



SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, November 25, 2019
5:45 p.m.

Conference Room 303 · Shoreline City Hall
17500 Midvale Avenue North

32ND DISTRICT DELEGATION

1. **CALL TO ORDER** 5:45 p.m.
2. **AGENDA ITEMS**
 - Initiative 976 and Transportation Funding
 - Development of the Fircrest Campus
 - Changes to Annexation Law
 - City Priorities Related to Revenue
 - Homelessness and Housing
 - City Priorities Related to the Environment
4. **ADJOURNMENT** 6:45 p.m.

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2230 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://www.shorelinewa.gov/government/council-meetings>.

Shoreline City Council

Mayor Will Hall
Deputy Mayor Doris McConnell
Councilmember Susan Chang
Councilmember Keith McGlashan
Councilmember Chris Roberts
Councilmember Betsy Robertson
Councilmember Keith Scully

32nd District Delegation

Senator Jesse Salomon
Representative Cindy Ryu
Representative Lauren Davis

City of Shoreline Staff

Debbie Tarry, City Manager
John Norris, Assistant City Manager
James Hammond, Intergovernmental Programs Manager



Memorandum

DATE: November 25, 2019

TO: Shoreline City Council

FROM: Jim Hammond, Intergovernmental/CMO Program Manager

RE: Dinner Meeting with 32nd District Delegation

CC: Debbie Tarry, City Manager
John Norris, Assistant City Manager

The members of the 32nd District delegation, Senator Jesse Salomon, Representative Cindy Ryu, and Representative Lauren Davis will attend the November 25, 2019 dinner meeting with the City Council. While each member and their staff regularly check-in with the City informally, the Council hosts a Dinner Meeting with them on an annual basis to have an opportunity to all meet together and discuss state legislative issues of interest to both the delegation and the City of Shoreline.

2020 is the second year of the 2019-2021 biennium, or “short” session, which is scheduled to last 60 days. However, there are significant issues and challenges which both the State and Shoreline need to address in the coming months. On November 5th, voters across Washington State approved Initiative 976 (I-976), which may have significant impacts on transportation funding, depending upon the outcome of any legal challenges. Not only are Shoreline’s local funds for road and sidewalk maintenance impacted, but significant regional transportation projects that are being led by Shoreline are also at risk.

Beyond transportation-related issues, the Legislature will be receiving information from state agencies relating to future activity on the Fircrest Campus; Shoreline will be working with the City of Woodway to explore changes to annexation law; and other vital City interests that relate to both fiscal and environmental health remain high on the City’s priority list.

This memo provides a brief synopsis of these topics and some questions and/or discussion items for Council to consider which may generate discussion. As always, the questions and discussion points are suggestions for Council consideration. In addition,

members of the 32nd District delegation may want to share other items with Council at the conclusion of the above discussion items.

Initiative 976 and Transportation Funding

Once implemented, I-976 will eliminate Shoreline's \$40 VLF for street and sidewalk preservation and maintenance. This fee, in 2020, would have generated an estimated \$1.6 million per year. Half of the VLF was adopted by the City Council in 2009 and has been used to ensure adequate funding to maintain Shoreline streets on a regular schedule. In the long run, this has helped Shoreline avoid the costly road replacements that can come with deferred maintenance. The other \$20 VLF was passed by the City Council in 2018 for repair and maintenance of our sidewalk network.

The loss of this preservation and maintenance funding will impact transportation projects across the City. To ensure ongoing road and sidewalk maintenance, the City will have to evaluate other transportation projects and programs that might add to or improve our current transportation network.

At the State level, transportation funding, particularly for transit and paratransit, will be significantly impacted, and the State Legislature, working with the Washington State Department of Transportation (WSDOT), will need to make decisions about how to maintain state highways, provide transportation options for individuals with disabilities, and more. State funding for local transportation projects, including ones in Shoreline, may be called into question in the coming months. The highest City priority for transportation funding is the N 148th Street Pedestrian/Bicycle Bridge, which will provide a non-motorized connection to the Shoreline South/145th Street light rail station and bring more than 70 acres of upzoned neighborhood within walking distance of regional light rail. This will greatly improve station access at a time when other transit funding is in danger of being cut.

The City has also led a regional effort to rebuild the N 145th Street/I-5 Interchange. We recently learned that Shoreline was not successful in its pursuit of a federal 2019 BUILD grant (successor to TIGER), but continue to work with its regional partners and WSDOT to find a path forward to improve this key regional nexus.

Discussion Questions:

1. As the legislature addresses the consequences of the affirmative vote for I-976, what do you see as the most likely next steps?
2. With the City and other local jurisdictions at risk of losing significant locally generated transportation funding, it will be important to work with the Legislature to create new transportation specific revenue options for cities, both for large regional projects and for ongoing maintenance and other local needs. What seems to be the most promising way to move forward to support cities in this way?
3. The City still needs help to accomplish key local transportation priorities, including the I-5 interchange at N 145th Street and the nearby N 148th Street bike/pedestrian bridge. Do you think the Legislature will still move forward with a statewide funding package?

Development of the Fircrest Campus

After decades of minimal change within the Fircrest campus, strong interest has come from several different parts of the State to address underutilized property. During the 2019 session, legislators considered several different State projects and programs which had a direct or indirect connection to Fircrest:

- The Department of Social and Health Services (DSHS) sought funding for a new nursing facility for Fircrest Residential Habilitation Center residents;
- The State committed significant funding to overhaul its behavioral health system, and the Fircrest campus is being actively evaluated as a potential future site for an evaluation and treatment facility;
- Members of the Legislature, including the 32nd District delegation, directed executive agencies to study the potential for new uses on underutilized land within the Fircrest campus, including affordable housing, economic development and open/recreational space for the community.

In response to the wide variety of potential future uses being considered for the Fircrest Campus, the City has adopted a temporary moratorium to evaluate its land use code and make improvements where needed to ensure a clearly defined and transparent process for the review of the State's Master Development Plan and potential siting of an Essential Public Facility.

Throughout these past months, City staff have remained in communication with state staff across the range of involved agencies. The City is committed to a transparent and inclusive regulatory process that ensures that the views of all interested parties are considered.

Discussion Questions:

1. What are your impressions of the current process?
2. What do you see as the most important next steps for the State? For Shoreline?
3. What would you like to see as an ideal long term outcome?

Changes to Annexation Law

The City of Shoreline has reached a negotiated agreement with the City of Woodway about how to approach any future development at Point Wells. It will be crucial for any jurisdiction impacted by development to be able to devote the appropriate resources to addressing those impacts. The agreement between Woodway and Shoreline is an important part of that equation. In order to complete the puzzle, both cities would like to seek passage of legislation which would provide code cities the ability to annex unincorporated areas pursuant to a cooperative interlocal agreement.

Discussion Questions:

1. What do you see as any potential concerns of the Legislature from this course of action?
2. What can the City do to support you in advancing this priority?

City Priorities Related to Revenue

Building on the conversation taking place in the Legislature over the past several years, the City continues to seek a more self-sufficient model where the City can control its revenue streams. Cities need to be able to plan for funding from one year to the next; providing more local financial flexibility allows each jurisdiction to make their own choices of how to fund local services. Examples include:

- *1% Property tax limit.* This existing limit does not keep pace with inflation and restricts cities' ability to maintain services. Setting a limit tied to a tangible number (e.g. Consumer Price Index) would allow cities to better maintain existing services.
- *Increased flexibility on existing revenues.* Many available revenue options are constricted, restricted, or unpredictable, which makes it hard to maintain or increase city services, such as public safety, infrastructure, and human services programs.

On the economic development front, the City supports the development of tax increment financing (TIF) to support economic development. The City would benefit from economic development tools that help maintain, expand, and modernize local infrastructure to spur local private sector investment. Both property and sales tax-based TIF options would give all cities the tools and the flexibility to best meet the needs of each community.

Discussion Questions:

1. With I-976, local funding sources are shrinking when needs are growing. What do you see as the most effective way to support the fiscal needs of local government?
2. What ideas have you been considering in this area? How can the City support you?

Homelessness and Housing

Last session saw significant strides toward tackling issues related to homelessness and affordable housing. But there remain significant opportunities to make additional progress, ranging from additional incentives and councilmanic revenue authority to new tools to attract/preserve multifamily development. Experience has taught us that these decisions need to be made on a block-by-block basis. It is important to avoid mandates that constrain City efforts to tailor solutions to each community or otherwise create unintended issues.

Discussion Questions:

1. What do you see as the highest priorities in this arena for the coming session?
2. Shoreline has been a leader in addressing the challenge of creating housing supply. How can we share our story to support your work?

City Priorities Related to the Environment

The City of Shoreline is proud of its status as Washington's first Salmon Safe City. We are working diligently to make sure that we minimize impacts upon the natural environment and support efforts to address climate change. To that end, one of the City's key priority issues relates to the current effort to address fish-blocking culverts. We strongly support a strategic, multi-jurisdictional approach. Many critical fish runs are blocked by a series of fish-blocking culverts that are both state and locally owned. Funding that is focused solely on state culverts creates risk that the work won't yield results. A shared strategic vision and local funding are both essential to making progress that helps our threatened fish runs.

Additionally, the City supports legislation that addresses the impacts of climate change, particularly in the transportation sector. The projected impacts of a changing climate represent one of the most serious threats to Shoreline, the region, and the world. We know that the delegation and Legislature, as well as the Governor, share the City's commitment to this issue, and the City will advocate for legislation that advances toward this goal. Given its contribution to greenhouse gases, the transportation sector is a high priority focus area.

Discussion Questions:

1. What do you see as the best path forward to a systematic and strategic approach to dealing with fish-blocking culverts?
2. What can the City do to support your efforts in the area of sustainability and climate change?