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CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF WORKSHOP MEETING

Tuesday, September 7, 2004
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Hansen, Deputy Mayor Jepsen, Councilmembers Chang, Grace, and Ransom

ABSENT: Councilmembers Fimia and Gustafson

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

Mayor Hansen led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present, with the exceptions of Councilmembers Fimia and Gustafson.

Upon motion by Deputy Mayor Jepsen, seconded by Councilmember Grace and carried 5-0, Councilmembers Fimia and Gustafson were excused.

(a) Proclamation of "Emergency Preparedness Month"

Mayor Hansen read the proclamation recognizing September as "National Preparedness and Weather Radio Awareness Month" and proclaiming "Emergency Preparedness Month" in Shoreline. Shoreline Police Captain Carl Cole and Gail Marsh, the City's new Emergency Preparedness Coordinator, accepted the proclamation.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Steve Burkett, City Manager, announced that Sergeant Michelle Bennett would be leaving the Shoreline Police Department to assume the position of police chief in Maple Valley. He commented on the Connie King Skateboard Park dedication and on the success of Celebrate Shoreline. He noted that staff would be proposing a special allocation of funds in the 2005 budget to celebrate Shoreline's tenth anniversary. He expressed appreciation to the sponsors of Celebrate Shoreline.

Continuing, Mr. Burkett commented on the completion of the City's street overlay projects, and the slurry seal projects that will commence this week. He noted the efforts of the Public Works Department to make landscaping improvements at several key

intersections and noted that the bid for construction of the Interurban Trail North Section B and South Central Section would be brought to Council next week. Finally, he commented on the success of the employee appreciation picnic, noting that City Clerk Sharon Mattioli was named Employee of the Year for 2004. The 100-Year Storm Response Team, comprised of staff from nearly every department, was named Team of the Year.

4. COUNCIL REPORTS

Councilmember Chang commented on the enthusiastic and energetic atmosphere he observed at the employee appreciation picnic. He emphasized the importance of having good staff in order to succeed as a city.

Councilmember Ransom reported that he and Councilmember Chang attended the Association of Washington Cities budget workshop in Leavenworth. He also noted his participation at the skateboard park dedication, the parade, and employee picnic.

5. PUBLIC COMMENT

(a) Sally Granger, Shoreline, reported there were thirteen traffic accidents on 15th Avenue NE between NE 175th Street and NE 180th Street for the first seven months of 2004. Four of these involved injuries. She said that seven to nine speeding citations per hour are issued in just a two-block area of 15th Avenue NE. Regarding the change from four lanes to three, she said she counted only 703 letters protesting the North City Project. She said people dislike change, and they say they want sidewalks but are not willing to pay for them. She said she is tired of drivers making 15th Avenue NE their "personal freeway."

(b) Bob Phelps, Shoreline, thanked the Mayor and Council for recognizing Emergency Preparedness Month. As team manager of the Shoreline Auxiliary Communication Service (Amateur Radio group), he announced there would be a nationwide emergency communications exercise on October 2. He said his group would be among 1,100 teams in western Washington participating in the exercise, which would simulate a massive power/telephone outage. He said this is valuable training and the team is looking forward to the challenge.

(c) Jane Hinton, Seattle, coordinator of the Ballinger Homes Family Support Center (part of the Center for Human Services), thanked the City and the Parks, Recreation and Cultural Services Department for collaborating on the academic enrichment camp this past summer. She said the program provided a valuable service to the low-income residents of Ballinger Homes, many of whom are immigrants who lack the resources or opportunities to get out and meet their neighbors. She thanked Jill Rogers of the Parks Department for her efforts in making this program a success.

(d) Patty Crawford, Shoreline, asserted that the City has acted "immorally" in its handling of the Aegis project, noting that the City is just now asking the Washington

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State Department of Fish and Wildlife (WDFW) how to measure the high water mark of the stream at the Aegis site. Continuing, she said the Planning and Development Services Director, Mr. Stewart, has not responded appropriately to her concern about the change in the definition of Reasonable Use, and that the City Attorney should not bring back things from seminars and integrate them into the code. She said the Stream Inventory should be revised to protect migrating fish, since the City has now documented a migrating steelhead. She said there should be no distinction between migrating and non-migrating fish since there are no longer any non-migrating fish.

(e) Tim Crawford, Shoreline, also commented on the steelhead sighting in the north fork of Thornton Creek. He said if the Mayor is going to get involved in code enforcement issues, he should treat all Shoreline citizens equally and maintain the appropriate "appearance of fairness." He referred to a letter from WDFW to the City, which indicates that the Aegis building on the north site is a "mirror image" of the south site. He expressed his hope that the City finally establishes the "ordinary high water mark" on Peverly Pond.

(f) Mark Deutsch, Shoreline, expressed support for an economic development plan that balances the needs of vibrant neighborhoods with environmental protection and neighborhood businesses. He said although the City is mandated to follow Growth Management Act regulations, the City should try to capitalize on work already underway in Richmond Beach, Richmond Highlands, Ballinger, North City, and along Aurora Avenue. He said the primary focus of economic development in Shoreline should be on communities and neighborhoods. This is reinforced by the fact that the Puget Sound Regional Council has not identified Shoreline as a target urban area. Therefore, the City should develop business areas similar to what is occurring in the Comprehensive Plan for Ballinger. He said development of Aurora Avenue would allow more pedestrians to access local businesses, which would create less cut-through traffic and decrease the need for enhanced city streets. He expressed disappointment with the outcome of the North City Project, noting that stakeholders from many groups participated in the discussions. He emphasized the need to find "win-win" solutions for both neighborhoods and businesses.

(g) Janet Way, Shoreline, felt the Stream Inventory report did not include enough information on fish use/habitat and vegetation. Noting the steelhead sighting, she emphasized that Thornton Creek up to Ronald Bog is fish habitat and should have all the required protections. She felt the report mostly discounted the fish in Thornton Creek. She suggested that the report include all the priority species of plants that contribute to wildlife habitat. She felt there were many streams in Shoreline that could offer fish habitat. She identified a roadside ditch in Richmond Beach that should be protected as a stream because it flows year-round. Finally, she suggested that the "Kim Wetland" as outlined in the stream inventory be changed to a different name.

Councilmember Ransom noted that there were two volumes containing letters protesting the North City Project. He questioned whether Ms. Granger's count included both volumes, noting that 1,500 letters were reportedly received.

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6. WORKSHOP ITEMS

(a) Planning Commission Report on Stream and Wetland Inventory

Tim Stewart, Planning and Development Services Director, and Matt Torpey, Project Planner, presented the final Stream Basin and Characterization Reports for the City of Shoreline. He explained that the reports have been developed for many years and have undergone extensive scientific and public review. The Planning Commission conducted a series of meetings and directed staff to provide further changes to the Draft Stream Basin and Characterization Study. Staff contracted with Tetra Tech/KCM to expand further on the work performed up to that point based on the required changes in the Planning Commission's resolution. The changes made to the report as recommended by the Planning Commission are as follows:

- 1) Remove all references to "Artificial Open Water Course" from the reports.
- 2) Conduct further delineation and study of the wetland to the south of Twin Ponds.
- 3) Apply the tri-County Urban Stream Baseline Evaluation Method (USBEM), especially in the Thornton Creek, TC-2 and TC-8 reaches.
- 4) Conduct further scientific study of reaches previously identified as "Artificial Open Water Courses."

Mr. Stewart concluded that these reports do not constitute a proposed adoption of policy nor a change to the current Shoreline Municipal Code. He said they also do not establish stream /wetland classifications or stream/wetland buffers, but they are part of the "best available science" that the City and community can use in determining its future.

Mr. Stewart then responded to Councilmember Grace's question regarding how the reports integrate with other studies in neighboring jurisdictions. He said staff would likely propose an update to the Comprehensive Plan policy that encourages data sharing and joint planning through interlocal agreements in order to look at Thornton Creek as a whole ecosystem rather than on a jurisdictional basis. He said the report has an appendix with an extensive amount of data on the quality and quantity of stream basins, which can be used in establishing a baseline for future studies. This could help determine which projects might enhance resources or help eliminate hazards. He clarified that piped watercourses have been identified but the report does not include detailed data on them. He said the reports could play an important role in the Surface Water Master Plan and future capital projects in determining appropriate levels of funding for storm water management and habitat enhancement.

Councilmember Grace applauded the approach to stream basin planning that focuses on watersheds rather than jurisdictional boundaries. He wondered if other jurisdictions were conducting scientific studies that might be of value to Shoreline.

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Mr. Stewart replied that Seattle Public Utility (SPU) is doing extensive work on Thornton Creek that would likely pay dividends for Shoreline. He said the removal of fish barriers is one area of focus.

Councilmember Grace wondered if the City could collaborate with Lake Forest Park on comparable work for on MacAleer Creek. Mr. Stewart said that members of a Lake Forest Park environmental group have attended Planning Commission meetings and are aware of the proposal to encourage interlocal cooperation on resource protection measures.

Councilmember Ransom suggested that the report should clarify that Thornton Creek runs through Paramount Park Open Space, not Paramount Park itself. He also commented that the wording for the definition of "reasonable use" as contained in the Development Code could make a significant difference in how the law is interpreted. He proposed that the language be changed from "liberally construed" to "narrowly construed." He felt that court decisions have helped determine the definition of reasonable use, but it is much easier to interpret the words "narrowly construed" than "liberally construed."

Mr. Stewart felt the process for changing the reasonable use definition was very clear. He pointed out that the Council could initiate an amendment to the definition.

Councilmember Ransom felt that returning to the original definition might be the best option since the change seems to be a point of contention. He questioned whether environmental groups agree with the report. He thought a consensus had been reached with them.

Mr. Burkett said it is not a matter of trying to reach a consensus, but a matter of experts trying to come to some conclusion. He said it is unlikely to arrive at a document upon which all scientists would agree.

Mr. Stewart concurred, noting that such a document is never really complete because new information will be added as the resource is further studied through the scientific method. He said the steelhead sighting is a good example of the type of new information that will be added to the report.

Mayor Hansen questioned whether SPU had actually confirmed the steelhead sighting. It was his understanding that SPU representatives were not able to identify it.

Mr. Stewart said he was satisfied with the reports he received, although it should be classified as anecdotal information. He did not recall anyone characterizing the fish as "migratory."

Councilmember Chang asked how the reports would be used in the future. Mr. Stewart said scientists would use the reports in conducting wetland/stream delineation studies for development permits and in appeals before the hearing examiner. The reports will be

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utilized as part of the “best available science” as the City embarks on changes to the critical areas ordinance later this year as required by state law. He clarified that as new information becomes available, it will supplement these reports.

Councilmember Chang asked how the City might achieve a more productive, two-way communication with the environmental groups in Shoreline. He felt that the process of developing the reports is important and that the community should be involved in these studies.

Mr. Stewart said the City has that opportunity as it considers changes to the critical areas ordinance and Storm Water Master Plan as part of the Comprehensive Plan amendments.

Councilmember Ransom said he had expected the reports to contain more scientific criteria related to water quality rather than just a descriptive analysis.

Mr. Stewart responded that this information is the data upon which the City can reach an objective assessment of the condition of the habitat. He noted that there is not very high quality habitat in most of the City’s stream reaches.

Deputy Mayor Jepsen said he would like to have recommendations regarding the best opportunities for funding improvements. He felt that paving over drainage ditches with sidewalks, as some have advocated, would be the wrong direction in terms of resource protection. He felt the City should take an organized approach by categorizing the highest priority salvageable streams.

Mr. Stewart said the City could put together a matrix that ranks the stream corridors so the Council can decide what makes sense in terms of habitat/water quality restoration.

Mr. Burkett said the analysis could be done in much the same way the street index or storm water master plan were created, i.e., identifying opportunities to make investments that yield the highest returns.

(b) Economic Development Strategic Plan

Mr. Burkett said the current vacancy in the Economic Development Coordinator position presents a good opportunity to review the City’s goals, strategies, and resource allocation for economic development. He explained that while Shoreline has a low crime rate, strong schools and good neighborhoods, its residential character means that 86% of property taxes are paid by residential properties. Furthermore, Shoreline residents purchase more than 50% of their retail goods/services outside of Shoreline. He did not consider this a healthy balance. He suggested that the City focus on developing commercial areas insofar as they can be developed within Shoreline’s limited land area. Based on past Council discussion and public forums, he said the new strategies for updating and implementing the Economic Development Strategic Plan are found in tonight’s Council packet.

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Mr. Burkett said that the City's primary role is to provide quality infrastructure, facilities, and services in order to attract people to live, work, and invest in Shoreline. He felt that economic development could be accomplished most effectively by a full-time position devoted to working with developers and partners as the City's representative. He recommended that Council concur in refilling the Economic Development Coordinator position (renaming it Economic Development Program Manager); increasing the salary range 5% as recommended by the Human Resources Director; and updating the economic development strategic plan to include the new proposed strategies. If Council concurs, this action would be brought back for formal adoption at a future meeting.

Councilmember Grace agreed that a full-time position is necessary so that Shoreline can compete in attracting new businesses and assisting those in the process of development. He felt that dividing economic development responsibilities among different staff members would dilute the effort.

Mr. Burkett noted that a new project manager has been hired in Public Works. Part of the role of the Economic Development Manager will be to argue in favor of growth in our commercial areas as well as to consider how City projects affect existing businesses. He/she is proposed to work with current business owners who want to know the impacts of the Aurora Corridor Project and how to adapt to them.

Councilmember Ransom explained that he opposes the prior practice of having the position divide its time between economic development and capital projects. He felt that over \$1 million was spent on the position over an eight-year period without any visible results. He felt that major capital projects such as North City/15th Avenue NE should have a dedicated, full-time project manager. He said that cities successful in attracting new businesses have Councilmembers who are actively involved in the process. He felt the City Council has been "kept in the dark" about development proposals while staff simultaneously asks it to fund economic development. He felt the City should invest in the King County Economic Development Council at the \$50,000 membership level so it can more effectively attract new businesses to Shoreline.

Deputy Mayor Jepsen clarified that this group is now called "Enterprise Seattle" and a dinner meeting is scheduled in November to discuss membership options.

Councilmember Ransom reiterated his concern that economic development is going on as a "hidden pursuit." He felt the Council should either be fully involved in the program or there should be no program at all. He emphasized the need to promote office space in addition to retail sales, since retail is likely to locate near office development. He stressed the importance of working with smaller existing businesses to help them expand and grow, noting that other cities have tried to attract large businesses with dubious success. He felt the City should either move forward in a wholehearted and aggressive way with full Council involvement or not at all.

Councilmember Chang suggested that the City should create an ad hoc committee to find out what the community wants before investing more money in economic development.

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He raised the possibility that Shoreline citizens may not want to expand Shoreline's limited commercial zones. He emphasized the need to find out "what's works for Shoreline," noting that the Council vision should reflect community desires.

Deputy Mayor Jepsen said this is an important position and part of the job will be to assist current businesses to leverage their existing investments. He noted that the Council letter to Washington State Department of Transportation identified several businesses expressing a desire to redevelop their properties.

Councilmember Grace was uncomfortable with the proposal that the Council work proactively and directly with developers and businesses. He felt the Council role is to set policies that provide good services and reliable infrastructure. He wondered what the practice is in other jurisdictions.

Mr. Burkett said while Council's role includes setting goals, vision, and policies, it should be involved when there are major economic development issues being considered. He said normally the whole Council does not need to meet with prospective developers, and often such projects are kept confidential due to competition. He said the Council should ensure it lives up to its commitments if developers are making decisions based upon those commitments.

Mayor Hansen favored a full-time position devoted to economic development, noting his belief that a part-time Council should not be significantly involved. He felt the City must improve its infrastructure in order to attract new businesses or assist existing businesses to expand. He said developers want to be assured that the City will do what it promises.

Councilmember Ransom described his efforts to bring businesses to Shoreline, noting that business representatives lost interest when they learned Shoreline would not cover their travel expenses. He felt the City should be willing to make such investments if it wants to succeed in attracting viable businesses.

Mr. Burkett summarized that three Councilmembers support the position; that Councilmember Ransom supports it if the Council is fully involved; and that Councilmember Chang wants to get the community involved.

Councilmember Ransom clarified that the individual in the position must be very aggressive in identifying companies to approach. He said the City should invest in a promotional video and prepare presentations tailored to attract a variety of businesses. He suggested that a hospital might be encouraged to locate in Shoreline. He also suggested that a more accelerated building permit approval process would help attract business. He concluded there are several things the Council can do to make Shoreline a business-friendly community.

Councilmember Chang reemphasized the importance of finding out what existing businesses need, since Shoreline attracts very few new businesses. He stressed the need for vision and direction.

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Mr. Burkett noted that there has been quite a bit of development occurring in local businesses, and more new development would likely occur in the future. Mayor Hansen concurred.

(c) Second Quarter Financial Report

Debbie Tarry, Finance Director, provided a summary of the second quarter financial activities for the City's major funds: General, Streets, Surface Water Operations, Development Services, General Capital, Roads Capital and Surface Water Capital. Her report included the following points:

- General Fund revenue totaling \$11,388,123 through the first half of the year exceeded projections by \$41,764 or 0.4%. Collections exceeded projections in all categories except Utility Tax/Franchise Fee and Grants and Miscellaneous revenue, which includes Investment Earnings. Interest rates continue to be lower than originally anticipated. Utility tax and franchise fees are below projections by \$78,131, due primarily to a late cable franchise fee payment.
- Property tax collections are ahead of projections by \$20,467, sales taxes are up by \$127,154, criminal justice sales tax collections are above projections by \$13,093, state distributed revenues are up by \$1,623, and parks and recreation fees are above projections by \$3,035.
- Departmental expenditures during the first half of 2004 were below projected expenditures by \$74,622, or 0.7%, due to savings in salaries due to staff vacancies and under-spending in professional service contracts.
- After the first half of 2004, Development Services Fund revenues are behind projections by \$23,926, or 2.7%. The number of Land Use/SEPA reviews and Building Permits/Plan Checks are down compared with 2003.
- Expenditures are behind projections by \$34,411 or 3.9%. Vacancies have resulted in salary and benefit savings. Staff expects all vacancies to be filled during the third quarter.
- Street Fund revenue through the first half of 2004 exceeded revised projections by \$4,081, or 0.4%. Right-of-way fees are up by \$2,977 (5.6%) and fuel tax is ahead of projections by \$2,868 (0.8%). Investment earnings continue to be under lowered projections by \$475 (10.4%) as the interest rate has not increased as quickly as expected.
- Street Fund expenditures of \$1,125,576 are behind projections of \$1,200,121 by \$74,541 or 6.2%. The majority of this under-expenditure is occurring in the Traffic Services program and is due to timing issues. Expenditures in contracted services and intergovernmental services are below projections by \$54,546. Expenditures through the first half of the year for the largest program in this fund, Street Operations, are running 2.6% or \$16,830 below projections.
- Surface Water Management Fund revenues of \$1,334,927 are ahead of revised projections of \$1,324,107 by \$10,820 or 0.8%. Storm Drainage fees are ahead of projections by \$11,516 or 0.9% and investment earning are under lowered

projections by \$695. Surface Water Management expenditures of \$708,670 are under projections by \$260,177.

- General Fund contributions are on target and Real Estate Excise Tax (REET) collections are ahead of projections by \$114,627. Investment earnings, as in the other funds, are under lowered projections.
- Gambling revenues are tracking considerably higher than original projections. Staff anticipates approximately \$800,000 in increased gambling tax revenue for 2004 due to Hollywood Casino. Gambling activity has not decreased since Hollywood Casino began operations.
- Increased revenue of \$1 million is anticipated in 2004 due to increased gambling revenue, sales tax revenue, growth in liquor excise taxes, increased recreation activity, and favorable audit findings.
- Jail costs may increase slightly in 2004 due to unanticipated changes to the contract with Yakima County Jail regarding payment for unused bed days. Despite this minor increase, jail costs are substantially lower than they would be through King County.

Mayor Hansen said the City is well on its way to a ninth consecutive year of a surplus budget due to the Council's conservative fiscal policies.

Councilmember Chang asked for more detail on the City's permit activity. Ms. Tarry said based on activity to-date, permitting should remain fairly constant through 2005 with no significant increase in revenue.

Mayor Hansen speculated about the reason for the significant increase in REET revenue, wondering if it was caused by a single real estate transaction. Ms. Tarry said staff is hoping to get more information from the county.

Councilmember Ransom wondered why the City only expects to spend \$2 million of the \$15 million in 2004 General Capital Expenditures. He wondered if the decision on the North City/15th Avenue NE Project accounted for this difference.

Ms. Tarry clarified that the North City/15th Avenue NE Project was included in the Roads Capital Fund. The City Hall Project largely accounts for the difference in the General Capital Fund.

Mr. Burkett noted that Councilmember Chang's question about building permits links directly to economic development. He explained that Fred Meyer has recently expressed plans to renovate their store, which could positively impact the City in terms of property tax, sales tax, and permit revenues.

7. CONTINUED PUBLIC COMMENT

(a) Janet Way, Shoreline, felt the public was not provided with adequate notice regarding the finalization of the Stream Inventory Report. She noted that neither the Lake Forest Park Stewardship Foundation nor SPU were aware of the report. She

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agreed with Councilmember Ransom's suggestion that reasonable use be "narrowly construed," and that the City find consensus with environmental groups as Councilmember Chang suggested. She commented on the success of the Northgate Mall development and how the developer worked closely with community stakeholders. She suggested the City consider "sea streets" as an answer to Deputy Mayor Jepsen's concern about paving over drainage ditches. She felt the Fred Meyer redevelopment might be an opportunity to improve storm drainage for MacAleer and Boeing Creeks. She said "best available science" requires that the City seek opinions from all sides, including WDFW.

(b) Tim Crawford, Shoreline, noted that the Department of Ecology and WDFW both encourage wetlands management in the context of entire watersheds, as opposed to a "site-by-site, project-by-project" approach. He said there is a credibility gap in Shoreline because it is not "best available science" to construct buildings in salmon buffers. He said Mayor Hansen and Deputy Mayor Jepsen have incorrectly stated that there is only one salmon stream in Shoreline. He said the Mayor and Planning and Development Services Director voice their bias against best available science by characterizing the sighting of sea-running salmon in Thornton Creek as "anecdotal." He said citizens have been shut out of the planning process.

(c) Patty Crawford, Shoreline, concurred, adding that the Stream Inventory is not best available science and is in "total conflict" with the Comprehensive Plan. The report says the City is supposed to protect salmonids, but then the City tries to discount any evidence of salmonids. She asserted that Mayor Hansen is trying to discount any evidence of salmonids in Thornton Creek by calling SPU and questioning the fish sighting. She said the Stream Inventory did not include credible information provided by WDFW, noting the City hired a WDFW employee as a stream biologist in the past. She said the City tried to condemn her property so a fire station could be built to serve the Aegis facility.

8. ADJOURNMENT

At 9:10 p.m., Mayor Hansen declared the meeting adjourned.

Sharon Mattioli, City Clerk

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