

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF WORKSHOP MEETING

Monday, May 3, 1999
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Deputy Mayor Montgomery, Councilmembers Gustafson, Hansen, King, Lee and Ransom

ABSENT: None

1. CALL TO ORDER

The meeting was called to order at 6:30 p.m. by Mayor Jepsen, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Jepsen led the flag salute. Upon roll by the City Clerk, all Councilmembers were present with the exceptions of Councilmembers Hansen and Ransom, who arrived shortly thereafter.

3. CITY MANAGER'S REPORT

Robert Deis, City Manager, reported that staff provided information to the King County Library System to facilitate an estimate of the cost of constructing underground parking at the new Richmond Beach Library. He also noted that staff has submitted a permit application for grading at Shoreview Park. He said the project is on schedule for an open record public hearing before the Hearing Examiner this summer.

Councilmember Hansen arrived at 6:32 p.m. and Councilmember Ransom immediately thereafter.

Mr. Deis reminded Council that the Annexation Area A-2 election will occur by mail on May 18, 1999. He mentioned an upcoming meeting for youth service providers on May 11. He also advised that staff will present information to the Parks, Recreation and Cultural Services Advisory Committee at its next meeting on potential skate park sites.

Mr. Deis went on to review the memo prepared by Kristoff Bauer, Assistant to the City Manager, regarding the Woodway Highlands Settlement Agreement. He requested that a Councilmember testify to the Woodway Planning Commission on Wednesday, May 5 about the desirability of a second ingress and egress to the proposed development and about eastside access to the development for construction traffic. Both Deputy Mayor Montgomery and Councilmember Hansen volunteered. Mr. Deis noted that last year the

developer agreed to include an asphalt path along one side of 20th and some traffic calming devices.

Finally, Mr. Deis presented a memo from Police Chief Sue Rahr, regarding the Community Service Officer (CSO), noting the King County Sheriff's Office has begun the recruitment process for a bi-lingual (English/Korean) officer. Mayor Jepsen mentioned a potential grant from Congressman Jay Inslee's office, and Mr. Deis agreed to follow up on this.

Responding to Councilmember Hansen, Mr. Deis explained why the City would no longer need the services of one-third of an evidence/supply clerk once the CSO officer is hired.

Responding to Councilmember Ransom, who noted this is a Sheriff's civil service position, Mr. Deis said this position already exists in the Sheriff's Office as liaison to other Asian communities. The Sheriff's Office has a more extensive recruitment process, which will benefit the City.

4. COUNCIL REPORTS

Councilmember Gustafson mentioned several items, including: 1) a meeting between the cities and Shoreline School District regarding safety issues and potential formation of a Youth Council; 2) plans for modernization for the gym and the stadium at the Shoreline Conference Center; and 3) the wide variety of Senior Center programs.

Councilmember Hansen reported on his visit to Boeing Creek Park and to Roger Day's property. He suggested staff revisit this site, as well as the property of the neighbor to the east. He also said he attended his first meeting of the Puget Sound Regional Council Growth Management Committee and described potential committee structure changes. Finally, he announced that Shoreline Community College received a grant for the remodel of its library and appreciated the City's support of that action.

Councilmember King reviewed several activities, particularly the peer review of the third wastewater treatment plant. She said the peer review report foresaw intensive disagreement about the Point Wells site and mentioned the cost of taking the pipe from the eastside to Puget Sound. The conclusion of the peer review was that flexibility is the most important thing, and this is found in Alternative #3. She commented that she is often asked about the Shoreline City Council's position on a third plant. Noting that the Council has never taken a vote on this issue, she conducted a poll of Councilmembers' views on the necessity of a third plant, apart from siting issues.

Councilmember Hansen supported a third plant. He believed that neither the Renton nor West Point facilities can contain the projected flow. Furthermore, there will be strong objections and/or legal challenges for these two sites. Councilmember Ransom agreed that long term a third plant will be needed and that it is easier to plan at an earlier stage to provide for future capacity.

DRAFT

Councilmember Lee referred to a study in the Seattle Times that supported a third plant. She said Puget Sound is still growing and a third plant will definitely be needed.

Councilmember Gustafson still had a question about whether a third plant is necessary before 2020.

Deputy Mayor Montgomery said that if West Point truly cannot be expanded, she would support a third plant.

Mayor Jepsen said this is a regional issue to be dealt with by King County. However, he was concerned that the legal battles of trying to expand capacity in Renton or West Point will make those options just as expensive as a third plant without a guarantee of success. He noted that some jurisdictions want a third plant, and it makes financial sense if litigation costs are included in other alternatives.

Councilmember King said the Suburban Cities Association supports a third plant, and she wished to be able to report the feelings of the Shoreline City Council. She emphasized that the first decision is whether a third plant is needed. Then the next step will be locating it. Later in the meeting, she reported that the peer review process raised the thought of moving the Urban Growth Line east, probably within the next five years. She also noted that although \$300 million sounds like a large amount, the costs to individual ratepayers will be small when this amount is spread over 20 years to two or three million ratepayers.

Deputy Mayor Montgomery reported on a meeting with the Sound Transit Board to discuss regional express service and the commuter rail stop. She noted that King County Councilmember Greg Nichols supports a rail link to Northgate.

Mayor Jepsen reported on his week's activities, including a meeting with the Fire Chief about possibilities for shared facilities.

5. PUBLIC COMMENT: None

6. WORKSHOP ITEMS

(a) 1999 First Quarter Financial Report

Joe Meneghini, Finance Director, provided an update on the City's financial position. It included an overview of the final 1998 expenditure and revenue activity and financial information on the first quarter of 1999. He said the City ended the year with \$1,076,815 more than estimated, mainly because the actual revenues were \$984,829 higher than expected. Additionally, the expenditures showed a savings of about \$125,994, all of which are basically one-time savings. He pointed out that gambling tax was up \$604,074, primarily because of mini-casino expansions. Looking at 1999 First Quarter General Fund figures, Mr. Meneghini said the figures do not indicate any new trends. He

concluded that staff does not recommend earmarking the additional funds at this time because of the volatility of the revenue sources (gambling taxes) to legislative and industry changes and the non-reoccurring nature of the expenditure savings. Additionally, it is too early to know the strength of Initiative 695 that nearly does away with the Motor Vehicle Excise Tax, which represents \$2.5 million, or 15.7 percent of Shoreline's General Fund operating revenues. He said that staff will return to Council with a recommendation for the additional resources after there is more history with the gambling revenues and it is known whether Initiative 695 will appear on the fall ballot.

Councilmembers Lee, Gustafson and King asked a series of question, which Mr. Meneghini, Senior Budget Analyst John Hawley or Mr. Deis answered.

Noting that Parker's Casino overestimated its gross revenues, Councilmember Ransom asked if the City has made any corrections to its gambling tax revenue estimates. Mr. Meneghini said the year-end figures show the actual taxes paid by Parkers. Any adjustments would show up in the following quarter. Councilmember Ransom also mentioned the issue of grandfathering rights for Goldie's and the order last week from the Executive Director of the State Gambling Commission placing a moratorium on licenses for mini-casinos. He felt it is appropriate to consider the accuracy of the revenue projection for mini-casinos since this is the revenue growth area.

Mayor Jepsen observed that Council is reviewing an update of the relationship between the projections in the adopted budget and what occurred in the first quarter. He said no year-end projections can be made based on first quarter figures. Mr. Meneghini added that if the higher revenue trend becomes a fact, staff will return to Council with recommendations.

Councilmember Ransom commented that the other major growth area is car sales. He asked if the projections include the new car dealership. Mr. Meneghini said that projections are not based on activity on any particular property but on the entire economic base. He reiterated that a conservative approach is always taken to budget projections. Later in the meeting, Councilmember Ransom reported on his tour of Bremerton, noting it has created an 80-acre car lot area. He was impressed by Bremerton's economic development efforts while it is also renovating the waterfront and expanding its park system.

Councilmember Hansen commented that all the funds look very positive and asked for a projection of when revenue growth might mean no dependence on sales tax equalization. Mr. Hawley responded that the City receives \$1.5 million now, but he noted that as Shoreline's sales tax revenue goes up, so does the revenue for other cities. Because the sales tax equalization funding is based on Statewide averages, Shoreline would need to outpace the Statewide average growth in sales tax for several years to no longer receive a sales tax equalization subsidy. The City will be receiving equalization funding at least for the foreseeable future.

May 3, 1999

Mayor Jepsen agreed that all the funds look healthy and the City's conservative fiscal agenda is providing good fund balances to build on in the future.

- (b) Council Review of Master Plan Process for Design and Administration of the CIP Neighborhood Park Improvements; the Shoreline Pool and the Richmond Highlands Community Center Projects

Mike Gillespie, City Engineer, introduced a new Public Works employee, Paul Cornish, who will manage the projects presented tonight. He then reviewed the staff report. He pointed out that for the Shoreline Pool and the Richmond Highlands Community Center, both of which are reaching the end of their reasonable life expectancies, the reviews will compare improvement options with costs for replacement. He described the public involvement process, including review by the Parks, Recreation and Cultural Services Advisory Committee, public meetings and mailings.

Continuing, Mr. Gillespie described the first of the neighborhood park projects, Paramount Park, noting that any substantive improvements at this park will take into account the possibility of placing a school at one end. He said that negotiations with the Shoreline School District are underway to set forth details for the improvements and long term use of the park. He referred to the project outline on pages 22 and 23 of the Council packet, noting construction of the improvements identified in the master plan would be scheduled in 2000.

Turning to the Shoreline Pool, Mr. Gillespie described needs at the pool, particularly for additional parking, which currently overflows into the neighborhoods. Again, Mr. Gillespie reviewed the work plan for the pool's master plan on pages 24 and 25 of the Council packet. It is scheduled for completion in September, 1999.

Mr. Gillespie concluded with a discussion of the Richmond Highlands Community Center, which is being used as a teen center and for recreation classes. He reiterated that the major consideration is whether to renovate the facility or to replace it. The work plan for this master plan is on page 25. It is scheduled for completion later this summer.

Mayor Jepsen called for public comment.

- (a) Naomi Hardy, 17256 Greenwood Pl. N., pointed out that the Recreation Center is a 1920s building that may have preservation value. She asked that this be given consideration in the evaluation.

Mayor Jepsen agreed that landmark or historical status could be investigated.

Councilmember King commented on parking needs at the pool and space needs for lockers. She also felt that no money should be spent at Paramount Park until an agreement with the School District is reached. Mr. Deis noted that the City is assisting the School District with forecasting in order to determine long-term needs. He noted an interlocal could be signed similar to the one the School District has with the County to

May 3, 1999

provide that the City would be reimbursed for depreciated and unamortized costs of improvements if a school is opened there.

Councilmember King suggested looking in the community for alternatives for a second pool. She hoped to be able to utilize the community center, perhaps in a partnership with another agency, and perhaps building a new community center facility.

Councilmember Ransom concurred with Councilmember King that the City should have a real commitment from the School District about the future of Paramount Park before a substantive investment is made there. He said the plan should include restroom facilities and irrigation. Mr. Deis pointed out that irrigation increases maintenance costs.

Councilmember Ransom felt that pool usage could be enhanced by adding on to the current structure in an "H" configuration. This would increase the number of training classes that could be given. He noted that parking has been an issue for several years. At one time there was a design for about 40 stalls along the tennis courts. The only other option is on the north side of the pool in the park area. He also suggested that if other sites do not work out, perhaps the skatepark could be in a parking lot on the north side.

Turning to the recreation center, Councilmember Ransom did not wish the building to be designated an historical landmark, which might prohibit changes to the structure. He suggested that perhaps the outside could retain its historical image. He said Shoreline needs a community center, a need which cannot be met by the Richmond Highlands Center. He suggested this building be viewed as a youth center.

Councilmember Lee liked the community involvement in the master plan process. She felt the recreation center could be both a teen center and a community center, and she wanted to see this concept expanded. She suggested a meeting with the teens on this project as part of the public process. She also commented that when the City took the pool, extensive review was done and she suggested saving money by using this information. She also had a concern about the \$25,000 to be spent for the Paramount Park master plan which will not be recovered from the School District if the park becomes a school site.

Mayor Jepsen commented on the School District's funding plans for improvements to the Shoreline Center and wished to ensure that the City's master planning for the pool is coordinated with School District proposals. He also wished to ensure that City staff go to the School Board to keep it informed, and that School District staff come to the City Council about issues of mutual concern.

Councilmember Gustafson liked the proposed public process. He noted that the Parks, Recreation and Cultural Services Advisory Committee was not part of the process for the pool planning, and he felt it should be. Staff concurred.

Councilmember Gustafson said that what is needed now is a vision of what the park system will look like in 20 years. He said many factors must be included (e.g., the role of

DRAFT

May 3, 1999

the Shoreline Center as a community facility). He felt there are many opportunities to consider, and he recommended an in-depth discussion on the City's part of items such as the park facilities that will be needed, cooperation with the School District, Meridian Park, the Interurban Trail, and use of the old Kellogg site. He felt there is a potential for a bond issue that would present a package of facilities improvements that might include park improvements, a new city hall, surface water improvements, roads, etc . A "grand plan" is necessary to do this.

Mayor Jepsen said this entails looking at current plans, determining future funding levels, and then considering where parks and recreation fall in terms of all City services.

Councilmember Lee concluded that part of formulating a strategic plan as suggested by Councilmember Gustafson would be to determine how best to utilize all community resources.

7. CONTINUED PUBLIC COMMENT: None

8. ADJOURNMENT

Mayor Jepsen adjourned the meeting at 8:50 p.m.

Sharon Mattioli, CMC
City Clerk

CITY OF SHORELINE

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

Monday, May 10, 1999
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Jepsen, Deputy Mayor Montgomery, Councilmembers Gustafson, Hansen, King, Lee and Ransom

ABSENT: None

STAFF: Robert Deis, City Manager; Larry Bauman, Assistant City Manager

GUESTS: King County Sheriff David Reichert; Shoreline Police Chief Sue Rahr

The meeting convened at 6:10 p.m. All Councilmembers were present with the exception of Councilmember Ransom, who arrived later in the meeting.

Mayor Jepsen explained that dinner meetings provide the opportunity for Council to share issues with partners in the community. He asked King County Sheriff David Reichert if he had specific issues to discuss.

Sheriff Reichert noted that he has begun his third year as King County Sheriff. He said his emphasis has been on communication. He stressed that his office is committed to problem solving on new issues. He said the County hopes to sign a policing contract with the new City of Sammamish. He mentioned that his office is exploring other new contracts and partnerships to expand and improve services.

Sheriff Reichert went on to discuss Y2K issues. He said his department is on target to resolve problems. He expressed concern about public overreaction to the Y2K issue. Finally, he noted the likely impacts of the World Trade Organization (WTO) Biannual Ministerial Conference taking place in Seattle this fall.

Councilmember Ransom arrived at 6:25 p.m.

In response to Mayor Jepsen, Sheriff Reichert and Police Chief Sue Rahr advised that off-duty Shoreline police officers will be used to support the City of Seattle during the WTO conference. Sheriff Reichert said other police agencies in the area will also be supporting Seattle.

Mayor Jepsen asked how the security costs for the WTO conference will be funded. Sheriff Reichert mentioned that the conference will be sponsored by several wealthy business people and that the federal government is funding some costs.

Next, Sheriff Reichert discussed upcoming retirements and opportunities for promotion in his department. He said he plans to promote Chief Rahr and Major Fay Brooks. He noted that Chief Rahr would remain in Shoreline until 2000. He explained that the City will have the option to select a new police chief by the end of this year or by March 2000.

Mayor Jepsen said Chief Rahr has been a tremendous asset to the community, and he noted the concerns in Shoreline about losing her.

Sheriff Reichert explained that the age of senior officers in his department has resulted in a high rate of personnel change. He predicted greater stability over the next two to three years after many retirements have taken place.

Councilmember Lee expressed her enthusiasm for Chief Rahr's success. She went on to assert the benefits of regional police services.

Mayor Jepsen said the County has notified cities that they will have to pay for fire marshal services. He asked about progress on this issue. Sheriff Reichert said he is working with King County Executive Ron Sims to form a Countywide homicide investigation unit. He expressed his willingness to consider cities' concerns regarding the arson investigation issue and to facilitate a resolution.

Mayor Jepsen commented on the County's odd approach of writing letters to cities advising that a service will end unless the cities pay for it. He questioned whether the County is tracking and fully funding the police services it provides in unincorporated King County. Sheriff Reichert said it is not difficult to track those costs. He offered to talk to staff in his department to identify them.

Mayor Jepsen credited Chief Rahr with looking out for Shoreline's interests as well as the County's. Robert Deis, City Manager, said giving chiefs the full authority to represent their cities is one of the top issues in the current renegotiations of the police contract.

In response to a question about police volunteers County-wide from Councilmember King, Chief Rahr said Shoreline is way ahead of other cities in terms of volunteer participation.

Mr. Deis asserted the importance of close collaboration between the King County Sheriff's Office and the City regarding Y2K. He noted that the City will have an emergency operation center open on January 1 to address problems.

The meeting adjourned at 7:20 p.m.

Larry Bauman
Assistant City Manager

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF REGULAR MEETING

Monday, May 10, 1999
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Deputy Mayor Montgomery, Councilmembers Gustafson, Hansen, King, Lee and Ransom

ABSENT: None

1. CALL TO ORDER

The meeting was called to order at 7:30 p.m. by Mayor Jepsen, who presided.

2. FLAG SALUTE/ROLL CALL

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

3. REPORT OF CITY MANAGER

Robert Deis, City Manager, introduced Graham Black, of the Kenyon Law Firm, whom he said would act as City Attorney this evening in Bruce Disend's absence.

Eric Swansen, Senior Management Analyst, reported on plans for "Clean Sweep '99," including a Citywide recycling event and City Council beautification awards. Councilmembers commented on the success of last year's event.

Councilmember Gustafson was concerned that the recycling event be limited to Shoreline residents. Mr. Swansen mentioned the coupon program used last year to limit participation to those who received coupons in the mail. He added that drivers' licenses were also checked. Councilmember Lee felt that checking licenses should be routine.

After Mr. Swansen responded to other Council questions, Mayor Jepsen concluded that Richmond Beach Saltwater Park will be the focus of special clean-up efforts this year.

Larry Bauman, Assistant City Manager, referred to information received from the King County Library System (KCLS) regarding undergrounding the parking at the new Richmond Beach Library. He referred to the estimated costs, which totaled \$462,016.00, noting that City staff corroborated that these figures are reasonable. The new design moves the existing floor plan east toward 21st Ave., with ingress and egress from 21st

Ave. An alternative put forward by KCLS for egress from the parking to NW 196th is not recommended by City staff.

Mayor Jepsen appreciated receipt of this information and noted his concept was to have access from Richmond Beach Road, which apparently is not feasible. He felt that the 15-percent slope to come into the garage from 21st Ave. does not represent an adequate solution to his concern about viewing the parking lot as the first thing that is seen upon entering the site. Mr. Deis responded that staff is considering ways to mitigate the visual impacts of the parking lot.

Councilmember Gustafson concurred with Mayor Jepsen that the project should move forward since the undergrounding option is not workable. He still wished to consider blocking off 197th by the tennis courts in order to add playground area and access to the tennis courts without crossing the street.

Councilmember Lee noted that KCLS is willing to consider underground parking if the City would pay for it, but she felt the costs were prohibitive.

Mayor Jepsen said he had been considering a City contribution if the parking could be camouflaged, but the undergrounding design is not workable in his opinion.

Councilmember Ransom commented that the parking is more expensive than he realized, and he agreed it would be difficult to access it on such a slope. He was happy to be foregoing this option.

4. REPORTS OF BOARDS AND COMMISSIONS

Tim Stewart, Director of Planning and Community Development, mentioned two items from the Planning Commission's last meeting. The first concerned four proposed changes to the Countywide Planning Policies (CPPs) that were sent to the City for consideration. The timeframe in which to consider these was very short, even though the County has said its goal is to have policies out 90 days in advance. He reported that although the Planning Commission did not have comments on the policies, which make only minor changes, the Commissioners felt that it was important that the County allow an adequate time for review and comment. The Planning Commission recommended that the City send a letter asking that adequate review time be provided for any changes to the CPPs. This precedent will be very important as major revisions start coming forward in the next year or two.

Mr. Deis stressed the importance of this concern, since if a jurisdiction does not take action within the deadline, the County assumes the CPPs are approved.

There was Council consensus to send the letter.

On a second item, Mr. Stewart related that a minority of the Planning Commissioners thought the process for the selection of the preferred alternative for the Aurora Pre-

Design Study should go through the Planning Commission first. He emphasized that a strong majority of the Planning Commission agreed with the current process, in which a preferred alternative will be selected this summer by the City Council. That choice will then go through a Comprehensive Plan amendment, with the Planning Commission holding a public hearing and forwarding its recommendations to Council.

5. PUBLIC COMMENTS

(a) Dawn Linden Wright, 19139 2nd Ave. NW, supported the siting of the new Richmond Beach Library in the community park and hoped the project would not be further delayed. She emphasized this is a great project that will benefit Shoreline for years to come.

(b) Kale Meyer, 16244 6th Ave. NW, a sixth grade student at Highland Terrace Elementary School, emphasized the need for a skate park in Shoreline and submitted a petition asking for a skate park. He outlined the reasons for his proposal and showed a model of a skate park.

(c) Nick Bjaronson, 17205 Dayton Ave., another sixth grader from Highland Terrace, commented on the number of people who support a skate park for Shoreline.

(d) Ann Schulz, 2606 NW 196th, thanked the Council for moving forward on the library in the park and hoped there would be no further delays on the project. She said she looked forward to working on a master plan for the Richmond Beach Community Park.

(e) Walt Hagen, 711 N. 193rd, protested that neighborhood newsletters are edited by City staff. He provided examples of material that was excised from the Hillwood Newsletter. He felt that individuals need the newsletters to call issues to their attention. He suggested that the City have a policy on editing.

Mayor Jepsen said Council would read Mr. Hagen's submittal. Mr. Deis added that editing of newsletters is a sensitive topic. He said when associations do not fund their own newsletters, the City must uphold a standard of accuracy and lack of advocacy. Therefore, some editing occurs.

Councilmember Lee felt that the material Mr. Hagen wished to include was in the form of a questionnaire rather than information that was being disseminated. She felt citizens should be informed about City activities through the newsletters.

RECESS

At 8:20 p.m., Mayor Jepsen declared a two-minute recess to look at the skate park model. The meeting reconvened at 8:23 p.m.

6. APPROVAL OF THE AGENDA

Councilmember Lee moved to approve the agenda. Councilmember Gustafson seconded the motion. Deputy Mayor Montgomery asked that "Selection of Shoreline's Nominee for the Suburban Cities Board for 1999/2000" be added as Item 9(b). A vote was taken on the motion to approve the agenda, as amended, which carried unanimously.

7. CONSENT CALENDAR

Councilmember Hansen moved to approve the consent calendar. Councilmember King seconded the motion, which carried 7-0, and the following items were approved:

**Minutes of Dinner Meeting of April 12, 1999
Minutes of Regular Meeting of April 12, 1999
Minutes of Workshop of April 19, 1999
Minutes of Joint Dinner Meeting of April 26, 1999
Minutes of Regular Meeting of April 26, 1999**

**Approval of expenses and payroll as of April 29, 1999
in the amount of \$560,417.98**

Motion to authorize the City Manager to execute an Interlocal Agreement with King County to accept federal grant funds and the County's match for a total of \$86,720 to enhance the City curb ramp program and to adopt Ordinance No. 196, amending Ordinance No. 184, as amended, by increasing the appropriation from the General Fund and authorizing expenditures for Waste Recycling Programs

Motion to authorize the City Manager to execute an Interlocal Agreement with the Washington State Department of Transportation for maintenance of traffic signal operations on the two intersections on Ballinger Way

8. ACTION ITEMS: PUBLIC HEARINGS

- (a) Public hearing to consider citizens' comments regarding Ordinance No. 192, which was passed on March 22, 1999 and extended for six months the moratorium on the filing, acceptance or approval of any application for the subdivision of land within R-4 and R-6 zones which would result in the creation of any lot which contains less than 7,200 square feet in area**

Mr. Stewart said density and lot size were very contentious issues during adoption of the Comprehensive Plan. These are now being discussed at the Planning Academy. Staff recommends continuance of the moratorium.

Mayor Jepsen opened the public hearing.

(1) Patty McCauley, 17804 6th Ave. NW, a member of Concerned Citizens for Shoreline, felt homeowners have a right to expect the land to stay about the same. She felt subdividing can create flooding problems and a lack of space for children to play. She concluded that current homeowners have more rights than someone who wishes to subdivide.

(2) Patricia Peckol, speaking for Concerned Citizens for Shoreline, said her organization started because of aggressive growth patterns in Shoreline. It represents all neighborhoods. She supported the moratorium and felt Council should be more aggressive in granting moratoriums on other issues. She said she did not wish to trample on property rights; but, on the other hand, she did not wish to make developers wealthy. She said citizens should work in a collaborative manner with all parties to make Shoreline a good place to live.

(3) Doreen Elster, 1720 NE 177th, another member of Concerned Citizens for Shoreline, supported the previous speakers and wished to maintain the 7,200 square foot lot size. She pointed out that lots become smaller when roadways are included.

(4) Don Brown, 727 N. 193rd, another member of Concerned Citizens for Shoreline, urged Council to continue the moratorium, noting his neighborhood has been impacted by development on small lots.

(5) Donna Gillespie, 320 N. 200th, gave examples of her problems with an 8,800 square foot lot, a 650 square foot house, and several easements on the property. She said she plans to add a bedroom and a garage, but she must seek a variance to do this. She said the 7,200 square foot lot size must be looked at carefully for impacts on properties like hers.

Upon motion by Councilmember Lee, seconded by Councilmember Gustafson and unanimously carried, the public hearing was closed.

Responding to Councilmember King, Mr. Stewart said the moratorium affects only new lots and not legally existing lots.

Responding again to Councilmember King, Mr. Stewart said public road right-of-way is not included in the square footage of lots but private roads may be.

Councilmember Ransom asked whether policies will be ready for adoption by the conclusion of this extension of the moratorium. Mr. Stewart said staff is working on

May 10, 1999

these issues now. The question will be whether consensus can be reached on the particular ordinance revisions that would be required.

Mayor Jepsen said the moratorium can be extended if necessary to complete the process.

Councilmember Hansen pointed out that moratoriums are not to be taken lightly. He said a moratorium is a relatively drastic step because it alters the rights of many people.

Mayor Jepsen affirmed that the moratorium will continue.

9. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

(a) Ordinance No. 195, Rules for the Use of City Park Facilities

Mr. Bauman reviewed the proposed ordinance, noting particularly those changes made as a result of Council's comments at the April workshop. He mentioned the following:

- the "Special Use Permits" section has been rewritten;
- that no changes from the King County Code have been made with regard to pets in parks and that enforcement will continue by complaint only;
- removal of duplicate definitions for liquor and alcohol;
- regulations regarding tents and shelters in parks;
- prohibition of golf and rugby unless permitted by the Department;
- simplification of language concerning hours of park use;
- clarification that skateboards and rollerblades are not permitted in park facilities unless otherwise designated by the Department;
- prohibition of littering on adjacent, as well as park, properties; and
- removal of sections of the King County Code that are not applicable in Shoreline.

Mr. Bauman concluded that these rules are not drastically different from the current ones. He said basic signage can be created for parks referring to Shoreline Municipal Code sections. He then mentioned an errata sheet correcting errors in the ordinance in Sections 8.12.370 and 8.12.560.

Deputy Mayor Montgomery moved approval of Ordinance No. 195. Councilmember Ransom seconded the motion.

Councilmember King wished to ensure that the park signage was friendly and not simply a list of prohibitions. Mr. Bauman said staff would attempt this.

Councilmember King also noted that major Renton parks are provided with telephones for 911 calls. Mr. Bauman explained that Renton has one park used by over a million people per year, and the phone company was asked to provide telephones in all parks to get the contract for the phones in that park.

Responding to Councilmember King, Mr. Deis noted that paintball guns would fall under the definition of firearms and weapons prohibited on park property.

May 10, 1999

A vote was taken on the motion to adopt Ordinance No. 195, which carried unanimously and the new Rules for the Use of Park Facilities were adopted.

- (b) Selection of a Nominee for the Suburban Cities Association Board Position for the Year 1999/2000

Mayor Jepsen noted that the Suburban Cities Association Board is electing its Board and officers on Wednesday and that the City of Shoreline has one vote and can put forward a nominee. Councilmember King added that there are four other medium sized cities—Renton, Auburn, Kirkland and Redmond. Auburn and Renton already have individuals serving on the board. She said there are three positions open and three cities eligible to fill them.

Deputy Mayor Montgomery nominated Councilmember Hansen to be presented as Shoreline's nominee to the Suburban Cities Association Board. Councilmember King nominated Councilmember Ransom. Councilmember Ransom noted that he would continue to attend the meetings and would be available to serve as an alternate. However, he deferred to Councilmember Hansen, who was then elected by a unanimous ballot as Shoreline's nominee to the Suburban Cities Board for 1999/2000.

There was Council consensus that Councilmember King cast this vote at Wednesday night's meeting.

Moving on, Councilmember Hansen reported on his testimony at the Woodway Planning Commission. He noted that most of those who testified were complaining about the project, particularly about the single access. He said Shoreline's issues were raised and supported by many individuals at the hearing.

10. CONTINUED PUBLIC COMMENT


(a) Don Brown, 727 N. 193rd, commented on a new skate park in Everett and recommended that Shoreline look at this project and perhaps get the name of the cement finisher that Everett is using.

11. ADJOURNMENT

At 9:14 p.m., Mayor Jepsen declared the meeting adjourned.

Sharon Mattioli, CMC
City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Approval of Expenses and Payroll as of May 14, 1999
DEPARTMENT: Finance
PRESENTED BY: Al Juarez, Financial Operations Supervisor 

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to approve expenses formally at the meeting. The following claims expenses have been reviewed by C. Robert Morseburg, Auditor on contract to review all payment vouchers.

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$470,254.35 specified in the following detail:

Payroll and benefits for April 18 through May 1, 1999 in the amount of \$240,570.87 paid with ADP checks 2819-2872, vouchers 180001-180098, benefit checks 000349-000355 and

the following claims examined by C. Robert Morseburg paid on April 29, 1999:

Expenses in the amount of \$8,834.05 paid on Expense Register dated 4-29-99 with the following claims checks: 000206 and

Expenses in the amount of \$3,500.00 paid on Expense Register dated 4-29-99 with the following claims checks: 000215 and

Expenses in the amount of \$18,730.63 paid on Expense Register dated 4-29-99 with the following claims checks: 000217-000245 and

Expenses in the amount of \$26,870.96 paid on Expense Register dated 4-29-99 with the following claims checks: 000247-000264 and

the following claims examined by C. Robert Morseburg paid on May 7, 1999:

Expenses in the amount of \$48,868.95 paid on Expense Register dated 5-4-99 with the following claims checks: 000273-000313 and

Expenses in the amount of \$122,878.89 paid on Expense Register dated 5-7-99 with the following claims checks: 000315-000347.

Approved By: City Manager _____ City Attorney _____

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	A Public Hearing Approving Ordinance No. 194 Extending a 180 Day Moratorium on the Acceptance of Applications for and Issuance of Land Use, Building and Development Permits For Adult Retail Uses
DEPARTMENTS:	Legal/Planning and Development Services <i>LB (A RD)</i>
PRESENTED BY:	Bruce Disend, City Attorney/Lenora Bláumán, Senior Planner <i>2/11/99</i>

EXECUTIVE / COUNCIL SUMMARY

On April 26, 1999, City Council adopted Ordinance No. 194 (An Ordinance Extending a 180 Day Moratorium on the Acceptance of Applications for and Issuance of Land Use, Building and Development Permits For Adult Retail Uses). This Ordinance was approved as an interim emergency action as permitted by RCW 36.70.A.

At this time, staff is requesting that Council hold a public hearing on, and continue to maintain in effect, Ordinance 194 (Attachment A). Ordinance 194 establishes a 180 day extension (to December 22, 1999), of the Moratorium on the Acceptance of Applications for and Issuance of Land Use, Building and Development Permits For Adult Retail Uses.

Ordinance 194 is intended to extend the imposition of a moratorium on the development of a new type of adult business that is being established at several locations in the State of Washington. This new business is a retail store that has been described as a "sex superstore" due to the range of merchandise and size of the store. The merchandise available for purchase in these stores consists primarily of adult books, magazines, videos, clothing and novelties. The stores are also sizable, at approximately 30,000 square feet. Two stores have opened in Washington to date - in Tacoma and Silverdale. Federal Way has received an application for one store.

Another unique aspect of these stores, apart from size, is that they have been placed on sites zoned for general commercial uses. Other types of adult uses are allowed only in areas zoned for adult uses. The owners of the adult "superstores" believe that these stores can be sited in any commercial zone because they provide only retail sales. The owners contend that these stores have greater constitutional protections than adult uses that provide on-site entertainment (e.g., live entertainment, video entertainment).

Current City of Shoreline regulations do not address these adult retail superstores. When Shoreline's Adult Entertainment regulations were developed (Fall, 1997), your Council elected to set rules only for existing types of uses in the City. That limited regulatory approach addresses live entertainment venues and recorded entertainment (e.g., peep shows). This approach was selected because, for existing adult uses, the City was able to establish a record demonstrating that certain adult businesses create undesirable secondary effects. This record served as the basis for the City's Adult Entertainment Ordinances.

As large adult retail outlets are a new type of business in the State of Washington, the impacts of these uses upon our state's communities have not been assessed. Other jurisdictions are currently examining issues and solutions for issues related to adult retail outlets. Staff is working both independently and with other jurisdictions in the region to study these retail businesses in order to determine whether they will create the same type of harmful secondary effects associated with other adult businesses. The issues are complex, and additional time is necessary to complete studies, and, if necessary, to create suitable regulations for the City of Shoreline. Therefore, staff recommended that a moratorium be adopted on new adult businesses in Shoreline outside of the areas where adult businesses are currently authorized.

A 180-day moratorium (until December 22, 1999) is recommended in order to provide sufficient opportunity for the City Attorney and staff to complete a study and assessment of new adult uses in Shoreline, and, if appropriate, create standards to address identified effects. Specifically, during this moratorium staff would continue to:

- Study the potential impacts of large, adult-oriented, retail stores on the community
- Identify any negative secondary effects associated with such businesses
- Establish ways to mitigate any identified secondary effects
- Establish and implement a public involvement process to consider adult use regulations

The findings contained in this report, and the attached Ordinance No. 194, demonstrate that an emergency exists and that unless the moratorium is provided, adult use establishments with potentially harmful secondary effects may seek to gain licensing or building permit approval before a constitutionally sufficient permanent ordinance is enacted. The moratorium is necessary for the immediate preservation of public peace, health, or safety, and for the support of City government.

RECOMMENDATION

Staff recommends that City Council hold a public hearing for Ordinance 194. Ordinance 194 extends by 180 days (until December 22, 1999) the emergency Moratorium on the Acceptance of Applications for and Issuance of Land Use, Building and Development Permits For Adult Retail Uses. A public hearing is required to continue the moratorium in effect.

Following the public hearing, if Council wishes to maintain the moratorium in effect, no further action is required.

Approved By: City Manager LB City Attorney BP

BACKGROUND/ANALYSIS

On June 22, 1998 City Council adopted Ordinance No. 166 (An Ordinance Imposing a 180 Day Moratorium on the Acceptance of Applications for and Issuance of Land Use, Building and Development Permits For Adult Retail Uses). On November 27, 1998, Council adopted Ordinance 179 extending this moratorium for 180 days. On April 26, 1999, Council adopted Ordinance 194, extending this moratorium for an additional 180 days. This Ordinance was approved as an interim emergency action as permitted by RCW 36.70.A.

At this time, staff is requesting that Council conduct a public hearing to consider maintaining in effect Ordinance 194 (Attachment A). This Ordinance establishes a 180-day extension (to December 22, 1999) of the Moratorium on the Acceptance of Applications for and Issuance of Land Use, Building and Development Permits For Adult Retail Uses.

In Spring, 1998, City staff learned that a new type of adult business, an adult retail store, was being established in at several locations the State of Washington. This new business has been described as a "sex superstore" due to the range of merchandise and size of the store. The merchandise available for purchase in these stores consists primarily of adult books, magazines, videos, clothing and novelties. The stores are also sizable, at approximately 30,000 square feet. The stores have opened in general commercial areas rather than areas designated for adult businesses. City of Shoreline ordinances do not regulate this type of retail store because, as currently configured in other communities, these stores do not offer either live entertainment or film/video booths which are the focus of the City's regulations.

Castle Entertainment, with headquarters in Arizona, owns 5 adult retail stores throughout Arizona. Castle also owns the two retail stores that have opened in Washington to date -- one in Tacoma and one in Silverdale. The Tacoma store (opened 6 months ago) is located in a former Olympic Sports outlet and the Silverdale store, opened three months ago, is in a former Silo appliance store. Castle Entertainment has also applied to put an adult retail store in Federal Way.

Castle Entertainment's attorney has informed both Silverdale and Tacoma that the company intends to expand rapidly and establish a total of twelve stores in this state. Given the significant number of adult businesses currently located in Shoreline, and the availability of large, vacant buildings, it is likely that Shoreline will be considered as a possible location for one of these stores.

Current Shoreline regulations do not address these adult retail superstores. The City elected to regulate only those types of uses that existed in Shoreline at the time the Adult Entertainment regulations were developed (Autumn, 1997). That limited regulatory approach was selected because, for existing adult uses, the City was able to establish a record demonstrating that certain adult businesses create undesirable secondary effects. This record served as the basis for the City's Adult Entertainment Ordinances.

Other jurisdictions are beginning to deal with the issues related to large retail outlets, but because these large adult retail outlets are a new type of business in the State of Washington, the impacts of these uses upon our state's communities have not been

assessed. It is in the community interest to learn more about this new type of adult business and to address, if necessary, establish standards to regulate any potential negative secondary effects that might be imposed upon people and property.

A 180-day moratorium on retail adult superstores was established in June 1998, and extended in November 1998. The purpose of the moratorium was to provide sufficient opportunity for the City Attorney and staff to study this new type of adult business, including an assessment of the secondary effects, and to create standards to address identified effects if appropriate. Specifically, during this moratorium our City staff has worked both independently, and with other jurisdictions with the region, to:

- Study the potential impacts of large, adult-oriented, retail stores upon communities
- Identify any negative secondary effects associated with such businesses
- Establish ways to mitigate any identified secondary effects
- Establish and implement a public involvement process to consider standards for adult retail uses.

State law authorizes cities to adopt moratoriums on land use activities in order to determine the effects of a particular type of land use. The moratorium is permitted by RCW 35A.63.220 and RCW 36.70.A.390 provided that a public hearing is held within 60 days of adoption.

This approach is consistent with the approach being used by a number of other communities in the Seattle-Tacoma metropolitan area. Several communities are considering or are in the process of enacting ordinances regulating adult entertainment and adult retail uses. These standards are based upon evidence of the negative secondary effects that accompany such businesses. Cities with existing or pending moratoria include Seattle, Lakewood, Renton, Federal Way, University Place, Port Angeles, Bellevue, Puyallup, Des Moines, Lynnwood and Tacoma.

Several of these cities are working collaboratively to develop uniform, or similar, regulations in order to provide for a regional approach to regulation of adult retail sales. With the moratorium in place, Shoreline will have an opportunity to learn about findings and approaches of these regional communities, and may elect to participate with other communities in developing regional standards.

Even with a moratorium, the City may still be obligated to permit an adult retail use under certain circumstances. Specifically, an adult retail use may be allowed in areas presently authorized for adult businesses. This is due to the fact that some of the items sold in the superstores (e.g. books and magazines) are protected by the First Amendment of the U.S. Constitution, and Article 1 of the State Constitution. The City must be careful not to infringe upon these constitutionally protected rights.

If the City subsequently receives an application for an adult use that satisfies all of the current legal criteria regulating adult businesses, the City would need to issue a permit to the project. However, the City could limit the use, under a temporary use permit. This approach would:

- Provide for constitutionally protected businesses to locate in commercially zoned areas which currently allow retail uses, if the use meets existing applicable regulations (See Section 5 of the proposed Ordinance No. 194)

- Preserve the right of the City to regulate such a use in the future -- for example, if regulations are developed for adult retail uses, which are different from current adult business regulations, an existing use with a temporary permit may be required to change, relocate or cease operations to meet City regulations.

RECOMMENDATION

Staff recommends that City Council hold a public hearing for Ordinance 194. Ordinance 194 extends by 180 days (until December 22, 1999) the emergency Moratorium on the Acceptance of Applications for and Issuance of Land Use, Building and Development Permits For Adult Retail Uses. A public hearing is required to continue the moratorium in effect.

Following the public hearing, if Council wishes to maintain the moratorium in effect, no further action is required.

ATTACHMENTS

EXHIBIT A. City of Shoreline Ordinance No 194: AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, IMPOSING A MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS FOR AND ISSUANCE OF LAND USE, BUILDING AND DEVELOPMENT PERMITS FOR ADULT RETAIL USES

ORDINANCE NO. 194

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, EXTENDING A MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS FOR AND ISSUANCE OF LAND USE, BUILDING AND DEVELOPMENT PERMITS FOR ADULT RETAIL USES

WHEREAS, pursuant to RCW 35A.63.220 and RCW 36.70.390 the City Council, on June 22, 1998, adopted Ordinance No. 166, which established a moratorium on the filing and acceptance of applications for land use, building and development permits for adult retail uses; and

WHEREAS, pursuant to RCW 35A.63.220 and RCW 36.70.390 the City Council, on November 17, 1998, adopted Ordinance No. 179, which extended the moratorium on the filing and acceptance of applications for land use, building and development permits for adult retail uses; and

WHEREAS, the Shoreline City Council had previously determined, based on public testimony and other evidence and findings of fact detailed in Ordinance Nos. 138 and 139, that adult business and entertainment uses cause secondary effects that are detrimental to the public health, safety, morals and general welfare of the citizens of Shoreline; and

WHEREAS, other cities in the Seattle-Tacoma metropolitan area, and elsewhere in the country, have adopted or are in the process of adopting ordinances regulating adult retail uses based upon evidence of the negative secondary effects of such uses; and

WHEREAS, the City wishes to avail itself of the research that other jurisdictions are conducting on the adverse effects of such uses; and

WHEREAS, the City Council has directed City staff to research the potential adverse effects of adult retail uses within the City and additional time will be needed to complete this research; and

WHEREAS, the purpose of Ordinance No. 166 and Ordinance No. 179 was to provide time, during the moratorium period to: determine the secondary effects of adult retail uses; examine current City regulations to determine their adequacy for dealing with any negative effects that may be identified; and, if appropriate, to prepare for adoption suitable time, place and manner restrictions narrowly tailored to regulate such uses by the least restrictive means available; and

WHEREAS, in accordance with state law, the City Council conducted a public hearing on this matter on November 23, 1998; and

WHEREAS, the City Council finds that the protection of the public health, safety and welfare requires that the moratorium established by Ordinance No. 166, and extended by Ordinance No. 179, be renewed for an additional six month period;

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

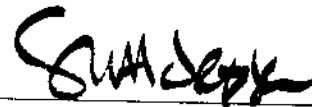
Section 1. Findings of Fact. The recitals set forth in Ordinance No. 166, and the findings of fact contained in Ordinance Nos. 138 and 139 are incorporated as if fully set forth herein and shall serve as the findings of fact for purposes of adopting this ordinance. Further, the renewal of the moratorium established in Ordinance No. 166 will provide the City Council with an opportunity to more thoroughly study and address the issue of appropriate adult business regulation.

Section 2. Moratorium Extended. The Shoreline City Council hereby extends the moratorium established by Ordinance No. 166, and extended by Ordinance No. 179, upon the acceptance of applications for and the issuance of any land use, building and development permits or approval (including variances and rezones), or any other permit, license or approval required to construct, install, relocate, or operate any adult retail use as defined by City ordinance. During the pendency of this moratorium, no information or submissions on any pending applications for adult retail uses shall be accepted by City staff.

Section 3. Effective Date and Duration. The current moratorium shall expire at midnight on June 22, 1999. The extension authorized herein shall immediately take effect upon expiration of the current moratorium and shall thereafter be in effect for 180 days (until December 22, 1999) unless repealed, modified, or extended by action of the City Council.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

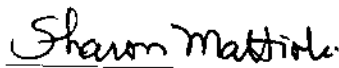
PASSED BY THE CITY COUNCIL ON APRIL 26, 1999.



Mayor Scott Jepsen

ATTEST:

APPROVED AS TO FORM:



Sharon Mattioli, CMC
City Clerk



Bruce L. Disend
City Attorney

Date of Publication: April 29, 1999
Effective Date: June 23, 1999

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of 2000 CDBG Pass-through Allocations and City Certification Form
DEPARTMENT:	Health and Human Services
PRESENTED BY:	Rachael Markle, Grant Specialist <i>W</i> Rob Beem, Health and Human Services Manager <i>RB</i>

EXECUTIVE / COUNCIL SUMMARY

Since 1996 Shoreline has received Community Development Block Grant (CDBG) funds annually as a participant in the King County Consortium. Cities must annually reauthorize their pass-through status or elect to become a part of the King County and Small Cities CDBG fund. As a pass-through city, Shoreline will receive a direct share of the Consortium's CDBG funds, which can then be allocated to eligible projects according to locally developed policies. As you know, at the May 17th Workshop, staff discussed with you the recommended option for combining the allocation process for CDBG and General Fund elements of our human services grants. Tonight's decision will not impact the general outlines of the allocation plan.

In 2000, Shoreline is estimated to receive a total of \$317,113 in CDBG funds, including the City's entitlement share and the City's portion of recaptured funds which result from under-spent projects or project cancellations. The estimated entitlement amounts are based on the projected Federal budget for 2000 and may be revised slightly. In July, King County Housing and Community Development Program will provide the City with an updated estimate of Shoreline's total 2000 CDBG funds.

Council must certify the amount of CDBG funds allocated to public services, planning and administration, capital projects, and housing repair. Of the City's total 2000 CDBG funds, a maximum of \$51,388 would be available for Public Services programs and a maximum of \$45,109 would be available for Planning and Administration. Federal regulations limit the amount of local funds, which may be allocated to planning and administration activities and public services. Therefore, according to federal limits, the total CDBG allocations of King County and its pass through cities to planning and administration activities must not exceed 20% and public services must not exceed 15% of the entire Consortium's annual entitlement. King County, as the administrator of the entitlement, uses a formula to determine the maximum amount of funds each pass through City can allocate to planning and administration and public services in order to comply with Federal regulations. The formula takes into account the percentage of pass through funds paid to King County for administration; and public service set asides

proposed by King County and approved by the Joint Recommendations Committee. The remainder of the funds, approximately \$220,616 will be available for capital projects.

The City may dedicate a portion of the \$220,616 to the Housing Repair Program administered by King County, so that City residents may have access to Consortium-wide housing repair programs. Of the amount committed by the City, King County will use 15% for administrative program delivery costs and the remainder will be used for loan funds. Residents of cities which contribute funds to housing repair will be eligible for the full range of programs offered by King County, including Emergency Grants, Deferred Payment Housing Repair Loans, and Affordable Monthly Payment Loans.

Cities with populations of 50,000 or more may choose to become entitlement cities and receive funding directly from HUD. Currently the only entitlement cities within King County are Seattle, Bellevue and Auburn. As direct entitlement cities, cities are responsible for internally monitoring, reporting and record keeping according to HUD standards.

As a pass-through city and member of the Consortium, Shoreline benefits from King County's administration of Housing Repair, CDBG Capital projects, and the reporting and monitoring required by the U.S. Department of Housing and Urban Development (HUD). If Shoreline becomes an entitlement city, City staff would be responsible for these monitoring requirements. Additional staff would need to be hired to duplicate the service currently provided by King County. Staff pursued the potential of becoming an entitlement city in 2000. However, HUD uses 1997 population data to determine eligibility. Using 1997 data, Shoreline will not meet the 50,000 population threshold required to receive a direct entitlement.

In accepting the status of "Pass-through City," Shoreline has the responsibility of fulfilling the requirements in the CDBG Interlocal Cooperation Agreement (ICA); the agreement under which King County provides our CDBG services as a pass-through City. The completed and signed Pass-through City Certification form must be returned to King County Housing and Community Development Program by May 31, 1999.

RECOMMENDATION

Staff recommends that Council reauthorize the city's pass-through status and confirm the following CDBG allocations for the year 2000: \$51,388 for public service projects; \$45,109 for planning and administration; \$74,000 for the Housing Repair Program; and \$146,616 for capital projects and authorize the City Manager to execute the King County certification form to reflect these amounts.

Approved By: City Manager LB City Attorney N/A

BACKGROUND / ANALYSIS

In May, 1996 Council chose to become a pass-through member of the King County Community Development Block Grant (CDBG) Consortium so that Shoreline could receive a direct share of CDBG funds and use locally adopted priorities to guide its expenditure of those funds. The King County Consortium is made up of King County and thirty-one of the suburban cities in King County. In signing the three-year Interlocal Cooperation Agreement (ICA), the City of Shoreline pledged its involvement until 1999 in the King County CDBG Consortium, which receives and distributes an annual entitlement of Community Development Block Grant (CDBG) funds as a federally designated urban county. Staff worked with the King County staff to develop the 2000-2002 Interlocal Cooperation Agreement. King County has not yet presented the pass through cities with a final agreement, however cities are supposed to officially execute the Interlocal agreement by August 5, 1999. We will bring this forward for Council approval as soon as we can, following the receipt of the final agreement.

Jurisdictions that reach an updated 1990 Census population that meets or exceeds 50,000 persons are eligible to receive a direct entitlement of CDBG funds. There was some speculation, based on the estimated City population of 52,300, that Shoreline would be eligible for a direct entitlement of funds in 1999. However, the Census data from 1990 has only been updated to reflect 1997 population figures. Therefore, based on Shoreline's Census population in 1997, the city would not qualify for a direct pass entitlement.

Staff speculates that the City will be eligible to receive a direct CDBG entitlement after the year 2000 Census has been completed and population figures have been verified (early 2001). This would allow the City to administer its entitlement (unless the City decides to contract with King County for administration of its entitlement like the City of Federal Way) in 2003 upon the completion of the 2000-2002 Interlocal Cooperation Agreement.

The City will receive an estimated \$317,113 in CDBG pass through funds in 2000. These funds can be allocated to public service projects, planning and administration, housing repair, and capital projects. The certification form, verifies that the City would like to continue to accept and administer a pass through of CDBG funds and also explicitly outlines the broad allocation of these funds between public services, planning/administration, the Housing Repair Program, and capital projects.

Public Services

According to Federal regulations, there is a cap on the total amount of CDBG funds that can be used to support public services. Therefore, according to Federal regulations, the total CDBG allocations of King County and its pass through cities to public services must not exceed 15% of the entire Consortium's annual entitlement. King County, as the entity that "passes funds through" to eligible cities, uses a formula to determine the maximum amount a City can expend on public services and still keep the Consortium, as a whole, within the Federal limit. The formula takes into account the amount each pass through City contributes to public service set asides that are approved by the Joint Recommendations Committee. Council chose to allocate the maximum allowable percentage of the City's CDBG funds to public service in 1997, 1998, and 1999. Based

on the Consortium's formula, the maximum amount of Shoreline's 2000 CDBG funds that can be allocated to public services is \$51,388.

Planning and Administration

In 1998 and 1999, Council decided to use the maximum allowable amount available for planning and administration for the administration of the CDBG program (salaries, supplies, and advertising). Planning and administration funds may also be allocated to eligible planning projects or can be placed into the Capital project allocation. Regardless, the City would still be responsible for administering the local CDBG program and would therefore be incurring administrative costs. According to federal regulations, the total CDBG allocations of King County and its pass through cities to planning and administration activities must not exceed 20% of the entire Consortium's annual entitlement. King County, as the entity that "passes funds through" to eligible cities, uses a formula to determine the maximum amount a City can expend on public services and still keep the Consortium, as a whole, within the Federal limit. The formula takes into account the amount each pass through City pays to King County for administration of the Entitlement. Using the formula, King County determined that the maximum amount of Shoreline's 2000 CDBG funds that can be allocated to planning and administration, is \$45,109.

Capital Projects and Housing Repair

The remaining amount of funds, \$220,616 can be allocated to capital projects including the Housing Repair Program. As part of the certification, Council must decide if they would like to allocate a portion of the CDBG Capital funds to the Housing Repair Program and the specific amount of the allocation. Based on actual and projected expenditures, it is estimated that \$120,000 of the Housing Repair Funds will be expended in 1999. Therefore, approximately \$46,000 is expected to be carried over from 1999 to the 2000 Housing Repair Fund. In order to continue the present level of service, an estimated \$74,000 would need to be allocated in 2000 to the Housing Repair Program. With a \$74,000 allocation to the Housing Repair Fund in 2000, approximately \$120,000 would be available to assist eligible Shoreline residents. The remaining balance of CDBG funds, \$146,616, can be used for eligible capital improvement projects.

SUMMARY

In order to receive the City's CDBG pass through allocation, Council must certify to King County its intent to receive and administer the pass through funds. In addition, Council must verify the amount of CDBG funds to be allocated to public services, planning and administration, capital projects, and the King County Housing Repair Program. The amount of funds allocated to both public services and planning and administration are subject to Federal caps.

RECOMMENDATION

Staff recommends that Council reauthorize the city's pass-through status and confirm the following CDBG allocations for the year 2000: \$51,388 for public service projects; \$45,109 for planning and administration; \$120,000 for the Housing Repair Program; and \$146,616 for capital projects and authorize the City Manager to execute the King County certification form to reflect these amounts.