that all information set forth in this Certification of Household Eligibility is true, correct and complete based upon information I/We deem reliable, and that the estimate contained in the preceding paragraph is reasonable and based upon such investigation as the undersigned deemed necessary. I/we will assist the Owner in obtaining any information or documents required to verify the statements made in this Certification.

I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of this unit by institution of an action for eviction or other appropriate proceedings.

I/We do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Mailing Address \_\_\_\_\_

Mailing Address \_\_\_\_\_

1 The number of people who will reside with you at least four (4) months of the year.

EXHIBIT C TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

E-mail	_____	E-mail	_____
Address	_____	Address	_____
Phone	_____	Phone	_____

HOUSEHOLD MEMBERS

Name	Age	Name	Age
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

INCOME COMPUTATION

"Household income" includes all items listed below, from all household members over the age of 18. Income of dependents over 18, who reside in the unit for less than four (4) months of the year will not be counted toward household income.

For the previous 12-month period, indicate income received from the following sources:

- a) The full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services, and payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay and any earned income tax credit to the extent that it exceeds tax liability. \$ \_\_\_\_\_
- b) Net income from operations of a business or profession or net income of any kind from real or personal property. \$ \_\_\_\_\_
- c) Interest and dividends; \$ \_\_\_\_\_
- d) The full amount of periodic payments received from Social Security, pensions, retirement funds, annuities, insurance policies, disability or death benefits, alimony, child support, or any similar type of periodical payments, and any regular contributions or gifts from persons not residing in the unit. \$ \_\_\_\_\_
- e) Public assistance payments. \$ \_\_\_\_\_
- f) Regular and special allowances and pay of a member of the Armed Forces who is a spouse or head of the family. \$ \_\_\_\_\_

EXHIBIT C TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

TOTAL \$ \_\_\_\_\_

(NOTE: The following are not considered income: occasional, infrequent gifts of money; one-time payments from insurance policies or an inheritance settlement; scholarships or student loans for tuition, fees or books; foster child care payments; the value of Food Stamp coupons; hazardous duty pay to a member of the Armed Forces; relocation payments; assistance received under the Low-Income Home Energy Assistance Program or any similar program).

EXHIBIT D

FORM OF ANNUAL PROJECT CERTIFICATION

ANNUAL PROJECT CERTIFICATION FORM

City of Shoreline Affordable Housing

Project: \_\_\_\_\_

Address: \_\_\_\_\_

The undersigned hereby certifies that during the past 12 months the Affordable Units required in the Declaration of Affordable Housing Covenants were utilized in the following manner:

- a) \_\_\_\_\_ Affordable Units in the Project were rented to new tenants (eligible households).
- b) \_\_\_\_\_ Affordable Units in the Project were re-rented (leases renewed) to tenants whose income for remained qualified under the limit for initial occupancy.
- c) \_\_\_\_\_ Affordable Units in the Project were re-rented to tenants who exceeded the qualifying income for initial occupancy but remained qualified under the income limit for recertification.
- d) \_\_\_\_\_ Affordable Units in the Project were rented to tenants who, at time of recertification, exceeded the qualifying income and either moved to a market-rate unit in the Project or moved out of the Project.
- e) \_\_\_\_\_ Affordable Units in the Project were rented to tenants who, at time of recertification, exceeded the qualifying income and remained in the unit, causing the affordability to be re-designated to a different unit in the Project.

The above information and that on the attached sheet(s) has been verified as required by the Declaration of Affordable Housing Covenants between the City of Shoreline and:

Owner (Company) Name: \_\_\_\_\_

\_\_\_\_\_  
Name of Owner or Owner's Representative (Print)

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_, 20\_\_\_\_

EXHIBIT D TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

PROJECT NAME \_\_\_\_\_

REPORTING PERIOD: \_\_\_\_\_ through \_\_\_\_\_.

Contract rent included the following (please answer "yes" or "no"):

Electricity and gas? \_\_\_\_\_

Water and sewer? \_\_\_\_\_

Garbage and recycling? \_\_\_\_\_

Other expenses tenants are required to pay in addition to contract rent:

Renter's insurance? \_\_\_\_\_

King County Sewer Capacity Charge? \_\_\_\_\_

Other (specify)? \_\_\_\_\_

Other (specify)? \_\_\_\_\_

Please attach a copy of the property's standard residential lease agreement.



EXHIBIT D TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

PROJECT NAME \_\_\_\_\_

Complete the following table for all households occupying Affordable Units in the Project during the period:

Unit #	Tenant's Family Name	Household Size	Move-in Date	Current Lease Begin Date	Current Household Income	Unit Type (BRs)	Affordability Level	Contract Rent

Be sure to include all affordable units. Enter "vacant" under Tenant's Family Name for unoccupied units.

Please attach copies of the current Certificate of Household Eligibility for each Affordable Housing tenant.

## 2021 Property Tax Exemption Program Report - City of Shoreline

Updated 3/18/2021

Currently in PTE Program								
Units	Project	Type	Affordable	Start	End	Improvements Valuation (2021)	City Tax Rate (2021)	City Property Tax Abatement
16	3108 Apartments	12-year affordable	4	1/1/2021	12/31/2032	\$ 3,483,900	\$ 1.28912	\$ 4,491
81	Arabella II	12-year affordable	17	1/1/2020	12/31/2031	\$ 21,285,800	\$ 1.28912	\$ 27,440
164	Geo Apartments	12-year affordable	34	1/1/2021	12/31/2032	\$ 50,139,000	\$ 1.28912	\$ 64,635
80	Interurban Lofts	12-year affordable	16	1/1/2018	12/31/2029	\$ 3,720,800	\$ 1.28912	\$ 4,797
129	Malmo	12-year affordable	26	1/1/2015	12/31/2026	\$ 34,355,000	\$ 1.28912	\$ 44,288
5	North City Development	12-year affordable	1	1/1/2015	12/31/2026	\$ 595,700	\$ 1.28912	\$ 768
221	Paceline	12-year affordable	44	1/1/2019	12/31/2030	\$ 65,930,600	\$ 1.28912	\$ 84,992
165	Polaris*	12-year affordable	165	1/1/2015	12/31/2026	see note		
60	Sunrise Eleven	12-year affordable	12	1/1/2018	12/31/2029	\$ 14,551,900	\$ 1.28912	\$ 18,759
72	The 205 Apartments	12-year affordable	14	1/1/2019	12/31/2030	\$ 18,847,000	\$ 1.28912	\$ 24,296
243	The Postmark	State program	49	1/1/2021	12/31/2032	\$ 64,101,500	\$ 1.28912	\$ 82,635
<b>1,236</b>			<b>382</b>			<b>\$ 277,011,200</b>		<b>\$ 357,101</b>

Graduates of PTE Program								
Units	Project	Type		Start	End	Improvements Valuation (2021)	City Tax Rate (2021)	2020 Revenue
88	Arabella	10-year market	n/a	1/1/2008	12/31/2017	\$ 24,738,100	\$ 1.28912	\$ 31,890
<b>88</b>						<b>\$ 24,738,100</b>		<b>\$ 31,890</b>

Conditional Certificates of PTE								
Units	Project	Type	Affordable	Cert. Date	Expiration	Status	Est. Completion	Final App
330	Alexan at Shoreline Place	12-year affordable	66	5/11/2020	5/11/2023	Construction	Jul-21	no
315	18815 Aurora Ave N	12-year affordable	63	Pending	Pending	Construction	Mid 2020	no
124	Trad Apartments	12-year affordable	25	Pending	Pending	Construction	Apr-21	no
227	Quinn by Vintage*	State program	226	Pending	Pending	Predevelopment	Oct-22	no
241	Crux*	State program	241	Pending	Pending	Predevelopment	2024	no
203	Geo II	12-year affordable	41	Pending	Pending	Construction	2023	no
22	2152 185th	12-year affordable	5	Pending	Pending	Construction	2022	no
15	1719 185th	12-year affordable	3	Pending	Pending	Construction	2022	no
<b>1,477</b>			<b>670</b>					

**2,801 Total homes****1,052 Affordable homes**

\*Participates in alternative state incentive program offering full property tax exemption; the City's MFTE program acts as backup.

Due to COVID-19, the Washington State Governor issued Proclamation 20-19.1 on April 16, 2020, prohibiting landlords, property owners, and property managers from increasing or threatening to increase the rate of rent or amount of any deposit for a dwelling until June 4, 2020. Therefore, for existing residential tenants, the City's 2019 Income and Rent Limits remain in effect until this time, unless otherwise extended as provided by law.

For residential properties currently participating in the City's Affordable Housing Program that will receive an initial certificate of occupancy on or after April 1, 2020, the 2020 Income and Rent Limits set forth below apply.

**2020 Income and Rent Limits**

**City of Shoreline**

The rent and income limits shown below apply to all MFTE projects except those with height bonuses in the MUR-70 zone. Projects in MUR-70 that don't use the height bonus do follow these rent and income limits.

Based on the King County (Seattle-Bellevue HFMA) Median Income:

**\$113,300** for a family of 4.

		Rent Limits				Household Income Limits		
70% AMI	BEDROOMS	Maximum Monthly Housing Costs	Maximum Rent if No Other Expenses	Maximum Rent if Tenant Pays Own Utilities, and No Other	Maximum Rent if Tenant Pays Own Utilities, Renters Insurance, and No Other Expenses	AMI: Household Size	70% Initial Occupancy	90% Recertification
		Studio	\$1,388	\$1,388	\$1,280	\$1,268	1	\$55,550
"Open 1"	\$1,586	\$1,586	\$1,478	\$1,466	2	\$63,450	\$81,600	
One	\$1,586	\$1,586	\$1,478	\$1,466	3	\$71,400	\$91,800	
					4	\$79,350	\$102,000	
					5	\$85,700	\$110,150	

80% AMI	BEDROOMS	Maximum Monthly Housing Costs	Maximum Rent if No Other Expenses	Maximum Rent if Tenant Pays Own Utilities, and No Other	Maximum Rent if Tenant Pays Own Utilities, Renters Insurance, and No Other Expenses	AMI: Household Size	80% Initial Occupancy	100% Recertification
		Two	\$2,039	\$2,039	\$1,905	\$1,893	1	\$63,450
Three	\$2,266	\$2,266	\$2,096	\$2,084	2	\$72,550	\$90,650	
Four	\$2,447	\$2,447	\$2,236	\$2,223	3	\$81,600	\$102,000	
					4	\$90,650	\$113,300	
					5	\$97,900	\$122,400	

Maximum monthly housing costs are 30% of the maximum household income, and include basic utilities, one parking space, and any costs required by the property owner (e.g., renter's insurance).

Income and housing cost limits are adjusted from the 4-person basis according to the table below, left.

Maximum contract rents are calculated by deducting charges borne by the tenant: basic utilities or utility allowance, first parking space, and monthly costs required for tenancy (e.g., renters insurance). Instead of deducting actual expenses, the owner may deduct allowances according to the table below, right.

Other Expense Allowances			
	Electricity & Gas	Water, Sewer, Garbage	Renter's Insurance
Bedrooms			
Studio	\$38	\$70	\$12
"Open 1"	\$38	\$70	\$12
One	\$38	\$70	\$12
Two	\$53	\$81	\$12
Three	\$70	\$100	\$12
Four	\$93	\$118	\$13

Example: The maximum rent of an 80% AMI studio with all utilities included, and no other required expenses, would be: **\$1,388**  
 The maximum rent for the same studio with no utilities included and renters insurance required would be: **\$1,268**  
 The maximum rent for the same studio with water, sewer, and garbage included (i.e., no W/S/G allowance) but not electricity and gas, and renter's insurance required would be: **\$1,338**

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

<b>AGENDA TITLE:</b>	Approval of Property Tax Exemption Program Contract for the Quinn by Vintage Project Located at 20057 Ballinger Way NE
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	Nathan Daum, Economic Development Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

**PROBLEM/ISSUE STATEMENT:**

The Quinn by Vintage, LP multifamily housing project located at 20057 Ballinger Way NE is expected to receive a full property tax exemption under RCWs 84.36.560 and 84.36.815. While the project is expected to be a recipient of a tax exemption administered by the state, participation in Shoreline's Multifamily Property Tax Exemption (MFTE; also known as PTE for Property Tax Exemption) program is a prerequisite for City affordable housing incentives. The applicant has agreed to an MFTE contract with the City stating that the residential improvements of their projects would be exempt from property taxation for 12 years in exchange for providing affordable housing and other conditions. The City Manager has approved the project's MFTE application. SMC 3.27.060 specifies that the City Manager's approval of the MFTE contract is subject to approval by the City Council. Tonight, staff is seeking Council approval of this MFTE contract (Attachment A).

**RESOURCE/FINANCIAL IMPACT:**

During the development of an MFTE project, the value of the residential improvements is taxable until the City certifies completion of the project and compliance with MFTE requirements. On the following January 1, the 12-year tax exemption on residential improvements begins, but this does not reset tax revenues for the City or other districts. That taxation—typically less than 100% of the ultimate, finished-project value—is effectively shifted to other taxpayers. If, in the event an assessment of the property is filed at 100% completion (but before issuance of a final certificate of tax exemption), the total value of the project could be added to the City's total assessed value. As an MFTE project, the exempted taxes on the improvements would, in that case be collected from taxpayers across the City. This shift to the City's approximately 22,000 households would amount to approximately \$68,000 in City share of property taxes, or \$3 per household per year.

The tax foregone is only that amount levied on the difference between the assessed value when evaluated during construction and upon completion. The balance will not be added to the assessed value unless the building exited its' state administered tax exemption program (which is not considered likely due to the strict requirements of affordable housing financing). When the assessor last valued properties, construction had not begun so a precise estimate was not calculated. For the purposes of this report, zero tax revenue to the City on the value of the improvements was assumed during the 12-year exemption period. However, due to the assumed increase in population, staff estimates tax revenues to the City overall would increase despite the exemption on the improvements.

Staff and consultant time is required to process applications, file annual reports to the state and King County, and to monitor compliance with affordable housing requirements.

### **RECOMMENDATION**

Staff recommends that the City Council approve the MFTE contract for the Quinn by Vintage project located at 20057 Ballinger Way NE.

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

## **BACKGROUND**

The Multi-Family Property Tax Exemption (MFTE; also known as PTE for Property Tax Exemption) program was instituted by the state legislature to provide incentives to construct multifamily housing and later amended to help create affordable housing. According to the conclusions of the Growth Management Act and the legislature, multifamily housing and affordable housing are needed throughout the Puget Sound metropolitan area to help mitigate negative environmental impacts of population growth.

The MFTE program provides the property owner an exemption from the *ad valorem* property taxes on new or rehabilitated housing improvements (including residential parking) for the duration of the exemption period. Shoreline has offered an MFTE program in nine (9) designated Residential Targeted Areas for many years. A summary of the previously approved MFTE projects in Shoreline is included in Attachment B to this staff report. The current Shoreline MFTE program requires that at least 20% of the project be affordable and provides a qualified project 12 years of exemption from property taxation.

## **DISCUSSION**

Quinn by Vintage, LP seeks public financing for a project at 20057 Ballinger Way NE that will enable 226 of its 227 dwelling units (all excluding the manager's unit) to be affordable and receive a full property tax exemption under RCWs 84.36.560 and 84.36.815. The project complies with all applicable requirements of RCW 84.14.060 and SMC 3.27.040. While the project is expected to be a recipient of a tax exemption administered by the State, participation in Shoreline's MFTE program is a prerequisite for City affordable housing incentives.

The next step in the MFTE process is for the City Council to approve or deny the contract that defines the terms under which the City will grant property tax exemptions, including binding the property to provide affordable housing for the period according to the RCW 84.14 and Chapter 3.27 SMC. Should the project exit the State program, the applicant could choose to remain in the City's MFTE program by adhering to the City's requirements. Project details include:

Location:	20057 Ballinger Way NE
Residential Targeted Area:	Ballinger Way NE Commercial Area
Units provided:	227
Affordable units provided:	226
Duration of tax exemption:	12 years
Affordability levels:	Studio and 1-bedroom units—70% AMI 2-bedroom and larger units—80% AMI
Duration of affordability:	12 years
Expected completion:	October 2022
Permit number:	PLN20-0130

## **RESOURCE/FINANCIAL IMPACT**

During the development of an MFTE project, the value of the residential improvements is taxable until the City certifies completion of the project and compliance with MFTE requirements. On the following January 1, the 12-year tax exemption on residential improvements begins, but this does not reset tax revenues for the City or other districts. That taxation—typically less than 100% of the ultimate, finished-project value—is effectively shifted to other taxpayers. If, in the event an assessment of the property is filed at 100% completion (but before issuance of a final certificate of tax exemption), the total value of the project could be added to the City's total assessed value. As an MFTE project, the exempted taxes on the improvements would, in that case be collected from taxpayers across the City. This shift to the City's approximately 22,000 households would amount to approximately \$68,000 in City share of property taxes, or \$3 per household per year.

The tax foregone is only that amount levied on the difference between the assessed value when evaluated during construction and upon completion. The balance will not be added to the assessed value unless the building exited its' state administered tax exemption program (which is not considered likely due to the strict requirements of affordable housing financing). When the assessor last valued properties, construction had not begun so a precise estimate was not calculated. For the purposes of this report, zero tax revenue to the City on the value of the improvements was assumed during the 12-year exemption period. However, due to the assumed increase in population, staff estimates tax revenues to the City overall would increase despite the exemption on the improvements.

Staff and consultant time is required to process applications, file annual reports to the state and King County, and to monitor compliance with affordable housing requirements.

### **Tax Exemption Savings**

While assessor's data won't be available until the project is constructed, rough estimates based on other Shoreline PTE projects suggest that over the 12-year exemption period the owner will save roughly \$1 million in city taxes and \$8.8 million to \$9.4 million from all taxing districts (about \$41,000 per affordable unit).

### **Public Benefit Calculation**

Current income and rent limits are attached to this staff report (Attachment C). Using the reported market rents of another new, nearby property, the City's consultant estimates the 12-year value of the affordable housing (the public benefit) to be approximately \$8,000,000, or \$670,000 per affordable unit. (This "rent gap" could turn out to be higher or lower, depending on relative changes between market and affordable rents over time.)

### **Limited Fiscal Analysis**

Although the valuation of the project may not be fully on the City's tax rolls for 12 years or more, therefore lowering the amount of new property tax collected, there are other revenue streams that will be generated by the project and the occupants of the units to off-set the costs of providing services to the new residents. These include one-time revenues and on-going revenues, which are highlighted below.

#### **Estimated One-time City Revenues**

One-time revenues for this project include the following:

- Real Estate Excise Tax (REET): REET is collected when a property is sold. The REET collected by the City on the developer's purchase of this property is estimated at approximately \$34,250.
- Sales and Use Tax: Sales and use tax is collected by the City on construction when a project is developed in Shoreline. The City's share of sales taxes, which are collected on the total of a project's hard and soft costs, are estimated at \$509,524 for this project.
- Impact Fees: Pursuant to SMC 3.80.070.G and SMC 3.70.070.F, the City Manager executed a contract waiving the parks and transportation impact fees for this project.

In total, it is anticipated that this project will pay the City an estimated \$543,774 in one-time taxes and fees, not including permit fees. This is outlined in Table 1 below:

**Table 1: Estimated One-time City Revenues (18815 Aurora Ave N)**

REET on Land Sale	\$34,250
Sales Tax of 1.05% (Construction)	\$509,524
Impact Fees (Units X \$7,446)	n/a (fee waiver applied)
<b>Total</b>	<b>\$509,524</b>

#### **On-Going Revenues**

On-going revenues for the project include the following:

- Sales and Use Tax: As new residents occupy the multi-family units, they buy goods in Shoreline that generate sales tax. On average, staff estimates that each resident of a multi-family unit generates approximately \$119.74 per year of sales taxes in Shoreline.
- Utility Taxes: All residents of multi-family housing use a variety of utilities which are subject to utility taxes and franchise fees. This includes water, wastewater, solid waste, electricity, natural gas, cable, telecommunications, and surface water. On average, staff estimates that each resident of a multi-family unit generates approximately \$114.77 per year of utility taxes.
- State Shared Revenues: Many of the state shared revenues distributed to the City are based on a per capita basis. Assuming that the average multi-family unit occupancy is two people per unit, each resident of a unit generates approximately \$36.15 per year of state shared revenues.



Table 2 below provides a comparison of estimated on-going annual City revenues from the property prior to the development, the annual revenues during the 12-year property tax exemption period, and the annual revenues following the expiration of the 12-year tax exemption period in the event that the project loses its tax-exempt status from the state's program. This project is under construction on a former commercial property. Due to confidentiality laws, tax data pertaining to an individual taxpayer was not available for staff's analysis of the preexisting use. For a rough estimate, staff determined an equivalent of 100 taxpayers residing on the property could be substituted. As such, the pre-redevelopment City revenues from the property and business located on it are estimated to have been \$35,100 per year. Despite the tax exemption on the improvements, this total would more than triple during the 12-year tax exemption period to approximately \$130,000 per year. By staff's analysis, 94% of those ongoing annual revenues could be attributed to the new residents, not the building developer or owner. Should the improvements come onto the tax rolls, the addition of the higher assessed value of the new improvements would increase this total, however, this is considered a highly unlikely scenario.

**Table 2: Estimated Annual Revenue - Quinn by Vintage**

	<b>Pre-Development</b>	<b>Development and MFTE Program Duration</b>	<b>Post MFTE Program</b>
<b>Assumptions</b>		(Years 1-12)	(Years 13+)
<b>Total Units</b>		227	Not applicable
<b>MFTE Program-Enrolled Affordable Units</b>	0	226	
<b>Population</b>	100		
<b>Property Tax (Land)</b>	\$8,000	\$8,000	
<b>Property Tax (Improvements)</b>	0	0	
<b>Sales Tax</b>	\$12,000	\$54,000	
<b>Utility Tax</b>	\$11,500	\$52,000	
<b>State-Shared Revenue (restricted)</b>	\$3,600	\$16,000	
<b>Total (Annual)</b>	\$35,100	\$130,000	

**Next Steps**

If the Council approves the proposed contract, the City Manager will issue Conditional Certificates of Property Tax Exemption to the applicant. The applicant has three years to complete the project and then may apply to the City for a Final Certificate. The City Manager may approve (or deny) the Final Certificate application without Council action. If approved, the City will file the Final Certificate with the County Assessor and the residential improvements will be exempt beginning the following January 1.

## **RECOMMENDATION**

Staff recommends that the City Council approve the MFTE contract for the Quinn by Vintage project located at 20057 Ballinger Way NE.

## **ATTACHMENTS**

- Attachment A: Proposed MFTE Contract for the Quinn by Vintage Project
- Attachment B: Summary of Approved MFTE Projects in Shoreline
- Attachment C: 2020 Income and Rent Limits

WHEN RECORDED, MAIL TO:

City of Shoreline  
17500 Midvale Ave N  
Shoreline, WA 98133

ATTN: City Clerk

**WASHINGTON STATE COUNTY AUDITOR/RECORDER/S INDEXING FORM**

<p><b>Document Title(s)</b> <i>(or transactions contained therein):</i></p> <p><b>MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT – QUINN BY VINTAGE</b></p>
<p><b>Reference Number(s) of Documents assigned or released:</b></p> <p><input type="checkbox"/> Additional reference numbers on page ____ of document.</p>
<p><b>Grantor(s)</b> <i>(Last name first, then first name and initials):</i></p> <p>1. <u>QUINN BY VINTAGE, LP</u></p> <p><input type="checkbox"/> Additional names on page __ of document.</p>
<p><b>Grantee(s)</b> <i>(Last name first, then first name and initials):</i></p> <p>1. <u>CITY OF SHORELINE, WASHINGTON</u></p> <p><input type="checkbox"/> Additional names on page __ of document.</p>
<p><b>Legal Description</b> <i>(abbreviated form; i.e., lot, block, plat name, section-township-range):</i></p> <p><u>PCL A BLA #PLN20-0027 REC #20200422900005.</u></p> <p><input checked="" type="checkbox"/> Additional legal on Exhibit "A" of document.</p>
<p><b>Assessor's Property Tax Parcel Account Number(s):</b></p> <p><u>741770-0075</u></p>

**The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document.**

**MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT**

**QUINN BY VINTAGE**

THIS MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT (the "Contract") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the CITY OF SHORELINE, a Municipal Corporation of the State of Washington (the "City"); QUINN BY VINTAGE, LP, a Washington limited partnership (the "Owner").

WHEREAS, the City has an interest in stimulating new construction or rehabilitation of multi-family housing in Residential Targeted Areas in order to reduce development pressure on single-family residential neighborhoods, increase and improve housing opportunities, provide affordable housing opportunities, and encourage development densities supportive of transit use; and

WHEREAS, the City has, pursuant to the authority granted to it by Revised Codes of Washington (RCW) Chapter 84.14, designated various areas of the City as Residential Targeted Areas for the provision of a limited property tax exemption for new or rehabilitation multi-family housing; and

WHEREAS, the City has, as set forth in Chapter 3.27 SMC, enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the King County Assessor that the owner is eligible to receive a limited property tax exemption; and

WHEREAS, the Owner is interested in receiving a limited property tax exemption for constructing two hundred twenty-seven (227) units of NEW multifamily housing ("Project") within the Ballinger Way NE Commercial Area Residential Targeted Area pursuant to SMC 3.27.030; and

WHEREAS, the Owner submitted to the City a complete application for Property Tax Exemption outlining the proposed Project to be constructed on property located at 20057 Ballinger Way NE in Shoreline, Washington ("Property") and legally described in **Exhibit A** of this Contract; and

WHEREAS, in consideration of the City's approval of Permit No. \_\_\_\_\_, the Owner accepts certain conditions affecting the use of the Property and the improvements authorized by Permit No. \_\_\_\_\_. It is the purpose of this Contract to set forth those

conditions and to impose enforceable restrictions on the use and occupancy of the residential portion of the Property; and

WHEREAS, on \_\_\_\_\_, the city manager determined that the application met all the eligibility and procedural requirements to qualify for a Conditional Certificate of Acceptance of Property Tax Exemption as provided in Chapter 3.27 SMC, with the exception of entering in to and recording this Contract; and

WHEREAS, on \_\_\_\_\_, the City Council authorized the city manager to execute this contract; and

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption.

NOW, THEREFORE, for and in consideration of the mutual promises aforesaid and made and relied upon by the parties hereto, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the City mutually agree as follows:

#### SECTION 1 – DEFINITIONS

Unless otherwise expressly provided herein, the following terms shall have the respective meanings set forth below. If a term is not defined herein, then it shall be defined as provided in Chapter 20.20 SMC or given its usual and customary meaning.

“Affordable Units” means the 226 units in the Project designated by the Owner and approved by the City, as set forth in **Exhibit B**, and reserved for occupancy by Eligible Households with maximum rents pursuant to Section 3.

“City’s Designee” mean that individual(s) authorized by the City to administer this Contract.

“Completion Date” means the date of the first certificate of occupancy issued by the City for the Project.

“Dwelling Unit” means a residential living facility, used, intended, or designed to provide physically segregated complete independent living facilities for one or more persons, including living, sleeping, cooking and sanitation facilities.

"Eligible Household" means one or more adults and their dependents who meet the qualifications for eligibility set forth in Section 3.F. or Section 3.I.

"Household Income" means gross annual income from all household members over the age of 18 residing in the household. Gross annual income consists of all wages, benefits (e.g. military, unemployment, welfare), interest, and other such income. Income of dependents over the age of 18 who reside within a household for less than three (3) months of the year will not be counted toward Household Income.

"Household Size" means all of the persons, related or unrelated, occupying an Affordable Unit. For the purpose of calculating maximum Housing Expenses, the following assumptions apply:

<u>UNIT TYPE</u>	<u>ASSUMED HOUSEHOLD SIZE</u>
Studio	1 Person
Open 1-Bedroom	1.5 Persons
1 Bedroom	1.5 Persons
2 Bedroom	3 Persons
3 Bedroom	4.5 Persons

"Housing Expense" means a tenant's costs for rent, parking for one motor vehicle if a parking space is available, Utilities or an equivalent Utility Allowance, and any recurring expenses required by the Owner as a condition of tenancy. Expenses that the Owner makes optional, such as pet rent, extra storage space or extra parking, are not considered Housing Expenses for the purpose of this Contract.

"Median Income" means the median family income for the *Seattle-Bellevue, WA HUD Metro FMR Area* as most recently published by the Secretary of Housing and Urban Development (HUD), as amended. In the event that HUD no longer publishes median family income figures, the City may estimate the Median Income applicable to the City in such manner as the City shall determine in its sole discretion.

"Property" means the real property, together with improvements, legally described in **Exhibit A**.

"Project" means the Owner's multi-family residential building containing 226 Dwelling Units also known as "Quinn by Vintage."

"Compliance Period" means 12 years from the date of initial occupancy of the Affordable Units.

"SMC" means the Shoreline Municipal Code, as it now exists or hereinafter amended.

"Utility" or "Utilities" means water, electricity, natural gas, sewer, and garbage collection but not including phone, internet service, or cable or satellite television.

"Utility Allowance" means that portion of Housing Expenses that the City determines, from time to time, is adequate for the reasonable Utility costs of Affordable Units in the event the Owner makes tenants responsible for payment for their own Utilities.

SECTION 2 – THE PROJECT

A. General Description. The Owner will construct the Project for purposes of providing multi-family rental housing, and the Owner shall own, manage, and operate (or cause the management and operation of) the Project. The Owner agrees to construct the Project in compliance with all applicable land use regulations and as approved and permitted by the City. In no event shall such construction provide less than fifty percent (50%) of the space for permanent residential occupancy as required by SMC 3.27.040(A)(2).

B. The Owner agrees to complete construction of the agreed upon improvements within three (3) years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption, or within any extension thereof granted by the City.

C. Conversion from Renter-Occupied to Owner-Occupied. In the event the Property is proposed for conversion to a condominium, owner-occupied, or non-rental residential use during the Compliance Period, the Owner must submit to the City for its review a plan for preserving the Affordable Units. The City may consider options which would convert the Affordable Units to owner-occupancy by Eligible Households and are consistent with the provisions of Chapter 3.27 SMC and SMC 20.40.235. The Owner must receive authorization from the City prior to conversion to condominium, owner-occupied, or non-rental residential use. This section does not waive the Owner's obligations to comply with any other law or regulations pertaining to conversion to ownership use.

SECTION 3 – AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS

A. Number of Affordable Units. The Project shall include the number and types of Affordable Units as set forth in the table below.

**Dwelling Units in the Project**

<b>Unit Type (Bedrooms)</b>	<b>Total Units</b>	<b>Affordable Units</b>
1-bedroom	58	57
2-bedroom	111	111
3-bedroom	58	58
Total	227	226

B. Similar Quality Construction. All of the Dwelling Units in the Project shall be constructed of similar quality. The Affordable Unit(s) shall have substantially the same net square footage, equipment, and amenities as other Dwelling Units in the Project with a comparable number of rooms.

C. Designation of Affordable Units. Affordable Units shall be generally distributed throughout the Project. The Owner agrees to designate the Dwelling Units identified in **Exhibit B** as Affordable Units. The Owner, from time to time, may propose to change the specific Dwelling Units designated as Affordable Units herein, in which case the Owner shall notify the City of the proposed change in writing for the City’s approval. The City will review the proposed changes and shall approve or deny the proposed changes based upon the criteria that at all times at least 226 of all of the Dwelling Units in the Project are designated as Affordable Units, and provided that at all times the same unit mix and affordability mix is retained.

D. Maximum Rents for Affordable Units.

(1) The Housing Expense of an Affordable Unit shall not exceed thirty percent (30%) of the Income Level relevant for the Unit Type shown in the following table, with adjustments for assumed Household Size.



**Maximum Affordable Rents**

<b>Unit Type</b>	<b>Income Level (Percent of Median Income)</b>
Studio or 1 bedroom	70%
2 or more bedrooms	80%

(2) An Affordable Unit's contract rent shall not exceed the unit's maximum Housing Expense less a Utility Allowance, if applicable, and any other recurring expenses required by the Owner as a condition of rental.

(3) No Affordable Unit's tenant shall have more than one rent increase for the same Unit in any twelve (12)-month period; provided, however, that in the event an Affordable Unit's lease expires and said tenant elects to continue leasing the Affordable Unit on a month-to-month tenancy, and the tenant remains an Eligible Household, the Owner may increase the rent for that Affordable Unit up to once every thirty (30) days but no higher than the maximum contract rent as set forth in this section.

E. Renting Affordable Units to Eligible Households. During the Compliance Period, the Owner shall lease or rent, or make available for lease or rental, to Eligible Households all of the Affordable Units in the Project. If at any time the Owner is unable to rent or lease an Affordable Unit, then the Affordable Unit shall remain vacant pending rental or lease to Eligible Households.

F. Income Qualifications for Eligible Households.

(1) To qualify as an Eligible Household for initial occupancy of an Affordable Unit, a household's Household Income may not exceed the applicable Percent of Median Income set forth in the table below, adjusted for Household Size.

**Maximum Income at Initial Occupancy Maximum**

<b>Bedrooms</b>	<b>Percent of Median Income</b>
Studio or 1 bedroom	70%
2 or more bedrooms	80%

(2) At time of recertification, as provided in Section I below, a tenant will remain an Eligible Household as long as said tenant's Household Income does not exceed the Maximum Income for Recertification.

G. Occupancy Limits for Affordable Units. The Owner shall utilize the following occupancy standards for Affordable Units:

Unit Type	Minimum Occupants
Studio or 1 bedroom	1 person
2-bedroom	2 persons
3-bedroom	3 persons
4-bedroom	4 persons

H. Completion of Certificate of Household Eligibility. Prior to allowing any household to occupy any Affordable Unit, the Owner shall require the prospective tenant to complete a Certification of Household Eligibility ("COHE") that shall be substantially in the form set forth in **Exhibit C**. The Owner shall also undertake a good faith effort to verify the prospective tenant's Household Income, as reported on the completed COHE. The Owner's obligation to verify the reported Household Income shall be limited to requesting copies of and reviewing the prospective tenant's federal income tax returns, unless the Owner has actual knowledge, or reason to believe, that the information provided by the prospective tenant is materially inaccurate. In the event federal income tax returns are not available, the Owner shall verify Household Income using wage or salary statements, or other income records that the City may consider appropriate.

I. Household Eligibility Recertification. At each renewal of a lease for an Affordable Unit, the Owner shall require all tenants occupying Affordable Units to complete and return to the Owner an updated COHE. The Owner shall undertake a good faith effort to verify the reported Household Income as set forth in Section 3(H). If a tenant's Household Income exceeds the Maximum Income for Recertification set forth below when the tenant's lease expires, then within ninety (90) calendar days either (a) the Owner may charge said tenant the current, applicable market rent for the Dwelling Unit and the Owner must designate and rent the next available comparable market rate Dwelling Unit as an Affordable Unit, or (b) the tenant must vacate the Dwelling Unit, unless otherwise prohibited by law, so as to make it available for an Eligible Household.

**Maximum Household Income for Recertification**

Bedrooms	Percent of King County Median Income
Studio or 1 bedroom	90%
2 or more bedrooms	100%

J. Equal Access to Common Facilities. Tenants of the Affordable Units shall have equal access to all amenities and facilities of the Project, such as parking, fitness centers, community rooms, and swimming pools. Parking is not guaranteed for all units and will be provided on a first-come, first-served basis. If a fee is charged for the use of an amenity or facility, then all tenants in the Project must be charged equally for such use.

SECTION 4 - MULTI-FAMILY LIMITED PROPERTY TAX EXEMPTION

A. The City agrees to issue the Owner a Conditional Certificate of Acceptance of Tax Exemption ("Conditional Certificate") once this Contract is approved by the City Council, fully executed, and recorded with the King County Recorder's Office. The Conditional Certificate shall expire three (3) years from the date the City Manager approved the Owner's application for tax exemption, unless extended by the City Manager as provided in SMC 3.27.060(B).

B. The Owner shall, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, file with the City Manager an application for Final Certificate of Tax Exemption ("Final Certificate") with the information and fees required by SMC 3.27.070. Required information includes:

(1) A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire Property;

(2) A description of the completed work and a statement of qualification for the exemption;

(3) A statement that the work was completed within the required three-year period or any authorized extension; and

(4) A statement that the Project meets affordable housing requirements of Chapter 3.27 SMC.

C. The City agrees, conditioned on the Owner's successful completion of the improvements in accordance with the terms of this Contract and on the Owner's filing of the materials described in Section B above, to file a Final Certificate with the King County Assessor within forty (40) days of application.

D. The Owner agrees, by December 15 of the year in which the City issued a Final Certificate for the Project, to provide

the City information sufficient to complete the City's report to the Washington State Department of Commerce as set forth in SMC 3.27.090(D).

E. If the Owner converts any of the new or rehabilitated multi-family housing units constructed under this Contract into another use, the Owner shall notify the King County Assessor and the City Manager within sixty (60) days of such change in use.

F. Owner agrees that the Contract is subject to the Shoreline Multi-Family Housing Tax Exemption set forth in Chapter 3.27 SMC.

SECTION 5 – ENFORCEMENT

A. Enforcement Provisions. The Owner shall exercise reasonable diligence to comply with the requirements of this Contract and shall correct any such noncompliance within sixty (60) calendar days after such noncompliance is first discovered by the Owner or would have been discovered by the exercise of reasonable diligence, or within 60 calendar days after the Owner receives notice of such noncompliance from the City, whichever is earliest; provided however, that such period for correction may be extended by the City if the Owner is exercising due diligence to correct the noncompliance. If such noncompliance remains uncured after such period, then the Owner shall be in default and the City on its own behalf may take any one or more of the following actions:

(1) By any suit, action or proceeding at law or in equity, require the Owner to perform its obligations under this Contract, or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder; it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default;

(2) Have access to, and inspect, examine, and make copies of, all of the books and records of the Owner pertaining to the Project. Provided, however, the City shall not divulge such information to any third party unless required by law or unless the same is necessary to enforce the City's rights hereunder; and

(3) Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants, conditions, and agreements of the Owner under this Contract.

SECTION 6 - CANCELLATION OF TAX EXEMPTION

A. The City reserves the right to cancel the Final Certificate should the Owner, its successors and assigns, fail to comply with any of the terms and conditions of this Contract, Chapter 3.27 SMC, or for any reason that the Project or that portion of the Property on which the Project is constructed no longer qualifies for the tax exemption.

B. Upon determining that a tax exemption is to be canceled, the City Manager shall notify the Owner by certified mail, return receipt request. The Owner may appeal the determination in accordance with SMC 3.27.100.

C. The Owner acknowledges that, in the event the City cancels the tax exemption, state law requires that an additional real property tax is to be imposed in the amount of (1) the difference between the tax paid and the tax that would have been paid if it had included the value of the non-qualifying improvements, dated back to the date that the improvements became non-qualifying; (2) a penalty of 20% of the difference calculated under (1) of this Paragraph C; and (3) interest at the statutory rate on delinquent property taxes and penalties, calculated from the date the tax would have been due without penalty if the improvements had been assessed without regard to the exemptions provided by Chapter 84.14 RCW and Chapter 3.27 SMC. The Owner acknowledges that, pursuant to RCW 84.14.110, any additional tax owed, together with interest and penalty, become a lien on that portion of the Property on which the Project is constructed and attached at the time the portion of the Property is removed from multi-family use or the amenities no longer meet applicable requirements, and that the lien has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the Property may become charged or liable. The Owner further acknowledges that RCW 84.14.110 provides that any such lien may be foreclosed in the manner provided by law for foreclosure of liens for delinquent real property taxes.

SECTION 7 - REPORTING REQUIREMENTS

A. Notice of Occupancy Permit. The Owner shall notify the City's Designee of receipt of the first occupancy permit for the Project within thirty (30) calendar days of the permit's issuance.

B. Initial Project Certification. After the Completion Date and until ninety percent (90%) of all rental units in the

Project are occupied, the Owner shall file with the City a Project Certification report, substantially in the form of **Exhibit D**, attached with copies of the COHE required under Section 3 of this Contract.

C. Annual Project Certification. The Owner shall file with the City Manager, within thirty (30) days following the first anniversary of the City's filing of the Final Certificate and each year thereafter for the duration of the property tax exemption, a report substantially in the form of **Exhibit D**, attached with copies of the COHE and which includes information required by SMC 3.27.090, which includes:

(1) A statement of occupancy and vacancy of the newly constructed or rehabilitated Project during the past twelve (12) months ending with the anniversary date;

(2) A certification by the Owner that the Project has not changed use since the date the City approved the Final Certificate and that Project conforms with affordable housing requirements of Chapter 3.27 SMC; and

(3) A description of any subsequent changes or improvements constructed after issuance of the Final Certificate.

D. Maintain Complete Records. The Owner shall maintain complete and accurate records pertaining to the Affordable Units and shall, during regular business hours, permit any duly authorized representative of the City, including, without limitation, the City's Designee, to inspect the books and records of the Owner pertaining to the Affordable Units, including the Initial and Annual Project Certifications, and if applicable, income documentation of households residing in Affordable Units in the Project. The Owner's failure to maintain such records or failure to allow inspection by the City or any duly authorized representative shall constitute a material default hereunder. The Owner shall retain all records pertaining to the Affordable Units for at least six (6) years.

E. Form of Certification. Notwithstanding anything in this Section to the contrary, the Owner shall submit all documentation required by this Section on the forms designated herein, which may be modified by the City from time to time. Changes to forms by the City shall not increase the Owner's obligations hereunder.

SECTION 8 – SUBSIDIZED TENANTS

The Owner shall accept as tenants for Affordable Units, on the same basis as all other prospective households, households who receive state or federal rent subsidies, such as Housing Choice Vouchers under Section 8 of the United States Housing Act of 1937, or other rent subsidies. The Owner shall not apply, or permit the application of, management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of any Dwelling Units by rent subsidy recipients.

SECTION 9 – LEASE PROVISIONS

A. It is the Owner's responsibility to screen and select tenants for desirability and credit worthiness. Except as restricted in this Contract and under state and federal law, such selection is within the Owner's discretion. If written management policies exist, or exist in the future, with respect to the Project, the City may review such written policies and may require changes in such policies, if necessary, so that the policies comply with the requirements of this Contract.

B. All leases for Eligible Households shall contain clauses wherein each individual lessee: (i) certifies the accuracy of the statements made in the COHE, (ii) agrees that the Household Income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy, and (iii) agrees that misrepresentation in the COHE is a material breach of the lease, entitling the Owner to immediately terminate tenant's lease for the Affordable Unit.

SECTION 10 – SALE OR TRANSFER OF THE PROJECT

The Owner hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project or any portion thereof without first providing a written statement executed by the purchaser that the purchaser understands the Owner's duties and obligations under this Contract and will enter into a contract with the City for the continuation of those obligations. Such notice must be received by the City at least ten (10) working days prior to the close of escrow.

SECTION 11 – TERM

This Contract shall become effective upon its execution and shall continue in full force and effect throughout the Compliance Period, unless sooner modified or terminated by the City or

property owner consistent with SMC 3.27.100, as adopted on the date of execution of this Agreement.

SECTION 12 – NO DISCRIMINATION

The Owner shall not discriminate on the basis of race, creed, religion, color, sex, sexual orientation, age, national origin, marital status, citizenship or immigration status, honorably discharged veteran or military status, or presence of any mental or physical handicap as set forth in RCW 49.60.030, as now existing and as may be amended, in the lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

SECTION 13 – COVENANTS RUN WITH LAND

A. The City and Owner hereby declare their understanding and intent that the covenants, conditions and restrictions set forth herein directly benefit the land (i) by enhancing and increasing the enjoyment and use of the Project by certain Eligible Households, and (ii) by furthering the public purposes of providing housing for Eligible Households.

B. The City and the Owner hereby declare that the covenants and conditions contained herein shall bind the Owner and all subsequent owners of the Project or any interest therein, and the benefits shall inure to the City, all for the Compliance Period. Except as provided in Section 12 of this Contract, each and every contract, deed or other instrument hereafter executed conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants and conditions of this Contract, provided however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants and conditions, regardless of whether or not such covenants and conditions are set forth or incorporated by reference in such contract, deed or other instrument.

C. Hold Harmless. The Owner shall defend, indemnify, and hold the City, its officers, officials, employees, volunteers and its Designee and any other party authorized hereunder to enforce the terms of this Contract, harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising out of or resulting from this Contract. This provision shall survive termination or expiration of this Contract.



D. No Third-Party Beneficiaries. The provisions of this Contract and of the documents to be executed and delivered in connection herewith are and will be for the benefit of the Owner and the City only and, are not for the benefit of any third party (including, without limitation, any tenants or tenant organizations), and accordingly, no third party shall have the right to enforce the provisions of this Contract or of the documents to be executed and delivered in connection herewith.

E. The provisions, covenants, and conditions contained in this Contract are binding upon the parties hereto and their legal heirs, representatives, successors, assigns, and subsidiaries and are intended to run with the land.

SECTION 14 – FORECLOSURE

In the case of any foreclosure, the immediate successor in interest in the Property pursuant to the foreclosure shall assume such interest subject to the lease(s) between the prior Owner and the tenant(s) and to this Contract for Affordable Units. This provision does not affect any state or local law that provides longer time periods or other additional protections for tenants.

SECTION 15 – ESTOPPEL CERTIFICATE

The City agrees, upon the request of the Owner or its successor in interest, to promptly execute and deliver to the Owner or its successor in interest or to any potential or actual purchaser, mortgagor, or encumbrancer of the Project, a written certificate stating, if such is true, that the City has no knowledge of any violation or default by the Owner of any of the covenants or conditions of this Contract, or if there are such violations or defaults, the nature of the same.

SECTION 16 – AGREEMENT TO RECORD

The Owner shall cause this Contract to be recorded in the real property records of King County, Washington. The Owner shall pay all fees and charges incurred in connection with such recording and shall provide the City with a copy of the recorded document.

SECTION 18 – RELIANCE

The City and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by City and the Owner. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and Eligible Households, and upon audits of the books

and records of the Owner pertaining to occupancy of the Project. In performing its duties hereunder, the Owner may rely on the Certificates of Household Eligibility unless the Owner has actual knowledge or reason to believe that such Certificates are inaccurate.

SECTION 19 – GOVERNING LAW

This Contract shall be governed by the laws of the State of Washington, except to the extent such laws conflict with the laws of the United States or the regulations of federally insured depository institutions or would restrict activities otherwise permitted in relation to the operation of federally insured depository institutions. Venue for any legal actions shall be in King County Superior Court or, if pertaining to federal laws, the U.S. District Court for Western Washington.

SECTION 20 – NO CONFLICT WITH OTHER DOCUMENTS

The Owner warrants that it has not executed and will not execute, any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Contract are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

SECTION 21 – AMENDMENTS

This Contract shall be amended only by a written instrument executed by the parties hereto or their respective successors in interest, and duly recorded in the real property records of King County, Washington. Amendments to **Exhibit B** shall be considered approved in writing when the **Revised Exhibit B** is signed by the Owner and the City without the need for a further written document attaching the revised exhibit and striking prior versions of the exhibit. In the event of conflict between versions of **Exhibits B**, the version maintained by the City as the then-current version, signed by Owner and City, shall prevail.

SECTION 22 – NOTICE

A. Any notice or communication hereunder, except legal service of process, shall be in writing and may be given by registered or certified mail. The notice or communication shall be deemed to have been given and received when deposited in the United States Mail, properly addressed with postage prepaid. If given otherwise, it shall be deemed to be given when delivered to

and received by the party to whom addressed. Such notices and communications shall be given to the Parties' representatives hereto at their following addresses:

If to the City: City of Shoreline  
17500 Midvale Ave N  
Shoreline, WA 98133  
Attn: City Manager

With a copy to the City's Designee:  
Mike Stanger  
13626 92<sup>nd</sup> Place NE  
Kirkland, WA 98034

If to the Owner: Quinn by Vintage, LP  
c/o Vintage Housing Holdings, LLC  
369 San Miguel Dr, Suite 135  
Newport Beach, CA 92660  
Attn: Michael K. Gancar

With a copy to: Stoel Rives LLP  
600 University St, Suite 3600  
Seattle, WA 98101  
Attn: Joseph P. McCarthy, Esq.

B. Any party may change its identified representative and address for notices upon ten (10) calendar days prior written notice to the other parties. Legal counsel for a party may deliver notices on behalf of the represented party and such notice shall be deemed delivered by such party.

#### SECTION 23 – SEVERABILITY

If any provision of this Contract shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

#### SECTION 24 – CONSTRUCTION

Unless the context clearly requires otherwise, words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Contract and to sustain the validity hereof.

SECTION 25 - TITLES AND HEADINGS

The titles and headings of the sections of this Contract have been inserted for convenience of reference only, are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in the construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

SECTION 26 - COUNTERPART ORIGINALS

This Agreement may be executed in any number of counterpart originals, each of which shall be deemed to constitute an original agreement, and all of which shall constitute one agreement. The execution of one counterpart by a Party shall have the same force and effect as if that Party had signed all other counterparts.

SECTION 27 - AUTHORITY TO EXECUTE

Each person executing this Agreement on behalf of a Party represents and warrants that he or she is fully authorized to execute and deliver this Agreement on behalf of the Party for which he or she is signing. The Parties hereby warrant to each other that each has full power and authority to enter into this Agreement and to undertake the actions contemplated herein and that this Agreement is enforceable in accordance with its terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Owner and City have each executed the Multi-Family Housing Limited Property Tax Exemption Contract on the Date first above written.

Owner:

City:

Quinn by Vintage, LP, a Washington limited partnership

By: Quinn by Vintage Partners, LLC, a Washington limited liability company

Its: Administrative General Partner

By \_\_\_\_\_  
Name: Michael K. Gancar  
Its: Manager

\_\_\_\_\_  
Debbie Tarry  
Its: City Manager

Approved as to Form:

\_\_\_\_\_  
Julie Ainsworth-Taylor  
Assistant City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF ORANGE

On \_\_\_\_\_, 202\_\_ before me,  
\_\_\_\_\_, Notary Public, personally appeared **Michael K. Gancar**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (seal)

STATE OF WASHINGTON }  
 } ss.  
COUNTY OF KING }

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of the CITY OF SHORELINE, who executed the foregoing document on behalf of said City, and acknowledged the said document to be the free and voluntary act and deed of said City, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington.

Print Name \_\_\_\_\_

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

**EXHIBIT A**

LEGAL DESCRIPTION

Parcel A of Boundary Line Adjustment No. PLN20-0027, recorded April 22, 2020 as Recording No. 20200422900005, records of King County, Washington.



**EXHIBIT B**

DESIGNATION OF AFFORDABLE UNITS



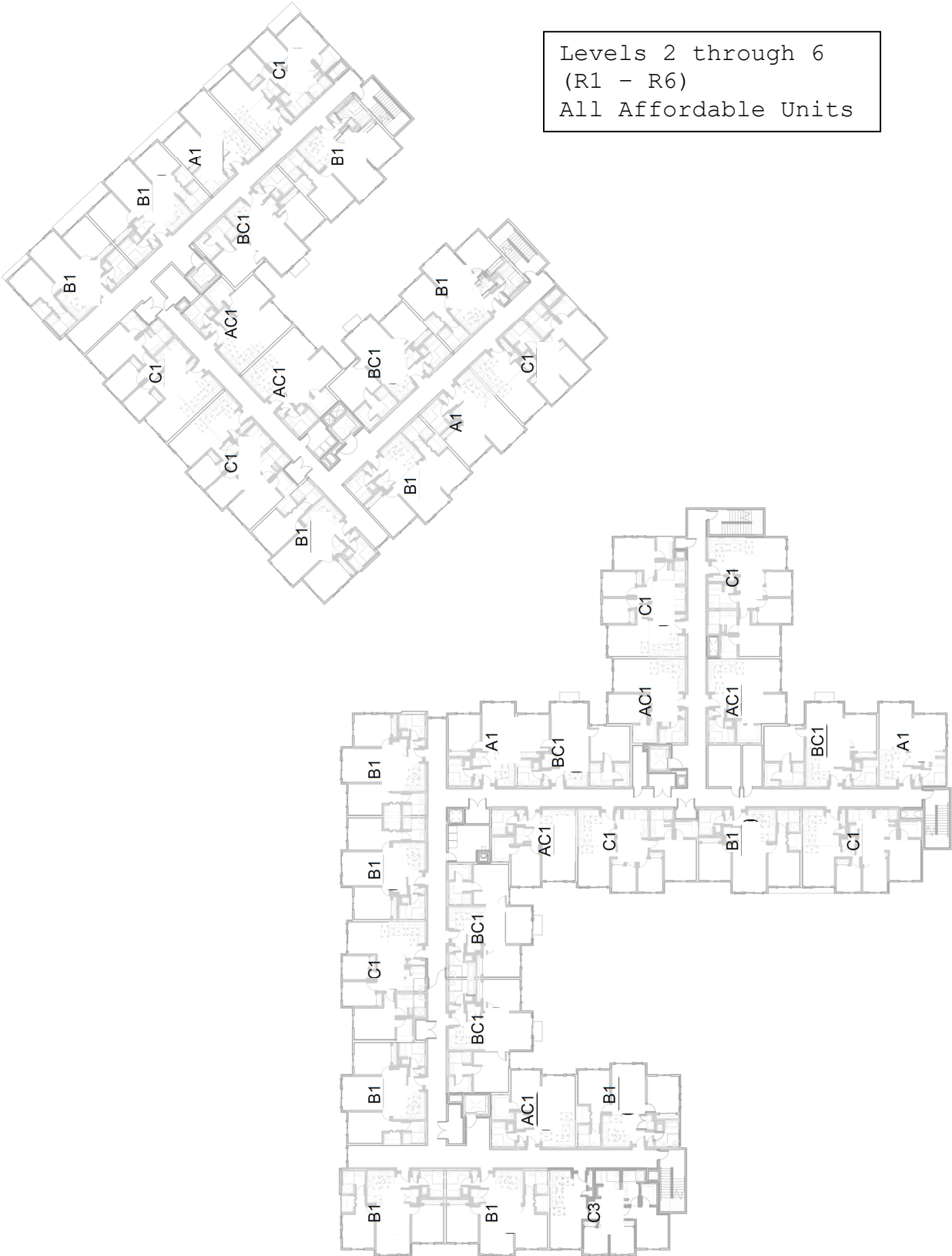


EXHIBIT C

FORM OF:

CERTIFICATION OF HOUSEHOLD ELIGIBILITY

City of Shoreline Affordable Housing

I, \_\_\_\_\_, and I, \_\_\_\_\_, as applicants for rental of the following Affordable Unit, do hereby represent and warrant that my/our adjusted annual income is \$ \_\_\_\_\_.

Property: \_\_\_\_\_ Property Address: \_\_\_\_\_

Unit # \_\_\_\_\_ No. of Bedrooms: \_\_\_\_\_ Household size:<sup>1</sup> \_\_\_\_\_ Disabled: Yes / No

The attached computation includes all income I/we received for the date I/we execute a rental agreement for an affordable unit, or the date on which I/we will initially occupy such unit, whichever is earlier.

This affidavit is made with the knowledge that it will be relied upon by the City to determine maximum income for eligibility. I/We warrant that all information set forth in this Certification of Household Eligibility is true, correct and complete based upon information I/We deem reliable, and that the estimate contained in the preceding paragraph is reasonable and based upon such investigation as the undersigned deemed necessary. I/we will assist the Owner in obtaining any information or documents required to verify the statements made in this Certification.

I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of this unit by institution of an action for eviction or other appropriate proceedings.

I/We do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Signature \_\_\_\_\_  
Date \_\_\_\_\_  
Mailing Address \_\_\_\_\_

Signature \_\_\_\_\_  
Date \_\_\_\_\_  
Mailing Address \_\_\_\_\_

1 The number of people who will reside with you at least four (4) months of the year.

EXHIBIT C TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

E-mail	_____	E-mail	_____
Address	_____	Address	_____
Phone	_____	Phone	_____

HOUSEHOLD MEMBERS

Name	Age	Name	Age
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

INCOME COMPUTATION

"Household income" includes all items listed below, from all household members over the age of 18. Income of dependents over 18, who reside in the unit for less than four (4) months of the year will not be counted toward household income.

For the previous 12-month period, indicate income received from the following sources:

- a) The full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services, and payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay and any earned income tax credit to the extent that it exceeds tax liability. \$\_\_\_\_\_
- b) Net income from operations of a business or profession or net income of any kind from real or personal property. \$\_\_\_\_\_
- c) Interest and dividends; \$\_\_\_\_\_
- d) The full amount of periodic payments received from Social Security, pensions, retirement funds, annuities, insurance policies, disability or death benefits, alimony, child support, or any similar type of periodical payments, and any regular contributions or gifts from persons not residing in the unit. \$\_\_\_\_\_
- e) Public assistance payments. \$\_\_\_\_\_
- f) Regular and special allowances and pay of a member of the Armed Forces who is a spouse or head of the family. \$\_\_\_\_\_

EXHIBIT C TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

TOTAL \$\_\_\_\_\_

(NOTE: The following are not considered income: occasional, infrequent gifts of money; one-time payments from insurance policies or an inheritance settlement; scholarships or student loans for tuition, fees or books; foster child care payments; the value of Food Stamp coupons; hazardous duty pay to a member of the Armed Forces; relocation payments; assistance received under the Low-Income Home Energy Assistance Program or any similar program).

EXHIBIT D

FORM OF ANNUAL PROJECT CERTIFICATION

ANNUAL PROJECT CERTIFICATION FORM

City of Shoreline Affordable Housing

Project: \_\_\_\_\_

Address: \_\_\_\_\_

The undersigned hereby certifies that during the past 12 months the Affordable Units required in the Declaration of Affordable Housing Covenants were utilized in the following manner:

- a) \_\_\_\_\_ Affordable Units in the Project were rented to new tenants (eligible households).
- b) \_\_\_\_\_ Affordable Units in the Project were re-rented (leases renewed) to tenants whose income for remained qualified under the limit for initial occupancy.
- c) \_\_\_\_\_ Affordable Units in the Project were re-rented to tenants who exceeded the qualifying income for initial occupancy but remained qualified under the income limit for recertification.
- d) \_\_\_\_\_ Affordable Units in the Project were rented to tenants who, at time of recertification, exceeded the qualifying income and either moved to a market-rate unit in the Project or moved out of the Project.
- e) \_\_\_\_\_ Affordable Units in the Project were rented to tenants who, at time of recertification, exceeded the qualifying income and remained in the unit, causing the affordability to be re-designated to a different unit in the Project.

The above information and that on the attached sheet(s) has been verified as required by the Multi-Family Housing Limited Property Tax Exemption Contract – Quinn By Vintage between the City of Shoreline and:

Owner (Company) Name: \_\_\_\_\_

\_\_\_\_\_  
Name of Owner or Owner’s Representative (Print)

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_, 20\_\_\_\_

EXHIBIT D TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

PROJECT NAME \_\_\_\_\_

REPORTING PERIOD: \_\_\_\_\_ through \_\_\_\_\_.

**Contract rent included the following (please answer "yes" or "no"):**

Electricity and gas? \_\_\_\_\_

Water and sewer? \_\_\_\_\_

Garbage and recycling? \_\_\_\_\_

**Other expenses tenants are required to pay in addition to contract rent:**

Renter's insurance? \_\_\_\_\_

King County Sewer Capacity Charge? \_\_\_\_\_

Other (specify)? \_\_\_\_\_

Other (specify)? \_\_\_\_\_

**Please attach a copy of the property's standard residential lease agreement.**

EXHIBIT D TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

PROJECT NAME \_\_\_\_\_

Complete the following table for all households occupying Affordable Units in the Project during the period:

---

Unit #	Tenant's Family Name	Household Size	Move-in Date	Current Lease Begin Date	Current Household Income	Unit Type (BRs)	Affordability Level	Contract Rent
--------	----------------------	----------------	--------------	--------------------------	--------------------------	-----------------	---------------------	---------------

Be sure to include all affordable units. Enter "vacant" under Tenant's Family Name for unoccupied units.

**Please attach copies of the current Certificate of Household Eligibility for each Affordable Housing tenant.**



## 2021 Property Tax Exemption Program Report - City of Shoreline

Updated 3/18/2021

Currently in PTE Program								
Units	Project	Type	Affordable	Start	End	Improvements Valuation (2021)	City Tax Rate (2021)	City Property Tax Abatement
16	3108 Apartments	12-year affordable	4	1/1/2021	12/31/2032	\$ 3,483,900	\$ 1.28912	\$ 4,491
81	Arabella II	12-year affordable	17	1/1/2020	12/31/2031	\$ 21,285,800	\$ 1.28912	\$ 27,440
164	Geo Apartments	12-year affordable	34	1/1/2021	12/31/2032	\$ 50,139,000	\$ 1.28912	\$ 64,635
80	Interurban Lofts	12-year affordable	16	1/1/2018	12/31/2029	\$ 3,720,800	\$ 1.28912	\$ 4,797
129	Malmo	12-year affordable	26	1/1/2015	12/31/2026	\$ 34,355,000	\$ 1.28912	\$ 44,288
5	North City Development	12-year affordable	1	1/1/2015	12/31/2026	\$ 595,700	\$ 1.28912	\$ 768
221	Paceline	12-year affordable	44	1/1/2019	12/31/2030	\$ 65,930,600	\$ 1.28912	\$ 84,992
165	Polaris*	12-year affordable	165	1/1/2015	12/31/2026	see note		
60	Sunrise Eleven	12-year affordable	12	1/1/2018	12/31/2029	\$ 14,551,900	\$ 1.28912	\$ 18,759
72	The 205 Apartments	12-year affordable	14	1/1/2019	12/31/2030	\$ 18,847,000	\$ 1.28912	\$ 24,296
243	The Postmark	State program	49	1/1/2021	12/31/2032	\$ 64,101,500	\$ 1.28912	\$ 82,635
<b>1,236</b>			<b>382</b>			<b>\$ 277,011,200</b>		<b>\$ 357,101</b>

Graduates of PTE Program								
Units	Project	Type		Start	End	Improvements Valuation (2021)	City Tax Rate (2021)	2020 Revenue
88	Arabella	10-year market	n/a	1/1/2008	12/31/2017	\$ 24,738,100	\$ 1.28912	\$ 31,890
<b>88</b>						<b>\$ 24,738,100</b>		<b>\$ 31,890</b>

Conditional Certificates of PTE								
Units	Project	Type	Affordable	Cert. Date	Expiration	Status	Est. Completion	Final App
330	Alexan at Shoreline Place	12-year affordable	66	5/11/2020	5/11/2023	Construction	Jul-21	no
315	18815 Aurora Ave N	12-year affordable	63	Pending	Pending	Construction	Mid 2020	no
124	Trad Apartments	12-year affordable	25	Pending	Pending	Construction	Apr-21	no
227	Quinn by Vintage*	State program	226	Pending	Pending	Predevelopment	Oct-22	no
241	Crux*	State program	241	Pending	Pending	Predevelopment	2024	no
203	Geo II	12-year affordable	41	Pending	Pending	Construction	2023	no
22	2152 185th	12-year affordable	5	Pending	Pending	Construction	2022	no
15	1719 185th	12-year affordable	3	Pending	Pending	Construction	2022	no
<b>1,477</b>			<b>670</b>					

**2,801 Total homes****1,052 Affordable homes**

\*Participates in alternative state incentive program offering full property tax exemption; the City's MFTE program acts as backup.

Due to COVID-19, the Washington State Governor issued Proclamation 20-19.1 on April 16, 2020, prohibiting landlords, property owners, and property managers from increasing or threatening to increase the rate of rent or amount of any deposit for a dwelling until June 4, 2020. Therefore, for existing residential tenants, the City's 2019 Income and Rent Limits remain in effect until this time, unless otherwise extended as provided by law.

For residential properties currently participating in the City's Affordable Housing Program that will receive an initial certificate of occupancy on or after April 1, 2020, the 2020 Income and Rent Limits set forth below apply.

**2020 Income and Rent Limits**

**City of Shoreline**

The rent and income limits shown below apply to all MFTE projects except those with height bonuses in the MUR-70 zone. Projects in MUR-70 that don't use the height bonus do follow these rent and income limits.

Based on the King County (Seattle-Bellevue HFMA) Median Income:

**\$113,300** for a family of 4.

		Rent Limits				Household Income Limits		
70% AMI	BEDROOMS	Maximum Monthly Housing Costs	Maximum Rent if No Other Expenses	Maximum Rent if Tenant Pays Own Utilities, and No Other	Maximum Rent if Tenant Pays Own Utilities, Renters Insurance, and No Other Expenses	AMI: Household Size	70% Initial Occupancy	90% Recertification
		Studio	\$1,388	\$1,388	\$1,280	\$1,268	1	\$55,550
"Open 1"	\$1,586	\$1,586	\$1,478	\$1,466	2	\$63,450	\$81,600	
One	\$1,586	\$1,586	\$1,478	\$1,466	3	\$71,400	\$91,800	
					4	\$79,350	\$102,000	
					5	\$85,700	\$110,150	

80% AMI	BEDROOMS	Maximum Monthly Housing Costs	Maximum Rent if No Other Expenses	Maximum Rent if Tenant Pays Own Utilities, and No Other	Maximum Rent if Tenant Pays Own Utilities, Renters Insurance, and No Other Expenses	AMI: Household Size	80% Initial Occupancy	100% Recertification
		Two	\$2,039	\$2,039	\$1,905	\$1,893	1	\$63,450
Three	\$2,266	\$2,266	\$2,096	\$2,084	2	\$72,550	\$90,650	
Four	\$2,447	\$2,447	\$2,236	\$2,223	3	\$81,600	\$102,000	
					4	\$90,650	\$113,300	
					5	\$97,900	\$122,400	

Maximum monthly housing costs are 30% of the maximum household income, and include basic utilities, one parking space, and any costs required by the property owner (e.g., renter's insurance).

Income and housing cost limits are adjusted from the 4-person basis according to the table below, left.

Maximum contract rents are calculated by deducting charges borne by the tenant: basic utilities or utility allowance, first parking space, and monthly costs required for tenancy (e.g., renters insurance). Instead of deducting actual expenses, the owner may deduct allowances according to the table below, right.

Other Expense Allowances			
Bedrooms	Electricity & Gas	Water, Sewer, Garbage	Renter's Insurance
Studio	\$38	\$70	\$12
"Open 1"	\$38	\$70	\$12
One	\$38	\$70	\$12
Two	\$53	\$81	\$12
Three	\$70	\$100	\$12
Four	\$93	\$118	\$13

Example: The maximum rent of an 80% AMI studio with all utilities included, and no other required expenses, would be: **\$1,388**  
 The maximum rent for the same studio with no utilities included and renters insurance required would be: **\$1,268**  
 The maximum rent for the same studio with water, sewer, and garbage included (i.e., no W/S/G allowance) but not electricity and gas, and renter's insurance required would be: **\$1,338**

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

<b>AGENDA TITLE:</b>	Public Hearing and Discussion on the Community Development Block Grant Round 3 Funding from the Coronavirus Aid, Relief, and Economic Security Act
<b>DEPARTMENT:</b>	Community Services Division
<b>PRESENTED BY:</b>	Bethany Wolbrecht-Dunn, Community Services Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

On March 27, 2020, the federal government passed the Coronavirus Relief and Economic Security (CARES) Act, which contained provisions across many federal agencies and programs to assist in health services, human services and provided direct financial assistance to individuals and households related to the COVID-19 emergency. As part of this assistance, the CARES Act allocated \$5 billion for the US Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program. These funds are now referred to as CDBG-CV and have been allocated in separate "Rounds" by HUD.

The initial \$2 billion was allocated to entitlement communities, including the City of Shoreline, using the same formula used for annual CDBG allocations. In May 2020, the City Council approved the allocation of \$190,338 of CDBG-CV Round 1 funds. After a 2% set aside for King County program administration, the remainder was allocated to Hopelink for rent assistance.

CDBG-CV Round 2 funds were provided only to states and insular areas. Round 3 allocations were announced by HUD in late 2020, with Shoreline receiving \$322,398. While the City allocated CDBG-CV Round 1 funds directly to a program, staff felt it was more appropriate to proceed with a request for proposals for the Round 3 funding. Tonight, staff are requesting that Council hold the required public hearing regarding the expenditure of CDBG funds and have discussion on the proposed use.

**FINANCIAL IMPACT:**

The CARES Act allocated \$322,398 in CDBG-CV Round 3 funds for the City of Shoreline. King County, who manages planning and administration of the funds with HUD on behalf of Shoreline, is estimated to retain \$6,448 (2%); providing a total of \$315,950 to allocate to eligible programs.

## **RECOMMENDATION**

Staff recommends that the City Council hold the required public regarding the use of CDBG-CV Round 3 funding. Staff further recommends that Council approve the staff-recommended use of funding, totaling \$315,950, as scheduled on April 12, 2021.

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

## **BACKGROUND**

The Federal Community Development Block Grant (CDBG) Program is one of the most enduring programs providing federal support to local jurisdictions. It was created under Title I of the Housing and Community Development Act of 1974. The primary objective of the CDBG program is the development of viable urban communities, by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. CDBG funds can serve households with incomes up to 80% of the King County median income (\$76,200 for a two-person household).

As a CDBG entitlement community, Shoreline receives an annual allocation of CDBG funds. The City has an Interlocal Agreement with King County for the administration and management of the City's CDBG grant. Generally, the City receives approximately \$322,000 annually, of which the Interlocal Agreement allows the City to allocate 48% of the available funds to local projects. The balance is allocated to the delivery of regional programs that serve Shoreline residents and program planning and grant administration. In 2009, the federal government provided additional CDBG funds as part of the American Reinvestment and Recovery Act (2009 stimulus funding); with the primary goal to save existing jobs and to create new ones.

Due to the COVID-19 emergency, the federal government has taken several steps to respond to the crisis – one being the passage of the Coronavirus Relief and Economic Security (CARES) Act on March 27, 2020. The CARES Act is the largest economic relief program in US history and has provided an additional \$5 billion in CDBG funds. These funds are now referred to as CDBG-CV and have been allocated in separate "Rounds" by HUD.

While most of the CDBG regulations remain, the CARES Act allows several changes to the CDBG-CV program, of which several are important to this discussion:

- Program must be in response to the COVID-19 emergency,
- Removes the cap of 15% of funds being use for public services, and
- Allows for a 5-day notice for the required Public Hearing and removes in-person hearing requirement.

The initial \$2 billion of CDBG-CV funds was allocated to entitlement communities, including the City of Shoreline, using the same formula used for annual CDBG allocations. In May 2020, the City Council approved the allocation of \$190,338 of CDBG-CV Round 1 funds. After a 2% set aside for King County program administration, the remainder was allocated to Hopelink for rent assistance. Funding for the Lake City Partner Hotel Voucher program was also included in the Council recommendation. However, the approved plan also indicated that if other grant funding from the Federal Emergency Management Agency (FEMA) was available for the Hotel Voucher program, then that funding would be made available to Hopelink. Reimbursement from FEMA for the Hotel Voucher Program is included in a FEMA reimbursement, so all CDBG-CV funds were then allocated to Hopelink.

Of the \$3 billion remaining at the federal level for CDBG-CV funding from the CARES Act, \$1 billion is being provided directly to state and insular areas. The remaining \$2 billion is being provided states and local governments based on a new formula

developed by HUD that prioritized certain data and demographics related to the pandemic. Shoreline is eligible for \$322,398 in CDBG-CV Round 3 funding.

### **DISCUSSION**

Shoreline's entitlement of this final round of CDBG-CV funding from the CARES Act is \$322,398. As the CARES Act removes the 15% maximum limit on the use of CDBG-CV funds for human services, staff is proposing to use the entire \$315,950 remaining after King County planning and administration costs (\$6,448; 2% of total award) to support COVID-19 response assistance in the community.

#### **Request for Proposals for CDBG-CV Round 3 Funds**

Given the large amount of CDBG-CV funding available and the known needs to respond to the COVID-19 emergency, staff developed a request for proposals and invited agencies to apply. In order to limit the number of applications, staff accepted applications in only the following categories:

- Food Assistance,
- Rental Assistance,
- Behavioral Health, and
- Services for Students Affected by School Closures.

Agencies had approximately three weeks to complete the application, and staff received five applications from four agencies, totaling \$606,179 in requests.

Agency	Project Name	Project Description	Request
Hopelink	Financial Assistance	Assist approximately 50 households with up to \$3000 for rent assistance over 6 months.	\$150,000
YMCA	Backpack Meals	Provide meals to 150 King County Housing Authority households.	\$78,000
YMCA	Rental Assistance	Rental assistance for up to 6 months for 17 households.	\$150,000
Center for Human Services	Mental Health Case Management	Assist approximately 50 clients with 750 hours of case management.	\$78,179
Lake City Partners	Homeless Rent Assistance	Provide rent assistance to 50 residents.	\$150,000
<b>Total</b>			<b>\$606,179</b>

#### **Proposed Funding Plan**

Upon reviewing and evaluating these five proposals received, staff is proposing the following funding plan for this CDBG-CV funding:

- ***Hopelink – Rent Assistance - \$137,771***  
This program will provide rental assistance on behalf of an individual or family in response to the COVID-19 emergency.
- ***Center for Human Services – Mental Health Case Management - \$78,179***  
This program will respond to the increased need for mental health services related to COVID-19.

- **Lake City Partners – Rent Assistance – \$100,000**  
Rent and housing assistance will be provided on behalf of an individual or family in response to the COVID-19 emergency.

As staff does not know the exact percentage that King County will reserve for program administration, if any changes to the program funding levels are needed, it is recommended that the first \$5,000 in program funding reductions come from Hopelink and the second \$5,000 in program funding reduction come from Lake City Partners. Any increases in program funding amounts will be allocated to Hopelink.

### **ALTERNATIVES ANALYSIS**

The Council has several options in regard to the use of the CDBG-CV funding. Council could direct staff to consider and recommend different services, service providers or funding allocations to implement CDBG-CV eligible projects. Programs proposed for funding have an established track record and community presence in Shoreline. Furthermore, staff feels that this funding allocation to these service providers best meets the ongoing needs as related to the COVID-19 emergency.

### **FINANCIAL IMPACT**

The CARES Act allocates \$322,398 in CDBG-CV Round 3 funds for the City of Shoreline. King County, who manages planning and administration of the funds with HUD on behalf of Shoreline, is estimated to retain \$6,448 (2%); providing a total of \$315,950 to allocate to eligible programs.

### **RECOMMENDATION**

Staff recommends that the City Council hold the required public regarding the use of CDBG-CV Round 3 funding. Staff further recommends that Council approve the staff-recommended use of funding, totaling \$315,950, as scheduled on April 12, 2021.

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

<b>AGENDA TITLE:</b>	Action on the 2021 Comprehensive Plan Amendment Docket		
<b>DEPARTMENT:</b>	Planning & Community Development		
<b>PRESENTED BY:</b>	Steven Szafran, AICP, Senior Planner Rachael Markle, AICP, Director		
<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 City is limited by state law and the City’s adopted procedures to processing Comprehensive Plan amendments once a year, with exceptions only in limited situations. Proposed amendments are collected throughout the previous year with a deadline of December 1<sup>st</sup> for public and staff submissions of suggested amendments to be considered in the following year. Shoreline Municipal Code (SMC) Section 20.30.340(C)(2)(b) permits the Council to submit an amendment to the Docket at any time before the final Docket is set.

The Docket establishes the amendments that will be reviewed and studied during the year by staff and the Planning Commission prior to their recommendation to the City Council for final approval to amend the Comprehensive Plan by the end of the following year. In addition, the Docket ensures that all the proposed amendments are considered concurrently so that the cumulative effect of the various proposals can be ascertained when the City Council is making its final decision, as required by RCW 36.70A.130(2)(b).

This year’s Preliminary 2021 Docket was presented to the Planning Commission on February 4, 2021 and contained one (1) privately-initiated amendment. Ultimately, the Planning Commission recommended that the 2021 Docket (Attachment A) include the proposed amendment.

The City Council discussed the Preliminary 2021 Docket, as recommended by the Planning Commission, on March 15, 2021. Tonight, Council is scheduled to adopt the Final 2021 Comprehensive Plan Amendment Docket. Prior to adoption of the Final 2021 Docket, Council may also consider and move proposed amendments to the Docket. Staff has provided amendatory motions in this staff report for Council’s use, if needed.

**RESOURCE/FINANCIAL IMPACT:**

**Proposed Comprehensive Plan Amendment No. 1** - Amend the Comprehensive Plan Land Use Map Designation from Public Facility to High Density Residential and change the Zoning from Residential, 18 units/acre (R-18) to Residential 48 units/acre (R-48):



this amendment will require additional staff analysis, a public hearing at the Hearing Examiner, Planning Commission recommendation, and City Council discussion and action for both the rezone and the Comprehensive Plan Map Amendment. Rezoning to R-48 may allow more units adding to the City's tax base.

**Proposed Comprehensive Plan Amendment No. 2** – Amend the Comprehensive Plan Land Use Map Designation from Public Facility to Mixed-Use 1 and change the zoning from Residential, 18 units/acre (R-18) and Mixed-Business to Mixed-Business: this amendment will require additional staff analysis, a public hearing at the Hearing Examiner, Planning Commission recommendation, and City Council discussion and action for both the rezone and the Comprehensive Plan Map Amendment. Rezoning to Mixed-Business may allow redevelopment of the park and ride for a mixed-use, transit-oriented design (TOD) adding to the City's tax base.

### **RECOMMENDATION**

The Planning Commission recommends that the City Council approve the Preliminary 2021 Comprehensive Plan Amendment Docket with proposed amendment No. 1. Staff recommends that the Council add proposed Comprehensive Plan amendment No. 2 to the 2021 Comprehensive Plan Docket.

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

## **BACKGROUND**

The State Growth Management Act, Chapter 36.70A RCW, limits consideration of proposed Comprehensive Plan amendments to no more than once a year. To ensure that the public can view the proposals within a concurrent, citywide context, the Growth Management Act directs cities to create a Docket that lists the amendments to be considered in this “once a year” review process.

Proposed amendments are collected throughout the previous year with a deadline of December 1<sup>st</sup> for public and staff submissions of suggested amendments to be considered in the following year. SMC Section 20.30.340(C)(2)(b) permits the Council to submit an amendment to the Docket at any time before the final Docket is set. The Docket establishes the amendments that will be reviewed and studied during the year by staff and the Planning Commission prior to their recommendation to the City Council for final approval to amend the Comprehensive Plan by the end of the following year.

Comprehensive Plan amendments usually take two forms: Privately-initiated amendments and City-initiated amendments. This year, the Planning Commission was presented with one privately-initiated amendment.

The Planning Commission has recommended the Preliminary 2021 Docket (Attachment A) and the City Council is now tasked with establishing the Final 2021 Docket, which will direct staff's preparation of an amendment that will be considered for adoption later this year.

The Planning Commission considered the Preliminary 2021 Comprehensive Plan Docket on February 4, 2021 and voted to forward the recommended Preliminary 2021 Docket to the City Council for its consideration in establishing the Final 2021 Docket. The Planning Commission meeting minutes from the February 4, 2021 meeting are included as Attachment B to this staff report. The staff report for this Planning Commission meeting can be reviewed at the following link:  
<https://www.shorelinewa.gov/home/showpublisheddocument?id=50764>.

Following the Planning Commission Public Hearing, the City Council then discussed the Preliminary 2021 Docket on March 15, 2021. The staff report for this Council discussion can be found at the following link:  
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport031521-9b.pdf>.

## **DISCUSSION**

A description and the Planning Commission's recommendation for the proposed Comprehensive Plan Amendments is shown below:

### **Amendment #1**

*Amend the Comprehensive Plan Land Use Map Designation from Public Facility to High Density Residential and change the Zoning from Residential, 18 units/acre (R-18) to Residential, 48 units/acre (R-48).*

**Analysis:**

This amendment is a privately initiated amendment to change the Comprehensive Plan Land Use Map designation of one parcel from Public Facilities to High-Density Residential (Attachment C) and to concurrently rezone the parcel from R-18 to R-48 (Attachment D). The request will allow the applicant to construct 17 single-family attached dwelling units (townhomes). The applicant's proposed site plan is included as Attachment E.

The parcel in question was once owned by the State of Washington for the development of the King County Metro Park and Ride Lot on the corner of Aurora Avenue N and N 192<sup>nd</sup> Street. The land was sold by the State to the applicant in 2014. The parcel was never developed as part of the park and ride lot and has remained vacant and undeveloped. The southern portion of the parcel is vegetated with trees, shrubs and brush and the northern portion of the parcel has been cleared of vegetation.

This site and the park and ride directly east was once a wetland where drainage from development west of the site along Firlands Way N would drain into the area that is now Aurora Avenue, the park and ride, the Echo Lake Apartments, and Echo Lake. The construction of Aurora Avenue directed that water into drainage facilities and channelized it, making development possible along the Aurora Corridor.

This amendment to the Comprehensive Plan Land Use Map and zoning map will provide increased density in a location that is directly adjacent to the King County Park and Ride Lot and in close proximity to the King County Metro E-Line, King County Metro bus routes, retail, restaurants, and other commercial and personal services.

**Planning Commission Recommendation:**

The Planning Commission recommends that this amendment be placed on the Final 2021 Comprehensive Plan Docket.

**Amendatory Motion to Exclude this Amendment:**

During the March 15<sup>th</sup> Council discussion, some Councilmembers were concerned that adding Amendment No. 1 to the 2021 Comprehensive Plan Docket will cause unnecessary impacts to the community including greater residential densities adjacent to low-density single-family homes, significant tree removal on a portion of the site, and development on a potential slope. The Council was also concerned about privately-owned parcels that are designated Public Facilities in the Comprehensive Plan. Instead of evaluating these parcels in a piecemeal approach like the request tonight, Council may want staff to evaluate all these situations together through the major update of the Comprehensive Plan in 2024.

Council may be interested in the development standards between the current R-18 zone and the proposed R-48 zone, as this was raised as an issue during Council's March 15<sup>th</sup> discussion. Staff has provided a comparison in the table below between these two zones on this property:

	R-18 Zone	R-48 Zone
<b>Potential Units</b>	10	26
<b>Hardscape Allowed</b>	85%	90%
<b>Building Coverage</b>	60%	70%
<b>Building Height</b>	40' (Pitched Roof)	40' (Pitched Roof)
<b>Trees Allowed to be Removed Without Permit</b>	5	5
<b>Significant Tree Retention</b>	20% (30% if critical areas present)	20% (30% if critical areas present)
<b>Setbacks from Single Family Homes</b>	15 feet	15 feet
<b>Parking</b>	2 per unit	2 per unit

As you can see from the table, impacts from development of the site will be similar between the R-18 and R-48 zones. Of course, the R-48 zone will allow more units but building and hardscape will limit the number that can be built, especially if the site is built with townhomes.

If Council would like to exclude Amendment No. 1 from the Final 2021 Comprehensive Plan Amendment Docket, a Councilmember would need to move to modify the Planning Commission’s recommendation as follows:

***I move to modify the Planning Commission’s recommendation to exclude Amendment No. 1 from the Final 2021 Comprehensive Plan Amendment Docket.***

**Amendment #2**

*Amend the Comprehensive Plan Land Use Map Designation from Public Facility to Mixed-Use 1 and change the Zoning from Residential, 18 units/acre (R-18) and Mixed-Business (MB) to Mixed-Business (MB).*

**Analysis:**

This amendment was initiated by King County Metro to change the Comprehensive Plan Land Use Map designation of one parcel from Public Facilities to Mixed-Use 1 (Attachment F) and to concurrently rezone the parcel from R-18 and MB to entirely MB (Attachment G). The zoning designation of the Park & Ride is split with roughly a third of the site zoned R-18 and the rest zoned MB. The request will allow the applicant to pursue greater redevelopment potential on the site.

The City has previously engaged the State and King County Metro (KC Metro) on the desire for long-term planning of the 192<sup>nd</sup> Park & Ride for transit-oriented development (TOD). Through a property ownership transition from the State, KC Metro is the current owner of the Park and Ride. Staff has been in conversations with KC Metro TOD Planners and they have indicated that they are going to move forward with the 192<sup>nd</sup> Park and Ride TOD study, and that a change in comprehensive plan land use designation and zoning would be one of the key first steps in the process. A change in

the land use designation and zoning will allow KC Metro to go to market and secure a development partner for the Park & Ride. The TOD Study will be completed approximately in the fall which is around the time City Council would be discussing any changes to the Comprehensive Plan Land Use Map or the Zoning Map.

Amendment No.2 supports Goal 1, Action Step 10 which states: “Support King County Metro’s evaluation of the 192nd Park and Ride as a potential location for expanded transit operations and transit-oriented-development”. Adding this amendment to the Final 2021 Docket would support that action step if it is included in the final goals. Previous Council Goal language has also directed staff to support redevelopment of the Park & Ride.

**Amendatory Motion to Include this Amendment:**

Some Councilmembers were supportive of adding this amendment to the Final 2021 Docket when this was discussed by Council on March 15<sup>th</sup>, as this amendment will allow greater development potential on the Park & Ride site which supports Council’s goals as stated above.

If Council would like to include Amendment No. 2 on the Final 2021 Comprehensive Plan Amendment Docket, a Councilmember would need to move the amendment as follows:

***I move to include Amendment No. 2 on the Final 2021 Comprehensive Plan Amendment Docket.***

**RESOURCE/FINANCIAL IMPACT**

**Proposed Comprehensive Plan Amendment No. 1** - Amend the Comprehensive Plan Land Use Map Designation from Public Facility to High Density Residential and change the Zoning from Residential, 18 units/acre (R-18) to Residential 48 units/acre (R-48): this amendment will require additional staff analysis, a public hearing at the Hearing Examiner, Planning Commission recommendation, and City Council discussion and action for both the rezone and the Comprehensive Plan Map Amendment. Rezoning to R-48 may allow more units adding to the City’s tax base.

**Proposed Comprehensive Plan Amendment No. 2** – Amend the Comprehensive Plan Land Use Map Designation from Public Facility to Mixed-Use 1 and change the zoning from Residential, 18 units/acre (R-18) and Mixed-Business to Mixed-Business: this amendment will require additional staff analysis, a public hearing at the Hearing Examiner, Planning Commission recommendation, and City Council discussion and action for both the rezone and the Comprehensive Plan Map Amendment. Rezoning to Mixed-Business may allow redevelopment of the park and ride for a mixed-use, transit-oriented design (TOD) adding to the City’s tax base.

**RECOMMENDATION**

The Planning Commission recommends that the City Council approve the Preliminary 2021 Comprehensive Plan Amendment Docket with proposed amendment No. 1. Staff

recommends that the Council add proposed Comprehensive Plan amendment No. 2 to the 2021 Comprehensive Plan Docket.

### **ATTACHMENTS**

- Attachment A – Planning Commission Recommended 2021 Comprehensive Plan Amendment Docket
- Attachment B – February 4, 2021 Planning Commission Meeting Minutes
- Attachment C – Comprehensive Plan Land Use Map
- Attachment D – Zoning Map
- Attachment E – Site Plan
- Attachment F – Comprehensive Plan Land Use Map (Park & Ride)
- Attachment G – Zoning Map (Park & Ride)



*City of Shoreline*

## **DRAFT 2021 COMPREHENSIVE PLAN AMENDMENT DOCKET**

The State Growth Management Act generally limits the City to amending its Comprehensive Plan once a year and requires that it create a Docket (or list) of the amendments to be reviewed.

### **DRAFT 2021 Comprehensive Plan Amendments**

1. Amend the Comprehensive Plan Land Use Map Designation from Public Facility to High Density Residential and change the Zoning from Residential, 18 units/acre (R-18) to Residential, 48 units/acre (R-48).

*Estimated timeframe for Council review/adoption: September 2021.*

# CITY OF SHORELINE

## SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING (Via Zoom)

February 4, 2021  
7:00 P.M.

---

---

### **Commissioners Present**

Chair Mork  
Vice Chair Malek  
Commissioner Callahan  
Commissioner Lin  
Commissioner Rwamashongye  
Commissioner Sager

### **Commissioners Absent**

Commissioner Galuska

### **Staff Present**

Rachael Markle, Planning Director  
Nora Gierloff, Planning Manager  
Steve Szafran, Senior Planner  
Carla Hoekzema, Planning Commission Clerk

### **Guest Present**

Kirsten Larsen, Senior Planner, Growth Management  
Services, Washington State Department of Commerce

### **CALL TO ORDER**

Chair Mork called the regular meeting of the Shoreline Planning Commission to order at 7:00 p.m.

### **ROLL CALL**

Upon roll call by Ms. Hoekzema the following Commissioners were present: Chair Mork, Vice Chair Malek, and Commissioners Callahan, Lin, Rwamashongye and Sager. Commissioner Galuska was absent with notice.

### **APPROVAL OF AGENDA**

The agenda was accepted as presented.

### **APPROVAL OF MINUTES**

The minutes of January 21, 2021 were accepted as presented.

### **GENERAL PUBLIC COMMENT**

There were no general public comments.



**STUDY ITEM: WASHINGTON STATE DEPARTMENT OF COMMERCE GROWTH MANAGEMENT ACT (GMA) BRIEFING**

**Kirsten Larsen, Senior Planner, Washington State Department of Commerce**, explained that the Department of Commerce works with local governments, providing technical assistance, as well as advising on transportation policies. Their core mission is to strengthen Washington communities. It operates a multitude of programs aimed at helping communities reach their potential in all areas that are important to them.

Ms. Larsen advised that her presentation is part of a Short Course on Local Planning, and the entire course is available on their website, with a very concise video guide. The website also provides links to a full-length guide book and Open Public Meetings Training. She also encouraged Board Members to check out the Municipal Research and Services Center (MRSC) Website, which provides resources on a wide-range of topics for local governments that are easily accessible.

Ms. Larsen shared a list of reasons why it is important to plan. She observed that planning results in more effective and efficient outcomes. The public expects fairness and transparency, and the GMA establishes a framework for planning that provides a public decision-making process and offers predictability to the public that, once decisions are made, development will be reviewed consistent with those decisions.

Ms. Larsen advised that, according to data provided by the Office of Financial Management, Washington State's population grew from 4.1 million to 6.7 million in the 20-year period between 1990 and 2010. The state is expected to exceed 9 million by 2040. With its natural beauty, recreational opportunities and other desirable attributes, the state will continue to grow. They must plan to maintain quality of life while accommodating that growth.

Ms. Larsen reviewed that the legislature adopted the GMA in 1990 in response to concerns that uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in conservation and wise use of lands, posed a threat to the environment, sustainable economic development and the health, safety and high quality of life that is enjoyed by the residents of the state. The GMA provides a statewide planning framework that addresses these concerns and requires local planning that is guided by state law and is regionally enforced.

Ms. Larsen advised that only the state's largest counties and cities are required to fully plan under GMA. This includes those in the Central Puget Sound region. Counties and cities fully planning under GMA are required to meet all of the acts, goals and requirements. This means they must agree on countywide planning policies and develop detailed comprehensive plans. She provided a map of the 39 counties in the state, noting that 18 are required to fully plan under GMA and 10 others chose to do so because they saw the value in the planning framework. The 11 smallest and slowest growing counties and cities only need to plan for resource lands and critical areas.

Ms. Larsen very briefly shared the GMA's 14 goals to guide the development and adoption of comprehensive plans and development regulations and emphasized that all of the goals should be looked at to compliment and reinforce each another.

Ms. Larsen said the first thing counties had to do when GMA was passed was designate and conserve natural resource lands and designate and protect environmentally critical areas. Natural resource lands of long-term commercial significance are designated and conserved based on specific criteria that looks at parcel size, soil and proximity to markets. All counties and cities are required to designate and protect environmental critical areas against risk to human life and investment and to protect the important functions and values that are provided by wetlands, critical aquifer recharge areas and fish and wildlife habitat. Local governments must use the best available science (BAS) and adopt regulations to protect functions and values of the five critical areas. Counties and cities may use information that local, state or federal natural resource agencies have determined represent BAS or scientific information can be produced through a valid process. She noted that Washington Administrative Code (WAC) 365-195-900 through 925 provides guidelines related to BAS.

Ms. Larsen explained that science is used to identify land that is prone to flooding and steep slopes that may be vulnerable to landslides. These measures protect humans from harm and are more important as weather patterns and landscapes change with the impacts of climate change. Critical aquifer recharge areas are particularly porous areas that fill underwater resources for drinking water and must be protected from uses that may introduce hazardous substances to ground water. Areas adjacent to well heads with a direct link to underground water must also be protected from impervious surfaces that may limit ground water recharge. She said science is also applied to determine the type of buffers that are needed between development and sensitive areas that provide important and often irreplaceable biological services.

Ms. Larsen shared a graphic provided by King County to illustrate how the GMA is implemented through the various levels of planning, noting that the GMA requires the adoption of multi-county planning policies for the central Puget Sound Region. These policies provide for coordination and consistency among the metropolitan counties that share common borders and related regional issues. The Puget Sound Regional Council (PSRC) is the regional planning authority for the Puget Sound, and its members include King, Kitsap, Pierce and Snohomish Counties. She advised that the PSRC adopted Vision 2050 in October of 2020. In addition to studying the multi-county planning policies, it includes actions and regional growth strategies to guide how and where the region grows through 2050. It informs updates to the Regional Transportation Plan and Regional Economic Strategy and sets the stage for updates to the countywide planning policies and local comprehensive plans done by the cities and counties. The multi-county planning policies of Vision 2050 are guided by the following: provide opportunities for all, increase housing choices and affordability, sustain a strong economy, significantly reduce greenhouse gas emissions, keep the region moving, restore health of Puget Sound, protect a network of open space, and grow in centers and near transit.

Ms. Larsen explained that the countywide planning policies help ensure that plans within the county are consistent with one another and that they work together to manage growth. The policies may include a means to allocate the Office of Financial Management's forecast 20-year countywide population targets for incorporation into each city's comprehensive plan. Some counties have chosen to also allocate employment targets using the 20-year employment projections. The policies can also be a mechanism for a county to designate urban growth areas (UGAs). UGAs are drawn by counties and cities to accommodate growth in a collaborative process using a land-capacity analysis.

Ms. Larsen advised that policies that address the siting of public facilities of a countywide or statewide nature may include policies that address the need for affordable housing and other locally-important regional issues. The policies should be supported by financially-realistic plans to provide adequate public facilities. She noted that King County is in the process of updating its Countywide Planning Policies and expects to adopt them by the end of 2021 in advance of the 2024 periodic update of local comprehensive plans to reflect a number of changes to the regional policy framework. She pointed out that changes to the vision and framework chapters set the context for the topic-specific chapters and reflect the guiding principles, which include: establish focus scope for review based on the 2012 baseline; consistent with the local annual comprehensive plan amendment review process and the scope of Vision 2050; center on social equity and health; ensure that comprehensive plans enable equitable health and quality of life outcomes for all; integrate regional policy and legislative changes that have occurred since 2012; provide clear actionable direction for comprehensive plans through specific policies; and implement a regional growth strategy with 2044 growth targets that quantify land use, infrastructure and other needs to be addressed in the periodic comprehensive plan updates.

Ms. Larsen explained the county receives a population growth projection from the Office of Financial Management, and a generally-cooperative countywide process allocates population growth to cities and unincorporated urban and rural areas. The PSRC has provided guidance for the Puget Sound Region based on regional geography, allocating larger populations to cities and centers. Cities decide how to plan for the allocated growth. Several counties are subject to the Buildable Lands Program, which requires jurisdictions to measure growth and compare actual development to planned densities within specific time periods. The program looks back to determine whether a county and its cities are achieving urban densities within UGAs as planned and looks forward by asking if there is sufficient capacity for residential and employment growth for the next 20 years. If there is not, the city must identify reasonable measures, other than adjusting the UGA boundary, to correct inconsistencies between actual and planned growth. The next Buildable Lands Report is due in June of 2021.

Ms. Larsen explained that there are five required elements of a GMA Comprehensive Plan for cities. The GMA and WAC 365-196 provide specific direction on the elements that must be included. The Land Use Element provides a layout for the community's future growth, and the Transportation, Housing, Utilities and Capital Facilities Elements all must include an inventory of what is existing and identify what is needed now and in the future to accommodate growth. Only counties are required to include a Rural Element.

Ms. Larsen emphasized that comprehensive plans must be both externally and internally consistent. Plans must also be consistent with multi-county planning policies and countywide planning policies and should be coordinated with plans of adjacent cities and counties. All elements must be based on the same future land use plan map and population projections. Each jurisdiction's development regulations, planning activities and capital budget decisions must be consistent with and implement the plan.

Ms. Larsen reviewed that elected officials (city councils) are the legislative body of a city and have the authority to adopt plans and regulations. Elected officials also make decisions about how to fund capital facilities and where to focus staff effort. They appoint advisory bodies, such as a planning commission, to represent the broad interest of the community. Planning commissions serve as a sounding board for new ideas, promote community interest in planning, and provide leadership in citizen participation

programs. Planning commissions are advisory rather than regulatory bodies, and their role is to review plans and regulations and generally make recommendations to their elected officials.

Ms. Larsen advised that the GMA requires public outreach early and often when updating a comprehensive plan. When the public is engaged in the planning process, community decisions better reflect the shared values of the community as a whole. The draft comprehensive plan amendments are reviewed by the planning commission through workshops and public meetings. Because the State Environmental Policy Act (SEPA) is required for comprehensive plans, the environmental review will be done before final adoption. Cities are also required to submit proposed comprehensive plan amendments to the Department of Commerce for a 60-day review, and this acts as notice to other state agencies. The City Council must formally adopt the update.

Ms. Larsen emphasized that the Department of Commerce does not certify comprehensive plans, and they are presumed valid upon adoption. The Transportation Element is certified by the regional transportation organization, which is the PSRC. Comprehensive plans can only be amended once per year but must be updated every eight years. Amendments are appealable within 60 days to the Growth Management Hearings Board.

Ms. Larsen advised that Capital Improvement Plans (CIP) set priorities for infrastructure investments. CIPs inventory existing facilities, establish LOS, prioritize project needs and plan for financing of the projects. If revenues cannot pay for the needed facilities over the life of the plan, the Land Use Element must be reassessed. Development reviews must have a concurrency program to establish that adequate public facilities are available when the impacts of the development occur without decreasing the established minimum LOS. Concurrency is required for transportation within 6 years from the time of development and is optional for other services. If it is determined that a development would lower the LOS, the application must be denied unless the developer provides the improvements or the LOS is reassessed.

Ms. Larsen said comprehensive plans are implemented through development standards, which is done via zoning. Traditional zoning looks at density, lot size and uses, and a form-based code looks at the design of development. Critical area regulations set buffers and restrictions in critical areas, and subdivision regulations address drainage and other requirements when land is divided into smaller parcels. Public works standards specify the size, material, location and configuration of streets, sidewalks, drainage and utility improvements.

Ms. Larsen advised that comprehensive plans must be updated every eight years, and the City's next periodic update is due in 2024. The first step in the process is a detailed review of the existing plan and regulations. She noted that few counties and cities will be able to adopt a finding of GMA consistency without first making some revisions to their plans and regulations because ensuring consistency requires consideration of updated population projections, amendments to the GMA statutes, Growth Management Hearing Board important interpretations of GMA regulations, and changes in the community. Jurisdictions failing to complete the update are ineligible for a number of grant and loan programs.

Ms. Larsen summarized that good planning is timeless and centers on human-scale development that cities have been creating throughout the centuries or "complete neighborhoods." Does the neighborhood

provide for daily needs and are non-drivers able to be independent? Can you access your most basic day-to-day needs within a 20-minute walk from your home? She said having jobs and housing in more compact, walkable and transit-served locations will help reduce environmental impacts, lessen congestion and improve outcomes. Communities are achieving this through form-based codes, allowing for the “missing middle” housing, transit station planning and complete streets programs.

Ms. Larsen announced that the Next Short Course on Local Planning (via Zoom) is scheduled for February 18<sup>th</sup>. Interested Commissioners can register on the Department of Commerce website. She provided her contact information to the Commissioners and invited them to contact her with their future questions.

**STUDY ITEM: 2021 COMPREHENSIVE PLAN AMENDMENT DOCKET**

Mr. Szafran reminded the Commission that the Growth Management Act (GMA) only allows cities to amend comprehensive plans once a year. To ensure the public can see the amendments, it requires cities to create a docket or list of proposed amendments that are submitted every year. Anyone can propose an amendment to the Comprehensive Plan, but only one was proposed in 2020 for consideration on the 2021 Docket. The proposed amendment has not been thoroughly evaluated by staff. At this time, the Commission is not being asked to recommend whether the comprehensive plan amendment should be adopted or not. Instead, they are being asked to recommend whether or not the proposed amendment should be on the 2021 Docket for further study.

Mr. Szafran advised that the proposed amendment would change the Comprehensive Plan Land Use Map of one parcel from Public Facility (PF) to High-Density Residential (HDR). He noted that the two parcels shown on the map were combined into one parcel that is currently designated as both PF and HDR. The amendment would change the designation of the northern parcel that fronts on N 192<sup>nd</sup> Street to HDR. Concurrently, the applicant is asking for a rezone for the entire property from R-18 to R-48. If the amendment is added to the docket, it will go through the Planning Commission to the City Council. The rezone portion will go to the Hearing Examiner and meet back up with the Comprehensive Plan amendment at the City Council level so both actions can be considered together.

Mr. Szafran shared a variety of photos of the site and explained that the parcel in question is an undeveloped lot that is directly adjacent to the park and ride and Aurora Avenue North, with single-family uses to the west and north. The site is currently fenced and was cleared of understory about two years ago. His understanding is that no trees were moved from the site.

Mr. Szafran presented some preliminary sketches of the proposed development that were submitted by the applicant. However, he cautioned that it is important to keep in mind that once the Comprehensive Plan is changed and the property is rezoned, any type of development could occur on the site if it is consistent with the zoning that is in place. The sketch provides an example of the type of development that could happen, but it is not likely that exact product will be developed. The applicant has indicated a desire to construct townhomes on the property.

Mr. Szafran said the Commission is being asked to make a recommendation to the City Council to either include or not include the amendment on the docket for future study. Staff is recommending that it be included on the final 2021 Docket.

Commissioner Lin asked how many units the current zoning would allow on the subject properties. Mr. Szafran answered that the current R-18 zoning would allow up to 10 units to be developed on the site. If the property is rezoned to R-48, up to 26 units could be constructed. Commissioner Lin asked if there are critical areas on the site, and Mr. Szafran said that a critical area report would be required to map the slope before a rezone could be granted. Commissioner Lin asked if a clearing permit was required before clearing the understory. Mr. Szafran explained that a concerned citizen called into the Code Enforcement Department when the clearing occurred. He studied the code enforcement case and found that no permit was required because no trees were removed.

Vice Chair Malek asked if the R-48 zone has the same townhome design standards as the MUR-35' and MUR-45' zones. Mr. Szafran answered that the single-family attached design standards would apply anywhere that the housing type is developed. Vice Chair Malek asked if the rezone could be linked to a townhome project or if the project could change and become an enhanced shelter, which is allowed in the R-48 zone. Mr. Szafran said the City will be working on code amendments for enhanced shelters, and he doesn't believe the use would be allowed in the R-48 zone. Again, he cautioned that although the applicant is showing a townhome site plan, the property could be developed into anything allowed in the R-48 zone if the rezone is approved. Vice Chair Malek pointed out that the property is adjacent to the park and ride.

Vice Chair Malek asked if the applicant would be required to do a study to confirm concurrency with stormwater and other city services. Mr. Szafran said the study would take place when the rezone is being evaluated.

Chair Mork asked what would happen if the Comprehensive Plan amendment is approved and the rezone application is denied. Mr. Szafran advised that the City Council will consider the recommendations from both the Commission (Comprehensive Plan amendment) and Hearing Examiner (rezone). If the Commission recommends denial and the Hearing Examiner recommends approval, the City Council will have to make the final decision on both actions.

Chair Mork asked if the City Council could overrule a recommendation by the Commission to not include the amendment on the 2021 Docket. Mr. Szafran answered affirmatively.

Commissioner Callahan asked how the properties came to be owned by a private developer. Vice Chair Malek answered that the King County Transit Authority sold the property in 2014. Commissioner Callahan said property sales of this type are important to understand as the City considers future opportunities for affordable housing development.

**John Houghton, Shoreline**, said he lives near the subject property so the amendment and rezone would directly impact him. When he purchased his home, he carefully studied the zoning map and learned that the subject parcel was an exempted zone. He assumed it would stay that way for the foreseeable future, and he probably wouldn't have purchased his home if he thought there was a chance that an apartment or condominium complex would be developed on the site. He noted that, currently, there is a band of mature trees that buffer his home from the park and ride and Aurora Avenue North. He said he was disappointed to learn that what he thought was an exempt zone was purchased from the County by a developer without any notice. He noted that a sewer easement runs through the subject parcel.

**Ameer Dixit, Shoreline**, said he has lived just south of the subject parcel for 11 years, and the trees and green spaces are part of the community's charm. They are already having to deal with a lot of construction, with a very large apartment complex being developed across the parking lot from his property. The trees provide a buffer between the residential homes and Aurora Avenue North, and they add a lot to their enjoyment. Allowing a higher density would result in a loss of green space and foliage. He noted that there are other locations that do not have trees where high-density residential development could occur, including the Mattress Factory property across the street. He asked the Commission to consider how the amendment would impact their neighborhood.

**Janet Way, Shoreline**, said she represents the Shoreline Preservation Society and presented written comments prior to the meeting. She said the society is concerned about the potential impacts of the proposed amendment. She recalled the earlier presentation by Ms. Larsen from the Washington State Department of Commerce regarding the Growth Management Act and comprehensive plans. Ms. Larsen stressed the importance of planning in order to protect good things about the community. Trees are good things, as are critical areas and open spaces. She commented that the photographs provided by staff only showed the far north section of the lot and not the area where the trees are located. She also commented that it is unclear, from the map, which lots would be impacted by the proposed change. The geotechnical report identifies the property as an erosion hazard zone so the proposal fails to meet Rezone Criteria 2.b. The rezone will affect the health, safety and general welfare of both nearby and downstream residents because the project will require the removal of dozens of significant trees. A townhome development will not provide the same level of buffer as the trees currently provide.

Ms. Way referred to Rezone Criteria 2.c and 2.d, and said the proposal represents a serious threat to the adjacent R-6 zones because the existing buffer (urban forest greenbelt) would be destroyed. As mentioned in the Critical Area Report, those homes would be severely exposed to pollution and noise from the park and ride and Aurora Avenue North. In addition to air hazard, climate change is also a significant concern. The easiest way to stop climate change is to protect existing trees, and the proposed development would remove another huge swath of trees after thousands have already been lost to accommodate light rail and other development. She summarized that the society asks the Commission to not recommend the amendment for the 2021 Docket. Above anything else, science should be considered when analyzing the proposed amendment.

**Jodi Dixit, Shoreline**, agreed with Ms. Way that the photographs provided in the Staff Report misrepresented the number of trees that are currently on the subject property and the impact their removal would have on the adjacent neighborhood and Shoreline in general. She encouraged the Commissioners to take a second look at the subject parcel and note how large the trees are. Many trees in the area have already been removed, and there are other parcels that could be developed. There is no reason for the rezone, and it is critical that it remain in its current state. She asked them not to include the proposed amendment on the 2021 Docket. She also referred to Ms. Larsen's presentation regarding the GMA where she emphasized that public outreach must occur early and often. However, they just found out about the proposed amendment two days ago.

There were no other public comments.

Chair Mork explained that the objective of the meeting is for the Commission to either recommend or not recommend that the proposed amendment be included on the 2021 Docket for further study. Mr. Szafran said that, if the proposed amendment is added to the docket, staff would study it further and bring back a recommendation to the Planning Commission at a later date. Following a study session and public hearing, the Planning Commission would then be asked to forward a recommendation of approval or denial to the City Council.

Commissioner Callahan asked Mr. Szafran to explain staff's rationale for recommending that the proposed Comprehensive Plan amendment be studied further. Mr. Szafran said staff felt the proposal was a worthy candidate for further study on whether the property should or should not be up zoned because of its location. He noted that there aren't a lot of parcels in the City that are designated as Public Facility, and this parcel is unique because it was sold to a private developer who wants to change the designation. The City doesn't deal with this type of land use issue often.

At the request of Chair Mork, Mr. Szafran displayed an aerial photograph and pointed out the location of the existing trees on the subject parcel. He advised that the treed portion is where the map reads "Firlands Way." Chair Mork asked about the dimension of the subject parcel, but Mr. Szafran was unable to answer that question. He said the entire portion outlined in red on the map is 23,662 square feet.

Commissioner Sager noted that, although a lot-line elimination was done on the property, it still has two land use designations. She asked how that occurred. Mr. Szafran explained that the Comprehensive Plan Land Use Map and Zoning Map are not always amended when parcels change boundaries or merge together, and it is possible to have multiple land use designations and/or zoning districts.

Chair Mork asked if the Rat City Roller Property is under the same ownership as the subject parcel, and Mr. Szafran answered no.

Mr. Szafran noted that a lot of questions have been raised about the trees. He explained that development in the R-18 zone is subject to the City's standards for tree retention and replacement, and the same standards would apply if the property were rezoned to R-48. He acknowledged that R-48 zoning would allow greater density, but lot coverage would only increase from 85% to 90% impervious surface.

Chair Mork observed that the developer would still be allowed to develop the lot that is zoned R-18 even if the Comprehensive Plan amendment and rezone are denied.

Vice Chair Malek summarized that the amendment was submitted by a developer who has a plan in mind. He asked if it is possible to up zone all of the properties adjacent to the park and ride to R-48 as part of this same process or if someone would have to request the change as a separate amendment. He noted that there is so little property in the City that is available for transit-oriented development, and these properties are in close proximity to Highway 99. Mr. Szafran said that land use map changes are usually submitted by property owners. The City Council could also initiate a Comprehensive Plan redesignation and/or rezone, but it is usually done on a larger scale, such as what occurred with the light rail station areas. He emphasized that, if the proposed amendment is added to the docket, the process of rezoning and changing the Comprehensive Plan will involve public notice and a lot of opportunities for public comment.



Because the Commission is only being asked at this point to make a recommendation on whether or not the amendment should be studied further, staff did not do a widespread notice.

Chair Mork commented that, if the Commission recommends to City Council that the amendment be added to the 2021 Docket for further study, it is important to emphasize how deeply the citizens, including the Commissioners, care about trees and critical lands in Shoreline and that the rules are followed. By recommending further study, the Commission is not suggesting they would recommend approval of the amendment.

Vice Chair Malek commented that, when the subject parcel was put up for sale in 2014 by the King County Transit Authority, Shoreline would have had the ability to purchase it. Although rare and unusual, they could also have pursued the property through eminent domain. He said the county originally thought the property would be needed for stormwater and other utilities, and it became a catch-all for years for trash. The current owner has been clearing the property little-by-little. Vice Chair Malek disclosed that a few years ago he approached several owners along that strip for a group of single-family homes, but they couldn't agree to sell all at once and the builder abandoned the project.

Commissioner Lin asked if the former Benjamin Moore Paint Store property could be developed under R-18 or R-48 zoning. Vice Chair Malek answered that the site is zoned commercial and is located along Highway 99. The current proposal is a high-rise development with a few hundred residential units. He added that the owner of the Rat City Roller property is trying to lease the building. He noted that many of the projects along Highway 99 and elsewhere were paused due to the pandemic. Mr. Szafran said that the owner previously submitted an application for a high-rise development with a large number of residential units.

The Commissioners agreed to recommend to City Council that the proposed Comprehensive Plan amendment be added to the 2021 Docket for further study.

**UNFINISHED BUSINESS**

There was no unfinished business.

**NEW BUSINESS**

There was no new business.

## **REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS**

Vice Chair Malek reported that the Snohomish County Hearing Examiner issued a decision on the Point Wells Project. The decision was to deny Blue Squares Real Estate the right to move the project forward. Both their vesting status and building plans were denied. Parties of record have until February 8<sup>th</sup> to either support or challenge the Hearing Examiner's decision, and Blue Square Real Estate has until February 12<sup>th</sup> to appeal the decision directly to the Snohomish County Council. He referred to an excellent article that was published in *THE EVERETT HERALD* that posts the Hearing Examiner's decision. The Hearing Examiner determined that the applicant hadn't used their opportunity to resubmit an application that was compliant. There weren't a lot of fundamental changes to the original request, and the applicant felt justified in their rationale for vesting status and a request for deviation. A good article was also published in *THE SHORELINE AREA NEWS*.

Chair Mork encouraged Commissioners to take advantage of the Short Course on Local Planning that is offered by the Washington Department of Commerce. She asked if Commissioners are required to be trained on the Open Public Meetings Act. Ms. Gierloff answered affirmatively and advised that it can be done as part of the short course or as a separate session. After completing the training, Commissioners should advise Ms. Hoekzema.

## **AGENDA FOR NEXT MEETING**

Ms. Gierloff said the February 18<sup>th</sup> meeting agenda will include an update on the Oaks site, which is being purchased by King County to establish an enhanced homeless shelter. The property is currently zoned R-48, and in order to accommodate the commerce grant that would fund the shelter, the City adopted an interim ordinance to allow enhanced shelters in the R-48 zone. The ordinance expires in April, and a permanent ordinance must be adopted if the City wants to continue allowing that use. The City has chosen to pursue a rezone from R-48 to Mixed Business (MB) to match the surrounding properties along Aurora Avenue North. There will also be a concurrent zoning code amendment to insert enhanced shelters as a permitted use in the MB zone subject to indexed criteria. On February 18<sup>th</sup> at 6:00 p.m., prior to the Commission's next meeting, Mr. Szafran will be leading a neighborhood meeting for the rezone. The Commission will discuss the enhanced shelter code amendment at their meeting.

Ms. Gierloff advised that the draft Housing Action Plan will be presented to the Commission for a public hearing on March 4<sup>th</sup>. Some of the batch of Development Code amendments will also be presented on March 4<sup>th</sup>.

## **ADJOURNMENT**

The meeting was adjourned at 8:35 p.m.

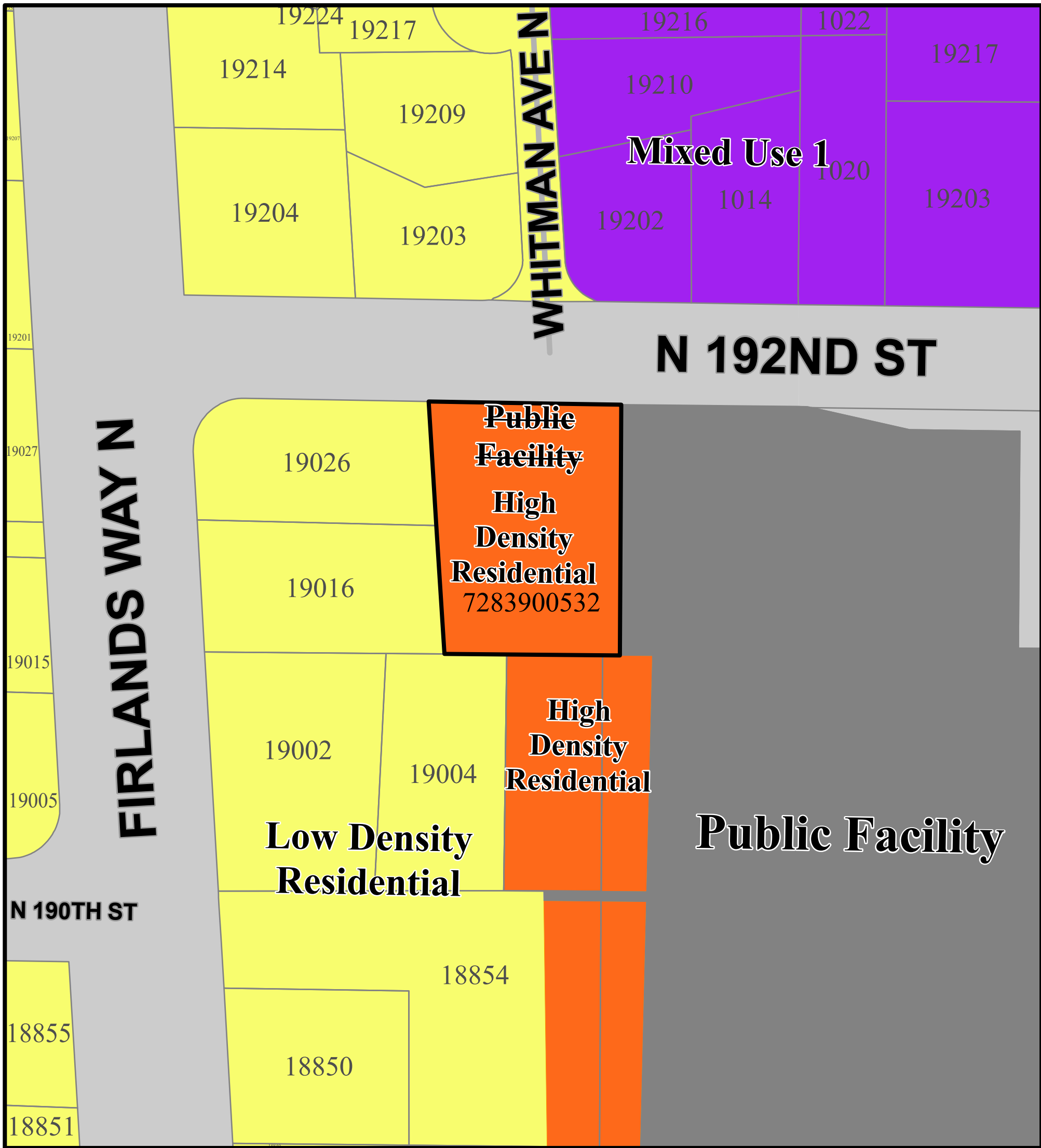
---

Laura Mork  
Chair, Planning Commission

---

Carla Hoekzema  
Clerk, Planning Commission

# Comp Plan Update: N 192nd St & Whitman Ave N



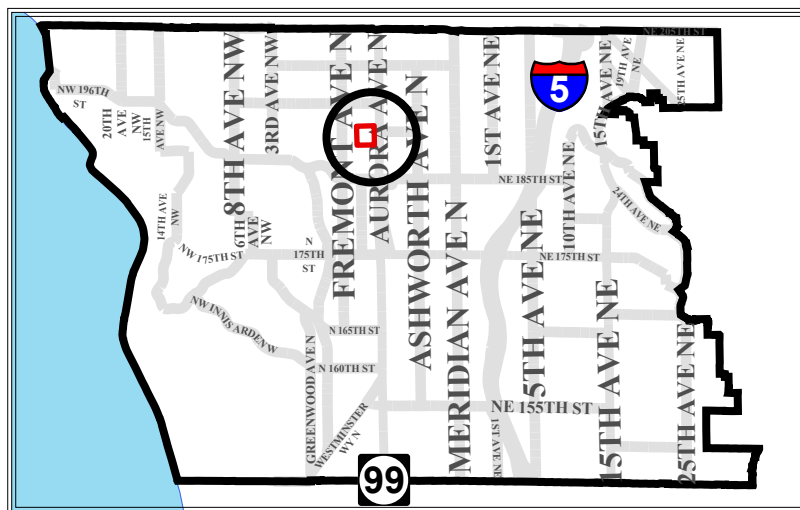
## N 192nd St & Whitman Ave N Comprehensive Plan Amendment Public Facility to High Density Residential

### Land Use Legend

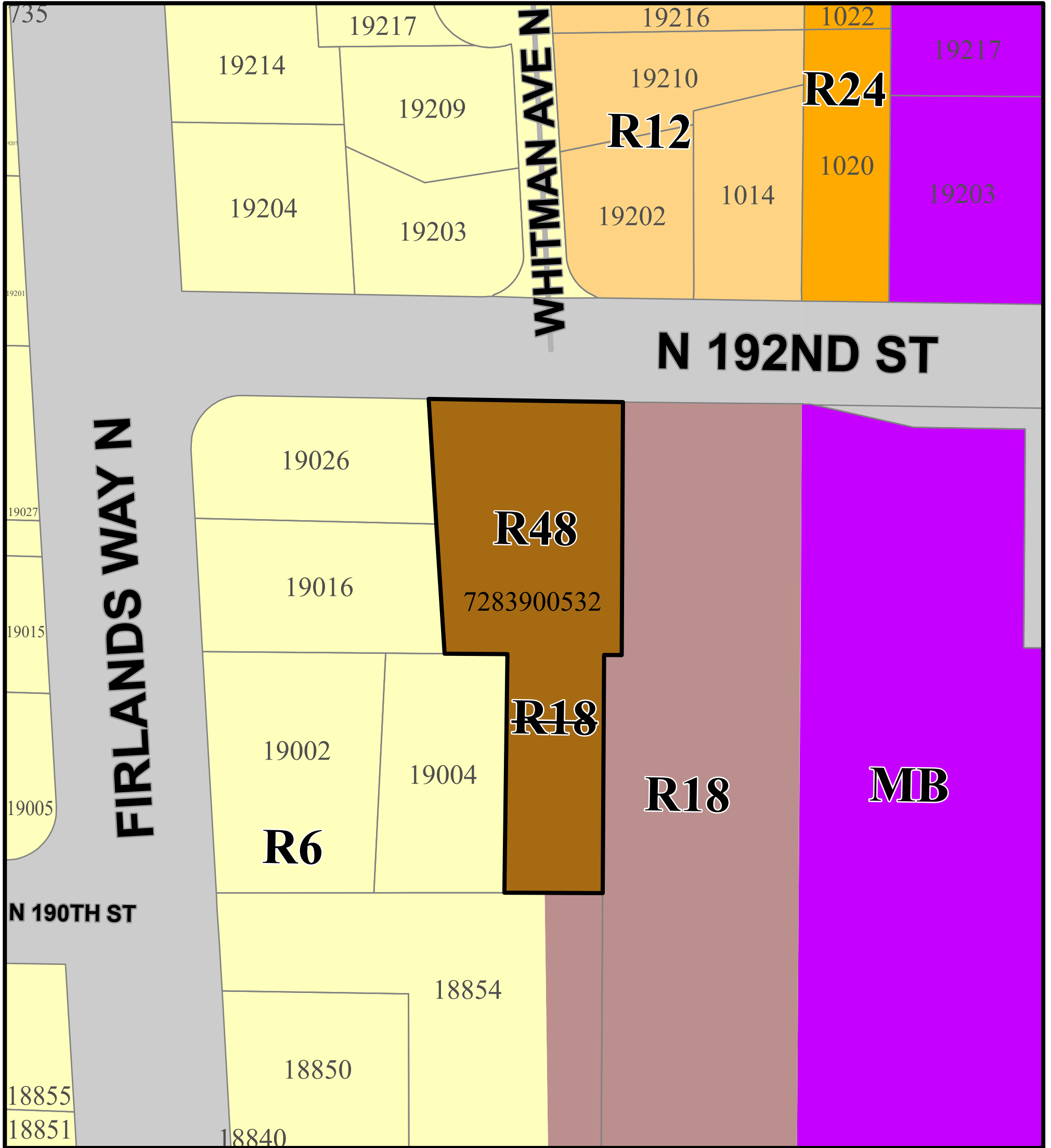
- |                            |                      |
|----------------------------|----------------------|
| Station Area 1             | Mixed Use 2          |
| Station Area 2             | Mixed Use 1          |
| Station Area 3             | Town Center District |
| Low Density Residential    | Public Facility      |
| Medium Density Residential | Public Open Space    |
| High Density Residential   | Private Open Space   |
| Institution/Campus         | - Parcel Line        |
| Planned Area 3             |                      |

### Feature Legend

- |                 |                    |
|-----------------|--------------------|
| - Parcel Change | - Unclassified ROW |
| - City Boundary | - Parcel Line      |



# Zoning Update: N 192nd St & Whitman Ave N



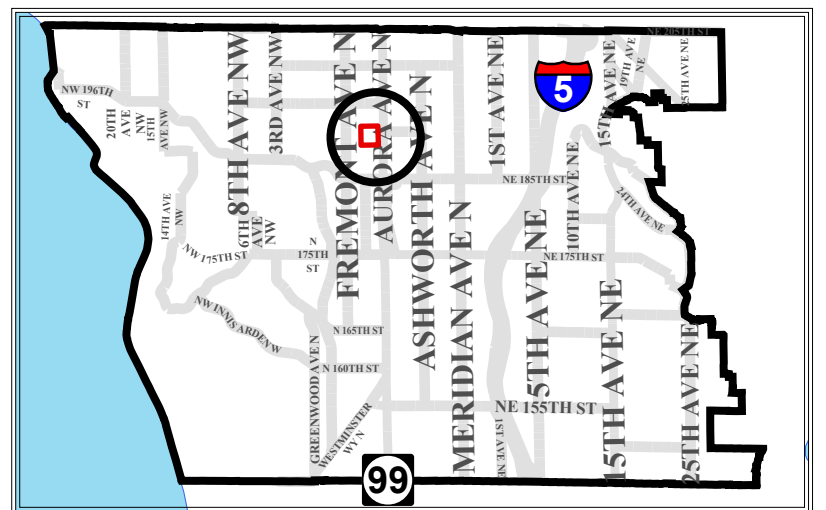
## N 192nd St & Whitman Ave N Zoning Update R-18 to R-48

### Land Use Legend

- |                            |                      |
|----------------------------|----------------------|
| Station Area 1             | Planned Area 3       |
| Station Area 2             | Mixed Use 2          |
| Station Area 3             | Mixed Use 1          |
| Low Density Residential    | Town Center District |
| Medium Density Residential | Public Facility      |
| High Density Residential   | Public Open Space    |
| Institution/Campus         | Private Open Space   |

### Feature Legend

- |                 |                    |
|-----------------|--------------------|
| - Parcel Change | - Unclassified ROW |
| - City Boundary | - Parcel Line      |

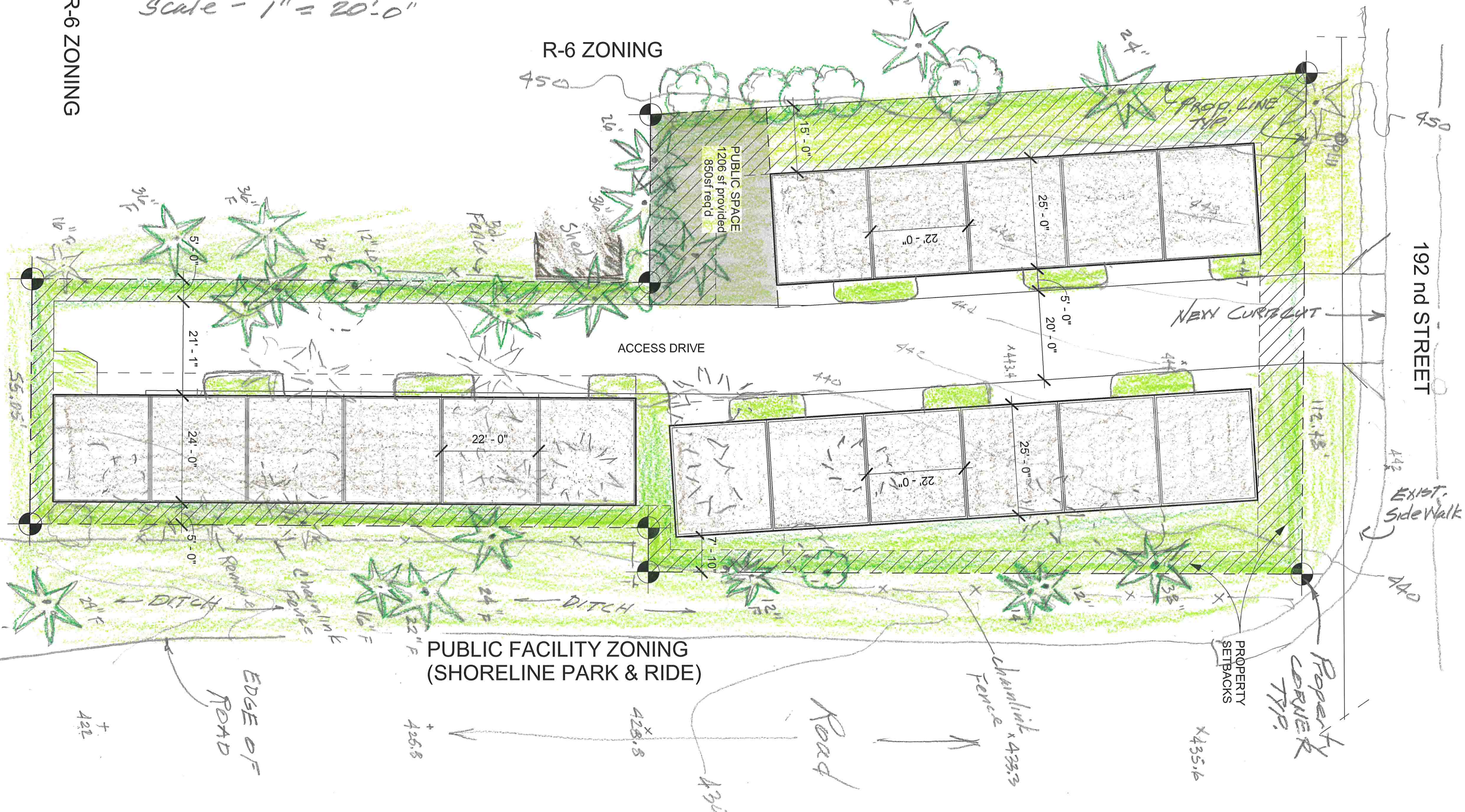


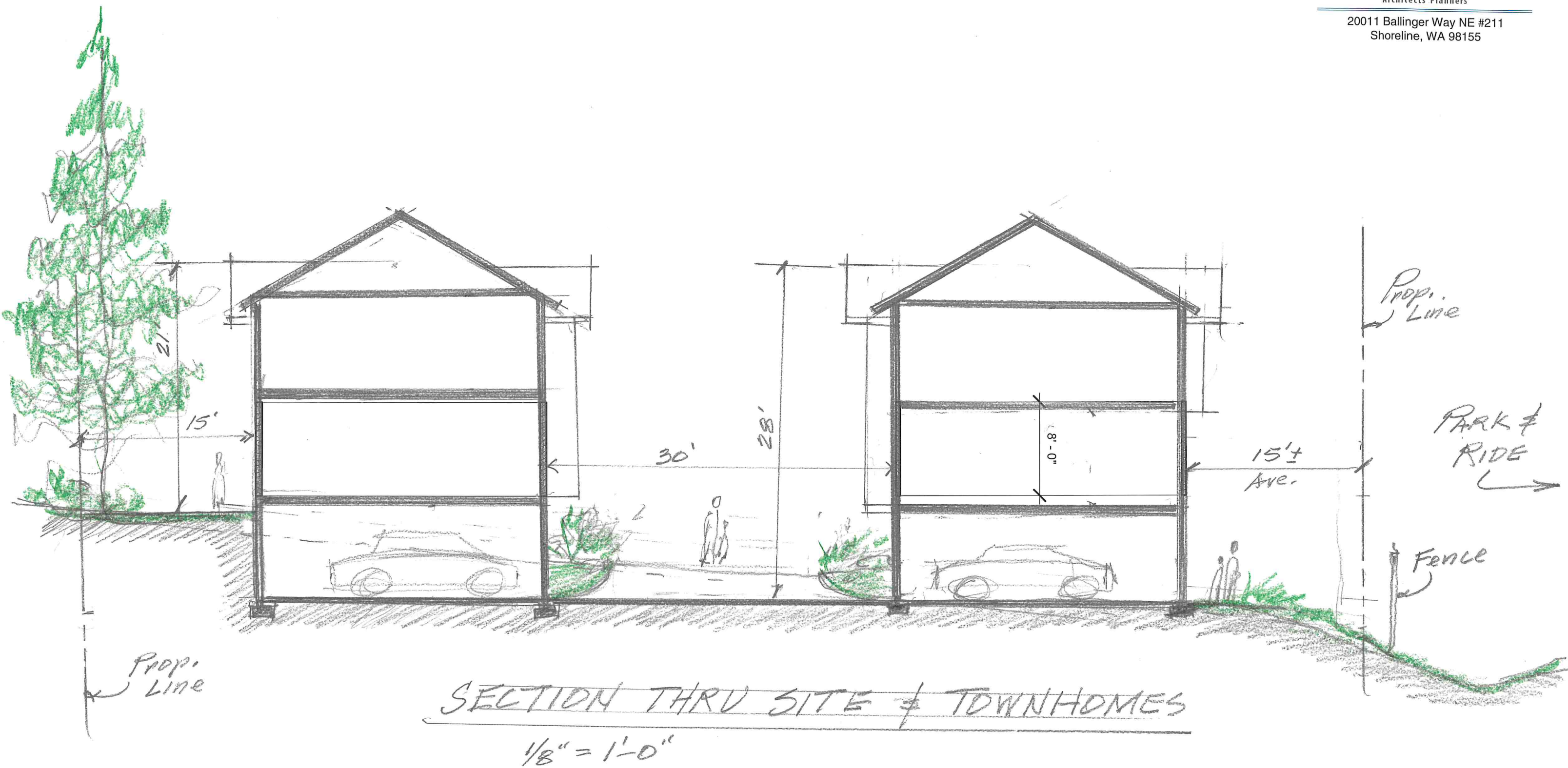
# PROPOSED SITE PLAN

Scale - 1" = 20'-0"

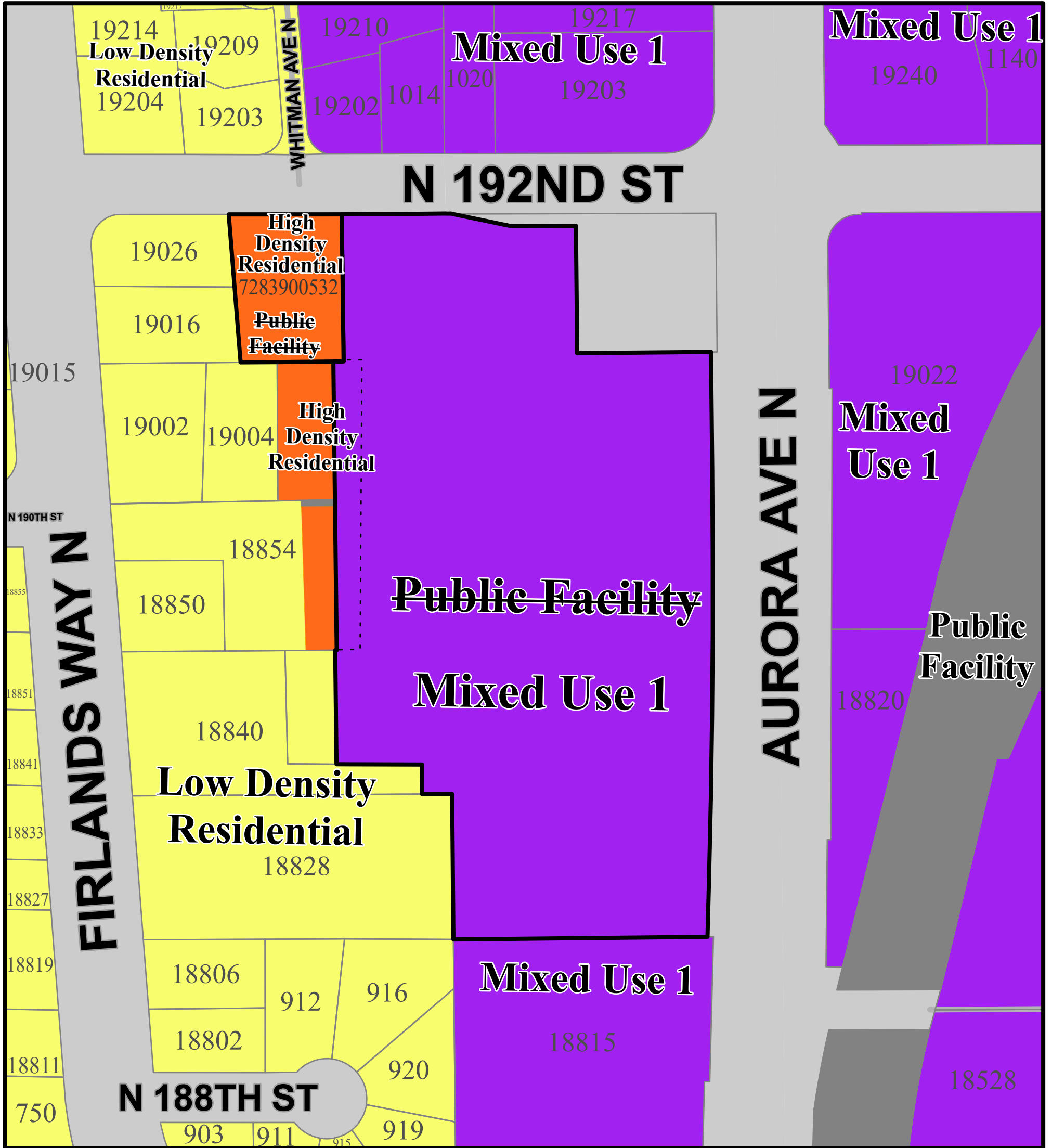
R-6 ZONING

R-6 ZONING





# Comp Plan Update: 192nd St Park & Ride



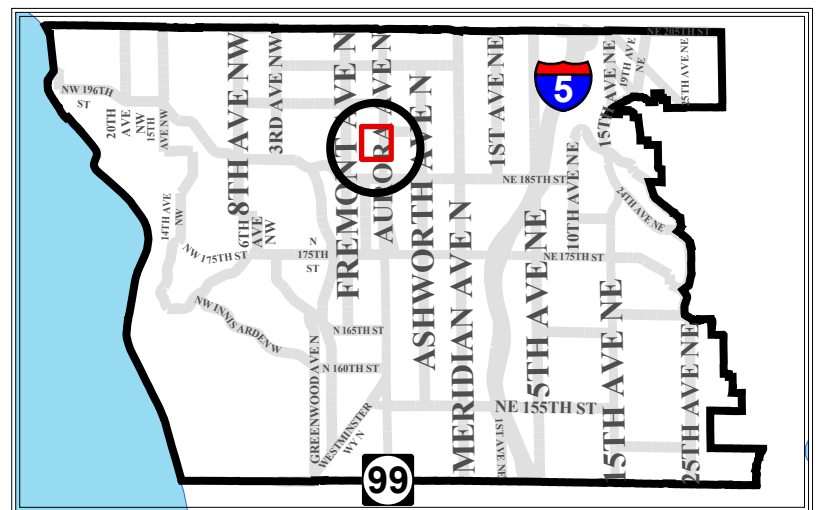
## 192nd St Park & Ride Comprehensive Plan Amendment Public Facility/High Density Residential to Mixed Use 1

### Land Use Legend

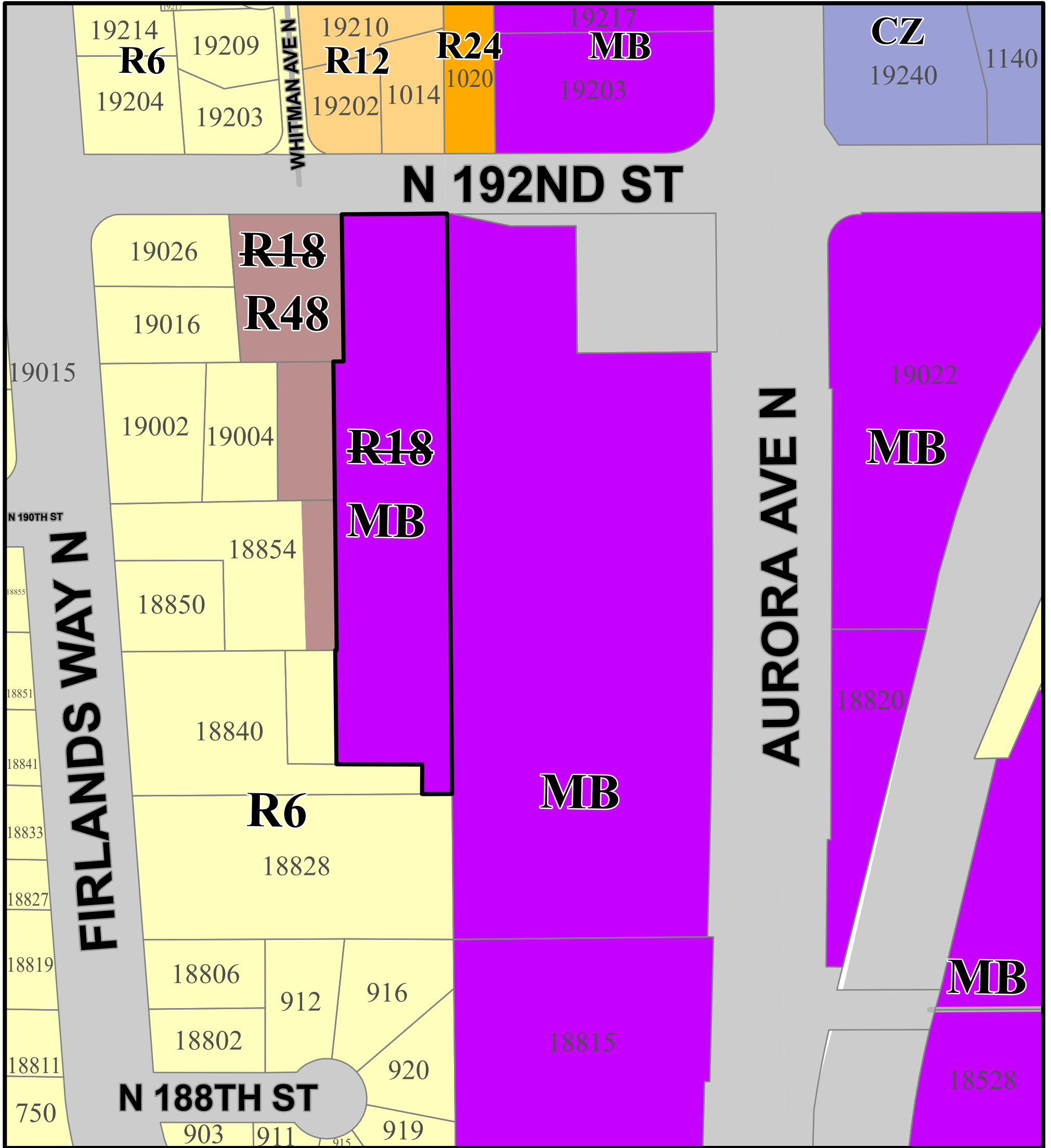
- |                            |                      |
|----------------------------|----------------------|
| Station Area 1             | Mixed Use 2          |
| Station Area 2             | Mixed Use 1          |
| Station Area 3             | Town Center District |
| Low Density Residential    | Public Facility      |
| Medium Density Residential | Public Open Space    |
| High Density Residential   | Private Open Space   |
| Institution/Campus         | - Parcel Line        |
| Planned Area 3             |                      |

### Feature Legend

- |                 |                    |
|-----------------|--------------------|
| - Parcel Change | - Unclassified ROW |
| - City Boundary | - Parcel Line      |



# Zoning Update: 192nd St Park & Ride



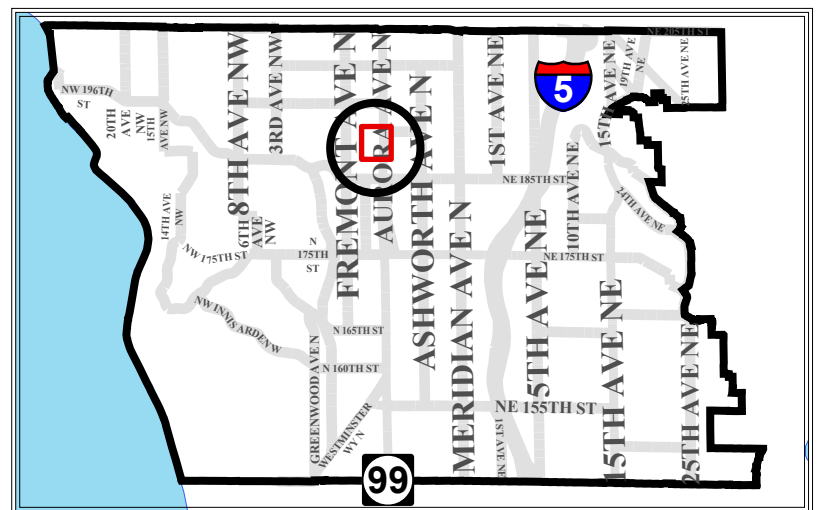
## 192nd St Park & Ride Zoning Update R-18 to MB

### Land Use Legend

- |  |                                  |
|--|----------------------------------|
| - Parcel Line                              | C; Campus                        |
| TC-1 to TC-4; Town Center                  | CZ; Contract Zone                |
| MUR-70; Mixed Use Residential (70' height) | R-48; Residential, 48 units/acre |
| MUR-45; Mixed Use Residential (45' height) | R-24; Residential, 24 units/acre |
| MUR-35; Mixed Use Residential (35' height) | R-18; Residential, 18 units/acre |
| MB; Mixed Business                         | R-12; Residential, 12 units/acre |
| CB; Community Business                     | R-8; Residential, 8 units/acre   |
| NB; Neighborhood Business                  | R-6; Residential, 6 units/acre   |
| PA 3; Planned Area 3                       | R-4; Residential, 4 units/acre   |

### Feature Legend

- |                 |                    |
|-----------------|--------------------|
| - Parcel Change | - Unclassified ROW |
| - City Boundary | - Parcel Line      |





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

<b>AGENDA TITLE:</b>	Discussing Ordinance No. 928 and Resolution No. 474 – Repealing Ordinance No. 780 and Resolution No. 417 - to Provide for a New Shoreline Municipal Code Chapter 13.05 and Wastewater Financial Policies
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Randy Witt, Public Works 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:**

The assumption of the Ronald Wastewater District (RWD) requires that the City of Shoreline develop and implement a new municipal code chapter to establish its governing authority by which the City will own and operate the wastewater utility. The City Council passed Ordinance No. 780 on October 2, 2017, which updated Shoreline Municipal Code (SMC) Chapter 13.05 establishing the regulations for the new wastewater utility. On this same date, the City Council passed Resolution No. 417 which set forth the Wastewater Revenue and Customer Service Policy.

With assumption of the RWD set for April 30, 2021, staff initiated a review of the wastewater Code (SMC 13.05) with fresh eyes from the experience staff have gained in providing contract wastewater services on behalf of RWD since October 2017 and to account for updates in City Code and RWD regulations that have occurred since that time. Staff have similarly reviewed the wastewater financial policies.

Proposed Ordinance No. 928 (Attachment A) would repeal Ordinance No. 780 and replace it with a new SMC Chapter 13.05 that updates the regulations for the wastewater utility. Given the authority provided in the newly proposed SMC Chapter 13.05 to the Administrative Services Director to promulgate rules for the financial administration of the wastewater utility's billing (SMC 13.05.090), proposed Resolution No. 474 (Attachment B) would repeal Resolution No. 417 so that the Administrative Services Director can exercise the rule-making authority granted in Ordinance No. 928. Both proposed Ordinance No. 928 and proposed Resolution No. 474 would become effective April 30, 2021, which is the formal date of the RWD assumption (or on the official date of assumption of the RWD if it occurs later than April 30<sup>th</sup>).

Tonight, Council will have an opportunity to discuss proposed Ordinance No. 928 and proposed Resolution No. 474 and provide direction to staff. Depending on Council's discussion and comfort with the proposed legislation, staff is scheduled to return to Council on April 12, 2021 for potential action.

**RESOURCE/FINANCIAL IMPACT:**

No resource impacts are anticipated as a result of this discussion.

**RECOMMENDATION**

No action is required; tonight's discussion is for Council to ask questions of staff and provide direction on the proposed legislation. Staff does recommend that proposed Ordinance No. 928 and proposed Resolution No. 474 be adopted when these proposed pieces legislation are brought back to Council for potential action on April 12, 2021.

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

## **BACKGROUND**

In 2002, the City and the Ronald Wastewater District (RWD), a special purpose district that provides wastewater services, entered into an Interlocal Operating Agreement to unify wastewater services with City operations. The Agreement and state law outline the assumption process between the City and RWD.

The assumption of RWD required that the City of Shoreline develop and implement a new municipal code chapter to establish its governing authority by which the City will own and operate the new wastewater utility. The City Council passed Ordinance No. 780 on October 2, 2017, which was to repeal SMC Chapter 13.05 and replace it with a new Chapter 13.05 establishing the regulations for the new wastewater utility. The staff report for this Council action can be found at the following link: [staffreport100217-7e.pdf](http://staffreport100217-7e.pdf) ([shoreline.wa.us](http://shoreline.wa.us)).

Additionally, on October 2, 2017, the City Council adopted Resolution No. 417, establishing the financial policies for the wastewater utility. The staff report for this Council action can be found at the following link: [staffreport100217-7c.pdf](http://staffreport100217-7c.pdf) ([shoreline.wa.us](http://shoreline.wa.us)).

Both Ordinance No. 780 and Resolution No. 417 provided that their regulations were not to become effective until the formal assumption of RWD by the City. With assumption of the RWD now set for April 30, 2021, staff initiated a review of the regulations contained in Ordinance No. 780 with fresh eyes from the experience staff have gained in providing contract wastewater services on behalf of the RWD since October 2017 and to account for updates in City code and RWD regulations that have occurred since that time. Staff have similarly reviewed the wastewater financial policies.

## **DISCUSSION**

Proposed Ordinance No. 928 (Attachment A) would repeal Ordinance No. 780 and replace it with a new SMC Chapter 13.05 that updates the regulations for the wastewater utility. The review of SMC 13.05 was conducted by staff from the Public Works Engineering and Operations Divisions, along with staff from the Administrative Services Department and the City Attorney's Office. Areas identified for improvement in the Code include definitions, developer extension agreements, the latecomer agreement, clarification of public and private responsibility for side sewers, construction inspection, number of units on a side sewer, and Fats, Oils and Grease Program requirements. Proposed Ordinance No. 928 also includes an updated organization of the Code, including consolidation of some sections as well as bolstering and elimination of some Code language. This updated organization is patterned after other provisions of the SMC and cross references applicable SMC provisions along with the Engineering Development Manual. Exhibit A to Attachment A provides for the newly proposed SMC Chapter 13.05.

The proposed SMC Chapter 13.05 grants the Administrative Services Director not only the authority to administer the billing and collection aspect of the wastewater utility but also the authority to promulgate rules and processes for the financial administration of the wastewater utility (SMC 13.05.090). While Resolution No. 417 adopted such rules

and processes, providing for this grant will allow staff to update the policies without the need for Council approval. Thus, by repealing Resolution No. 417, which is provided for in proposed Resolution No. 474 (Attachment B), the previous policies are also repealed.

Based on the scope of modifications and the fact that neither Ordinance No. 780 nor Resolution No. 417 were ever in effect, staff believes that repealing both pieces of legislative in their entirety would best facilitate the Code replacement process. Tonight, Council will have an opportunity to discuss both pieces of proposed legislation and provide direction to staff. Depending on Council's discussion and comfort with the proposed legislation, staff is scheduled to return to Council on April 12, 2021 for potential action. The effective date of both pieces of legislation is April 30, 2021, the date of formal RWD assumption by the City, but also includes a caveat if the date gets delayed for some reason.

### **COUNCIL GOAL(S) ADDRESSED**

Goal 2: Continue to deliver highly-valued public services through management of the City's infrastructure and stewardship of the natural environment.

### **RESOURCE/FINANCIAL IMPACT**

No resource impacts are anticipated as a result of this discussion.

### **RECOMMENDATION**

No action is required; tonight's discussion is for Council to ask questions of staff and provide direction on the proposed legislation. Staff does recommend that proposed Ordinance No. 928 and proposed Resolution No. 474 be adopted when these proposed pieces legislation are brought back to Council for potential action on April 12, 2021.

### **ATTACHMENTS**

Attachment A – Proposed Ordinance No. 928

Attachment A, Exhibit A – Proposed Wastewater Code – SMC Chapter 13.05

Attachment B – Proposed Resolution No. 474

**ORDINANCE NO. 928**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, REPEALING ORDINANCE NO. 780 AND ENACTING A NEW CHAPTER 13.05 FOR REGULATING THE CITY'S WASTEWATER UTILITY EFFECTIVE UPON THE ASSUMPTION OF THE RONALD WASTEWATER DISTRICT.**

WHEREAS, on October 2, 2017, in anticipation of the City of Shoreline's assumption of the Ronald Wastewater District pursuant to chapter 35.13A RCW, the City Council adopted Ordinance No. 780; and

WHEREAS, Ordinance No. 780 established a new chapter of the Shoreline Municipal Code (SMC), Chapter 13.05, to provide for uniform regulations for the management and control of the wastewater utility and was to take effect upon the official assumption of the Ronald Wastewater District by the City of Shoreline; and

WHEREAS, on December 7, 2020, the City Council adopted Ordinance No. 912, setting the effective date of the official assumption of the Ronald Wastewater District as 12:01 a.m. April 30, 2021; and

WHEREAS, since the adoption of regulations in 2017, which have not been codified, new regulations were developed to ensure the orderly management and control of the utility by the City and to ensure compliance with state and federal wastewater requirements so as to protect the public health, safety, and welfare; and

WHEREAS, Ordinance No. 780 needs to be repealed in its entirety and replaced with this Ordinance to adopt current regulations for the wastewater utility;

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

**Section 1. Repeal of Ordinance No. 780.** Ordinance No. 780 is repealed in its entirety.

**Section 2. New Chapter SMC 13.05.** A new Chapter SMC 13.05 Wastewater Utility is hereby adopted as set forth in Exhibit A to this Ordinance.

**Section 3. Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

**Section 4. Severability.** Should any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance or its application to any person or situation be declared unconstitutional

or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to any person or situation.

**Section 5. Publication and Effective Date.** A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect at 12:01 a.m., April 30, 2021, or on the official date of assumption of the Ronald Wastewater District by the City of Shoreline, whichever is the latest.

**PASSED BY THE CITY COUNCIL ON APRIL 12, 2021.**

\_\_\_\_\_  
Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Julie Ainsworth-Taylor, Assistant City Attorney  
On behalf of Margaret King, City Attorney

Date of Publication: \_\_\_\_\_, 2021

Effective Date: \_\_\_\_\_, 2021

Chapter 13.05

WASTEWATER UTILITY

Sections

- 13.05.010 Purpose and applicability
- 13.05.020 Utility created
- 13.05.030 Wastewater system ownership and responsibility
- 13.05.040 Wastewater Master Plan
- 13.05.050 Adoption of Engineering Development Manual
- 13.05.060 Variances and deviations
- 13.05.070 Definitions
- 13.05.080 Required connections
- 13.05.090 Revenues, expenditures, and administration
- 13.05.100 Establishment of rates, fees, and charges
- 13.05.110 Capacity, collection, facility, and treatment charges
- 13.05.120 Residential rate discount: Qualified low-income persons
- 13.05.130 Utility services billing
- 13.05.140 Permits and agreements
- 13.05.150 Industrial and commercial discharge pretreatment required
- 13.05.160 Fats, oils, and grease (FOG) control
- 13.05.170 Side sewer requirements
- 13.05.180 Grinder pumps
- 13.05.190 Public and private easements
- 13.05.200 Inspections and investigations
- 13.05.210 Record drawings
- 13.05.220 Violations, enforcement and penalties
- 13.05.230 Appeals
- 13.05.240 City liability provisions
- 13.05.250 Severability
- 13.05.260 Conflict of provisions
- 13.05.270 Liberal construction

**13.05.010 Purpose and applicability.**

- A. This chapter may be referred to as the “City of Shoreline’s Wastewater Code.”
- B. This chapter is enacted as an exercise of the city’s police power as set forth in Section 11 of the Washington Constitution to protect and preserve the public health, safety, and welfare of the citizens of Shoreline and as authorized by Chapter 35.67 RCW, Chapter 35.92 RCW, and RCW 35A.21.150.
- C. The purpose of this chapter is to provide for the planning, security, design, construction, use, maintenance, repair, and inspection of both public and private sanitary wastewater systems within the Utility Service Area and to establish programs and regulations to provide for appropriate use of such public and private wastewater systems.

**13.05.020 Utility created.**

- A. There is hereby created and established the Wastewater Utility of the City of Shoreline under which the provisions of this chapter shall be carried out.
- B. The Director shall be the administrator for the wastewater system. As administrator, the Director is authorized to administer, implement, and enforce the provisions of this chapter and to promulgate rules and procedures that are consistent with and implement this chapter except as provided in this section. The Director may designate individuals to assist in administering this chapter.
- C. The Administrative Services Director shall be responsible for billing of utilities services and the administration and enforcement of utility accounts as provided in SMC 13.05.090.

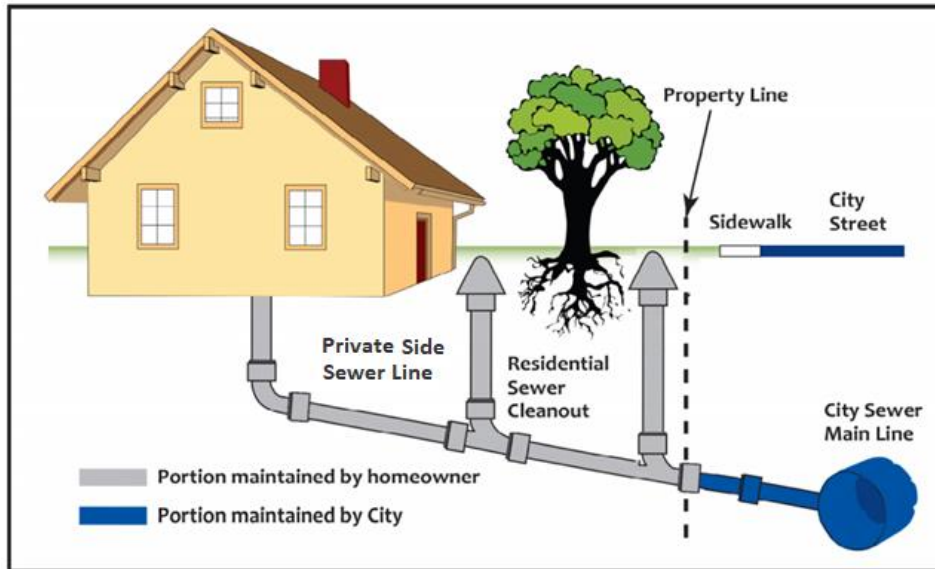
**13.05.030 Wastewater system ownership and responsibility.**

- A. The city shall own all currently existing wastewater facilities in the public rights-of-way and in easements previously dedicated to the public and accepted by the city, except to the extent that private ownership is otherwise indicated as a matter of record. Such facilities typically include mains, pump or lift stations, and side sewer stubs.
- B. Once wastewater facilities have been constructed, approved, and accepted by the city, the city shall be responsible for the maintenance, operation, repair, and replacement of the facilities and those portions of private side sewers located within the public rights-of-way but serving private property unless otherwise provided by agreement, local ordinance, or state law.
- C. Private Ownership of Side Sewers. Side sewers located on private property are exclusively owned by the underlying property owner(s), unless otherwise assigned or dedicated by easement to and accepted by the city, except to the extent that public ownership is



otherwise indicated as a matter of record.

- D. The city may accept existing private wastewater facilities, provided:
1. City ownership of the facility would provide a public benefit;
  2. Necessary and appropriate property rights are offered by the property owner at no cost to the city;
  3. The facility substantially meets current standards, as determined by the city, or is brought up to current standards by the owner prior to acceptance;
  4. The city has adequate resources to maintain the facility; and
  5. The facility is transferred to the city by bill of sale at no cost to the city.



**Figure 13.05.030 Private-Public Maintenance Responsibilities**

**13.05.040 Wastewater Master Plan.**

- A. The city shall prepare and maintain a comprehensive master plan for the system of sewers and adopt such plan by ordinance. The plan shall be considered part of the City's Comprehensive Plan, adopted pursuant to Chapter 36.70A RCW, and shall be consistent with and implement the Comprehensive Plan.
- B. The plan shall conform to all laws and regulations applicable to wastewater systems, including but not limited to Chapter 35.67 RCW and Chapter 173-240 WAC.
- C. Amendments to the plan, as necessary to ensure compliance with applicable law and the needs of the city, shall be processed as part of the Comprehensive Plan annual docket as set forth in Chapter 20.30 SMC.

**13.05.050 Adoption of Engineering Development Manual.**

The City of Shoreline Engineering Development Manual (EDM), as adopted pursuant to SMC 12.10.015 and amended from time to time, shall be utilized for the processes, design and construction criteria, inspection requirements, standard plans, and technical standards related to the development of the wastewater system.

**13.05.060 Variances and deviations.**

- A. The Director may grant a variance from the provisions of this chapter subject to the process and criteria set forth in SMC 20.30.310.
- B. The Director may authorize deviations to the applicable requirements of the Engineering Development Manual subject to the process and criteria set forth in SMC 20.30.290.

**13.05.070 Definitions.**

Except where specifically defined herein, all words used in this chapter shall carry their customary meanings. Words used in the present tense include the future, and the plural includes the singular; the word “shall” is always mandatory, whereas the word “may” denotes a use of discretion in making a decision.

All references in this chapter to any federal, state, or local law or regulation is to that law or regulation as it exists now or as amended.

The following words and phrases, when used in this chapter, shall have the following meanings:

**“A” Definitions**

“Accessory Dwelling Unit” (ADU) means a single-family residential structure as defined in SMC Title 20.

“Administrative Services Department” means the city department charged with the financial management of the city.

**“C” Definitions**

“City” means the City of Shoreline.

“Collection charges” means a charge that recovers all costs of operating the Utility except for wholesale treatment charges and/or industrial waste surcharges paid to a wastewater treatment provider.

“Connection charges” means charges imposed as a condition of providing service so that each

connecting property bears its equitable share of the costs of the public wastewater system and the utility's share of the cost of any regional wastewater collection system and of the costs of facilities that benefit the property.

#### **“D” Definitions**

“Dangerous waste” means those solid wastes designated in WAC [173-303-070](#) through [173-303-100](#) as dangerous or extremely hazardous or mixed waste, as further defined under WAC [173-303-040](#).

“Developer” means any person who has development control over property on which development is proposed to occur or is occurring.

“Developer extension” means the development, extension, or expansion of wastewater facilities, mains, or improvements, initiated, paid for, and completed by, a developer, owner, or any person, benefitting therefrom under the supervision of the city.

“Developer extension agreement” means a contract between the city and a property owner, person, and/or developer that sets forth the terms and conditions for a developer extension, including plan review, inspection, construction, costs, conveyance of title, and warranty. Also known as a Contract for Extension Agreement.

“Director” means the City of Shoreline Public Works Director or designee.

#### **“E” Definitions**

“Easement” means a grant of one or more property rights or privileges by a property owner to and/or for use of the property by the city for utility purposes. Easements may be temporary or perpetual.

“Emergency” means any natural or human caused event or set of circumstances which disrupts or threatens to disrupt or endanger the operation, structural integrity, or safety of the public wastewater system; endangers the health and safety of the public; or otherwise requires immediate action by the city.

“Engineer” means the City of Shoreline City Engineer or designee.

“Engineering Development Manual” (EDM) means the manual adopted pursuant to SMC 12.10.015 which sets forth the processes, design and construction criteria, inspection requirements, standard plans, and technical standards for engineering related to the development of streets, utilities, and improvements within the city.

## **“F” Definitions**

“Financial policies” means those policies and procedures adopted by the city’s Administrative Services Department for the financial administration of the Utility. Also known as the Wastewater Revenue and Customer Policy, or its successor in title.

“Food processing establishment” means a commercial establishment in which food is manufactured or packaged for consumption.

“Food sales establishment” means retail and wholesale grocery stores, retail seafood stores, food processing establishment, bakeries, confectioneries, fruit, nuts and vegetable stores and places of business and similar establishments, mobile or permanent, engaged in the sale of food primarily for consumption off premises.

“Food service establishments” means any non-domestic establishment that prepares and/or serves meals, lunches, short orders, sandwiches, frozen desserts, or other edible products and/or is required to have a Food Business Permit issued by King County Department of Health. This term includes: restaurants, cafeterias, short order cafes, luncheonettes, taverns, lunchrooms, places which manufacture retail sandwiches, soda fountains, institutional cafeterias, catering and home based food establishments, food vending vehicles, and operations connected therewith; and similar facilities by whatever name called.

“FOG” means polar and non-polar fats, oils, and grease.

## **“G” Definitions**

“General facility charge” means a one-time charge at the time of development for new or expanded connections that recovers a proportionate share of the past and planned capital costs of the public wastewater system other than costs paid by grants, developer donations, or property assessments.

“Grease interceptor” means an appurtenance or appliance that is installed in a sanitary drainage system to intercept nonpetroleum fats, oil, and grease (FOG) from wastewater.

“Grinder Pump” means the pump, wet well, alarm, panel, valve vault, and appurtenances located on private property for the purpose of grinding and transporting wastewater into the wastewater system used by its owner, public or private.

## **“I” Definitions**

“Industrial waste” means any liquid, solid, or gaseous substances or combination thereof, resulting from any process of industry, manufacturing, commercial food processing, business, agriculture, trade, or research, including, but not limited to, development, recovery, or processing of natural resources, leachate from landfills or disposal sites, decant water, contaminated non-process

water, and contaminated stormwater or ground water.

“Illicit connection” means any artificially constructed conveyance that is connected to the public wastewater system without a permit, or that is not intended for collecting and conveying only wastewater discharge. Examples of illicit connections include storm sewer connections, exterior floor drains, channels, pipelines, conduits, footing drains, downspouts, inlets, or outlets that should be connected directly to the municipal separate storm sewer system.

“Illicit discharge” means any direct or indirect discharge into the public wastewater system that is not composed entirely of wastewater, except discharges pursuant to a NPDES permit, or any discharge prohibited by the Code of Federal Regulations, such as 40 CFR 403.5, King County Code Chapter 28.84, and Edmonds Municipal Code Chapter 7.91, and any regulation adopted to implement those laws, all as amended from time to time.

### **“L” Definitions**

"Latecomer agreement" means a written agreement between the city and one or more developers providing for partial reimbursement of the cost of construction of wastewater system improvements as authorized by Chapter 3.90 SMC.

“Local Facilities Charge” means a charge that applies to a property owner connecting to previously installed public wastewater facilities that provide services available to the property and is due at the time a property is connected to the public wastewater system to recover a proportionate share of the city’s investment in the wastewater infrastructure fronting the property.

“Local improvement district” means a type of district established by ordinance pursuant to Chapter 3.40 SMC for the purpose of assisting property owners within a defined geographical area in financing capital improvements by the levying of a special assessment.

### **“N” Definitions**

“Non-polar fats” means fats, oils, or grease organic compounds derived from animal or plant sources that are used in, or are a byproduct of, the cooking or food preparation process, and that turns or may turn viscous or solidify with a change in temperature or other conditions.

### **“P” Definitions**

“Person” means any natural person, firm, association, joint venture, joint stock company, partnership, organization, club, company, private or public corporation, business trust, political subdivision of the State of Washington or the United States, or any instrumentality thereof.

“Polar fats” means fats, oils, or grease of mineral or petroleum origin.

“Pretreatment device” means any approved device, structure, system, or method used and

maintained for the purpose of bringing a waste stream within acceptable limits and standards of quality prior to its discharge to the public wastewater system.

“Private sewer” or “Private wastewater” means wastewater conveyance facilities which are owned, operated, maintained, and controlled by the property owner served by those facilities.

“Prohibited discharge” means any liquid, solid, or material other than discharge intended from domestic plumbing fixtures, or as permitted by an Industrial Waste Discharge Permit, prohibited by the Code of Federal Regulations, such as 40 CFR 403.5, King County Code Chapter 28.84, and Edmonds Municipal Code Chapter 7.91, and any regulation adopted to implement those laws, all as amended from time to time.

“Property owner” means any individual, company, partnership, joint venture, corporation, association, society, or group that owns or has a contractual interest in the subject property or has been authorized by the owner to act on his/her behalf, including but not limited to an agent, contractor, applicant, or developer.

#### **“R” Definitions**

“RCW” means the Revised Code of Washington, as it currently exists and as amended from time to time.

“Record Drawing” means a final record drawing of the actual installation of the structures, materials and equipment as defined in the Engineering Development Manual.

“Redevelopment” means a site that is already substantially developed which is modified as defined by SMC Title 20.

“Residential customer equivalent” means a measure of wastewater demand that is the basis for calculating monthly wastewater service charges.

“Residential Structure” means a dwelling unit as defined in Title 20 of the SMC and includes, but is not limited to, single-family, multi-family, accessory dwelling unit, duplexes, or triplexes.

#### **“S” Definitions**

“Sanitary wastewater system” has the same meaning as “wastewater system.”

“Sewer main, public” means a pipe designed or used to transport sewage owned by the city, excluding private side sewers.

“Side sewer, private” means a privately owned and maintained pipe system designed to convey wastewater to the public wastewater system and includes, the pipe system up to, but not including, the tee, wye, or connection to the side sewer stub.

“Side sewer stub” means that portion of the side sewer between the city’s sewer main and the property line or the edge of a perpetual easement on the property being served. Side sewer stubs are considered part of the public wastewater system.

“Side sewer tee” means the tee fitting at the point at which the side sewer stub joins the sewer main.

“SMC” means the City of Shoreline Municipal Code, as it currently exists and as amended from time to time.

“Structure” means any improvement which is designed, intended, or suitable for human occupancy, employment, recreation, habitation, or other purpose.

“Surcharge” means an additional charge that may be imposed in addition to the Wastewater Service Charge.

#### **“T” Definitions**

“Treatment charge” means the charge to recover the cost of wholesale treatment charges paid by the city to a wastewater treatment provider.

#### **“U” Definitions**

“Unit” means any portion of a structure available, suitable, intended or otherwise used as a separate business office or separate suite of business offices, store, or other commercial establishment, except for individual storage spaces in a self-storage building, apartment, condominium, single family dwelling, duplex, triplex, fourplex, trailer, or an accessory dwelling unit added to a single-family dwelling.

“Unsafe condition” means any condition on any premises, or in any private wastewater system thereon, that is a hazard to public health, safety, welfare, or environment that does or may impair or impede the operation or functioning of any portion of the public wastewater system or that may cause damage thereto.

“Utility” means the wastewater utility of the City of Shoreline.

“Utility service area” or “Service area” means that geographic area defined by the city in the Wastewater Master Plan as the area served by the Utility and as may be expanded through subsequent Interlocal agreements, annexations, and special utility district assumptions.

#### **“W” Definitions**

“Wastewater” means the water carried waste that is contained in and conveyed by any part of a wastewater system from residential, commercial, or industrial facilities. This term is used

interchangeably with the term “sewage.”

“Wastewater system, public” means the wastewater facilities which are operated, maintained, and controlled by the City of Shoreline’s Wastewater Utility. Such facilities typically include sewer mains, pump or lift stations, and side sewer stubs.

“Wastewater conveyance facilities” means facilities such as side sewers, sewer pipes, manholes, grinder pumps, and other facilities.

“Wastewater facility” means any facility for the conveyance or storage of wastewater, whether part of the public wastewater system or a private wastewater system, which is connected to or intended to be connected to the public wastewater system. Also referred to as a sewer facility.

“Wastewater Master Plan” means that plan adopted pursuant to SMC 13.05.040 of this chapter.

“Wastewater service” means providing for the conveyance of wastewater from a structure into the public wastewater system.

“Wastewater Service Charges” means ongoing charges to all customers connected to the wastewater system, to recover the city’s cost of providing wastewater service and is comprised of the wastewater collection charge and the treatment charge.

“Wastewater pretreatment” means the treatment of industrial waste before discharge to the public wastewater system.

“Wastewater treatment charge” means that fee established by the treatment provider to cover that entity’s costs to treat and dispose of sewage.

“Wastewater treatment provider” means the public entity that provides treatment and disposal services for the wastewater collected by the city.

**13.05.080 Required connections.**

- A. Any person owning property with structures containing facilities for the disposal of wastewater within the city’s municipal boundaries shall connect to the public wastewater system subject to the provisions of this chapter.
- B. Connection to the public wastewater system shall be required when:
  - 1. New development or redevelopment of a structure occurs, and public wastewater service is within a horizontal distance of 300 feet from the property line for the parcel where the development or redevelopment is occurring; or
  - 2. Property containing a structure with facilities for the disposal of wastewater by an on-site septic system shall connect to the public wastewater system when ordered to do so by the Seattle/King County Department of Health, or its successor agency. The



property owner shall pay all applicable fees and connection charges when connecting.

- C. Horizontal distance shall be measured along a straight line from the nearest available connection point to the closest property line.

**13.05.090 Revenues, expenditures, and administration.**

- A. All revenue collected pursuant to this chapter shall be credited and deposited in the Wastewater Utility fund established pursuant to SMC 3.35.220 and used only for those purposes and expenditures allowed by law. Fees shall not be transferred to any other funds of the city except to pay for expenses attributable to the Wastewater Utility.
- B. The director of the city's Administrative Services Department (ASD) shall provide for the billing of utility services and the financial administration and enforcement of utility accounts. The ASD Director is authorized to promulgate rules, procedures, and financial policies that are consistent with this chapter, applicable laws and regulations, and generally accepted accounting principles as established by the State of Washington. The ASD Director may designate individuals to assist in administering this chapter.

**13.05.100 Establishment of rates, fees, and charges.**

- A. Rates, charges, and fees to be charged for wastewater and related services provided by the city to residential, commercial, or industrial users within the Service Area along with fees for permitting services shall be established by resolution of the City Council as provided in SMC Chapter 3.01.
- B. The City Council may establish classifications of wastewater customers or service based on criteria determined by the City Council, using any method(s) authorized by law, including but not limited to, RCW 35.92.020.
- C. The ASD Director, in consultation with the Director, shall periodically evaluate rates, charges and fees and recommend adjustments based on revenue requirements necessary to cover all budgeted costs of the Utility as guided by the Financial Policies and applicable bond covenants.

**13.05.110 Capacity, collection, facility, and treatment charges.**

- A. Any person connecting to or utilizing the public wastewater system shall be subject to the following charges, as applicable to the property being served and the action occurring:
  - 1. Capacity charges shall be paid for all new or change of use wastewater connections that are served by King County.
  - 2. Collection charges shall be paid by property owners to recover all costs of operating the wastewater collection system.
  - 3. General facility charges shall be paid by property owners in order that each new or

change in use connection bears an equitable share of the cost of the public wastewater system.

4. Local facilities charges shall be paid by property owners located in previously unsewered areas in order to recover a proportionate share of the cost of the local wastewater infrastructure.
5. Sewage Treatment charges shall be paid by property owners served by a wastewater treatment provider.

**Table 13.05.110**

Type of Charge	All properties	New Connections	Change of Use connections	Previously unsewered areas
Capacity		X	X	
Collection	X			
General Facility		X	X	
Local Facility				X
Treatment	X			

**13.05.120 Residential rate discount: Qualified low-income persons.**

- A. As authorized by, RCW 35.92.020, 35.67.020, and 74.38.070, the city has established residential rate discounts for qualified low-income senior citizens and other low-income disabled persons.
- B. To be eligible for a residential rate discount, on the date of application or renewal, the applicant must own and occupy the residential property being served as their principal place of residence for at least one year prior to application and:
  1. Be sixty-two years of age or older; or
  2. Be considered disabled by the U.S. Social Security Administration; and
  3. Earn less than sixty percent (60%) of the Local Area Median Household Gross Annual Income during the previous year using the most recent annual income guidelines established by the U.S. Department of Housing and Urban Development.
- C. Applications for a residential rate reduction shall be on forms provided by the city and be accompanied by documents demonstrating eligibility.
- D. Applications shall be submitted to and administered by the Administrative Services Department subject to the Financial Policies.

**13.05.130 Utility services billing.**

- A. Utility billing and customer services shall be conducted in conformance with the Financial Policies adopted pursuant to SMC 13.05.090.
- B. Delinquency and Liens.
  - 1. The city shall have a lien for delinquent and unpaid charges, plus penalties and interest of eight percent per annum, and all other remedies available pursuant to RCW 35.67.200 to 35.67.290, as those sections currently exist or are amended, including the right of foreclosure.
  - 2. Pursuant to RCW 35.67.215, liens for delinquent service charges shall be effective for a total not to exceed 12 months of delinquent charges without the necessity of any writing or recording. For liens to be effective for more than 12 months of charges, the city shall file a notice with the King County Recorder's Office.
  - 3. For each lien recorded, the city shall assess against the utility account the costs incurred by the city in preparing and recording the lien or a release of a lien as provided for in the Financial Policies.

**13.05.140 Permits and agreements.**

- A. It is unlawful to construct, extend, alter, repair, or to make connection or reconnection to the city's wastewater system without first obtaining all necessary and required permit approvals or registrations from the city prior to commencing any work.
- B. Permits
  - 1. All applications to construct, extend, alter, repair, or to make connection or reconnection to the Public wastewater system or for industrial discharge to the Public wastewater system shall be submitted on official forms prescribed and provided by the city and be accompanied by the appropriate fee as provided for in SMC Chapter 3.01. The Director shall specify submittal requirements for an application to be complete.
  - 2. With the exception of Developer Extensions, all permits to connect, repair, cap, or alter residential or commercial wastewater facilities or for industrial discharge will be considered a Type A action as provided in Chapter 20.30 SMC. Any work undertaken within the public rights-of-way is also subject to Chapter 12.15 SMC Use of Right-of-Way.
  - 3. Permits issued under this chapter shall be valid for the same time period as approved permits in SMC 20.30.160 unless extended or renewed by the City Engineer prior to expiration. A permit may be extended by the City Engineer for a period of 180 consecutive calendar days if applied for prior to the expiration of the original permit.

C. Developer Extension Agreement

1. The city may enter into Developer Extension Agreements with the owner(s) of real estate as provided in the Municipal Water and Sewer Facility Act (RCW 35.91) so as to provide for the extension of mainlines, prior to the owner(s) initiating plans for the improvement, where the owner(s) of property desire to construct additional wastewater facilities not previously provided by the city and where such facilities may upon completion and acceptance become a part of the city's wastewater collection system.
2. No developer extension shall be undertaken without prior execution of a developer extension agreement and in accordance with the requirements set forth in the EDM.
3. Developer extension agreements may be approved by the Director on forms acceptable to the City Attorney.
4. If a latecomer agreement is contemplated in connection with a developer extension, the latecomer agreement shall be developed in compliance with SMC Chapter 3.90 and be executed prior to or in conjunction with the city's acceptance of ownership of the developer extension.

**13.05.150 Industrial and commercial discharge pretreatment required.**

- A. Unless authorized by an approved Industrial Discharge Permit, no person shall discharge industrial waste into the public wastewater system unless necessary to prevent and/or correct hazardous, dangerous, or explosive conditions or blockage, operation failure or premature degradation of the public wastewater system.
- B. A person shall prevent, control, and immediately correct illicit discharges, prohibited discharges, or other such materials pursuant to 40 CFR 403.5 and the rules and regulations of the receiving treatment provider.
- C. The city may inspect pretreatment devices periodically at their sole discretion as provided in SMC 13.05.200.
- D. All violations of the pretreatment requirements or defects in the pretreatment equipment shall be corrected immediately by the owner. Repeat failures of the pretreatment requirements or failure to correct defects in pretreatment equipment may result in a violation of this chapter as provided in SMC 13.05.220.

**13.05.160 Fats, oil, and grease (FOG) controls.**

- A. All food processing, sales and service establishments generating FOG shall install, use, and maintain appropriate grease interceptors as set forth in this section.
- B. Establishments requiring grease interceptors are:
  1. Development applications, including tenant improvements that change the use

- classification to a food establishment, or a new mixed-use development with the potential to generate fats, oil, and grease; and
2. Existing facilities that cause a build-up of FOG in any public wastewater facility resulting in a wastewater overflow or is otherwise causing a prohibited discharge.
- C. Grease interceptors shall:
1. Meet the sizing criteria set forth in the Uniform Plumbing Code, as adopted in SMC 15.05.010;
  2. Be located so that the interceptor is accessible for sampling, cleaning, and inspection; and
  3. Be maintained in good and efficient working order and serviced by a grease waste hauler on a regular maintenance schedule.
- D. Decanting or discharging of removed waste back into the interceptor from which the waste was removed is prohibited.
- E. Discharge of FOG in excess of 100 milligrams per liter (mg/l) concentrations are not allowed downstream of the grease interceptor.
- F. All violations of the FOG Control requirements or defects in equipment shall be corrected immediately by the property owner or tenant. Repeat failures of the FOG Control requirements or failure to correct defects in equipment may result in a violation of this chapter as provided in SMC 13.05.220.

**13.05.170 Side sewer requirements.**

- A. Requirements for the number of residential or commercial structures that may be allowed on a side sewer and the sizing of side sewer pipes are set forth in the EDM.
- B. Unless authorized by the city, existing private side sewers or public side sewer stubs may not be used for service to new single-family residential structures, commercial structures, or for any property that is being redeveloped.
- C. Property owner(s) shall be solely responsible for the development, maintenance, repair, and replacement of private side sewers and their appurtenances, including but not limited to connection to the public side sewer stub, check valves, cleanouts, and pumps.
- D. Property owner(s) shall be responsible for the full cost to remedy any damage to the public wastewater system due to an owner's failure to exercise the responsibility provided herein.
- E. Prior to maintaining, repairing, or replacing existing side sewers, the property owner or authorized agent is required to obtain a permit from the city. Debris removed from the side sewer shall not be permitted to enter the public sewer main and shall be properly disposed of. If debris causes a downstream blockage, the property owner shall be solely

liable for any resulting damages.

**13.05.180 Grinder pumps.**

- A. Unless authorized by the Director, grinder pumps and required appurtenances are not permitted.
- B. If authorized, grinder pumps shall:
  - 1. Only be used for sewage that may not physically be conveyed to the public side sewer stub by gravity; and
  - 2. Be privately owned and maintained.
- C. The city may agree to provide maintenance service if a grinder pump serves multiple residential structures. Provided that such maintenance service shall be by contract and at the owner(s) sole cost and expense.

**13.05.190 Public and private easements.**

- A. A public wastewater easement is required to be granted to the city whenever:
  - 1. A public wastewater facility will be built on private property; or
  - 2. The city agrees to provide maintenance to privately owned facilities.
- B. A private wastewater easement is required to be granted between property owners whenever:
  - 1. A private wastewater facility will be built on property owned by a different private party; or
  - 2. A side sewer will serve two or more properties.

**13.05.200 Inspections and investigations.**

- A. All work on public or private wastewater systems shall be subject to inspection by the city to ensure compliance with applicable state and local laws and are in conformance with the requirements and standards set forth in the EDM and permit conditions, if any.
- B. All inspections shall be conducted in accordance with the procedures set forth in the section of the EDM for inspections.
- C. An authorized representative of the city may enter private property at all reasonable times to conduct inspections, tests or carry out other duties imposed by this chapter consistent with the terms and conditions of any covenant, easement, or other legal document applicable to the property.
- D. The city may require sampling or inspection tees or manholes in the side sewer connection to the public wastewater system at its discretion to facilitate inspections and/or

investigations.

- E. For inspection programs authorized by the Director, the city may provide advance mailings of its intent to inspect properties consistent with such inspection, testing, or other utility programs.

**13.05.210 Record drawings.**

All private side wastewater applicants or permittees shall file a record drawing showing the location and configuration of the private side sewer and private wastewater facilities in accordance with the requirements set forth in the Engineering Design Manual.

**13.05.220 Violations, enforcement, and penalties.**

- A. Violations of this chapter are subject to enforcement pursuant to SMC Chapter 20.30, Subchapter 9 Code Enforcement.
- B. Any activity or action caused or permitted to exist in violation of this chapter is a threat to public health, safety, and welfare, and is declared and deemed a public nuisance.
- C. It is a violation of this chapter and be considered damage to the wastewater system to, in any manner:
  - 1. Tamper with or damage any part of any wastewater system, public or private;
  - 2. Interfere with or hamper the operation of any part of the wastewater system, public or private;
  - 3. Perform any work that would impact the public wastewater system without first obtaining a permit or other authorization;
  - 4. Violate the terms and conditions of an issued permit;
  - 5. Discharge or cause to be discharged into the public wastewater system any water from yard drains, footing drains, downspouts or any other source of groundwater, rainwater, or storm water; or any liquids, solids or materials defined as prohibited or illicit discharges without a permit; or
  - 6. Fail to comply with any other provision of this chapter.
- D. Any person causing damage to the wastewater system shall be determined to be responsible for all costs incurred by the city to repair the damage and for any damage claims tendered to the city by third parties that arise as a result of these acts.
- E. If the person causing damage fails to reimburse the city for all costs incurred, the city may place a lien against the property where the violation occurred as provided in SMC 20.30.775.
- F. If the Director determines that a condition, substance, act, or other occurrence constitutes an imminent public nuisance requiring summary abatement, the city may summarily and

without prior notice to the property owner and/or responsible person, abate the condition. Notice of such abatement, including the reason for the abatement, shall be given to the property owner and/or person responsible for the property and the violation as soon as reasonably possible after the abatement. Costs, both direct and indirect, of the abatement may be assessed as provided under SMC Chapter 20.30, Subchapter 9 Code Enforcement.

**13.05.230 Appeals.**

- A. There is no administrative appeal of a Type A wastewater permit.
- B. Appeals by customers for billing errors shall be as provided in the Financial Policies.
- C. Appeals of violations of this chapter shall be as provided in SMC Chapter 20.30, Subchapter 9 Code Enforcement.

**13.05.240 City liability provisions.**

- A. The city is responsible for providing service to persons within the Utility Service Area, subject to sufficient capacity, the requirements of this chapter, and other provisions of the Shoreline Municipal Code and applicable federal and state law. PROVIDED, continuous wastewater service is not guaranteed as service may be interrupted or temporarily unavailable due to planned, unplanned events, unforeseen circumstances, or emergencies.
- B. The city is not responsible to any person for costs, damages, or other consequences incurred due to service interruptions.
- C. Nothing contained in this chapter is intended to nor shall be construed to create or form the basis for any liability on the part of the city, or its officers, employees or agents, for any injury or damage resulting from the failure of property owners or responsible parties to comply with the provisions of this chapter, engineering standards, or related manuals; or by reason or in consequence of any inspection, notice, order, certificate, permission or approval authorized or issued; or by reason of any action or inaction on the part of the city in connection with the same.
- D. Nothing in this chapter, engineering standards, or related manuals shall impose any liability on the city or any of its officers, employees, or agents for cleanup or any harm relating to sites containing hazardous materials, wastes or contaminated soil.
- E. Nothing contained in this chapter, engineering standards, or related manuals shall require city involvement or enforcement of this chapter for private disputes occurring between property owners.



**13.05.250 Severability.**

If any section, subsection, clause, or phrase of this chapter or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the validity or constitutionality of the chapter as a whole, or any other portion thereof, and its application to other persons or circumstances shall not be affected.

**13.05.260 Conflict of provisions.**

Should a conflict occur within the provisions of this chapter or between this chapter and any other provision of the Shoreline Municipal Code or other applicable law, rule, or regulation, including engineering standards, the most restrictive requirement shall control, except when constrained by federal or state law, or where specifically provided otherwise in this code.

**13.05.270 Liberal construction.**

The provisions of this chapter shall be liberally construed to give full effect to its purposes and objectives, to protect the public health and safety, and not be deemed to benefit or protect any particular individual, class, or group of persons.

**RESOLUTION NO. 474**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON REPEALING RESOLUTION NO. 417, A RESOLUTION ADOPTING A WASTEWATER REVENUE AND CUSTOMER POLICY.**

WHEREAS, in anticipation of the City of Shoreline's assumption of the Ronald Wastewater District, the City Council adopted Resolution No. 417 on October 2, 2017; and

WHEREAS, Resolution No. 417 set forth the Wastewater Revenue and Customer Policy as the City's customer service policies and practices for the operation of a wastewater utility; and

WHEREAS, also on October 2, 2017, the City Council adopted Ordinance No. 780 establishing Chapter 13.05 of the Shoreline Municipal Code (SMC), setting forth the Wastewater Utility's regulations; and

WHEREAS, both Resolution No. 417 and Ordinance No. 780 were to become effective upon the official assumption of the Ronald Wastewater District by the City of Shoreline; and

WHEREAS, since October 2017, new financial policies and new regulations have been developed to ensure the orderly management and operation of the Wastewater Utility, including the financial administration; and

WHEREAS, Ordinance No. 928 authorizes the Administrative Services Director to promulgate rules, policies, and procedures consistent with Chapter 13.05 SMC for the financial administration of customer accounts so as not to require the City Council approve each time an amendment is needed; and

WHEREAS, Resolution No. 417 needs to be repealed so that the Administrative Services Director can exercise the rule-making authority granted in Chapter 13.50 SMC;

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

**Section 1. Repeal of Resolution 417.** Resolution No. 417, adopted by the City Council on October 2, 2017, is repealed in its entirety.

**Section 2. Effective Date.** This Resolution shall take effect and be in full force at 12:01 a.m., April 30, 2021, or on the official date of assumption of the Ronald Wastewater District by the City of Shoreline, whichever is the latest.

**ADOPTED BY THE CITY COUNCIL ON APRIL 12, 2021.**

---

Mayor Will Hall

**ATTEST:**

---

Jessica Simulcik Smith, City Clerk

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

<b>AGENDA TITLE:</b>	Discussing the 2021-2023 City Council Goals and Work Plan
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	John Norris, Assistant City Manager
<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:**

At the City Council's annual Strategic Planning Workshop, which was held March 5 and 6, 2021, the Council discussed their proposed 2021-2023 Council Goals and Work Plan. The Council Goals continue to focus on achievement of Vision 2029 and being a sustainable city in all respects.

As noted in Attachment A, the proposed 2021-2023 City Council Goals are below. Four of these five Goals are a continuation of the same Goals from the 2020-2022 Work Plan. The one Council Goal that is proposed for amendment is Council Goal #4. The changes to that Goal are show in strikethrough/underline amendment format below:

1. Strengthen Shoreline's economic climate and opportunities;
2. Continue to deliver highly-valued public services through management of the City's infrastructure and stewardship of the natural environment;
3. Continue preparation for regional mass transit in Shoreline;
4. Expand the City's focus on equity and social justice inclusion and work to become an Anti-Racist community ~~enhance opportunities for community engagement~~; and
5. Promote and enhance the City's safe community and neighborhood programs and initiatives.

In addition to the Council Goals themselves, the Council also reviewed the Action Steps, or sub-goals, that implement the five Council Goals at their Strategic Planning Workshop. Attachment A to this staff report provides the proposed 2021-2023 Council Goals and Work Plan, which include the suggested Action Steps under each goal. The tracked changes noted on Attachment A represent the additions that the Council requested staff make to the staff-proposed Council Goals and Action Steps that were initially presented to Council at the March 5 and 6 Strategic Planning Workshop. The Council was generally supportive of staff's recommended Goals and Action Steps along with the proposed additions noted in Attachment A.

Tonight, staff is requesting that Council review the proposed 2021-2023 Council Goals and Action Steps and provide staff direction to further amend the Goals, if needed, and bring them back for action. Potential action on the 2021-2023 Council Goals is currently scheduled for April 12, 2021.

**RESOURCE/FINANCIAL IMPACT:**

Resources needed to accomplish the Council's Goals and Work Plan are included in the 2021-2022 biennial budget and may also be included in the proposed 2023-2024 biennial budget.

**RECOMMENDATION**

No action is required. Staff recommends that Council discuss the 2021-2023 Council Goals and Work plan. Staff further recommends that Council adopt the 2021-2023 Council Goals and Work Plan when they are brought back to Council for action on April 12, 2021.

**ATTACHMENTS:**

Attachment A – Proposed 2021-2023 City Council Goals and Work Plan

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

# 2021-2023 City Council Goals and Work Plan

The Council is committed to fulfilling the community's long-term vision – Vision 2029 – and being a sustainable city in all respects:

- Sustainable neighborhoods—ensuring they are safe and attractive;
- Sustainable environment—preserving our environmental assets and enhancing our built environment so that it protects our natural resources;
- Sustainable services—supporting quality services, facilities and infrastructure; and
- Sustainable finances—responsible stewardship of fiscal resources to achieve the neighborhoods, environment and services desired by the community.

The City Council holds an annual Strategic Planning Workshop to monitor progress and determine priorities and action steps necessary to advance Vision 2029. This workplan, which is aimed at improving the City's ability to fulfill the community's vision, is then reflected in department work plans, the City's budget, capital improvement plan, and through special initiatives.

## **Goal 1: Strengthen Shoreline's economic climate and opportunities**

Robust private investment and economic opportunities help achieve Council Goals by enhancing the local economy, providing jobs and housing choices, and supporting the public services and lifestyle amenities that the community desires and expects.

### **ACTION STEPS:**

1. Conduct a review of development that has occurred in the 145<sup>th</sup> Station Area; identify City policies and regulations that may need to be revised in order to realize the City's vision of mixed-use, environmentally sustainable, and equitable neighborhoods within the MUR zones
2. [Amend the development regulations for MUR-70 to increase the likelihood of realizing the vision for transit oriented development in the station areas, including affordable housing, transit-supportive densities, and vibrant, walkable communities](#)
3. Implement the Community Renewal Plan for Shoreline Place including completion of the intersection improvements at N 155<sup>th</sup> Street and Westminster Way N, the adoption and implementation of revised signage requirements, and the processing of Phase 1 and 2 permits
4. Continue to implement development review and permitting best practices, including the expansion of the City's online permit capabilities and the development of permit turn-around time targets, so that permit applicants experience predictable, timely, accessible and responsive permitting services
5. Enhance business retention and expansion efforts by building relationships and identifying regulatory challenges, especially in the post-pandemic environment
6. Facilitate collaboration with and between members of the business community to support new businesses and identify strategies to support these businesses
7. [Implement programs to support the community with funding from the Federal American Rescue Plan Act, Coronavirus Local Fiscal Recovery Fund](#)
- 6-8. Adopt the Housing Action Plan to help plan for additional housing choices, associated policies and regulatory modifications
- 7-9. Participate in the State's Master Plan process for the Fircrest Campus and advocate for uses compatible with the City's vision for underutilized properties
- 8-10. Monitor the outcomes of the ground floor commercial requirements in the North City and Ridgecrest neighborhoods. Use lessons learned from this early adoption area to model future development regulations for the first floor of multi-family developments
- 9-11. Pursue renewal of the City's Levy Lid Lift that expires at end of 2022 to ensure the ability to deliver critical public services to the Shoreline community
- 10-12. Support King County Metro's evaluation of the 192<sup>nd</sup> Park and Ride as a potential location for expanded transit operations and transit-oriented-development

## **Goal 2: Continue to deliver highly-valued public services through management of the City's infrastructure and stewardship of the natural environment**

The City has identified needed improvements to strengthen its municipal infrastructure to maintain public services the community expects through adoption of the Comprehensive Plan, Surface Water Master Plan, Transportation Master Plan and Parks, Recreation and Open Space Plan. As capital improvements are made, it is important to include efforts that will enhance Shoreline's natural environment, ultimately having a positive impact on the Puget Sound region.

### **ACTION STEPS:**

1. Implement the Sidewalk Rehabilitation and Sidewalk Construction Programs
2. Continue to Implement the Parks, Recreation, and Open Space Plan, including implementation of the 2021 Park Bond if approved by voters
3. Continue to explore strategies for replacement of the Shoreline Pool and Spartan Recreation Center
4. Continue to implement the Urban Forest Strategic Plan, including the Green Shoreline Partnership
5. Continue to implement the 2020-2022 Priority Environmental Strategies including implementation of Salmon-Safe certification activities, resource conservation and zero waste activities, and an update of the City's Climate Action Plan
6. Implement Phase One of the City Maintenance Facility project, which includes construction of maintenance facilities at the Brightwater property and preliminary design of the Hamlin and North Maintenance facilities
7. Continue implementing the proactive strategy of the adopted 2017-2022 Surface Water Master Plan
8. Update the Transportation Master Plan, including evaluating a multi-modal level of service, concurrency and shared use mobility options
9. Begin the state mandated major update of the Comprehensive Plan once the King County Countywide Planning Policies have been finalized
10. Design the N 175th Street Corridor Project from Interstate-5 to Stone Avenue N
11. Update the Public Arts Policy and initiate public process for update of the Public Art Plan

## **Goal 3: Continue preparation for regional mass transit in Shoreline**

Our community looks forward to increasing mobility options and reducing environmental impacts through public transit services. The ST2 light rail extension from Northgate to Lynnwood includes investment in the Shoreline North/185<sup>th</sup> Street Station and the Shoreline South/148<sup>th</sup> Street Station, which are planned to open in 2024. The ST3 package includes funding for corridor improvements and Bus Rapid Transit service along State Route 523 (N 145<sup>th</sup> Street) from Bothell Way connecting to the Shoreline South/148<sup>th</sup> Street Station. Engaging our community members and regional transit partners in plans to integrate local transit options into the future light rail service continues to be an important Council priority.

### **ACTION STEPS:**

1. Work with regional and federal partners to fund, design, and construct the 145<sup>th</sup> Street Corridor and Interstate-5 interchange improvements
2. Support Sound Transit's 145<sup>th</sup> Street improvements from Highway 522 to Interstate-5 as part of ST3
3. Work collaboratively with Sound Transit on the Lynnwood Link Extension Project, including coordination of project construction, inspection and ongoing permitting
4. Coordinate with developers and seek partnerships and funding for implementation of the 185<sup>th</sup> Street Corridor Strategy
5. Coordinate with developers and seek partnerships and funding to realize the vision of the 148<sup>th</sup>/Shoreline South Light Rail Station Area vision
6. Create non-motorized connections to the light rail stations and provide for multiple transportation

options in and between the Station subareas by continuing to coordinate design elements of the Trail Along the Rail

7. Complete 90 percent design of the 148<sup>th</sup> Street Non-Motorized Bridge and work with regional and federal partners to fully fund the project
8. Collaborate with regional transit providers to implement long range regional transit plans including Sound Transit's ST3 Plan, King County Metro's Metro Connects Long Range Plan, and Community Transit's Blue Line and Long-Range Plan

#### **Goal 4: Expand the City's focus on equity and social justice and work to become an Anti-Racist community**

The Council values all residents, is committed to building an anti-racist community, and believes the City has a responsibility to ensure that Shoreline is an inviting, equitable and safe community for all. In order to meet the needs of all community members, the City must provide meaningful community engagement so that all people have access to needed services, information, and resources and can provide input on the development and implementation of City policies and programs.

##### **ACTION STEPS:**

1. Continue implementing the City's Equity and Social Justice Program with an increased focus on anti-racism described in City Council Resolution No. 467, including identifying and implementing ongoing equity and anti-racism training for City staff, Council, boards and commissions and assessing internal opportunities for change
2. Develop resources and training to assist staff in understanding meaningful community engagement practices and approaches
3. Offer Community Bridge as an opportunity to engage diverse residents and meet community identified goals
4. Ensure all Shoreline residents have access to and benefit from the City's programs, parks, facilities and activities
5. Continue building relationships that support community policing

#### **Goal 5: Promote and enhance the City's safe community and neighborhood programs and initiatives**

Maintaining a safe community is the City's highest priority. The 2020 Resident Satisfaction Survey reflected that 94% of respondents felt safe in their neighborhood during the day and 81% had an overall feeling of safety in Shoreline. The City is continuing a concentrated work plan to enhance our public safety communication and crime prevention efforts to ensure that our residents and businesses continue to find Shoreline a safe place to live, work and play. The Council recognizes that supporting stronger community connections and making it possible for residents to meet their needs are critical elements of a safe and thriving community.

##### **ACTION STEPS:**

1. Use data driven policing to address crime trends and quality of life concerns in a timely manner
2. Continue to coordinate the Shoreline Police-Community Response Operations Team to implement solutions related to public safety, code enforcement and homelessness response
3. Engage in community conversations that will inform changes in law enforcement policy and community safety in Shoreline
4. Support efforts to improve public safety by incorporating best practices and model policies for use of force, de-escalation training and police accountability
5. Support the effective and efficient delivery of public safety services by maximizing the North Sound RADAR (Response Awareness, De-escalation and Referral) service delivery model; explore opportunities using an alternative-responder model similar to CAHOOTS (Crisis Assistance Helping Out on the Streets) through the North Sound cities partnership; and collaborate with King County District Court and other criminal justice service partners to address the inequitable treatment of low-



income misdemeanor defendants through options such as a warrant release program, a relicensing program, and other efforts to lower Court Failure to Appear rates

- 4.6. Continue partnerships between Community Services, Parks, Economic Development and Police on Problem Solving Projects and crime prevention to improve safety and the feeling of safety
- 5.7. Continue addressing traffic issues and concerns in school zones and neighborhoods using the City's speed differential map and resident traffic complaints
- 6.8. Conduct trainings and community programs to promote personal safety, awareness and response
- 7.9. Continue to support the North King County Enhanced Shelter serving homeless adults in North King County through partnership and agreement with King County, Lake City Partners and the community
- 8.10. Actively monitor developments related to the King County Regional Homelessness Authority with a particular focus on actions and resources related to sub-regional planning efforts
- 9.11. Continue the Love Your Community mini-grant program to expand the City's community building efforts beyond established neighborhood associations

DRAFT