

## CITY OF SHORELINE

### SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL MEETING

Monday, January 22, 2007

7:30 PM

Shoreline Conference Center

Mt. Rainier Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, Councilmember Gustafson, Councilmember Hansen, Councilmember Ryu, and Councilmember Way.

ABSENT: Councilmember McGlashan.

#### 1. CALL TO ORDER

The meeting was called to order at 6:35 p.m. by Mayor Ransom, who presided.

#### 2. FLAG SALUTE/ROLL CALL

Mayor Ransom led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Councilmember McGlashan.

**Upon motion by Councilmember Gustafson, seconded by Councilmember Hansen and carried 6-0, Councilmember McGlashan was excused.**

Deputy Mayor Fimia recognized former Councilmember John Chang, and Shari Tracey, of King County Councilmember Ferguson's office, in the audience.

#### 3. REPORT OF THE CITY MANAGER

Bob Olander, City Manager, provided the following updates, reports, and reminders as part of the City Manager's report:

1. Officer Mitch Wright named 2006 Shoreline Police Officer of the Year
2. Free tree debris/green waste recycling event at the Snohomish County Southwest Transfer Station in Mountlake Terrace, January 24-28
3. Ridgecrest Neighborhood Commercial Center Visioning Workshop, January 24
4. Richmond Beach Pump Station & Twin Ponds Park Public Meeting, January 25 at Spartan Recreation Center

5. Kruckeberg Botanic Garden Foundation Winter Meeting, January 25 at Richmond Beach Congregational Church
6. The next Comprehensive Housing Strategy Citizen Advisory Committee meeting will be January 23 at 7:00 p.m. at the Shoreline Fire Station Headquarters
7. The next regular meeting of the Parks Board will be on January 25 at the Spartan Recreation Center.
8. The first "Get Ready Shoreline" emergency preparedness community meeting will be on February 8 from 7:00 – 8:30 p.m. at the Shoreline Library.

Responding to Deputy Mayor Fimia, Mr. Olander noted that citizens can call the City's Emergency Management Coordinator to inquire about emergency preparedness volunteer opportunities.

(a) Proclamation of "Retired Volunteer Appreciation Day"

Mayor Ransom read the proclamation and thanked those volunteers who have given their personal time in the interests of the City, especially those that have retired from volunteer service.

Jim Guest, retired volunteer, thanked the Council for this recognition, noting that the volunteers consider their work very rewarding.

Leona Obstler, Shoreline Police Officer, thanked the Mayor and City Council for recognizing all the City's volunteers, some of whom have volunteered since 1996. Councilmember Hansen concurred.

4. REPORTS OF BOARDS AND COMMISSIONS

There were no reports of Boards and Commissions.

5. GENERAL PUBLIC COMMENT

(a) Dale Wright, Shoreline, spoke on behalf of Vision Aurora and urged the Council not to reduce the scope of the remaining segments of the Aurora Corridor Project. He said the design of the first mile of Aurora Avenue was the result of a legitimate public process that included input from residents, consultants, experts, and transportation professionals. After a three-year process, the Council adopted Modified Alternative A, and all segments of the community were heard and seriously considered.

(b) Virginia Paulsen, Shoreline, expressed concern about the Council's priorities as evidenced by their recent voting patterns regarding the City budget. She expressed concern about a general lack of notification to residents regarding meeting schedules, neighborhood matters, and the costs of economic development. She felt the City is operating at a fast pace, with insufficient time given to choices and their costs.

(c) Eddie Zanidache, Shoreline, invited the Council and the public to patronize the New Space Theater on 15th Ave NE in North City. He said the theater provides a venue for entertainment and serves as a stepping stone for kids who want to make it in the arts.

(d) John Chang, Shoreline, noted that it is the "Year of the Pig" and wished everyone a happy and prosperous new year. He urged the Council to work together for the betterment of the community and serve the public interest. He noted that the relationship with Shoreline's sister city, Boryeong, Korea, is alive and well. The relationship thus far has focused on educational exchanges, but there is now interest in economic and commercial exchanges. He urged the Council to continue supporting the Sister Cities program so the City can benefit from the fruits of the relationship.

(e) Shari Tracey, Shoreline, announced that she is the new operations director for King County Councilmember Bob Ferguson. She encouraged citizens to contact her with any questions or issues of interest, at (206) 296-1636.

(f) Tim Crawford, Shoreline, pointed out that his property continues to experience flooding during heavy rains. He said he attended the open house for the Ronald Bog drainage project and was encouraged by some of City staff's responses. He said it's time to use funding for the Ronald Bog drainage improvements, but the City needs to solve the problem of downstream flooding before completing upstream issues. He added that he didn't notice a biological assessment of Ronald Bog itself. He asserted that the City continues to delay the typecasting of Thornton Creek, and he alluded to court dates for Aegis and Gaston. Finally, he

**Deputy Mayor Fimia moved to allow Mr. Crawford an additional two minutes to finish his statement. Councilmember Ryu seconded the motion, which carried 6-0.**

Continuing, Mr. Crawford noted that a sitting City Councilmember was removed by staff from a commission because she disagreed with the staff's opinion on Aegis. Regarding appointment to boards and commissions, he said the staff definition of "qualified" usually means someone who agrees with staff's position.

Councilmember Way clarified that tonight's agenda item involves regional committees and boards that Councilmembers serve on.

Deputy Mayor Fimia added that the City Council makes the final decision on appointments to boards and committees, so if there have been any mistakes, the Council, not staff, is responsible.

(g) Patti Crawford, Shoreline, asserted that City correspondence demonstrates that John Dixon, a City volunteer, had disciplinary problems and showed threatening behavior. She said she objects to the efforts of the City Attorney's office to remove his restraining order that helped protect her family. She added that the restraining order had been removed without notification to her family.

Mr. Olander responded to public comment. He noted there would be a briefing on the Sister Cities visit to Boryeong at the March 5 meeting. He thanked John Chang for all his work in helping facilitate the visit. He added that the Army Corps. Of Engineers is trying to determine whether downstream work is required in the Ronald Bog basin. He noted that the restraining order issue dates back to 2004.

Councilmember Way pointed out that the issue involving Mr. Dixon dates back to 2000. She supported the request for a biological assessment of Ronald Bog and an attempt to address the Crawford's flooding issues.

Mr. Olander said the City will continue to work with the Crawfords on the flooding issues and will consider the biological assessment.

Councilmember Ryu expressed support for the biological assessment as well as the drainage issues, particularly in the area of N 175th Street to N 176th Street.

## 6. APPROVAL OF THE AGENDA

**Councilmember Ryu requested that Item 7(a) be removed from Consent and considered at a future meeting. Councilmember Way requested that Items 7(d) and 7(e) be removed from Consent and considered as Action Items. Upon motion by Councilmember Hansen, seconded by Councilmember Gustafson and carried 6-0, the agenda was approved as amended.**

## 7. CONSENT CALENDAR

**Councilmember Hansen moved approval of the Consent Calendar. Councilmember Gustafson seconded the motion, which carried 6-0, and the following Consent items were approved:**

**(b) Approval of expenses and payroll as of January 11, 2007 in the amount of \$2,269,605.00**

**(c) Motion to Authorize the City Manager to execute a contract supplement with Otak, Inc. for professional services in an amount not to exceed \$240,000 for the Boeing Creek Park and Storm water Facility CIP project improvements**

## 8. NEW BUSINESS

There was Council consensus to address Items 7(c) and 7(d) as the first Action Items of the evening.

(a) Motion to Authorize the City Manager to Execute a Contract between the City of Shoreline and the Shoreline Historical Museum in the amount of \$63,525 to provide educational and heritage programs for citizens of Shoreline ; and Motion to Authorize the City Manager to Execute a Contract between the City of Shoreline and the Shoreline-Lake Forest Park Arts Council in the amount of \$63,525 to provide educational and cultural opportunities for the citizens of Shoreline

**Councilmember Hansen moved to authorize the City Manager to Execute a Contract between the City of Shoreline and the Shoreline Historical Museum in the amount of \$63,525 and to Authorize the City Manager to Execute a Contract between the City of Shoreline and the Shoreline-Lake Forest Park Arts Council in the amount of \$63,525. Councilmember Way seconded the motion.**

Councilmember Way said she enthusiastically supports the Museum and Arts Council, but would like to advance the idea of including youth representation as part of the contracts. She felt that youth/student participation in an advisory capacity would serve to enhance the programs and help advance the curriculum and opportunities in the arts.

Councilmember Ryu said that following a Council exchange of ideas over the weekend on this topic, she would like to explore the possibility of including a youth outreach and involvement component between the City, Museum, Arts Council, and the School District.

Councilmember Hansen clarified that he did not take part in any discussion or any serial meeting regarding this topic.

Mr. Olander replied that it was not a serial exchange between Councilmembers; rather, Councilmembers are encouraged to contact staff if they have questions on upcoming agenda items. The answers to those questions are shared with all Councilmembers.

Deputy Mayor Fimia said she supports the proposal in concept but she wouldn't support a direct link between funding and how the organizations direct their boards. She said perhaps the City should ask the organizations to explore mechanisms for enhanced youth involvement.

Councilmember Gustafson felt the request was reasonable but suggested that it be tied into a broader discussion of a youth master plan at a future Council retreat.

Mayor Ransom pointed out that these organizations have their own citizen boards and bylaws. He felt the City should not try to impose further standards on top of their existing rules. He said both organizations serve youth and it would be improper for the City to impose seats on their boards.

Councilmember Ryu felt it would be reasonable to specify a youth participation component because the contracts already include specific details such as provisions for janitorial work and community outreach.

Councilmember Way said the intent is not to amend or imposing anything on this contract, but to explore ways to offer more help and enhance the curriculum.

Dick Deal, Parks, Recreation and Cultural Services Director, said he will be meeting with the directors of the Museum and the Arts Council and he would be happy to prepare a report based on those discussions.

Mr. Olander noted that both organizations operate on very limited budgets and the City of Shoreline is just one a many funding sources. He felt it would be inappropriate to supplant school programs or make requirements of them just because we have contracts with them.

Councilmember Way noted that her experience as a student and as a parent is that cultural events enhance life, and she appreciates the youth opportunities to connect the arts with the historical aspect.

Councilmember Gustafson noted that it is amazing to see what the two organizations are currently doing for youth.

Mr. Deal said that in addition to all the Arts Council's wonderful work, the City supplements that with a very aggressive program of arts, music, and recreation.

(b) Proposed Comprehensive Plan Amendment, Form-based Code and Legislative Rezone for the South Aurora Triangle

Joe Tovar, Planning and Development Services Director, provided the staff report on this item. He explained that staff is asking for Council approval to put on this year's Planning Commission docket a Comprehensive Plan amendment by creating a new land use district called "Form Based Code District 1" and a corresponding amendment to the Comprehensive Plan text. If the Council approves this docketing request, staff will move forward with a full environmental review and hearings. He outlined the South Aurora Triangle as the area in which this FBC-1 designation would apply. Referring to pages 23-24 of the Council packet, he outlined the purpose of the FBC-1 Comprehensive Plan designation, noting that it implements a number of plan policies by applying them specifically to a distinct geographic subarea of the City. He said the circumstances of the South Aurora Triangle make it an ideal location to encourage significant private investments in retail, restaurant, office, and residential uses, as well as a mixture of these uses. He noted that the FBC-1 designation relies on the market to decide what the use will be. As long as traffic, parking, landscaping, and other requirements are met, the question of use becomes secondary.

Mayor Ransom called for public comment

**Deputy Mayor Fimia moved to authorize the inclusion in the Comprehensive Plan docket the staff-drafted proposed map and text amendments for the South Aurora Triangle area as shown in Exhibits G and H. Councilmember Hansen seconded the motion.**

(a) John Chang, Shoreline, expressed support for staff's work on this issue. He said Mr. Tovar has been visionary in listening to business owners and developers and following what other cities are doing. He felt this is a progressive and active step to enhance cities and attract investors. He noted that the City of Federal Way changed their building height limits from 85 feet to 200 feet, and now Mountlake Terrace is considering similar measures. He urged the Council to take measures to attract investors, considering the \$40 million investment in Aurora Corridor improvements. He suggested that the City raise its building height limit from 65 feet to 100 feet so that commercial development doesn't extend into residential neighborhoods.

Councilmember Ryu inquired about the appropriateness of her participation in this discussion since she owns property in the subject area.

Ian Sievers, City Attorney, said her participation is permitted because it involves a change to a subarea plan, which is a legislative action.

Councilmember Ryu said she would most likely abstain from the final vote due to any perceived conflict of interest. She read from the staff report regarding the twin objectives of the South Aurora Triangle; one of which is that it be a high-quality build environment that is walkable, livable, and transit-oriented. She asked if pressure to build into neighborhoods will be decreased if more density is concentrated along Aurora Avenue through the FBC-1 designation.

Mr. Tovar said there is not enough land in single-family areas to accommodate growth targets, so these kinds of buildings will have to be part of the mix.

Regarding maximum building heights, Mayor Ransom pointed out that the Council considered mixed use and regional business a few years ago and discussed raising the building height limit to 10 floors. He said there was a public process but no clearly defined proposals or objectives, although there was general Council consensus for higher building limits. He noted that other cities have found that 12 floors, or 145 feet, is an economically feasible height standard.

Responding to Councilmember Way regarding mitigation and underground parking, he explained that all the off-site impacts resulting from building height standards would be regulated by existing code. He added that floor-area ratios and other architectural standards may be ways to limit bulk, but if Council docket the policy then staff will detail the code text amendments. He clarified that underground parking would

be assumed under most of these project scenarios, but it would be in the Development Code language that is yet to be written. He noted that structured parking could be one desired element to include in Appendix 6.

Mr. Olander suggested that specific development standards should not be included in the overall policy statement. Having too much detail in the Comprehensive Plan can conflict with the implementation of the specific development standards.

Mr. Tovar concurred, adding that the Comprehensive Plan provides the vision but it shouldn't lock the City into specific dimensional standards.

Responding to Councilmember Way, Mr. Tovar explained that the overlapping zones of Community Business and Regional Business is a vestige of old County planning. The form-based code designation is an organizing principle that includes all of the uses that might exist within mixed use; i.e. retail, office, restaurants, etc. He noted that there is no such thing as mixed use on a zoning map because it's a plan designation. The form-based code is a designing regulation that allows more flexibility.

Councilmember Way pointed out that people will probably want to know about proposals for 12-story buildings adjacent to their neighborhoods under the FBC designation.

Mr. Tovar noted that if the City decides to use a form-based code in the future, it could designate a different code, such as FBC-2, with different standards. He said the code can be tailored based on topography, geography, adjacent uses, views, etc.

Referring to page 10 of the packet, Councilmember Way suggested that the term "connectivity" be included as an element of site design requirements between Aurora Avenue and the Interurban Trail.

Deputy Mayor Fimia noted that FBC-1 would provide citizens with predictable building standards and allow the City to get mixed use where it desires it. She suggested changing Appendix 6 to say that an additional purpose of FBC-1 is to "provide predictability for and compatibility with the surrounding neighborhood." She suggested changing the wording to say that the FBC-1 designation is a tool with which the City can implement comprehensive plan policies. She felt these changes would make it more understandable to the average reader.

Councilmember Hansen noted that the motion is just to put this item on the Planning Commission docket.

Deputy Mayor Fimia clarified that the motion includes Exhibit H, which is Appendix 6.

Mr. Olander felt that Deputy Mayor Fimia's suggestions were compatible with the plan goals and that staff could incorporate those changes.

Councilmember Ryu asked about the timing for encouraging elements such as zero/low impact or green building into the process. Mr. Tovar and Mr. Olander responded that the intent is to incorporate those items into the design standards.

## MEETING EXTENSION

**At 9:46 p.m., Councilmember Way moved to extend the meeting until 10:30 p.m. Deputy Mayor Fimia seconded the motion, which carried 6-0.**

## RECESS

**At 9:46 p.m., Mayor Ransom called for a five minute recess. At 9:50 p.m. the Council meeting reconvened.**

### (c) Proposed City Hall Delivery Method, Project, and Schedule

Jesus Sanchez introduced Bill Angle, Vice President of Government Services, Colliers International, and briefly described his extensive background in real estate, finance, and law.

Mr. Angle provided a comparison of the two primary project delivery methods for City Hall: 1) Design-Bid-Build; and 2) Design-Build/Lease-to-Own. He provided detailed descriptions of both alternatives and discussed the advantages and disadvantages of each.

The Design-Bid-Build method is commonly used for public works projects and is a universally understood process. The roles of public owner, architect, and general contractor are clear. However, this process is slow, cumbersome, and difficult to manage. In this process, change orders tend to be common and expensive, final project costs are not known until completion, and litigation is common. The private sector rarely uses this approach for these very reasons. The Design-Build/Lease-to-Own method of procurement process allows City to consider factors in addition to price. There is enhanced communication, a simplified process, and a single point of responsibility. The development contract incorporates all design and construction elements, and the project carries a Guaranteed Lease Purchase Price ("LPP"). The collaborative design and budgeting process eliminates change orders, and the construction risk is transferred to the private sector.

Continuing, Mr. Angle noted that while the Design-Build/Lease-to-Own option is a superior method, it does require a greater "belt and suspenders" upfront effort. Selecting the right development team is very important, and it requires a different contractual and management approach. However, over \$750,000,000 in Washington State projects have been built with the method since 1996, and every project has been on time or early and within budget. Mr. Angle then compared the financing and timelines of each option. Design-Bid-Build can be financed using General Obligation Bonds (G.O. Bonds), voter approved bonds, and non-voter approved bonds. These bonds are tax exempt and

considered the cheapest form of debt. Projects are prevailing wage under this financing package. Design-Build / Lease-to-Own can be financed according to RCW 35.42.010-220, including Certificates of Participation and 63-20 bonds. The debt is tax exempt, although it may be 5-10 basis points higher than Design-Bid-Build. Projects are also prevailing wage under the option. He outlined the process, timeline, and next steps under the Design-Build/Lease-to-Own scenario. Aspects of this option include:

1. Creating a basic vision / establishing project objectives
2. Issuing a Request for Qualifications / Rank & Shortlist
3. Issuing a Request for Proposals / Rank & Select Developer
4. Preparing a predevelopment budget and schedule
5. Managing the collaborative predevelopment process
6. Schematic design
7. Design development
8. Public participation

Mr. Olander illustrated the point that the costs of a "green roof" could be determined at the beginning of the Design-Build/Lease-to-Own process, so Council could choose up-front whether such feature is a priority.

Mr. Angle added that other cities have asked for the relative costs of a silver LEED rating versus a gold LEED rating, which allows them to decide what level they wish to pursue.

Deputy Mayor Fimia noted that the City Hall project budget is not unlike the budget for building a home. She asked about the process for making changes once the project is underway.

Mr. Sanchez emphasized the importance of agreeing to the project details up-front. Mr. Angle explained that developers are given an estimate of construction costs, which is a method of getting them to think about the scope of the project. They will adjust their thinking and work with their subcontractors to meet this budget estimate. He said you get a guaranteed maximum price, but you have to have a good "story," or design plan, to get the debt to finance it.

Mr. Olander noted that there are incentives built in to the structure to make it work efficiently. If a good developer is selected, they will work with competent subcontractors to ensure the project runs smoothly.

Mr. Angle added that developers and subcontractors work out their problems quickly, which generally can't be done in a hard-bid scenario. He describing a number of success stories using the Design-Build/Lease-to-Own method, including King Street Center, Issaquah District Courthouse, and Green River Community College.

Mr. Olander felt the City has an excellent team with which to proceed and asked for direction to move forward with the Design-Build/Lease-to-Own option for procurement.

**Deputy Mayor Fimia moved to authorize staff to proceed with the design build/lease-to-own project for City Hall. Councilmember Gustafson seconded the motion.**

Councilmember Ryu asked for the staff's opinion about whether there are qualified developers in the area who would be interested in this project. Based on Mr. Angle's presentation, her impression was that the Design-Build/Lease-to-Own process is more pleasant, less stressful, and less litigious.

Mr. Angle said the project is of sufficient size that he is confident a number of qualified developers will be interested. He affirmed that the proposed process is much easier than the traditional method.

## MEETING EXTENSION

**At 10:30 p.m., upon motion by Councilmember Way, seconded by Deputy Mayor Fimia and carried 6-0, the meeting was extended until 10:40 p.m.**

Mr. Olander noted that there are contingencies that serve as incentives for completing the project on time and within budget. Mr. Angle concurred, noting that it's exactly the opposite to the experience of having to do change orders.

Responding to Councilmember Ryu regarding the relative costs of both methods, Mr. Angle estimated that costs under the traditional method would be 15-20 percent more than Design-Build/Lease-to-Own. Mr. Sanchez concurred, noting that you never know the final amount or the litigation costs until after the project is done.

Responding to Councilmember Ryu, staff concurred that the proposed option is better than the traditional method, even considering that the finance rate is slightly more. She asked if the intent is to purchase the building in 2-3 years. Staff responded affirmatively, noting that the suggested time frame is about three years.

Responding to Deputy Mayor Fimia, Mr. Angle noted that Bellevue used a GCGM (general contractor general manager) method for their City Hall, but this allowed for continued design changes and change orders. He pointed out that once you arrive at a development agreement, you must not make changes later.

Deputy Mayor Fimia commented that Council approved this type of project delivery method when the Echo Lake site was being considered, she didn't agree with it because the City didn't own the land and there were no limits on lease payments.

Mr. Sanchez noted that Echo Lake would have required a lease cap eventually, but the process never proceeded beyond the executive summary phase.

Deputy Mayor Fimia expressed support for the Design-Build/Lease-to-Own method.

Responding to Councilmember Way, Mr. Angle explained the suggested time frame and the difference between lease-to-own and renting. He explained that the financing that is proposed is specific to a lease-to-own method.

Councilmember Way stressed the need to ensure there is oversight and an adequate public process. Mr. Olander responded that staff will return with much more detail if the Council approves this direction.

## MEETING EXTENSION

**At 10:44 p.m., upon motion by Councilmember Ryu, seconded by Councilmember Way and carried 6-0, the meeting was extended until 11:00 p.m.**

Councilmember Way shared some examples of green building design features she researched on the internet, noting that there is an incredible array of possibilities.

Staff concurred, adding that functionality, budget, and public sentiment will have considerable weight on the finished product.

Mr. Olander added that there are a number of good examples of sustainable building practices in the region that are both practical and cost-effective.

Councilmember Gustafson supported the Design-Build/Lease-to-Own approach for the following reasons: 1) cost control; 2) public input; 3) end product; and 4) City officials will make the ultimate decision.

Councilmember Hansen also supported the proposal, adding that it was a good presentation and quite self-explanatory.

Mayor Ransom added his support to the proposal.

**A vote was taken on the motion, which carried 6-0, and staff was authorized to proceed with the design build/lease-to-own process for City Hall.**

## (d) Council Rules of Procedure for Appointments to Boards and Commissions

Mr. Olander explained that past Councilmember appointments to regional boards and committees have been traditionally made by the Mayor informally after negotiation amongst the Council. The Council packet includes a choice of two proposals to adopt formal procedures as part of the Council Rules of Procedure. Staff is seeking direction on which proposal to bring back to Council for consideration: Option A or Option B.

Mayor Ransom suggested that staff bring back two proposals representing both Option A and Option B.

Councilmember Hansen suggested some corrections to the wording of both options to reflect the official name of the organizations and to make the options mutually consistent.

Mayor Ransom said one of the reasons the Water District is not included is because it's never been by appointment of the Mayor.

Mr. Olander noted that the Interlocal Agreement with the Shoreline Water District calls for formation of a Citizens Advisory Committee, one member of which shall be a City Councilmember. He felt this issue could come up from time to time, so it would be advisable to include it in the procedures.

Councilmember Ryu noted that Option A seems to give the Mayor full authority to make appointments, but under Option B, the final decision is made collectively by the Council. She asked if there was any history of removing Councilmembers from boards that they wishes to serve on, and if there were any conflicts or competition between councilmembers for positions.

Mayor Ransom said there have been lots of instances where more than one Councilmember requested a position, and instances where Councilmembers were removed.

## 9. ADJOURNMENT

At 10:58 p.m., Mayor Ransom declared the meeting adjourned.

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Scott Passey, CMC  
City Clerk

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