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## CITY OF SHORELINE

### SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL MEETING

Monday, January 3, 2005  
6:30 p.m.

Shoreline Conference Center  
Mt. Rainier Room

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

ABSENT: none

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.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Steve Burkett, City Manager, thanked the Council for the staff appreciation holiday party. He noted that many projects would commence in 2005, the year which marks the City of Shoreline's 10<sup>th</sup> anniversary. He commented on the status of several City projects, including the Aurora Corridor, Interurban Trail, North City, City Hall, and the 3<sup>rd</sup> Avenue Drainage project. He reported on the success of the Christmas Ship visit at Richmond Beach and on other successful parks activities. He mentioned the reopening of the Ballinger Homes Family Support Center, which was recently remodeled by the King County Housing Authority. He announced there would be a public hearing on January 5 in Lake Forest Park regarding the proposed redistricting in King County.

4. REPORTS OF BOARDS AND COMMISSIONS: none

5. PUBLIC COMMENT

(a) Virginia Paulsen, Shoreline, opposed the proposed increase in salary/benefits for the City Manager, noting that people "should enter into public service to become public servants for the public good." She said his salary is substantially higher than the median income of Shoreline residents and his management of the City does not justify an increase. She called attention to the risk involved in relying on grants

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to fund 56% of the capital budget. She urged the City to return to the idea of people entering government employment to provide service to the community.

(b) Janet Way, Shoreline, concurred and asked that the public be provided with more information on changes to the City Manager's contract. She expressed concern that the public was not given adequate notice of the public hearing scheduled for next week regarding the Echo Lake property. She felt the hearing should be postponed to a later date, given the fact that the City has not disseminated much information on the proposal. She felt it would be unreasonable and unfair to hold a hearing on the same night as the Comprehensive Plan hearing.

(c) Dan Mann, Shoreline, emphasized the need to change the sign ordinance, noting that many small businesses are not well-served by the current code. He said the fact that the Gateway Plaza development is requesting an exception to the sign code is a testament that many businesses find sign regulations discriminatory and inequitable. He noted that many signs will be deemed non-conforming as a result of the Aurora Corridor project, and that many of the project's features will distract from or obstruct existing signage. He emphasized that small businesses rely on signage to attract customers, and that Shoreline merchants should be given the same chance to compete for business as merchants in neighboring jurisdictions.

(d) George Mauer, Shoreline, urged the Council to delay any increases in the City Manager's compensation package until the Council discloses all liability claims against the City, all claim-related settlements, and the status of the City's overall risk management program. He said the general liability of the City is a critical performance measure, so he could not support an increase in the executive's compensation until it is made public.

The Council then debated the timing of the public hearing on the Echo Lake site. It was noted that public comment would be accepted in its various forms for the next 90 days, during which time the City will conduct due diligence studies to determine the suitability of the proposed site.

Mayor Hansen preferred holding a hearing sooner rather than later. He said additional hearings could be added to the agenda if necessary. Councilmember Gustafson concurred.

Councilmember Ransom questioned the necessity of holding a hearing early in the process, especially since the City has not received any technical information related to the site.

Councilmember Fimia felt it would make sense to keep the public hearing open until February 7 to provide predictability to the public. She said this would signal to the public that the City is interested in exchanging information in a timely way. She felt that a hearing on January 10 does not give people enough time to prepare.

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Mayor Hansen said he would not necessarily be in favor of ending public comment on February 7. He felt the Council could extend the public comment period if the need arises.

Councilmember Chang expressed concern about closing the public hearing before the public has all the necessary information to provide informed comments.

Councilmember Grace felt the Council could decide on February 7 whether to continue the public hearing to a later date.

**Councilmember Fimia moved that next week's public hearing on the purchase of the Echo Lake property be continued to February 7. Councilmember Gustafson seconded the motion, which carried 7-0.**

Mr. Burkett pointed out that the public has numerous opportunities to provide comments over the next couple years as the project moves forward. He clarified that one of the key decision points will occur in mid-March when Council must decide whether to proceed with the proposed site.

Councilmember Ransom felt the key issue for the public is ensuring that people have the opportunity to provide oral presentations to the Council. Mayor Hansen said the public would have the opportunity to provide oral comments at every Council meeting between now and when a final decision is made.

## 6. APPROVAL OF THE AGENDA

**Councilmember Ransom moved approval of the agenda, deleting the City Manager's contract amendment from the agenda. Councilmember Gustafson seconded the motion, which carried 7-0.**

## 7. CONSENT CALENDAR

**Councilmember Ransom moved approval of the consent calendar. Councilmember Grace seconded the motion. Deputy Mayor Jepsen asked that the minutes of the Dinner Meeting of December 13 be pulled. A vote was taken on the motion, which carried 7-0 and the following consent calendar items were approved:**

**Minutes of Regular Meeting of November 22, 2004  
Minutes of Special Meeting of December 6, 2004  
Minutes of Regular Meeting of December 13, 2004  
Minutes of Special Meeting of December 15, 2004**

**Ordinance No. 370 amending the conditions of street vacation for a portion of Ronald Place N. approximately 421 feet north of N. 175<sup>th</sup> Street**

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## 8. NEW BUSINESS

### (a) Proposed amendment to the Development Code – Sign Code

Tim Stewart, Planning and Development Services Director, explained that this amendment addresses issues regarding signs that have arisen during the planning for the Aurora Corridor Project. He pointed out that the nonconforming offsite signs would not be allowed to be rebuilt under the current code because of the offsite sign prohibition. Goldie's Casino, 24-Hour Fitness, and businesses in the Westminster Triangle property would not be allowed to construct offsite signage under this code. The amendment adds an exception to the prohibition against off-site signs for businesses that have access from, but not frontage on, a commercial street. To be eligible for the exception, the business would have to enter into a joint access agreement and develop a joint sign package with the property that has commercial street frontage through which access is gained.

Kirk McKinley, Aurora Project Manager, further explained the issues that have arisen regarding the replacement of non-conforming signs and conforming signs impacted by the project. He said the purpose of the amendment is to lessen the impact of the Aurora project on properties and businesses. He said under this proposal, Goldie's could be eligible for additional signage through a joint access agreement with 24-Hour Fitness. The amendment would also allow businesses at the Joshua Green property (Westminster Triangle) to erect offsite signage in the Seattle City Light right-of-way, provided there is a joint access agreement. Under the current code, businesses that redevelop would not be permitted to build new offsite signage. Neither the Aurora Corridor project nor the Interurban Trail project will impact the signage configuration at the Joshua Green property.

Mr. McKinley described the potential sign impacts in the first mile of the Aurora Corridor project:

- Nonconforming signs impacted by the project would have to be removed and replaced with conforming signs. Staff estimates \$160,000 in total compensation to address four impacted properties.
- Four conforming signs impacted by the project will require relocation at City expense.
- Staff-negotiated easement agreements for signs overhanging the new City right-of-way (ROW). Signs would remain until removed by the owner.

Mr. Stewart outlined the Comprehensive Plan policies that the sign code attempts to implement. He concluded that the amendment clearly benefits both the business community and the City by exempting offsite signs if certain access requirements are met.

Mayor Hansen called for public comment.

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(a) Cindy Ryu, Shoreline, said the Shoreline Chamber of Chamber urges the Council to keep business interests in mind when making decisions about the sign code. She emphasized the importance of signage to the success of local businesses and urged the Council to seek input from interested and affected stakeholders. She expressed concern that the current sign code is too subjective and allows the director too much discretion in approving or disapproving sign proposals. She recommended more objective criteria to provide business owners with more predictability. She encouraged the Council to let business decisions drive the sign code rather than the City imposing it on the business community.

(b) Larry Wheaton, representing Goldie's Casino, said he has been unable to receive information from the City about how the Aurora Corridor project might affect his \$75,000 "readerboard" sign. He requested improved communication between the City and affected businesses about the impacts of the project.

(c) Janet Way, Shoreline, felt the City should not do anything that would negatively impact the ability of businesses to communicate with the public. She said the City needs to communicate effectively with businesses and do everything possible to help them thrive while maintaining good aesthetics. She also felt the Comprehensive Plan policies relating to signage were too subjective and open to interpretation by the director. She encouraged the City to work with businesses.

(d) Daniel Mann, Shoreline, noted that signage is one of the ways merchants are fighting for recognition on the Aurora Corridor. He emphasized that merchants have signs because they are the only way to attract business. He said businesses do everything they can to make signs visually exciting and tasteful, but they will probably not always pass subjective standards. He said the element of subjectivity is the major flaw in the sign code. Small businesses cannot circumvent that subjectivity unless they undertake a major remodel or design change. He asserted that the business community's voice was not heard when the original sign ordinance was adopted. He felt the City should work closely with the business community to draft a new sign code that works for everyone, particularly since the Aurora Corridor project will adversely affect many merchants in the coming years.

Councilmember Ransom expressed concern about the requirement for a joint access agreement. He pointed out that Goldie's and 24-Hour Fitness were not aware of this amendment. He explained that Goldie's and 24-Hour Fitness have entered into an oral agreement in which Goldie's allows 24-Hour Fitness to have a sign on Aurora Avenue in exchange for allowing Goldie's customers to exit through 24-Hour Fitness. He said the assumption there is joint access is incorrect because customers access 24-Hour Fitness via N 152<sup>nd</sup> Street, not Goldie's. He felt that adjoining businesses should be allowed to make these types of agreements without sharing joint access. He called attention to confusing and conflicting terms in the staff report, including "combined frontage," "joint access agreement," and "common access."

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Mr. Burkett noted that the current proposal is to consider liberalizing the prohibition against offsite signage, but Councilmember Ransom seems to be arguing for elimination the prohibition of offsite signs.

Councilmember Ransom clarified that businesses are saying that the code is not lenient enough, and that a simple agreement between two businesses should be enough to allow offsite signage.

After further discussion, Councilmember Ransom clarified that he would favor striking “sharing common access” from the amendment because it should not be a condition of offsite signage.

Deputy Mayor Jepsen brought up the increasing use of “A-board” signs along Aurora Avenue. He felt their size and placement has become an issue that should be examined. He encouraged business owners to let City staff know what types of signs they prefer to utilize. He suggested that the amendment language be changed from “may” to “shall” to eliminate potential subjectivity on the part of the City. He also requested that staff address Mr. Wheaton’s concern about his sign.

Mr. McKinley clarified that the Aurora Corridor project would have no impact on Mr. Wheaton’s existing sign. Mr. Stewart added that Mr. Wheaton’s property could potentially end up with a much larger sign package than it currently has as a result of the amendment.

Councilmember Gustafson pointed out that the Planning Commission had made a unanimous recommendation regarding this amendment. He agreed with the goals of consolidating signs and trying to work with property owners to achieve joint access where possible. He wondered if the amendment would allow Goldie’s to have an additional sign on N. 152<sup>nd</sup> Street.

Mr. Stewart affirmed the possibility that Goldie’s could have signs at Aurora Avenue and N 152<sup>nd</sup> Street, depending on the specific proposal. He also confirmed that the amendment does not require business owners to provide common access, but it does provide the potential for businesses to benefit from a joint sign package.

Councilmember Fimia wondered if there were any time constraints related to adopting the amendment. She also wondered about the appropriateness of adopting this amendment before the Comprehensive Plan and master plans are considered.

Mr. McKinley said there are no immediate time constraints, although staff is attempting to respond to concerns raised by property owners and businesses. Mr. Stewart said the stakeholders would like to see some resolution on the issue of signage. He indicated that the proposed amendment would not be inconsistent with the existing Comprehensive Plan or any of the Planning Commission’s proposals for it.

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Councilmember Fimia expressed support for removing “sharing common access” from the amendment. She questioned whether local businesses provided input on the amendment and whether additional amendments might be necessary. Councilmember Fimia wondered if there are other aspects of the Sign Code that should be considered for amendment. She said a working group, including Councilmembers and business people, could be formed to reach the goal of improved aesthetics while ensuring that businesses have the ability to attract customers. She felt strongly that the Council should try to balance the needs of competing interests, and suggested looking at the sign regulations of other jurisdictions.

Responding to Councilmember Chang, Mr. Stewart clarified that the amendment would allow Goldie’s to pursue an expanded sign package to include signage on N. 152<sup>nd</sup> Street. He noted that Goldie’s existing sign fully complies with the current code.

Councilmember Grace agreed that while there are subjective elements to the code, it also has very specific requirements. He felt the director was the appropriate person to make decisions on sign permit applications. He agreed that businesses should be encouraged to provide input as this proposal moves forward.

Responding to Councilmember Chang, Mr. Stewart explained that the 150-foot minimum separation between signs was adopted in 2000 after extensive review by the Planning Commission, Planning Academy, and public.

Councilmember Ransom noted that the frontage of some adjoining properties could be less than 150 feet in some cases. Mr. Stewart said the intent is not to give bonuses for consolidation, but to merely treat the parcels as if they were one unified parcel, allowing them the cumulative benefit of measuring distances.

Responding to Councilmember Ransom, Mr. McKinley clarified that the fate of the 24-Hour Fitness sign has not yet been determined, but staff is working with the property owner to resolve the issue.

Responding to Councilmember Fimia, Mr. McKinley confirmed that neither Goldie’s nor 24-Hour Fitness were notified about the proposed language for tonight’s amendment, although Goldie’s, Joshua Green and Gateway Plaza owners were notified when the issue was introduced to the Planning Commission.

Councilmember Ransom wished to ensure staff brings forward an alternate amendment that replaces “may” with “shall” and strikes the phrase “sharing common access.” Mr. Burkett felt striking the phrase “sharing common access” might eliminate the incentive for business owners to gain mutual benefit through joint access and signage packages. Councilmember Ransom disagreed, noting that Goldie’s and 24-Hour Fitness prefer their current informal agreement.

- (b) Proposed amendments to the Development Code – Tent City

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Mr. Stewart provided background on Tent City and reviewed the proposed amendment, which would require Tent City applicants to conduct a neighborhood meeting as part of a temporary use permit application. He said that following contentious Tent City proposals in Bothell and Woodinville, the Planning Commission decided to reconsider notification requirements for Tent City. This resulted in the proposed amendment, which was unanimously approved by the Planning Commission.

Seeing no members of the public wishing to speak on this issue, Mayor Hansen invited Council discussion.

Councilmember Ransom supported the neighborhood meeting requirement, but was alarmed that the duration of temporary use permits could be extended up to one year. Mr. Stewart clarified that temporary use permits are valid for up to 60 calendar days, but the director can lengthen the duration up to one year. He explained there are projects unrelated to Tent City that might be appropriate for extensions, but it would be very rare that a Tent City permit would be extended beyond 60 days.

Councilmember Grace suggested that neighborhood meetings be structured to address the specific issues identified by the King County Citizens Advisory Commission on Homeless Encampments (CACHE). He felt this would ensure that all relevant questions are addressed. Mr. Stewart noted that the majority of CACHE issues are addressed as part of the temporary use permit criteria.

Councilmember Chang felt very strongly that Shoreline should take the lead among King County cities in addressing homelessness and providing affordable housing. He preferred that the City work with other jurisdictions on a regional level to address these and related issues rather than continue to rely on short-term solutions such as Tent City. He said he would be willing to volunteer in this capacity.

Councilmember Fimia wanted to be sure that all City departments, the school district and the fire district are included in the notification process. She felt that all affected jurisdictions should be mobilized when a Tent City is proposed. She felt written guidelines would ensure that this process is being followed and that the City is taking a proactive approach.

Mr. Stewart explained that the various agencies, including police, fire, public works, sewer and water become involved as part of the application review. Councilmember Fimia said it would be helpful if other City departments such as Human Resources are also mobilized in order to provide the highest level of service to Tent City.

Mayor Hansen pointed out that all relevant groups are involved as part of the application process.



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Mr. Burkett noted that all City departments were heavily involved in the last Tent City operation. He said the discussion tonight is simply the issue of a neighborhood meeting requirement for Tent City, which may or may not result in a permit application.

Councilmember Fimia reiterated that written guidelines would help provide a higher level of predictability to the public on how Tent City operations are coordinated and managed. She agreed with Councilmember Chang's comments regarding human services and asked for information on this topic in preparation for the Council retreat.

Deputy Mayor Jepsen said the real challenge is the lack of funding for human service needs. He said although there is talk on the federal level about how to address the homelessness problem, federal and state funding for housing programs has been cut.

Councilmember Ransom also supported the interest in affordable housing, noting that homelessness is a growing problem in the region. He also expressed support for notifying the City departments and local agencies, particularly the school district.

(c) Cottage housing review procedures and schedule

Mr. Stewart provided background on the review of the cottage housing ordinance and outlined the proposed procedure and schedule for revisiting the issues. He said there would be a public hearing on January 24 regarding an extension of the cottage housing moratorium. The proposed process includes updating the 2002 cottage housing survey, summarizing neighborhood comment letters and opinions of value in abutting properties, and participation by developers, property owners, parties of record, interested neighborhoods, and City staff in workshop discussions. The Council would then have the opportunity to tour existing cottage housing developments. Mr. Stewart emphasized the importance of fully exploring the issues and engaging the public in the debate.

Mayor Hansen called for public comment.

(a) James Acheson, Shoreline, urged the Council to renew the cottage housing moratorium for six months, noting that cottage housing should not be part of Shoreline's Comprehensive Plan. He said the finished projects have destroyed the property values of surrounding homes and have wasted dwindling free areas. He said the Growth Management Act could be satisfied by building high-rise, multiple-use structures along the Aurora Corridor. He said the Aurora Corridor already has the facilities and infrastructure to accommodate urban growth.

(b) Bronston Kenney, Shoreline, expressed opposition to cottage housing and urged the Council to extend the moratorium for a full six months. He wondered why it is proposed to address cottage housing at a time when the Council has many other issues to resolve. He also wondered if the process would include interested parties or whether it would be limited to builders, adjacent neighbors and cottage housing residents.

Mr. Stewart said the City has heard from a number of people who would like a resolution to the issues as soon as possible. He said staff prefers that the group that is brought together is balanced and reflects the diversity of opinion, including cottage housing residents, adjacent neighbors, developers, and anyone else who might be interested or affected. Mayor Hansen expressed a preference for a moratorium extension of no less than six months.

(c) Bob Niskanen, Shoreline, said one of the fundamental questions is how many cottage housing projects the City ultimately expects to have as part of its long-range plan. He inquired about the percentage of the Growth Management Act targets the City expects to achieve with cottage housing. He described the many hours he invested in opposing the cottage housing proposal in his neighborhood. He requested that a researcher from the University of Washington participate in the cottage housing review process. He felt it would not be realistic to resolve the issues by May 1, and that developers are “waiting for that date to pounce on a few pieces of property” to return to a cottage housing effort.

Mr. Stewart explained that the City’s Growth Management Act targets are 2,600 new housing units by 2020, of which about 350 are projected to be from cottage housing (about 15%). He emphasized that this is only a staff estimate.

Councilmember Gustafson asked how many cottage housing units have been built to-date. He also asked about staff’s plans for achieving the cottage housing goals and the consequence of not complying with GMA targets.

Paul Cohen, Senior Planner, reported that a total of 47 units have either been built or approved since the moratorium went into effect.

Councilmember Chang surmised that a cottage housing development in an R-6 (six units per acre) zone essentially changes the zoning designation from R-6 to R-12 or higher.

Mr. Stewart said the cottage housing density bonus could increase the density by 50%, depending on the type of units that are proposed. He pointed out that the Development Code also allows detached dwelling units on lots of 10,000 square feet or more under certain conditions.

Responding to Councilmember Grace, Mr. Stewart said an “opinion of value report” is a report of the estimated appraisal value of homes near or adjacent to cottage housing developments. He said since there is only widely varying anecdotal information, such a report might help the Council determine the effect of cottage housing on property values.

Councilmember Grace suggested that the Council not rush the process and that the Council tour existing cottage housing developments sooner rather than later.

Mr. Stewart agreed that the last tour with the Planning Commission in 2002 was very beneficial in terms of walking the sites and viewing the homes.

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Councilmember Gustafson concurred with a six-month moratorium extension, noting that the May 1 deadline seems too aggressive.

Deputy Mayor Jepsen clarified that staff is recommending a public hearing and Council action on the moratorium extension at the January 24 meeting.

Councilmember Ransom agreed that the Council tour should be conducted early in the process. He felt the Council and Planning Commission should conduct a joint session following the tour, and that the City Council should be fully involved from the beginning. Noting that most complaints about cottage housing come from R-4 and R-6 zones, he wondered whether cottage housing should be restricted to higher-density zones such as R-12. He asked if cottage housing is being developed in higher density zones such as R-8 or R-12.

Mr. Stewart said there are other developments moving forward that are not seeking the cottage housing density bonus.

Councilmember Ransom pointed out that the cottage housing ordinance review would be very detailed and labor-intensive. He wondered if it might be preferable to limit cottage housing to R-8 or R-12 zones, instead of spending hundreds of hours in the review process over a six month period, since most complaints come from R-4 and R-6 zones anyway.

Mayor Hansen said limiting cottage housing to higher density zones would do nothing to increase density, which is the primary purpose of cottage housing.

Mr. Stewart concurred, noting that cottage housing is only practicable in R-4 and R-6 zones because of amendments adopted in 2002 requiring open space and parking.

Councilmember Fimia supported the concept of cottage housing but wished to consider quality standards and have a more interactive process with the neighborhood in siting cottage housing. She felt the Council should be involved much sooner in the review process, noting her preference that Council conduct a tour this month and then conduct open workshops with the public in the coming months. She said it is somewhat disconcerting that Council is proposed to get involved only at the very end of the process. She suggested a series of City Council and Planning Commission meetings which would conclude with a final hearing before the City Council prior to Council adoption of any changes. She said she would work on a formal motion to this effect.

Mayor Hansen noted that members of the Council are welcome to get involved in the process as early as they wish.

Mr. Burkett suggested that the motion be made in writing so everyone understands what is being proposed and it's clear that at least a majority of the Council supports the process.

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Councilmember Gustafson felt the staff proposed process was reasonable, noting that he would like to see all the information collected before the Council considers it. He supported a Council tour early in the process.

On another topic, Councilmember Ransom briefly discussed regional appointments, the topic of next week's dinner meeting.

Councilmember Fimia inquired about the possibility of meeting on 5<sup>th</sup> Mondays to address unresolved topics such as public participation. Councilmember Grace said he would bring forward a proposal in this regard.

9. ADJOURNMENT

At 9:16 p.m., Mayor Hansen declared the meeting adjourned.

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Sharon Mattioli, City Clerk