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CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF REGULAR MEETING

Monday, March 24, 2003
6:00 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Deputy Mayor Grossman, Councilmembers Chang, Gustafson, and Ransom

ABSENT: Mayor Jepsen, Councilmembers Hansen and Montgomery

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

Deputy Mayor Grossman led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exceptions of Mayor Jepsen and Councilmembers Hansen and Montgomery.

Upon motion by Councilmember Gustafson, seconded by Councilmember Ransom and unanimously carried, Mayor Jepsen and Councilmembers Hansen and Montgomery were excused.

3. CITY MANAGER'S REPORT

City Manager Steve Burkett noted that March 31 is a fifth Monday and there will be no Council meeting.

Councilmember Chang reported on the visit last week of a delegation from Boryeong, South Korea, a potential sister city. The delegation toured the parks, the West Point Treatment plant, and City Hall. Councilmember Chang had a gift given to the City of Shoreline by the delegation, a replica of a beautiful incense burner made 1,400 years ago. He said it is a symbol of peace, harmony and friendship.

Councilmember Ransom noted differences between Boryeong and Shoreline. Its population is 114,000 and it covers almost 200 square miles. In some senses it is like an Alaskan borough, with agricultural land and manufacturing areas included within the city limits.

4. REPORTS OF BOARDS AND COMMISSIONS: none

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5. PUBLIC COMMENT

(a) Elizabeth Walter, Seattle, said there are many people who wish to remain at the Fircrest residential care facility. She said it is difficult for them to go out into the community. She wished long term care was more available for those who need it.

(b) Daniel Mann, Shoreline, also spoke about Fircrest, saying that the citizens of Shoreline have not had the opportunity to assess the economic and land use issues associated with its potential sale. He said the City and the citizens have been left out of the discussion. He noted that ten percent of the jobs in Shoreline will be lost if Fircrest is closed. He felt the City Council should pass a resolution suggesting that this matter be deferred until the cost savings and other figures can be analyzed.

(c) Anthony Poland, Shoreline, also asked Council to take a stand on the Fircrest issue. Then he discussed the possibility of a pyrotechnic display at Saltwater Park (which wouldn't cost more than the Council spent to attend the National League of Cities Conference). He also called attention to a flyer about the Aurora Corridor distributed at the Richmond Beach Community Council meeting. He said it contained false information.

(d) Robert Batie, Shoreline, spoke about the temporary closure of 183rd Street. He said the residents who live west of Dayton Avenue did not receive notice of the closure, and only the residents of Happy Valley were consulted about this action. He said he has been distributing Customer Response Team forms to provide feedback to the City about the closure. He felt other residents should be consulted about a permanent closure.

(e) Dennis Lee, Briarcrest Neighborhood, addressed the land use issues related to Fircrest closure. He said the City Council should require a land use process to develop this land. He also believed that if this site is considered for a city hall, the discussion should be done on the record, rather than in executive session.

(f) Judy James, Shoreline, also addressed Fircrest. She said this property belongs to the State of Washington, so this is not a Shoreline issue. She said the most important consideration is not job loss but what is best for the clients of the facility. She said Shoreline citizens are represented by their state legislators on this matter.

Deputy Mayor Grossman responded to comments on Fircrest, concurring that this is a State matter and not within the policy jurisdiction of the City Council. If the property is sold, the City will certainly have an interest in having a master plan for this site.

Mr. Burkett said April 12th will be the end of the temporary closure of 183rd Street. Then, if more than 75 percent of the neighbors support permanent closure, the staff will recommend this option.

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Responding to Deputy Mayor Grossman's question about the scope of the notice for permanent closure, Mr. Burkett said only the people in the neighborhood directly affected will participate in the petition process.

Councilmember Ransom commented that Councilmembers have no interest in taking a City Council position on the Fircrest issue. Mr. Burkett added that the State is interested in master planning the site regardless of what services are provided there.

Responding to Councilmember Ransom, Ian Sievers, City Attorney, explained that the City cannot frustrate the essential purpose of a State agency. However, if the State is doing a master plan for other uses not critical to the central function of the State agency, then the City will have jurisdiction.

Councilmember Ransom asked for clarification about who will be within the 75 percent of those who can petition for closure. Mr. Burkett said those who have property abutting 183rd Street will be part of the petition process.

Councilmember Gustafson said he has heard little comment opposed to the closure, but he encouraged people to contact CRT about their concerns. Regarding Fircrest, he said he will contact his legislators to express his personal opinion.

6. APPROVAL OF THE AGENDA

Councilmember Ransom moved approval of the agenda. Councilmember Gustafson seconded the motion, which carried 4-0, and the agenda was approved.

7. CONSENT CALENDAR

Councilmember Ransom moved approval of the consent calendar. Councilmember Chang seconded the motion, which carried 4 – 0, and the following items were approved:

**Minutes of Regular Meeting of February 10, 2003
Minutes of Special Meeting of February 24 2003
Minutes of Workshop Meeting of March 3, 2003**

**Approval of expenses and payroll as of March 14, 2003
in the amount of \$1,372,143.84**

8. ACTION ITEMS: PUBLIC HEARING

- (a) Public hearing to consider citizens comments on amendments to the cottage housing regulations in Section 20.40.300 of the Development Code

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Ordinance No. 321 amending the Development Code to further clarify and add regulations for Cottage Housing, including amending Shoreline Municipal Code Chapter 20.40.300

Tim Stewart, Planning and Development Services Director, provided background on the development of the cottage housing regulations. He said the original intent was to help meet Growth Management Act housing targets. Now three projects have been completed and the regulations have been evaluated in a public process conducted by staff and the Planning Commission.

Continuing, Mr. Stewart said the proposal contains an “intent statement,” which conveys information about the City’s Comprehensive Plan, the Growth Management Act, and the expectations for cottage housing developments as infill development. The other proposed additions address common open space dimensional requirements, private use open space, parking layout and screening, porch and entry, and fences. He explained each of these new clarifications, using pictures of current cottage housing to demonstrate successful and less successful approaches.

Upon motion by Councilmember Ransom, seconded by Councilmember Gustafson and unanimously carried, the public hearing was opened.

(a) Robert Batie, Shoreline, asked how the cottage housing amendments would satisfy stormwater runoff requirements.

(b) Kathy Fewel, Shoreline, commented on local cottage housing developments. She said the Planning Commission is recommending to Council that future developments look more like the Greenwood Avenue development. She felt the Meridian Park cottages are too close together and have porches that are too small. She made several recommendations for future developments, including conservative styles and paint schemes, usable porches, and open space plans similar to the Greenwood Avenue model. She said cottages will appeal more to buyers if they resemble traditional homes, with no vertical siding and adequately-sized side windows with appropriate casing/framing. She said cottage homes must blend in well with existing neighborhoods and be consistent with community values.

(c) Martin Kral, Shoreline, was opposed to cottage housing, noting that Shoreline has become the repository for three of the worst developments. He opposed the concept of building large houses close together on small parcels. He said cottage housing was meant to address affordability, but most houses cost an average of \$280,000. He expressed concern that cottage housing will not encourage home ownership, noting his preference that the dwellings be owner-occupied. He urged Council and the Planning Department to adopt provisions that will prevent the growth of townhouses disguised as cottage homes.

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(d) Richard Johnsen, Shoreline, expressed strong opposition to cottage housing, reemphasizing his testimony at the January Planning Commission meeting that Meridian Park Cottages is a "dump" and "the City's official urban slum." He said the City should not have permitted this development, noting that the City decided on R-8 zoning for this area but went ahead and permitted 16 homes. He said cottage homes are not in keeping with the character of residential neighborhoods, although the Greenwood model is somewhat better than others. He said too many homes in the south end of the Madrona development have resulted in inadequate open space.

(e) Michael Widman, Shoreline, representing Neighbors for Responsible Development, urged the Council to make the proposed changes in the Development Code, which he said are vital for ensuring responsible development in the future. He commented that citizens, the Planning Department, and the Planning Commission have spent a lot of time in formulating this policy, which addresses many important and complicated issues. He said that if Shoreline is to allow cottage housing, the proposed amendments are critical.

(f) Dennis Lee, Shoreline, expressed support for the recommendation to amend the Development Code. He said cottage housing is good idea because it promotes affordable home ownership by establishing adequate standards for living units, relative proximity, lot sizes, and open space. He felt the open space standards create a nice neighborhood feeling rather than the confined feeling of condominiums. He said changing the Code is a good idea because developers were taking advantage of flaws in the existing law.

(g) Anthony Poland, Shoreline, said cottage housing in R-6 and R-8 zones will create problems and reflect poorly on the community-building efforts of the City. One problem will be that builders who are restricted to 7,200 square foot lots for single family homes will resent the ability of cottage housing developers to utilize smaller lots. He expressed concern that lack of quality construction and maintenance will result in early deterioration. He agreed there is a need for affordable housing, but this is not the answer. While he does not favor apartments or townhouses, they allow for better use of common areas. He concluded with his vision for creating a centralized Shoreline, which includes housing, the Interurban Trail bridge, and City Hall in one location. He said the vision will meet GMA requirements for housing and will eliminate any need for future cottage housing. He said the public should be involved in the City Hall siting process since it is a land-use action.

(h) Clark Elster, Shoreline, spoke in favor of adopting the proposed amendments. As a member of the Concerned Citizens of Shoreline, he was involved in the process that created the original code, but was unsuccessful in arguing for design standards that would have improved the process. He said the proposed changes will establish the necessary standards to resolve many of the contentious issues. He said cottages are defined as "small houses," which argues against building a two-story structure on a small lot.

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(i) Daniel Mann, Shoreline, said the City's problem started when it decided to change lot sizes from 5,000 to 7,200 square feet. He said many people were compelled toward more dramatic densities (cottage housing) because many lots were not quite 12,000 square feet, or large enough for two homes. He said 5,000 square-foot lots, with proper design standards, are appropriate and will help relieve the pressure of increasing densities. He said the decision by Council to permit the Meridian Park Cottages in R-8 zoning ruined the neighborhood by creating increased densities and traffic onto Stone Avenue North. He said less density and more buffers could have made it a good development. Noting such projects belong near arterials and not in the middle of residential neighborhoods, he concluded that cottage developments should be held to an R-8 or R-10 standard.

Councilmember Gustafson moved to close the public hearing. Councilmember Ransom seconded the motion, which carried unanimously.

Councilmember Gustafson moved to approve Ordinance No. 321. Deputy Mayor Grossman seconded the motion.

Councilmember Ransom believed very strongly that if the City intends to allow more dense housing in residential areas, it must be affordable. He said this was the intent when the cottage housing regulations were adopted. He said affordable cottages should sell for around \$160,000, not the current prices of from \$240,000 to \$300,000. He said if the cottages are just condominiums, they should go into R-12 zones and above.

Councilmember Ransom moved to amend the "intent" statement in Ordinance No. 321 to require that all cottage housing in single family residential zoning must be affordable, i.e., able to be purchased by a family earning 80% of the median family income for the area.

Deputy Mayor Grossman questioned whether the City has the authority to mandate prices. Councilmember Ransom felt the Council could do this.

Mr. Sievers said it is difficult to set a value and even homeowners' associations do not typically get into setting values. Inflation also makes it difficult to write values into the Code. Furthermore, this would be a substantial change to the ordinance and would require it to be returned to the State and the Planning Commission for comments on the change.

Mr. Burkett added it is difficult to establish a price "not to exceed." The intent is to put a limit on the size at 1,000 square feet, which should limit the price-- although obviously, the marketplace determines what people will pay for housing.

Mr. Stewart said the cottage housing industry does not appear to increase the affordable housing supply. Its principle purpose is to provide a diversity of housing types. This is what the current Comprehensive Plan policy calls for. He

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said in his recollection, it was not the policy intent to set aside a mandatory minimum threshold for affordable housing. The current Code does provide a bonus density for affordable housing. It has not yet been used.

Councilmember Ransom said he has attended many conferences where provision of affordable housing by setting the standard at 80 percent of median family income was discussed. He felt the City should take the approach of allowing cottage housing in R-12 and above, because it is simply a different form of condominium. However, there should be special affordability requirements for development in less dense zones.

Deputy Mayor Grossman did not recall affordability as a component of the cottage housing discussion.

There was no second to the motion.

Councilmember Ransom expressed the opinion that no second was needed to his motion because the Council was operating as a small group, and under Robert's Rules of Order no second is required in small groups.

Sharon Mattioli, City Clerk, said that a quorum of the Council was present and therefore was operating under its usual rules, and not special rules for a small group. After some discussion of parliamentary procedure, **the motion was declared to have died for lack of a second.**

Deputy Mayor Grossman commented that he also has an affordability concern and would like to see the Council take a more proactive stance. However, that is a different issue from the one before the Council tonight. Councilmember Gustafson concurred with the Deputy Mayor.

Moving on, Councilmember Ransom was also concerned about the fencing requirements in the proposed ordinance. He felt that six-foot fences should be allowed in the 240 square foot private areas. He said the limit of 36 inches provides no privacy whatsoever and is a violation of the occupant's rights.

Councilmember Gustafson said the Planning Commission reviewed these issues in depth. After visiting the various developments, he agreed with the Commission's recommendations, which passed unanimously in most cases. He appreciated the input from the citizens and the discussion at the Planning Commission. He said fence height is an issue of design standards.

Councilmember Chang asked if the cottage houses currently built are sold. Mr. Stewart said that although the City does not track sales, he believed that most of the units have been selling well, except possibly in one development.

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Councilmember Chang asked about the demand in the future for cottage housing. Mr. Stewart said there has been a pre-application meeting for a fifth project for a 1.7 acre site with possibly 16 units. This would be in an R-6 zone.

Councilmember Chang commented that he cannot put up a fence at his house because of his homeowners' association rules. He felt such restrictions are part of the privilege of living in certain areas.

Councilmember Gustafson asked to be updated on where the City is in meeting its GMA housing goals because this might have some bearing on his approach to cottage housing. He also supported an owner-occupancy requirement.

Mr. Stewart said the administration of an owner-occupancy requirement would be extremely difficult. He felt that this type of development lends itself to owner-occupancy. Deputy Mayor Grossman added that the intention and preference of the developer will almost always be to sell.

Councilmember Ransom felt the City is allowing a "huge backdoor" to more density in the neighborhoods by permitting cottages of 2,500 square feet or even less.

Deputy Mayor Grossman pointed out that if Council does not pass Ordinance No. 321, the existing ordinance stays in place and denies all the effort and input that has occurred to date. He said the proposed ordinance forbids some of the items that people disliked.

Councilmember Ransom suggested that the ordinance be referred back to the Planning Commission for further consideration. He felt that otherwise this will be the end product and there will be no further consideration.

Deputy Mayor Grossman responded that if this ordinance is not passed, developers can continue to pursue permits without any of the safeguards in the proposed ordinance to improve the acceptability of this type of development.

Commenting on the fence height issue, Deputy Mayor Grossman felt tall fences inside the development defeat the purpose of clustering and the "common cottage feeling." He had faith in the Planning Commission's discussion and recommendations. He noted he opposed six foot fences in front yards when that regulation was adopted.

Councilmember Chang expressed a concern that if the cottages are required to be affordable, the developer may not use top quality materials. He did not want to create areas that will deteriorate fairly rapidly and cause a devaluation of the entire neighborhood. He was also interested in tracking the demand for this type of housing.

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Councilmember Gustafson felt developers will not build these homes without a demand for them.

A vote was taken on the motion, which carried 3 – 1, with Councilmember Ransom dissenting, and Ordinance No. 321 amending the cottage housing regulations of the Development Code was passed.

9. OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) 2002 Fourth Quarter Financial Report; and
- (b) Ordinance No. 322 amending the 2003 budget for uncompleted 2002 capital and operating projects, revising the 2003 capital budget, and funding supplemental 2003 request

Debbie Tarry, Finance Director, summarized the financial activities during 2002 for all City funds. Her summary included the following points:

- Overall, the City collected more revenue than projected (\$182,417) and spent less than projected (\$2.3 million). This means that the City ended the year with reserves greater than projected.
- Utility taxes and franchise fees primarily account for the revenue increase.
- Reserves are equivalent to 41 percent of budgeted General Fund revenues, which far surpasses the minimum policy guideline of 10 percent.
- Revenues from property tax, criminal justice sales tax, recreation, and fines were slightly above projected figures.
- Sales tax saw the smallest margin of growth (.05%) from 2001 to 2002.
- Gambling tax revenues fell by a small margin in 2002.
- Expenditure savings occurred in the Jail Contract and Police Contract due to decreased activity levels.
- Actual revenues were 2.5 percent below projected revenues for the Development Services Fund due to decreased permit activity. Expenditures also decreased by 3.83 percent below projections.
- Street Fund revenues were slightly lower than projections, and expenditures were 3 percent below projections.
- Surface Water Management Fund revenues were slightly above projections, and expenditures were slightly below projections.
- Both revenues and expenditures were lower than projections for the General Capital Fund. However, revenue generated from the real estate excise tax (REET) was greater than anticipated.
- Roads Capital Fund revenues were 11.5 percent less than projected, but actual expenditures and carryovers bring anticipated 2002 expenditures to \$3.1 million, far below the projected \$4 million.

- Surface Water Capital Fund revenues and expenditures were both lower than projected. The State Public Works Trust Fund Loans were not received as budgeted in 2002, but will be received in 2003.
- Although the 2002 financial results were better than projected, the long-term projection is that on-going expenditure growth will outpace on-going revenue growth.

Continuing, Ms. Tarry explained that Ordinance No. 322 reappropriates funds that were budgeted in 2002 but not spent. She clarified that it also contains four budget amendments to provide support for the Central Subarea Plan (\$75,000), completion of the Paramount School Park project (\$220,000), a new heating coil at the pool (\$20,500), and allows the City to move ahead on the North City project with \$1.25 million in funding that was originally programmed for 2004.

Deputy Mayor Grossman called for public comment.

(a) Anthony Poland, Shoreline, asked for clarification of the line item entitled "radar guns" on page 159 of the staff report.

Ms. Tarry clarified that radar guns are just one component of the \$3.5 million budget for an entire patrol division.

Councilmember Gustafson moved adoption of Ordinance No. 322 amending the 2003 budget. Councilmember Ransom seconded the motion.

Responding to Councilmember Gustafson, Ms. Tarry explained that while the actual number of permits issued in 2003 has increased, building permits remained fairly level. She said there is more activity in non-building permits.

Mr. Burkett clarified that permits have increased for the first two months of 2003 as compared with the first two months of 2002. He pointed out that this does not yet constitute a trend.

Ms. Tarry emphasized the importance of monitoring permit activity from month to month.

Councilmember Ransom asked if the economic downturn causes a lag effect in getting projects permitted and completed. Ms. Tarry said it is unlikely since permits are usually issued at project initiation.

Mr. Stewart described the volatility of permitting activity, noting that a single permit can make a large difference in revenues. He stressed the need to carefully monitor permits to ensure expenditures stay in line with revenues in this time of weakness.

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Ms. Tarry clarified that staff monitors both the actual dollar amount and number of permits issued in order to ascertain the degree to which individual projects affect the total.

Councilmember Gustafson thanked Ms. Tarry and staff for their excellent work on the budget.

A vote was taken on the motion, which carried 4 – 0 and Ordinance No. 322 amending the 2003 budget was passed.

- (c) Motion to appoint members to the Parks, Recreation, and Cultural Services Advisory Committee

As Chair of the subcommittee (Councilmembers Ransom, Gustafson and Chang) that interviewed applicants for the PRCS Committee vacancies, Councilmember Ransom explained that of the five individuals whose terms are expiring at the end of the month, four filed for reappointment. There were seven new applicants. He said that all four current members are recommended for reappointment, and the alternate is recommended to fill the other position. Subcommittee members noted it was difficult to make a selection from among the excellent new candidates for the alternate's position. They also pointed out that there is an eight-year term limit for PRCS Committee members, so the people who were not chosen this time should consider reapplying next time.

Councilmember Ransom moved to reappoint Larry Blake, Margaret Boyce, Patricia Hale, Londa Jacques and Michael Broili to four years terms and to appoint Bill Martin to a two-year term as the alternate. Councilmember Chang seconded the motion, which carried 4 – 0.

Councilmember Ransom moved to direct staff to return to Council with an amendment to Ordinance No. 167, which creates the Parks, Recreation and Cultural Services Advisory Committee. He wished to rename the group the Parks, Recreation and Cultural Services Advisory Board. Councilmember Chang seconded the motion.

Councilmember Ransom supported the name change, as he has done in the past, and pointed out that staff and the Mayor concur with it.

Dwight Stevens, Chair of the PRCS Committee, also spoke in support of the motion. He explained that the name change will make Shoreline comparable to other jurisdictions.

A vote was taken on the motion, which carried 4 – 0.

9. CONTINUED PUBLIC COMMENT

(a) Clark Elster, Shoreline, commended the Shoreline Police Department for the manner in which it responded to the discovery of a methamphetamine lab last week.

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(b) Dennis Lee, Shoreline, encouraged the Council to modify the Development Code to create incentives for building affordable homes in Shoreline. He said that instead of using price controls, incentives for building affordable housing can be realized by creating design standards for smaller homes and lots.

(c) Richard Johnsen, Shoreline, reiterated his earlier comments about cottage housing. He expressed concern that cottage housing may adversely affect the real estate values of older homes. He asserted that cottage homes are too small, and that developers should build underground parking instead of small garages.

MEETING EXTENSION

At 10:00 p.m. Councilmember Gustafson moved to extend the meeting for 20 minutes in order to accommodate public comment. Councilmember Ransom seconded the motion, which carried unanimously.

(d) David Townsend, Shoreline, asked for clarification on the 15th Avenue and NE 165th Street Signal Project budget amendment. He described his upcoming trip to Washington D.C. to speak to various representatives in the federal government about pedestrian safety issues. He noted that this Friday will be the one year anniversary of his daughter's death in a pedestrian traffic accident. He pointed out that a female acquaintance of his was recently killed in a similar traffic accident at the intersection of NE 155th Street and Wallingford Avenue N. He urged Council to take positive action to make the streets safer for pedestrians, and to consider installing pedestrian-activated stoplights. He suggested that Channel 21 be used to educate the public on the use of the "roving eyes" crosswalk and in-pavement street lights.

(e) Michael Pollowitz, Shoreline, expressed support for the proposed closure of Fircrest, noting that many developmentally disabled citizens who receive little or no support services will benefit from the consolidation of state facilities.

(f) Michael Widman, Shoreline, expressed mixed feelings about cottage housing. He said many developers will sell their properties out of fear of condominium litigation. He suggested that Council consider limiting the amount of control a builder can have in order to deter the worst of the speculative developers from building in Shoreline. He felt affordable housing means using cheaper materials, which will mean faster deterioration. He concluded that cottage housing should be kept in areas zoned for higher densities, not in single-family neighborhoods.

(g) Anthony Poland, Shoreline, noted that the Council did not respond to his earlier comments. He asked about the tree inventory being conducted throughout the City. In conclusion, he elaborated on his vision for a Shoreline City Center, explaining that a new City Hall, high-rise condominiums, the Interurban Trail, and a water park could all be incorporated into a development in the Westminster Triangle area. He encouraged the Council to allow public involvement in the City Hall siting process in order to avoid potential litigation.

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Deputy Mayor Grossman responded to the public comments. He felt there is sufficient Council interest to address the issue of affordable housing again. He agreed that Channel 21 presents a good opportunity to educate citizens on pedestrian safety issues. He reiterated that Council is not taking a position on Fircrest.

Councilmember Ransom noted that during last year's budget process, he advocated for a fireworks display but it did not receive Council support. This year he did not make a similar proposal because of the difficult economic situation.

Mr. Burkett clarified that the City is only taking inventory of City-owned trees.

Regarding Mr. Poland's comments, Deputy Mayor Grossman said he will read the Aurora Corridor flyer, noting he has confidence in the staff who prepared it. Regarding a City Center, he said he is personally interested in concentrated areas of development, although in the past the concept of "nodes" did not receive public support. He suggested that there may be opportunities for concentrated development vis-a-vis the Central Subarea plan.

10. ADJOURNMENT

At 10:16 p.m., Deputy Mayor Grossman declared the meeting adjourned.

Sharon Mattioli
City Clerk

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