



AGENDA

SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, March 3, 2008
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		6:30
2. FLAG SALUTE/ROLL CALL		
(a) Proclamation of "Shoreline Schools Band Week"	<u>1</u>	
3. CITY MANAGER'S REPORT AND FUTURE AGENDAS		
4. COUNCIL REPORTS		
5. GENERAL PUBLIC COMMENT		6:40
<i>This is an opportunity for the public to address the Council on topics other than those listed on the agenda and which are not of a quasi-judicial nature. Speakers may address Council for up to three minutes, depending on the number of people wishing to speak. If more than 15 people are signed up to speak each speaker will be allocated 2 minutes. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. The total public comment period under Agenda Item 5 will be no more than 30 minutes. Individuals will be required to sign up prior to the start of the Public Comment period and will be called upon to speak generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		
7. CONSENT CALENDAR		7:10
(a) Minutes of Study Session of February 4, 2008	<u>3</u>	
Minutes of Workshop Dinner Meeting of February 11, 2008	<u>15</u>	
Minutes of Business Meeting of February 11, 2008	<u>17</u>	
(b) Motion to Approve Appointments to the Community Priorities/Long-Range Financial Planning Advisory Committee	<u>23</u>	
(c) Resolution No. 272 Expressing Concern Regarding Sound Transit's Revised Phase II Preliminary Corridor Service Concepts Proposal	<u>31</u>	

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS, AND MOTIONS

- | | | | |
|-----|--|-----------|------|
| (a) | Ordinance No. 492 approving Planned Area 2 Legislative Rezone for the Ridgecrest Commercial Area | <u>37</u> | 7:10 |
| (b) | Continued Public Hearing on Ordinance No. 479, amending the Property Tax Exemption Program for the North City Target Area and Expansion into the Ridgecrest Neighborhood | <u>61</u> | 8:30 |
| (c) | Ordinance No. 495 amending the Economic Development Advisory Committee Membership by Adding Five Additional At-Large Members; and amending SMC 2.65.020 | <u>85</u> | 9:30 |

9. ADJOURNMENT

10:00

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 546-8919 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 546-2190 or see the web page at www.cityofshoreline.com. Council meetings are shown on Comcast Cable Services Channel 21 Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://cityofshoreline.com/cityhall/citycouncil/index.cfm>.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Proclamation of "Shoreline Schools Band Week"
DEPARTMENT: CMO/CCK
PRESENTED BY: Scott Passey, City Clerk

PROBLEM/ISSUE STATEMENT:

The Shoreline School District boasts some of the most progressive and advanced music programs in our state and nation. Recently, the Shorecrest and Shorewood High School bands competed in a "Battle of the Bands" competition sponsored by a local radio station. Forty-five high schools throughout Western Washington competed for a chance to win \$10,000 for their school's band program. The top eight semifinalists included Rogers, Shorecrest, Shorewood, South Whidbey, Meadowdale, Decatur, Issaquah and Kentridge. Shorecrest High School was the Grand Prize Winner, and Shorewood High School took second place.

This proclamation proclaims the week of March 3, 2008 as "Shoreline Schools Band Week" and recognizes the Shoreline School District for their commitment to excellence.

Representatives from the Shoreline School District will be at the meeting to accept the proclamation.

RECOMMENDATION

No action is required.

Approved By: City Manager  City Attorney _____



PROCLAMATION

- WHEREAS, the Shoreline School District boasts some of the most progressive and advanced music programs in our state and nation; and
- WHEREAS, the bands of Shorecrest High School and Shorewood High School competed in the KZOK "School of the Rock Battle of the Bands" competition, sponsored by The Rock restaurants, where 45 high schools throughout Western Washington competed against one another for a chance to win \$10,000 for their school's band program; and
- WHEREAS, from the eight semifinalists, winners were chosen by judges Dr. Brad McDavid, director of the University of Washington Husky Marching Band, Gerard Schwarz, Seattle Symphony Music Director, and Donn Bennett of Donn Bennett Drum Studios; and
- WHEREAS, the Shorecrest band, directed by David Johnson, performed "Long Way to the Top" by AC/DC, which garnered them first place and the Grand Prize award of \$10,000; and
- WHEREAS, the Shorewood band, directed by Paul Harshman, performed "Frankenstein" by Edgar Winter, which earned them the Second Place prize and an award of \$5,000; and
- WHEREAS, the City of Shoreline recognizes the effort and determination by the students and faculty in our Shoreline Schools, and the heights to which hard work and dedication can carry them;
- NOW, THEREFORE, I, Cindy Ryu, Mayor of the City of Shoreline, on behalf of the Shoreline City Council, do hereby proclaim the week of March 3, 2008 as

SHORELINE SCHOOLS BAND WEEK

in the City of Shoreline and commend these talented musicians for their outstanding achievement.

Cindy Ryu, Mayor

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF STUDY SESSION

Monday, February 4, 2008 - 6:30 p.m.
Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Ryu, Deputy Mayor Scott, Councilmember Eggen, Councilmember Hansen, Councilmember McConnell, Councilmember McGlashan, and Councilmember Way.

ABSENT: None.

1. CALL TO ORDER

At 6:34 p.m., the meeting was called to order by Mayor Ryu, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Ryu led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present, with the exception of Councilmember McConnell, who arrived shortly thereafter.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Bob Olander, City Manager, provided reports and updates on various City projects, meetings, and events. He announced that Cleanscapes has begun delivering garbage and recycle containers to Shoreline residents. There are openings on the Planning Commission (Commission) and Library Board and applications are available at City Hall or on the City's website. The completed applications are due by February 22 by 4:00 p.m. Additionally, the next regular Commission meeting is on February 7 at 7:00 p.m.

4. COUNCIL REPORTS

Councilmember Way, Deputy Mayor Scott, and Councilmember Eggen reported on their attendance at the Association of Washington Cities (AWC) legislative conference in Olympia, where each of them attended different sessions relating to affordable housing, safety, graffiti, and gangs. They also met with the legislators representing Shoreline.

Mayor Ryu then reported on her attendance at the conference. She communicated that there was an emphasis on infrastructure issues called "Washington's Invisible Backbone." She also met with the Mayor of Woodway. She added that she attended a meeting hosted by King County

Councilmember Bob Ferguson with other mayors from north King County regarding flood district funding requests.

5. GENERAL PUBLIC COMMENT

a) Edward Zanidache, on behalf of New Space Theater in Shoreline, invited residents to the theater to attend a play.

b) Dick Nicholson, Shoreline, commented that the Shoreline Breakfast Rotary Club will be finishing their project at Ronald Bog this spring through Parks bond funding, which includes tree plantings and work adjacent to the freeway buffer on the northwest end of the park.

c) Les Nelson, Shoreline, noted that the Planning Department kicked off the Town Center and City Hall/Civic Center projects. He felt the facility will not be "civic centered" and that people are being misled. He said there was some confusion at the meeting and people do not understand the goal.

d) LaNita Wacker, Shoreline, apologized for her comments at the Planning Commission meeting in which she spoke as a retired real estate broker about the functional obsolescence of homes. She clarified that she doesn't want to devalue anyone's home and pride of ownership.

Mr. Olander commented that the proposed Civic Center/City Hall will include much more than offices. He said the elements are intended to reach out to the community. He said the facility is slated to feature meeting space, a courtyard, a parking garage, art exhibits, a farmers market, and other art opportunities. He said this facility will be a major City focal point and will set an example along Midvale Avenue N.

Councilmember Way commented that the City Hall is a work-in-progress and as the City moves forward, citizen input will be crucial. She added that some of the confusion is due to different interpretations of the term "civic center."

Mayor Ryu said she is looking forward to having a civic center and that it needs to be something that encourages civic participation, especially if 1% is to be spent on art. She suggested having a skate park.

6. STUDY ITEMS

(a) Economic Development Advisory Committee

Mr. Olander introduced this item and stated that the Economic Development Advisory Committee (EDAC) guides the City's economic development effort. He discussed the successes of the ad hoc economic development advisory committee and said it unified people and their efforts. Last year, the Council adopted Ordinance No. 475 which established the 16-member committee; however, after advertising the committee, the Council decided to postpone it in order to have the newly elected Council have input into the process. He added that the revised City

Manager and Economic Development Manager's recommendation is before them and it can be brought back for final appointments at the next business meeting. Mr. Olander recommended a maximum of nineteen members on this committee.

Tom Boydell, Economic Development Manager, stated that Shoreline residency is not a requirement of this committee.

a) LaNita Wacker, Shoreline, stated that the creation of this committee is long overdue, and it seems to be a well-balanced group. She said Elaine Solberg, a real estate broker who is listed as an extra on this committee, would be good to have on the committee. She suggested adding someone to represent the single family housing market and long-term mortgage financing.

b) Dennis Lee, Shoreline, emphasized the need for balance, noting that Forward Shoreline tends to "know" what's best for the residents. However, residents want to see people who struggle with economic development issues to be a part of this committee. He warned that if the City isn't careful, this will turn into another way for business properties to downzone from commercial to residential. He added that the comprehensive plan and land use components have not been a part of this.

c) Les Nelson, Shoreline, commented that this committee is heavily weighted toward development and developers don't want a limit, but the residents do. He stated that the multi-story buildings don't match what the City is doing with the Comprehensive Plan. He asked that more neighborhood residents be added on the committee.

d) Wendy DiPeso, Shoreline, stated that it is important that the City has highly qualified developers on this committee that can do quality projects within a budget. However, small businesses also need to be represented. She added that mixed-use is needed, but if weighted with developers and not small business, then it will reflect their unlimited goals. She felt the City needs to define the end goal.

Mr. Olander stated that economic development programs have advantages and disadvantages. He noted that the tax base is predominantly residential, which burdens residents. One of the goals is to shift that and try to create more local jobs. The guiding document, he commented, includes improving the infrastructure, the retention and growth of existing small business, major commercial centers, recruitment of new businesses, and community development.

Mr. Boydell pointed out that 12 of the 16 recommended members are involved in small businesses and three of them have development experience.

Mayor Ryu communicated that Mr. Lee and Mr. Nelson are worried about increasing residential at expense of space for retail. Mr. Olander felt the City's goals are not weighted toward multi-family development. Mayor Ryu suggested the modification of Ordinance No. 475 if the City wants more members.

Responding to Councilmember Eggen, Mr. Olander clarified that the Council can add or reduce the number of members on this committee. Councilmember Eggen felt there is a bias in favor of development in the City. He felt there should be person who works in a large retail store, a person involved in the restaurant industry, and a person in the "green" industry who understands energy and sustainability technology. He suggested the addition of three members to the committee.

Councilmember Way concurred, noting that the committee will grapple with the question of "what kind of developing we want." She urged retaining the City's retail base and not to overwhelm the City with housing. She suggested that the City staff work with a Council committee to narrow down the choices.

Councilmember McGlashan felt the list as presented by staff was well-balanced. He said there are twelve representatives from small business, including eight business managers. He added that there are only two developers, and he doesn't see a reason to add more members. He suggested the Council move forward with the current nominees.

Councilmember Hansen agreed that the list looks balanced, adding that this was assigned to the City Manager to keep it from becoming politicized. He said it is presumptuous to guess what 16 individuals on an economic development advisory committee will come up with. He said the City Manager has done an excellent job.

Councilmember McConnell commented that she has been on several large committees and she does not understand the need for 19 members. The larger this committee becomes, the more difficult it is to make decisions. She added that she is not in a position to look at each of the resumes and consider them in the same light as the City staff has already done. She also felt that developers bring in a bigger picture and a level of experience that is needed on the committee. She agreed with the proposed list.

Councilmember Eggen agreed that the people on the list with the development experience are good, but felt there is a predominance of developers on the list. He said there are also small businesses that need to be considered on the committee.

Councilmember Hansen said there are 12 small business representatives on the list with only one active developer. He added that three of the small business people on the list have development experience.

Councilmember Way said there are three developers on the list and the Council is not against developers, but having a mix is important. She suggested there be another woman on the list and a restaurant owner.

Mr. Olander summarized that the Council should focus on the base question of whether to expand the committee.

Deputy Mayor Scott commented that the Council represents the public and this item needs some fine tuning by a committee. There is a person with an economics consulting background that isn't listed as a possible member on the committee, and that concerns him.

Mayor Ryu said that the reason she asked about a maximum number of members is the last Council wanted it to be more than twelve members. Now, she explained, she is hearing that at least four Councilmembers would like to see representatives from other local cities. Therefore, if the Council wants to see more representation, she would support it. The more diverse, the richer the outcome, she stated.

Councilmember Way moved to have the City staff work with a small Council committee to nominate members and bring to the full Council. Mayor Ryu seconded the motion.

Councilmember Eggen moved that the committee only consider additions and not remove any of the current nominations. Councilmember Hansen seconded the motion, which carried 5-2, with Councilmember Way and Mayor Ryu dissenting and Councilmember McConnell abstaining.

Mayor Ryu moved that the committee be comprised of an indefinite number of members. Councilmember Way seconded the motion. After further discussion, Mayor Ryu moved that the total number of members be restricted to 22. Councilmember Way seconded the motion. A vote was taken on the main motion to direct City staff to work with a small Council committee and nominate members to recommend to the full Council a total of 22 committee members, which carried 4-3, with Councilmembers Hansen, McConnell, and McGlashan dissenting.

Mayor Ryu volunteered to serve on the subcommittee, along with Councilmember Way and Councilmember McGlashan.

Mr. Olander said he has grave concerns about the size of this committee and said it is hard for a group of this size to have reasonable discussion and arrive at a conclusion. He suggested a limited number of participants.

(b) Ronald Bog Drainage System Update

Mr. Olander introduced Jesus Sanchez, Public Works Operations Manager, Tricia Juhnke, Capital Projects Manager, Jerry Shuster, Surface Water Manager, and Ross Heller, Project Engineer.

Mr. Sanchez presented information on the Thornton Creek basin, which is a sub-basin of Ronald Bog. He added that the bog history includes past projects in the entire basin. He highlighted that this presentation will focus on the Surface Water Master Plan, short term actions, currently planned projects, future planned actions, the Surface Water Utility Fund, and concludes with a summary and recommendations.

Mr. Schuster noted that the southern portion of the Ronald Bog neighborhood was built on top of the bog. He added that from an engineering perspective, this is a very difficult problem to solve. He stated that the Surface Water Master Plan is the first one adopted in the City's history.

Ms. Juhnke discussed the major projects completed in the basin which focused on reducing flooding while not increasing downstream flows. She noted that there have been upgrades since the December 2007 flooding that the City experienced in that area.

Mr. Schuster outlined future planned actions, noting that the City needs to generate a detailed and comprehensive basin plan that may include flood plain mapping to assist the City in resolving this issue. Unfortunately, standard flood protection methods will not work in this neighborhood.

Councilmember Way commented that the trees along the bog have struggled and wanted to know if the City needs to integrate a tree restoration project and a National Wildlife Federation Habitat Project there. Mr. Sanchez responded that there should be some coordination concerning that project and this is a regional WSDOT detention facility. WSDOT has already stated it will work with the City to create a conveyance system along I-5.

Councilmember Eggen confirmed that the primary goal of the improvements south of Ronald Bog on Corliss Avenue is to make sure the bog stays at a low level before it rains so there is capacity.

Mr. Schuster said there have been periodic studies to see if the City's storm water utility fees are adequate for improvements. Additionally, FEMA grant funding along with King County Flood Control Zone District funds are also being considered for upgrades.

Mr. Sanchez stated that the bog is a complex system that requires a strong and detailed analysis of its hydrology. He highlighted that the City doesn't know the final solution and it is important for the City to understand there are historic flows. These historic flows need to be maintained and they represent the maximum amount of water that can be sent through the system. He also said the City will deal with detention levels and conveyance issues.

Councilmember Hansen wanted to know where the water flow will discharge if a bypass pipe is run down I-5. He stated the freeway has changed the entire hydrology of the area.

Mr. Olander noted that overall strides have been made to reduce flooding throughout the City. He highlighted that there are more severe and difficult flooding issues in the City, and the City shouldn't put all of its resources into Ronald Bog and Thornton Creek. However, the City staff knows this is one of highest priorities. There are intermediate solutions such as detention which is already in the capital budget. However, he felt the next step is to take a more comprehensive look at the City drainage basins: McAleer, Ballinger, Boeing Creek, and Thornton Creek. The City needs more detailed drainage basin plans and time to validate computer models. He said once they are validated and the plans are complete, more capital projects will be generated.

Mayor Ryu called for public comment.

a) LaNita Wacker, Shoreline, commented that there was a lake created along I-5 and an active peat dredging business. She added that the removed peat is a part of what protected homes south of the bog.

b) John Behrens, Shoreline, said there used to be two lakes and a fish stream that were 150 yards north of the park. With the effects of development, the lakes were drained and the bogs were removed. He said when pervious structures are eliminated, the flows pass into Ronald Bog. He summarized that it is going to take an intelligent use of funds for the City to deal with this problem. He concluded that new developments need to have impact fees.

Councilmember Eggen asked if there were opportunities for infiltration along I-5 between Ronald Bog and 145th Street NE.

Mr. Sanchez responded that the City is very early in process and there has been discussion about a potential pipe system or detention. However, he is not sure if it's an option at this point.

Councilmember Eggen wondered if any new construction in the basin should require more infiltration and possibly have a zero-runoff requirement.

Mr. Olander responded that one of the goals is to adopt the King County drainage manual and some low-impact development standards which would require more on-site infiltration on site, not just detention. He said getting technical data will help, but if 99% is already built out, the City will have to consider how to retrofit existing neighborhoods.

Mr. Sanchez outlined that every basin is unique. He noted that the Thornton Creek basin is largely glacial till, which does not readily infiltrate.

Councilmember Way highlighted page 14 of the staff report which said "overdevelopment is the root cause of the problem." She added that a comprehensive basin plan is needed to include impact fees.

Councilmember McGlashan clarified that no work was going to be done on Station 25 until the bog capacity has increased. Mr. Schuster responded that he was correct and that the flows go directly into the bog.

Councilmember McGlashan highlighted that there were 12 homes between 172nd and the bog, and almost half of them flooded. He said people need training on sandbags. Mr. Sanchez said the City staff met with residents as best as they could on the placement of sandbags and how to fill them during the event. Councilmember McGlashan inquired about containment vaults and wanted to know if it is something the City can start using to catch overflow. Mr. Sanchez said the City needs to look at all opportunities for detention, including natural bio-swales.

Councilmember McGlashan questioned if a bio-swale could be added to the area between the homes and I-5.

Mr. Sanchez responded that there needs to be a study of the area, both above and below ground. He noted that WSDOT will also be preparing a report on the area.

Councilmember McGlashan asked if the City can do anything to help with flood disclosure on homes that are sold. Mr. Sanchez replied that there are state housing laws which require such disclosure. Mr. Olander added that the area is not in a mapped floodplain zone and there are advantages and disadvantages to that.

Mayor Ryu discussed the various options that came with the Cromwell Park study and she is glad to hear the City is looking at a 1.5 to 3-acre figure. She said she didn't think all the water can be contained all of the time, so infiltration needs to be considered. She said the residents and City staff will need to be proactive to prevent flooding. She asked about the Olympia tour concerning economic impacts and said there is a zero-impact development code that the City of Tumwater has adopted. She felt that if the City should encourage builders to build green and provide incentives.

Councilmember Way commented that she visited the zero-impact site in Olympia. She added that there is a project in Spanaway with 5 to 6 miles of low-impact swales. She asked the City staff to consider what type of funding is available in order to do something similar in Shoreline.

RECESS

At 9:24 p.m., Mayor Ryu called for a seven minute recess. At 9:32 p.m. the Council meeting reconvened.

(c) Resolution No. 271 adopting the Planning Commission's 2008 Work Plan

Joe Tovar, Planning & Development Services Director, commented that last year the Council passed Resolution No. 254 which was the Planning Commission (Commission) work plan. He said this new plan has been reviewed by the Commission with some revisions. He said the Comprehensive Housing Strategy, the Environmentally Sustainable Community Strategy, and the Ridgcrest Commercial Community Vision would drop off of the work program as completed tasks in the next couple of months. He said the Town Center, South Bridge Subarea Plan, Shoreline Community College (SCC) Master Plan, and the Southeast Shoreline Subarea Plan would be in the work plan. Additionally, the City staff is monitoring the Fircrest Master Plan. He highlighted that the chart attached to the resolution doesn't represent the entire work program, only the major items. He stated that subarea plans and legislative area rezones are tools the City can use to implement the comprehensive plan. He proposed that the South Aurora Triangle be combined with the South Bridge area, and then dividing the entire area into five distinct subareas. He added that the Commission recommended reassigning review of quasi-judicial items to the hearing examiner; however, the Council would remain the decision-making authority for quasi-judicial matters.

a) Susan Melville, Shoreline, stated she is trying to locate a traffic study letter from the attorney of the Overland Trailer Court to the City. She said last week there was a Parkwood traffic meeting, and a City staff member said there was a parking study done. She commented

that said there was no neighborhood outreach done. She discussed the neighborhood meetings coming up in May and October. She also discussed the March hearings on the moratorium and the June 19 South Bridge Planned Area update. She said she is a regular citizen trying to navigate through the bureaucracy and it would be helpful if she could talk to somebody and have answers to what really exists. She concluded that Mr. Tovar has been very generous with his time, but she can't go to him all of the time.

b) Les Nelson, Shoreline, commented that he thought the Commission didn't want the quasi-judicial hearings to go to Hearing Examiner. He commented that the language in the Growth Management Act concerning the subarea plans is clear, but the City's is not. He felt the City is changing the definition of how subareas can be treated. He also stated that he would like to see the separate zones treated comprehensively and with some fairness. He felt there needs to be interim controls which would allow the communities to agree what should be in the Comprehensive Plan.

Mr. Tovar responded that the Commission does want to retain much of their work responsibilities which are on page 23. He also replied that a traffic study was not submitted for the 152nd Avenue project, only a parking study which was reviewed and is available to the public.

Councilmember McGlashan asked if the developer did a traffic study and didn't submit it to the City. Mr. Tovar responded that there was a neighborhood meeting and members came and spoke to the Council. Shortly thereafter, a moratorium was introduced by the Council which prevented the development and any applications being submitted to the City.

Councilmember Way asked what types of things are not included on their work plan list. Mr. Tovar responded that the Commission agenda planner is no more fixed than the Council agenda planner. However, it highlights lots of things they will address in the future.

Councilmember Way added that she would love for each of the Commissioners to send the Council a priority list so the Council can see what they are interested in. She asked why in the subarea plan the Echo Lake section stops at N 195th Street.

Mr. Tovar replied that his thinking has evolved and this is a discrete area; different from what lies north and south of it. He added that the Town Center study will determine where the boundaries lie because it will extend to N 195th Street.

Councilmember Way asked if the Commission knows how the different areas will impact each other and if everything is being considered as a whole.

Mr. Tovar replied that some areas need to be delimited because everything can't be considered at once. The subarea plan, he explained, can synthesize all the land use statements and come out with policy at the end. These statements will be very specific to each area which will stop the endless, parcel-by-parcel debates.

Councilmember Way stated that she would still prefer all of Echo Lake included in the same subarea.

MEETING EXTENSION

At 10:00 p.m., Councilmember Way moved to extend the meeting until 10:30 p.m. Councilmember Eggen seconded the motion, which carried 4-3, with Councilmember Hansen, Councilmember McConnell, and Councilmember McGlashan dissenting.

Mayor Ryu suggested the Fircrest Master Plan be added to the Commission work plan.

Mr. Tovar urged the Council not to get fixated on the agenda planner and that the Commission has recommended these items to the Council. He added that sign code amendments can also be added to their list.

Councilmember Way commented that the Commission is very busy. She suggested that there be a subcommittee made up of Council and citizens to come up with an environmental design review committee to manage several of these items. She also firmly opposed the idea of having the hearing examiner take on quasi-judicial cases. She commented that the hearing examiner is a judge, and isn't user-friendly. She felt the Council should request that the Commission not relinquish this duty.

Mayor Ryu commented that she has heard arguments for and against Aurora Avenue and the decision process was pretty "cut-and-dried." She asked if there is any kind of flexibility in hearing examiner proceedings.

Mr. Tovar responded that judges make decisions, whereas the Commission and the hearing examiner make recommendations to the Council. The Council would be free to take or dismiss the hearing examiner advice. He added that any quasi-judicial issue that comes up is governed by specific criteria in the code, evidence, facts, policies, and regulations and the hearing examiner is trained in handling that. The Commission is not.

Mr. Sievers highlighted that the rules of procedure are distinguished by a pre-decision hearing and the same rules apply to the Commission and the hearing examiner. He commented that the nature of the hearing shouldn't change if the case is heard by the hearing examiner or the Commission.

Mayor Ryu commented that the nature may not change, but the quality of the hearing may change based on the fact that the hearing examiner isn't vested in the community.

Mr. Sievers responded that community panels bring different things. He agreed that the hearing examiner would probably be more disciplined in what they're looking for in their recommendations.

Mr. Olander added that a quasi-judicial hearing should be less subjective. He said hearing examiners are trained to be more objective. Quasi-judicial hearings should be based on rules,

facts, arguments, etc. Hearing examiners are better at forming an appropriate record, he stated. He agreed that the Commission would bring the values of the community into consideration, but they must be careful not to be too subjective.

Mayor Ryu summarized that a hearing examiner would have a very correct process, but the City doesn't have a perfect development code. She noted that the Commission can overlay community values.

Councilmember Way said this is an extremely important issue and it goes to community character. The hearing examiner will interpret the law, she said. Additionally, the Commission is not paid and the hearing examiner is contracted by City which may have some implications in the future. She felt the Commission has a more community-based view by their nature.

Councilmember Eggen agreed that this needs to be taken seriously. He felt he would need to know how much the costs associated would be and if there are any other reasonable alternatives based on the Commission work load. He wondered if the Commission could form two bodies to work on non-controversial items.

Mr. Tovar relayed that the Commission didn't want to split into two bodies. Another alternative, he pointed out, would be to move everything back by three or four months and have them work on all of it.

Mayor Ryu added that a third option would be to create an environmental design review committee. She said she is sure the Commission would like to stay together, but perhaps the City needs another body to handle quasi-judicial hearings.

Mr. Olander commented if the City creates a second Commission to hear quasi-judicial items he is not sure how well it would be received.

Mr. Tovar said he is not keen on it. He said the quasi-judicial items are like permits, and the idea is to have the applicants pay the costs of the hearings.

Deputy Mayor Scott summarized that the Commission would like to have the quasi-judicial items heard by the hearing examiner. The concern, he explained, is that the hearing examiner is not from the community and will only give the technically correct answer without any community values included. He added that the Commission doesn't want to split in two, so he wondered about their reluctance to break into a subgroup for quasi-judicial items.

Mr. Tovar replied that there wasn't a lot of discussion on that, but reluctance because they were concerned about how to divide the legislative items from the quasi-judicial work.

Councilmember Eggen expressed concern if portions of the Commission, or a new Commission focused on quasi-judicial items because they might adapt a more technical decision-making style.

Councilmember Way said she isn't suggesting breaking up the Commission. She said she is suggesting another committee be formed.

Mr. Olander commented that the Commission felt a design review board should be created in the future. However, the City needs the design review standards first. He commented that the environmental sustainability portion is intriguing, but it creates another layer of work and should be submitted as a Council retreat item.

Mr. Tovar stated that the resolution is a statement of intent and could be brought back for action. He suggested the quasi-judicial element could be removed and the Council could adopt the resolution and validate the Commission's priorities.

7. ADJOURNMENT

At 10:32 p.m., Mayor Ryu declared the meeting adjourned.

Scott Passey, City Clerk

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

Monday, February 11, 2008
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Cindy Ryu, Deputy Mayor Terry Scott, and Councilmembers Keith McGlashan, Chris Eggen, Janet Way, Doris McConnell, and Ron Hansen

ABSENT: none

STAFF: Julie Modrzejewski, Acting City Manager; Debbie Tarry, Finance Director; Ian Sievers, City Attorney; Joe Tovar, Planning & Development Services Director; Mark Relph, Public Works Director; Dick Deal, Parks, Recreation & Cultural Services Director; John Norris, Management Analyst; Eric Bratton, Management Analyst; Scott Passey, City Clerk

GUESTS: Eric Larson, Washington Cities Insurance Authority (WCIA); Lisa Roberts, WCIA Risk Manager

Mayor Ryu called the meeting to order at 6:12 p.m. There were introductions around the table.

Eric Larson, Washington Cities Insurance Authority (WCIA), and Lisa Roberts, WCIA Risk Manager, gave a presentation on the Washington Cities Insurance Authority. Mr. Larson explained the background and purpose of the WCIA, noting that it was created in 1981, has 19 employees, over \$100 million in assets, and 127 members. The WCIA differs from other insurance companies in that it is governed by a board of directors of the membership. Debbie Tarry, Shoreline's Finance Director, serves on the WCIA board.

Mr. Larson stated that the WCIA provides a better defense of claims and lawsuits because of its pooled resources. The WCIA defends every case if it feels there is no negligence, and it wins over 70% of cases that go to trial. He then outlined the benefits of WCIA membership, which include broad coverage, claims handling, risk management, consultations, training, and pre-defense review.

Councilmember Eggen asked about the advantage of defending every case in which WCIA feels there is no negligence. Mr. Larson replied that it sends a strong message to the legal community, provides good case law, and WCIA has the expertise and means to defend itself. Dick Deal, Parks, Recreation & Cultural Services Director, commented that the number of claims was greatly reduced after the WCIA was established.

Mr. Larson continued his presentation, noting that WCIA excels in personnel issues and land use. He outlined the liability coverage offered, which includes \$20M limits with no deductible.

Responding to Mayor Ryu, Mr. Larson confirmed that the deductible is offered because it allows cities to weigh the cost/benefit of assuming risk for lower insurance assessments. He said this is what is commonly referred to as "risk management." Ms. Tarry added that the City of Shoreline does not get many liability claims.

A brief discussion followed regarding earthquake and flood coverage. Mr. Larson pointed out that simply because we own it does not mean that we're responsible; the test is negligence. "Acts of nature" do not usually constitute negligence; in addition, if we did not create it or know about it, we may not be responsible.

Mr. Larson then discussed other coverage elements as well as Shoreline's 2008 liability assessment. Although Shoreline's loss rate ranks 19th out of 20th in its group, it should improve as the 2002 losses drop off for the 2009 assessment. Mr. Larson then explained the process for handling claims, which includes investigation and a determination of liability. He outlined the elements of negligence, including duty owed, breach of duty, proximate cause, and damages as a direct result. He concluded his presentation by explaining what to do if an incident occurs.

Mayor Ryu declared the meeting adjourned at 7:18 p.m.

Scott Passey, City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, February 11, 2008 - 7:30 p.m.
Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Ryu, Deputy Mayor Scott, Councilmember Eggen, Councilmember Hansen, Councilmember McConnell, Councilmember McGlashan, and Councilmember Way

ABSENT: None

1. CALL TO ORDER

At 7:32 pm., the meeting was called to order by Mayor Ryu, who presided.

2. FLAG SALUTE/ROLL CALL

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

(a) Proclamation of "Black History Month"

Mayor Ryu proclaimed the month of February as Black History Month throughout the City of Shoreline and presented the proclamation to Dr. Ernest Johnson, Professor of Multicultural Studies at Shoreline Community College.

Dr. Ernest Johnson said he is honored to accept the proclamation and it is gratifying to know that the City of Shoreline recognizes the contributions of African-Americans and diversity in our society.

3. REPORT OF THE CITY MANAGER

Julie Modrzejewski, Acting City Manager, provided updates and reports on various City projects, meetings, and events. She announced that Police Chief Tony Burt has accepted a promotion with the King County Sheriff's Office and is departing Shoreline.

Councilmember Hansen commented that there are several police officers who have been promoted based on their work in Shoreline and there is a long record of very good officers that the City is proud of.

Ms. Modrzejewski stated that the Shoreline Recycling & Transfer Station reopening ceremony is on February 13 at 10:00 a.m.

Councilmember Way commented that she served on the advisory committee for the transfer station remodel. She highlighted that the facility is LEED certified and protects the stream buffer. She added that this is a model facility that the City can be proud of.

Ms. Modrzejewski commented that the City business offices are closed for President's Day and that there is a Hamlin Park improvement community meeting on February 20 at 7:00 p.m.

4. REPORTS OF BOARDS AND COMMISSIONS

Councilmember McGlashan reported on the Shoreline Water District meeting, and they are moving along with their comprehensive plan. Additionally, the union negotiations are continuing and SWD has ordered two new generators which will prevent Shoreline residents from not having water in the event of a power loss. He reported on the Committee to End Homelessness meeting and commented that he was accepted to the National League of Cities Community and Economic Development Policy Board and Steering Committee.

Councilmember Eggen attended training on parliamentary procedure and the role of the mayor in cities. He also attended a Municipal Solid Waste Advisory Committee meeting, and the topics were "sharps" waste, illegal dumping, and draft goals for recycling and reduction of waste.

Councilmember Way attended the caucus event last Saturday and thanked the voters that came out in the 32nd District.

Councilmember McConnell thanked former Mayor Ransom for recommending her to serve on the 2008 National League of Cities Human Development Committee.

Councilmember Hansen said there is a Regional Water Quality Committee meeting tomorrow concerning pharmaceutical waste issues. He added that he has applied for membership on the local hazardous waste advisory committee.

Mayor Ryu reported on her Washington, D.C. trip and commented that the schedule was ambitious. She said she met with Representative Murray, Congressman McDermott, and Congressman Inslee. She announced that she attended a Ronald Wastewater District meeting and asked the Council to review the information she brought from them.

5. GENERAL PUBLIC COMMENT

a) Tom Poitras, Shoreline, commented that his neighbors didn't know about the proposal to build or rezone in the Ridgecrest area. He added that the City's intentions aren't clear at the meetings. He asked if it was legal to make major zoning changes without posting information about it at the site. Additionally, he said some of the Planning Commission members warned that the project could be bad for some Ridgecrest neighbors.

b) Wendy DiPeso, Shoreline, urged the Council to support the future resolution on the Lake Ballinger Basin Action Plan. She said that water has no boundaries and it needs to be addressed regionally.

c) Les Nelson, Shoreline, stated he checked the information line and there has been some confusion experienced by citizens about what's happening and when. He commented that the Shoreline ads in the newspaper no longer include the City of Shoreline logo. He commented that the website is good, but he felt notices weren't easy to find there. He urged the Council to pay attention to the public notification process and make it a priority.

Ms. Modrzejewski responded that she is satisfied that the City is complying with the legal requirements for notification on Ridgecrest and other meetings in the City.

Councilmember Eggen expressed concern that people within four blocks of the Ridgecrest site weren't notified.

Ms. Modrzejewski responded that there were over 100 residents at the visioning workshops, but she felt there may be a disconnect now.

Councilmember Way stated that providing public notice is one of the City's main responsibilities and that copies of the Enterprise are not always easy to find because they aren't delivered all of the time.

Mayor Ryu asked if the City can put notice up at the Ridgecrest site.

Ms. Modrzejewski commented that City staff would be happy to address the issue next week because there is time during the next meeting. She added that she will confirm that the City logo is used on City public notice listings in the Enterprise. She stated that the Lake Ballinger Basin Action Plan is on the April 7 Council meeting agenda.

Councilmember Way stated that having noticing policies added to the PC work plan would be good. She also wanted research done on what noticing has been done for the Ridgecrest item.

Councilmember McGlashan stated that the April 7 meeting is a joint meeting with the Planning Commission and requested that the PC participates in the meeting.

Deputy Mayor Scott added that he also wanted the details, goals, and processes of the Ridgecrest meeting public notices.

6. APPROVAL OF THE AGENDA

Councilmember Eggen moved approval of the agenda. Councilmember McGlashan seconded the motion, which carried 7-0, and the agenda was approved.

7. CONSENT CALENDAR

Councilmember McGlashan moved approval of the Consent Calendar. Councilmember Hansen seconded the motion, which carried 7-0 and the following items were approved:

- (a) Minutes of Business Meeting of January 14, 2008**
- (b) Approval of expenses and payroll as of January 30, 2008 in the amount of \$2,456,328.07**
- (c) Motion to Authorize the City Manager to execute a contract with King County Parks to obligate grant funding totaling \$50,000 for Cromwell Park Improvement Project**
- (d) Motion to Authorize the City Manager to execute a contract with the Washington State Recreation & Conservation Office to obligate grant funding totaling \$300,000 for Richmond Beach Salt Water Park Improvement Project**

8. ACTION ITEMS

- (a) Motion to adopt the Cromwell Park Master Site Plan and authorize the City Manager to Execute a Contract with Susan Black and Associates for \$173,500 for Design and Construction of Phase 1 Projects**

Dick Deal, Parks, Recreation and Cultural Services Director, stated this item provides the Council with an update to the Cromwell Park Master Site Plan. He introduced Peggy Gaynor, of Gaynor Incorporated, Chuck Warsinske from Susan Black and Associates, and Ross Heller, Project Manager for Cromwell Park. He stated that the site is nine acres, was originally designed for storm water detention, and is the headwaters for Thornton Creek. He outlined the history of the public process on this project.

Ms. Gaynor discussed the history of the site and displayed aerial photographs. She stated that in the mid 1950's the site was developed to what it is today. There was Cromwell Elementary and in the middle of the 1990's the courthouse was built. She commented that both of those buildings changed the topography and character of the site. The public process included a series of alternatives and there was public support for the integrated plan, which included burying the peat bog at the edge of outfield, creating an entrance off of Meridian, adding ADA accessible paths, and other amenities.

Councilmember Way asked if the new design would alter the existing forested area. Ms. Gaynor responded that some trees will be removed to expand the wetland and create view corridors. Mr. Warsinske stated the area south of pathway will remain as-is and explained the different gradations and zones going from southwest to northeast. Councilmember Way wanted to know if the removed trees can be reused on the site. Ms. Gaynor responded that some of them will be.

Councilmember McGlashan inquired about the size of the trees to be removed. Ms. Gaynor responded that the removal would not be significant because much of the site will be revegetated.

Mr. Warsinske said that the trees along the 180th corridor have been topped due to power lines and some will be removed so they don't have to be topped in the future.

Councilmember McGlashan asked if the removed trees can be used for artwork on the site so the City can get more out of the 1% art funding. Ms. Gaynor said they can be used for woody debris and weirs. She added that an artist has been retained to address such issues.

Mayor Ryu questioned if the art will be functional on the site and if there will be signage. Ms. Gaynor responded that there will be interpretive art at the park. Mr. Heller revealed the Plan Enhancements slide and stated there would also be some enhancements to King County property.

Councilmember Way asked if there would be bike paths. Mr. Warsinske said bike riding is acceptable on the site and identified the areas where it would be allowed. He stated that there is an oversized drain under the ball fields for detention which meter out into the wetland. He added that the adjacent neighbors want views into the park and there will be plenty of parking in the area.

Councilmember Eggen asked how large the current vault was on the site. Mr. Warsinske responded that there was a 3,000 gallon detention pond east of the courthouse and the water goes into that and meters out down to Meridian and Ronald Bog. This detention will be moved into the wetland. Ms. Gaynor added that this is not a vault, but an open pond. She added that the detention in the current pond and from the Corliss pipe will be moved into the wetland detention. She explained that there are four different water sources that will be balanced for detention and water quality treatment. Councilmember Eggen asked if soil work will be done so it won't flow off of the field. He also wondered if pervious pavements were going to be used. Mr. Warsinske replied that there needs to be a soil profile done on the fields so the water percolates. He noted that the pathways are relatively narrow and don't need to be porous; additionally, the amphitheater is an open-celled, grass-paved system.

Mr. Deal stated there are two projects where porous pavement is being utilized, Richmond Beach Saltwater Park and south of South Woods.

Councilmember Eggen inquired what a linear water quality swale was. Ms. Gaynor stated that you get better water quality with longer swales, with some detention. She displayed some schematic cross-sections of the area and said it is a natural irrigated landscape.

Mr. Heller discussed the cost summary for this project and stated that Phase 2 remains unfunded. He stated that the City is looking for grants and the design phase will involve the Washington State Department of Fish and Wildlife and the Army Corps of Engineers. Phase 1, which is funded, will have all of the storm water upgrades, recreation elements, and pathways. He presented the project schedule and pointed out that the design phase is from March until November 2008 and construction should begin in early 2009. Additionally, the King County negotiations will occur concurrently with the project, as will the SEPA process and the hydraulic approval process. Mr. Warsinske stated that this schedule allows for an opportunity to bid this in early 2009 timeframe or late 2008, whichever is the best time. Mr. Deal thanked the Public Works Department for their assistance, especially Jerry Shuster.

Mayor Ryu called for public comment on this item.

a) Gretchen Atkinson, Shoreline, said she has lived by Cromwell Park for forty years and has seen lots of changes. She said she has seen funding for Cromwell Park pulled to build soccer parks and looks forward to its completion. She urged the Council to approve this item.

Mr. Deal explained that there was some funding in the capital improvement plan that was directed to the Shoreline Fields A & B for park improvements.

Councilmember Way moved to adopt the Cromwell Park Master Site Plan and authorize the City Manager to execute a contract with Susan Black and Associates for \$173,500 for the design and construction of Phase 1 projects. Councilmember Hansen seconded the motion.

Mr. Deal responded to an inquiry from Councilmember Way concerning public notice. He stated that the City works very hard on public notice through *Currents*, an email list, the City website, Channel 21, and other means.

Councilmember McGlashan stated that some residents have contacted him about being able to see the play area from the amphitheater. Ms. Gaynor stated that they will be able to look under the trees and will ensure that the parents can see their children in the play areas. Councilmember McGlashan asked if the goal was to remove about 70 trees. Ms. Gaynor said they haven't determined the total number yet. Councilmember McGlashan wondered what would happen to the paths if the bridges aren't included on Phase 1. Ms. Gaynor responded that they are looking at alternative ways to utilize materials that look like bridges because the budget is tight.

Mayor Ryu appreciated the City staff work on storm water and detention. She specifically asked for funding for functional art. Mr. Deal confirmed that staff will come up with a functional design that will be integrated into the project. He highlighted that all of the water drainage is coming through the Corliss line and this project presents an opportunity for infiltration. This water will be cleaned and impounded, resulting in an enhanced storm water system for the area.

A vote was taken on the motion on the table to adopt the Cromwell Park Master Site Plan and authorize the City Manager to execute a contract with Susan Black and Associates for \$173,500 for the design and construction of Phase 1 projects, which carried 7-0.

9. ADJOURNMENT

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

Scott Passey, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Community Priorities/Long-Range Financial Planning Advisory Committee
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

On October 22, 2007, the City Council directed staff to establish a Long-Range Financial Planning Advisory Committee. The attached memorandum (Attachment A), reviewed by Council at the October 22 Workshop Dinner Meeting, provided the guidance for establishing the committee. The Council recommended that staff proceed with recruiting applicants at-large, as opposed to specifically selecting applicants from organizations that currently received direct funding from the City. Applications were solicited starting in early December through January 25, 2008. The City received 36 applications for this advisory committee. The City Manager provided his recommendation to appoint 19 of the applicants to the City Council at the February 19th Study Session. The City Council voted to form a Council subcommittee to review the recommendation and bring forward a subcommittee recommendation to the Council as a whole. The committee met on February 25, 2008, to discuss and finalize their recommendation to the full Council. The committee's recommendation is included in this staff report.

BACKGROUND:

During the April 2007 City Council retreat staff and Council discussed establishing a community advisory committee to develop recommendations to the City Council regarding the City's long-term financial strategy.

Since incorporation Council has focused City resources towards improvements to roads, parks, surface water, and pedestrian infrastructure. We have developed a level of City services that has resulted in 92% of our residents feeling safe in their neighborhoods during the day and 83% of residents responding to the citizen survey rating their overall quality of life in Shoreline as excellent or good. This has been done by allocating City resources in a very efficient and fiscally conservative manner. Until recently the City had not issued any debt to make improvements, but rather used locally generated revenues and grants. Operating services, such as public safety, parks, zoning, and many others were provided within existing resources and when those were not adequate the staff and City Council focused on service efficiencies and base budget reductions to balance its budget.

During this time period the City Council continued to focus on the City's long-term financial health and stability. In 2006 it became apparent that to continue to provide the

services our community values, additional resources would be required in 2008 and beyond. In 2007 the City Council authorized base budget reductions of \$78,000, an increase in the cable utility tax rate, and authorized the City Manager to notify Seattle City Light (SCL) that we would phase in the SCL contract payment on the distribution portion of electric revenues during 2008 and 2009. These steps were taken to close projected budget gaps for 2008 and 2009. Beyond that time period the City is projected to have on-going budget gaps, as revenues continue to grow at an overall slower pace than what is necessary to maintain even the current level of basic services.

The City Council has committed to developing a strategy to address the community's long-term service needs and a financial plan to meet those needs. This includes appointing a Community Priorities/Long-Range Financial Planning Advisory Committee.

Staff advertised that the City was taking applications for this committee starting in early December with announcements in Currents, the Enterprise, and the City's website. In addition to this staff contacted citizens who had participated on the ABC Team (Aurora), the Comprehensive Housing Committee, the public service prioritization exercises in 2005, the Parks Bond Advisory Committee, and interested individuals by word of mouth, mail, and e-mail. The original closing date was January 18th, but this was extended to January 25th, to allow for more time for applicants to submit materials. The City received 36 applications. The City Manager reviewed the applications and recommended 19 of the applicants be appointed. The City Council voted to form a subcommittee to review this recommendation.

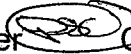
A subcommittee of three members of the City Council (Deputy Mayor Scott and Councilmembers Eggen and Way) convened on February 25, 2008 to review the applicant list. The subcommittee developed a list of 19 recommended applicants to propose to the full Council (Attachment A). The subcommittee's recommendation includes 13 of the applicants originally recommended by the City Manager. In addition staff recommends that the City continue to seek a representative from the Shoreline School District (staff has talked with the School District and they intend to appoint a staff person to participate in this committee). The recommended list of appointees is based on a desire for balance of many different areas including: gender, representation from different neighborhoods throughout the City, participation in City committees, and length of residency in Shoreline. Two of the recommended appointees are not residents of Shoreline, but do own businesses in Shoreline. Attachment B is a complete list of applicants. The applications are available in the City Council Office for Council review. Attachment C is a map of the residential or business location of the recommended appointees.

FINANCIAL IMPACT:

Staff has hired NW Public Affairs to assist in the facilitation of the committee and the process. The contract is \$30,000 for these services.

RECOMMENDATION:

The City Manager recommends that the City Council confirm the appointment of the 19 individuals listed in Attachment A.

Approved By: City Manager  City Attorney _____

ATTACHMENTS

Attachment A – List of recommended appointees

Attachment B – List of applicants

Attachment C - Map of residential/business locations of recommended appointees

ATTACHMENT A
COMMUNITY PRIORITIES/LONG-RANGE FINANCIAL PLANNING
RECOMMENDED APPOINTMENTS

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
1. Gary Batch		X	Ridgecrest		Shoreline Chamber; Small Business - Financial Planning
2. William Bear	X		Briarcrest	Briarcrest Neighborhood Association	Sustainable Shoreline; Shoreline Community Care Director; Director of Non-Profit
3. Gloria Bryce		X	Highland Terrace	Highland Terrace Fremont Trail Neighborhood Grant	Shoreline-LFP Arts Council; Former Museum Board Member
4. Wade Carter			Not a Shoreline Resident		Shoreline Chamber; Owner of Carter Subaru
5. Keirdwyn Cataldo	X		Highland Terrace	CERT; Housing Strategy CAC	Shoreline Fire Dept CAC
6. William Clements		X	Richmond Beach	Richmond Beach Community Council; Parks, Recreation & Cultural Services Board; Co-Chair parks Bond Campaign	Business Owner outside of Shoreline
7. Kathie Crozier		X	Richmond Highlands		Retired – Premera Blue Cross – Accident Investigator/ Technical Trng Specialist; WA State and Seattle Youth Soccer Association
8. Walter Hagen		X	Hillwood		Concerned Citizens for Shoreline; Shoreline Merchants Association; Shoreline Chamber
9. Paul Herrick		X	Hillwood		Shoreline Community College Foundation; Philosophy Instruction @ Shoreline Community College

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
10. William Hickey	X		Ridgecrest		Organized neighborhood picnic and book exchanges; Psychiatric/medical social worker at Steven's Hospital
11. Carolyn Mayer	X		Ridgecrest	ABC Team; Trails Advisory Committee	Transportation/Environmental Planner for Perteet Inc.
12. Richard (Dick) Pahre		X	Innis Arden		Board of CityBank, Eden Bioscience Corporation and Seattle Goodwill; Retired – was partner at Moss Adams; Certified Public Accountant
13. Rebecca Partman		X	Hillwood	ABC Team	Former small business owner – currently small business consultant
14. Renee Pitra	X		Hillwood		Business Owner/CEO of a multi-state business; Previous experience with the Boys & Girls Club
15. Mary Lynn Potter		X	Richmond Beach	Library Board; Celebrate Shoreline	Friends of Richmond Beach Library; Retired teacher from Shoreline School District
16. Rick Stephens			Not a Shoreline Resident	ABC Team; Economic Dev Task Force	Shoreline Chamber; Shoreline Merchant Association; Highland Ice Arena
17. Paul Sutphen		X	Richmond Highlands		Certified Public Accountant
18. Shari Tracey		X	Echo Lake	Co-Chair Parks Bond Campaign Committee; ABC Team; Parks, Recreation & Cultural Services Board	Legislative Aide/Office manager to King County Councilmember Bob Ferguson
19. Hiller West	X		Ridgecrest		Planning Director for City of Monroe

ATTACHMENT B

APPLICANTS TO THE COMMUNITY PRIORITIES/LONG-RANGE FINANCIAL PLANNING COMMITTEE

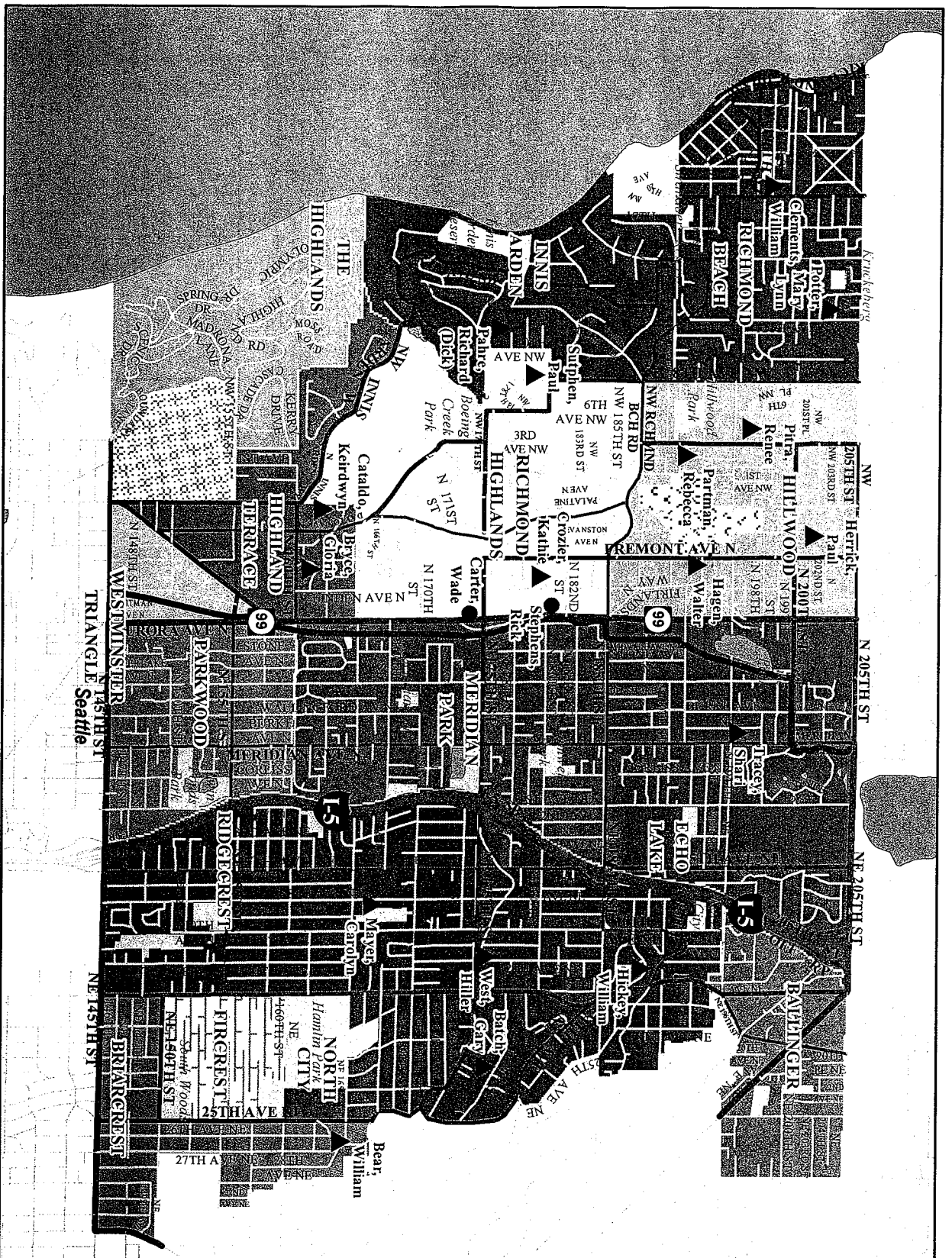
(Those with asterisk are recommended for appointment)

Gretchen Atkinson
Gary Batch*
William Bear*
Gloria Bryce*
Martin Bunes
Wade Carter*
Keirdwyn Cataldo*
William Clements*
Kathie Crozier*
Brian Doennebrink
Arthur Ellis
Ron Greeley
Walter Hagen*
Charlotte Haines
Patricia Hale
David Harris
Paul Herrick*
William Hickey*
Robin McClelland
Carolyn Mayer*
Keith Miles
Richard (Dick) Pahre*
Rebecca Partman*
Virginia Paulsen
William Pierron
Renee Pitra*
Mary Lynn Potter*
Marcie Riedinger
Robert Ransom
Tim Shriner
Rick Stephens*
Dwight Stevens
Paul Sulphen*
Shari Tracey*
Jim Weber
Hiller West*

Geographic Information System

City Manager Recommended Appointments

- Non-resident
- ▲ Shoreline Resident



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CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Resolution No. 272 Expressing Concern Regarding Sound Transit's Revised Phase II Preliminary Corridor Service Concepts Proposal
DEPARTMENT:	Public Works
PRESENTED BY:	Kirk McKinley, Aurora Corridor Project Manager Alicia McIntire, Aurora Corridor Planner Scott MacColl, Intergovernmental Programs Manager, City Manager's Office

PROBLEM/ISSUE STATEMENT

On January 31, 2008, the Sound Transit Board held a workshop to begin discussions for an updated Sound Transit 2 (ST2) plan. Proposition 1 (the Roads and Transit Ballot Initiative) included a package of Sound Transit projects for the region; however, this initiative was defeated in November 2007. This package included expansion of the light rail system along I-5 from the University of Washington to Ash Way in Snohomish County, with stations at North 145th Street and North 185th Street as improvements directly serving residents of Shoreline.

With the defeat of Proposition 1, the Sound Transit Board has begun discussions for an updated ST2 plan. At the workshop on January 31, 2008, Sound Transit staff presented preliminary corridor service concepts to the Sound Transit Board. This preliminary service concept includes expansion of light rail service from UW to Northgate, with Bus Rapid Transit (BRT) service on I-5. This service concept does not include any BRT stops between Northgate and Mountlake Terrace. Sound Transit staff indicated that this was not an oversight, as construction of BRT stations in this area would require significant modifications to I-5. Furthermore, this concept does not show any connections between Metro or Community Transit's proposed BRT service and Sound Transit's BRT service at any point along the corridor except the Everett Transit Center and downtown Seattle. No improvements to Sounder Commuter Rail, such as a new station, are proposed for the City of Shoreline.

This service concept represents no additional future investment in Sound Transit service for the City of Shoreline. Currently, the only Sound Transit Service available to City of Shoreline residents is Express Bus service at the freeway stop at North 145th Street and a small segment of Bothell Way NE within the City limits. Additionally, this proposal would phase out existing Express Bus service, replacing it with BRT service on I-5. While Council did not take a position on Proposition 1, and there has been some expression of concern by councilmembers about what represents the best investment of Sound Transit dollars, this preliminary service concept would provide residents with no

additional service and actually results in the reduction of already minimal service to Shoreline to essentially nothing.

The preliminary corridor service concepts presented to the Sound Transit Board show proposed service concepts for the East and South subareas. Compared to the ST2 plan included with Proposition 1, these concepts represent reductions in light rail expansion and replacement with BRT service and some improvements to Sounder Commuter Rail service. Several Sound Transit Board members expressed concern about this significantly reduced level of service for the entire Sound Transit service area. The Board will continue to discuss an updated service package, as well as timing for a future ballot measure. It is uncertain if a revised Sound Transit package will be presented to voters in the 2008 election or a future election.

Sound Transit staff presented the preliminary corridor service concepts to Council at the February 25, 2008 dinner meeting. At this meeting, Council expressed concerns about the lack of Sound Transit service to the City of Shoreline and the very aggressive schedule associated with placement of a revised plan on the 2008 ballot. Council and staff described the type of service that should be included in the plan. These include:

- a) Continuation of the light rail system to North 205th Street (King/Snohomish County line), with stations at North 145th Street, North 185th Street and North 205th Street.
- b) If the light rail system cannot be extended north of Northgate, include BRT stations at North 145th Street and North 185th Street that can be converted into light rail stations in the future.
- c) In conjunction with either alternative outlined above, include a financial contribution toward the completion of the BAT lanes in the Aurora Corridor Improvement Project.

At the February 25, 2008 business meeting, staff presented draft Resolution 272 to Council, which expressed concerns about the draft preliminary corridor service concepts. Council directed staff to amend the draft resolution and include language that identifies the more specific requests of the City. The attached proposed Resolution 272 (Attachment A) addresses the concerns of Council regarding proposed Sound Transit service in the north corridor, identifies the specific requests for service to Shoreline and emphasizes that the City cannot support the existing draft service concept.

Sound Transit staff will be presenting alternative scenarios based upon this service concept to the Sound Transit Board on February 28, 2008 and March 6, 2008. It is unknown if the Board will take action to adopt a draft plan at this meeting. If it appears the Board will take action, it is staff's recommendation that a representative of the City be present to provide comment to the Board and explain the content of the attached resolution. The Board has not decided whether they will pursue placing a new service package before the voters on the 2008 or 2010 ballot. If they decide to go before the voters in 2008, the draft plan must be adopted by the end of March 2008. A schedule has not been developed for a 2010 ballot measure.

Due to the uncertainty of the timing of the adoption of the plan by the Sound Transit Board, there is an urgency to seek Council direction. Likewise, staff believes the most

effective strategy is to try to amend the "draft" plan before Board adoption. Once the plan is adopted by the Board is very unlikely that the City will be successful in amending it.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 272, A Resolution of The City of Shoreline, Washington, Expressing Concern Regarding Sound Transit's Revised Phase II Draft Plan.

Approved By: City Manager  City Attorney _____

ATTACHMENTS

A- Proposed Resolution.No. 272

RESOLUTION NO. 272

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON, EXPRESSING CONCERN REGARDING SOUND TRANSIT'S REVISED PHASE II PRELIMINARY CORRIDOR SERVICE CONCEPTS

WHEREAS, the City Council strongly supports investments in regional transportation including new transit options for Shoreline residents and adopted Resolution 109 on October 14, 1996, expressing support for the Sound Transit Phase I plan (Sound Move) and requesting that Sound Transit's staff work with City staff and citizens for future service, and

WHEREAS, the City of Shoreline's Comprehensive Plan supports expanded transit service, especially along the SR-99 corridor, including the provision of cross-county transit service on SR-99, and

WHEREAS, The City's Aurora Corridor Project is supported by the Puget Sound Regional Council, King County Metro, and the Washington State Department of Transportation, and

WHEREAS, the City supports transit-oriented development in concert with planned high capacity transit routes through the comprehensive plan and land use policies, and

WHEREAS, the original Sound Move plan included two projects within Shoreline, including a Sounder Commuter Rail Station at Richmond Beach (unfunded project), and Express Bus Service on State Route 99 (SR-99), however both projects were subsequently eliminated, and

WHEREAS, Shoreline residents contribute approximately \$3 - \$4 million per year into Sound Move and have received no direct benefit, and

WHEREAS, the initial Sound Transit second ten-year plan (ST2) candidate projects included four projects in Shoreline, including an HOV/Access Ramps and Flyer Stop on I-5 at NE 185th Street, a new Sounder station near Point Wells, \$40 million in funding to assist Shoreline in completing Business Access Transit (BAT) lanes on SR-99, and Link Light Rail on I-5, and

WHEREAS, in January 2006 the Sound Transit Board approved motion M2006-03 which removed two Shoreline candidate projects from consideration, the HOV/Access Ramps and Flyer Stop on I-5 at NE 185th Street and the new Sounder station near Point Wells, and

WHEREAS, by May 2006 the only remaining project with a direct service benefit to Shoreline residents was funding for construction of BAT lanes on SR-99 prior to the planned Link Light Rail scheduled for construction between 2022 and 2026, and

WHEREAS, the final ST2 plan did not include funding for construction of BAT lanes on SR-99, and

WHEREAS, the City has completed the first mile of BAT lanes on SR-99, and is beginning construction on the second mile of BAT lanes to ensure a seamless route between the urban centers of Lynwood and Seattle, and

WHEREAS, the failed Regional Transit Investment District/Sound Transit vote included Link Light Rail to Snohomish County with stops at 145th NE and 185th NE in Shoreline, and funding to

complete BAT lanes on SR-99 in Shoreline, and

WHEREAS, Sound Transit staff presented an ST2 Update to the Sound Transit Board on January 31, 2008, in which Link Light Rail was removed from the plan north of Northgate, and replaced with Bus Rapid Transit down I-5, but does not include any stops in Shoreline, and

WHEREAS, the Sound Transit Board expects to adopt a revised Phase II plan at the end of March 2008 if the plan will be included as a Fall 2008 ballot measure, and

WHEREAS, Shoreline has over 54,000 residents, of which over 85% of workers commute to the south (65%), north (11%), and east (11%), and are not currently served by peak hour Sound Transit service, and

WHEREAS, the North Corridor preliminary service concept includes expansion of Light Rail to Northgate, with BRT service on I-5 to Everett. This service concept has no BRT stops between Northgate and Mountlake Terrace due to significant required modifications to I-5 for potential stops. Furthermore, this concept does not show any connection between Metro/Community Transit's proposed BRT service along SR-99 and Sound Transit's BRT service at any point along the corridor except the Everett Transit Center and downtown Seattle, and does not include any improvements to Sounder Commuter Rail service in Shoreline, and

WHEREAS, Sound Transit staff stated at the June 22, 2006 Board Meeting that the demand for transit in the north corridor (including Shoreline) is equal to that of the south and east corridors combined, making it clear that excluding Sound Transit service in Shoreline would be a mistake, and

WHEREAS, the City is committed through its Comprehensive Plan and land use policies to concentrating development around access to planned transit facilities, yet the lack of transit access along I-5 excludes high capacity transit options for residents of the City, and

WHEREAS, due to a lack of high capacity transit service along I-5, Shoreline citizens will be forced to drive to Northgate to access Light Rail, thus defeating the goal of leaving their vehicles at home and using transit, and

WHEREAS, in order for the BRT system to function successfully, modifications to the use of the HOV lanes and Express lanes on I-5 are required, and Sound Transit does not anticipate having confirmation of any modification from WSDOT prior to approval of a draft plan in March 2008, and

WHEREAS, inclusion of a BRT system in the draft plan without approval from WSDOT for the modified use of the HOV lanes would not provide voters with full and adequate information to make an informed decision and may result in a system that does not improve transit service for the region,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON AS FOLLOWS:

Section 1. The City Council understands the mission of Sound Transit is to provide a regional transit system and supports the efforts to create a High Capacity Transit system in the region, and that the completed system may take decades to accomplish. However, the City Council hereby expresses serious reservations over the staff proposed ST2 plan as Shoreline residents will receive no direct benefits for up to 20 years or more of financial contributions to Sound Transit.

The Council urges that the following actions be taken to address the following omissions in the ST2 transportation plans and ballot measures:

- a) Continuation of the light rail system to North 205th Street, which is the King County-Snohomish County boundary, (or into Snohomish County), with stations at North 145th Street, North 185th Street and the line terminus;
- b) If it is absolutely not feasible to continue light rail through Shoreline then include BRT stations at North 145th Street and North 185th Street that can be converted into light rail stations in the future; and
- c) Include a \$40 million financial contribution toward the completion of the BAT lanes in the Aurora Corridor Improvement Project in conjunction with either alternative outlined above.

Section 2. The City Council encourages Sound Transit to work with City staff to develop alternatives that directly service the residents of Shoreline prior to presenting a final recommendation to the Sound Transit Board.

Section 3. The City Council encourages the Sound Transit Board to delay placing a revised transit plan before voters prior to 2010 to ensure a more thorough public review process, allow time for examination of financial scenarios associated with proposed projects, and to ensure that WSDOT policies are altered to exclusive use by high capacity vehicles only on the HOV lanes and Express Lanes on Interstate-5.

Section 4. The City Council hereby declares that absent revisions to the revised draft ST2 plan that include direct service for Shoreline residents, we will have no choice but to strongly oppose this plan and encourage our citizens to do the same.

ADOPTED BY THE CITY COUNCIL ON March 3, 2008.

Mayor Cindy Ryu

ATTEST:

Scott Passey, CMC
City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Ordinance No. 492, Planned Area 2 Legislative Rezone for the Ridgecrest Commercial Area
DEPARTMENT: Planning and Development Services
PRESENTED BY: Joseph W. Tovar, FAICP, Director

PROBLEM/ISSUE STATEMENT:

At the January 14 Council meeting, staff presented the Planning Commission recommendation on the proposed new planned area legislative rezone for the Ridgecrest commercial area. The City Council continued discussing this item on January 28, February 19, and February 25. For the March 3 meeting, staff developed

- a revised set of regulations that reflect Council direction for items discussed on February 25 and staff recommendations for the items that the Council did not reach last week, and
- a revised Policy Options matrix which summarizes changes to the regulations, references specific subsections, and proposes amendatory language for Council members to consider. The items with amendatory language are on pages 1 and 4. These are items that did not receive consideration last week.

The intent of numbering the proposals on the Policy Option matrix is to assist the Council in its deliberation. For example, if a Council member wants to consider item 1c, the member would make a motion to adopt "Motion 1c". Then the Council would refer to item 1c on the Policy Options matrix and see the specific amendatory language for their consideration.

Many of the items discussed last week are included in the revised draft of the regulations. They are noted on the matrix, and have an added notation, 'no additional action is necessary'.

This report is available to the public via the City's website and/or city hall.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 492, rezoning the Ridgecrest Commercial Area and creating Planned Area 2.

Approved By:

City Manager 

City Attorney 

CITY COUNCIL POLICY OPTIONS MATRIX

A. BUILDING SIZE AND DESIGN/TRANSITION ISSUES

Proposal	Sense of Council	Comment	Possible motion
The following items had support of at least four council members at the February 25 meeting. Item 1 has been added to the draft document because it had the most support. Items 1a-1c are options that may receive additional discussion if the Council desires.			
1. 6 stories with 2:1 setbacks above 35 ft from R -6 zones.	5 votes	This option had the most support at Feb. 25 meeting	Language is in draft ordinance –no additional action is necessary See 20.91.030 (B)
1a. R-24 zoning for 100 feet adjacent to single-family zones, 2:1 setback above 35 feet	4 votes	A majority of council supports this	Remand to the Planning Commission for review; this option was not in the original scope.
1b. Maximum of 5 stories	4 votes	A majority of council supports this.	Modify Table 20.91.030 (B) – Dimensional Standards, Building Height (Max) to read "Up to 5 stories or 55' if public bonus features are provided.", FAR to read "3.75", and Modify 20.91.060 (B) Height Incentives as follows: "Eliminate B(2). Change the reference in B(3) from 6 stories to 5 stories"
1c. Hybrid option: 6 stories with an additional 10 ft setback above 35', then 1:1 setbacks to 6 stories	4 votes	A majority of council supports this	Modify Table 20.91.030B – Dimensional Standards, Building Height (Max) in two places: 1) Buildings must be 20 feet from property lines at 35 foot building height abutting all R-6 zones. Above 35 feet, there will be an additional 10 foot setback, then the building to setback ratio will be 1:1. 2) Buildings on E 163 rd across from R-6 zoning can be 35 feet high at the property line; above 35 feet, there will be an additional 10 foot setback, then the building to setback ratio will be 1:1.

B. AMENITIES AND SITE DESIGN ISSUES

The following items had support of at least 4 council members and have been included in the draft ordinance.			
Proposal	Sense of Council	Pros and Cons	Possible motion
2. 5 th Ave NE and NE 165 th Plaza - Create public space on corner - Soften building mass by the corner	4	Pro - Reduces apparent mass of building at prominent corner and creates visual interest and pedestrian vitality at intersection. Con - adds cost and reduces building floor area at the corner of PLA 2A.	Language in draft document directs staff to draft design guidelines dealing with this issue. 20.91.050 (2)(f) No additional action is necessary
3. Public plaza should include covered areas to provide weather protection for pedestrians	4		Language in draft document directs staff to draft design guidelines dealing with this issue. 20.91.060 (C)(5) (d) No additional action is necessary
4. Add new language for sustainability including: provision of bike racks, bus passes, using native, non-invasive plants	5		Language is in draft document. 20.91.060 (C) (6) (c) No additional action is necessary
5. Add requirement to make indoor meeting space available for rent to non-profit organizations on ground floor	5	Pro - space of non-profit organizations would contribute to "third place" energy to complement retail uses and open-air public plaza. Con - Limits profitability of rents for retail on the ground floor	Language is in draft document. 21.91.060 (C) (3) No additional action is necessary
6. Add requirement to limit maximum percentage of non-commercial uses in storefronts facing 5 th Avenue NE	5		Language in draft document states that commercial uses should occupy at least 50% of the available street frontage on 5 th Avenue NE 21.91.050 (B)(1)(a)(iii)
7. Require that 163 rd street frontage be residential	4		Language has been added to draft document 20.91.050 (B)(2)(g)(iii) No additional action is necessary

C. PARKING ISSUES

Proposal	Sense of Council	Pros and Cons	Comment	Possible motion
8. Owner should provide bus passes	4	Pro: Would re-enforce the self-selection of new residents who would be more likely to use transit. Con: Adds costs and conditions to operating practices instead of physical improvements are difficult to enforce	Recommended. Building owner will offer METRO bus passes to 50% of the units for first two years of the project	Language is in draft document 20.91.070 (C) No additional action is necessary
The following items were recommended by staff but not reviewed by Council on February 25. They have been included in the draft ordinance.				
9. Modify parking standards		Standards to be more rigorous than PC recommendation, but slightly less than current standards—in combination with Flexcar and bus passes, will support sustainability goal	Recommended. Staff recommends: 1.0 for studio 1.3 for one-bedroom 1.6 for two-bedroom	Language is in draft document 20.91.070 (E) No additional action is necessary
10. Place time limits on 5 th Avenue on-street parking		Would ensure turnover of spaces near retail businesses	Recommended. Staff suggests that this be included as part of the neighborhood parking plan.	This is not in draft document.. It has been added to "staff direction", # 16 below.
11. Alternative language to #13 and 14			Staff recommends language to state that building occupancy will be restricted if off-site parking spaces are lost and not replaced by other agreements to provide additional parking.	Language is in draft document 20.91.070 (I). Also included is language that says that at least <u>2/3</u> of the required <u>parking must be located on-site.</u> No additional action is necessary

The following have were not discussed by the Council at the February 25 meeting. If Council decides to add these, they will be added by motion.

12. Tandem parking for long-term parking			Not recommended. Tandem parking might be a viable option to use in some cases—for example, employees of a commercial establishment. The parking management plan might offer this as an option.	Motion to add to 21.91.070 (c): Tandem parking arrangements will not be used,
13. Off-site parking shall be a permanent part of the development			Not recommended See #11 for staff recommendation	Motion to modify 20.91.070 (l) to read: "The remainder of the required parking may be located off-site if the developer can provide a permanent parking arrangement acceptable to the Director.
14.. Cost of parking space shall be included in rent.			Not recommended.	Motion to add 20.91.070 (j) to read : "The cost of parking will be included in the rental unit price.

D. INFRASTRUCTURE ISSUES AND OTHER IDEAS

Proposal	Proposed by	Pros and Cons	Staff recommendation	Possible motion
These were not discussed by Council at the February 25 meeting. They would not be enacted by ordinance, rather by direction to staff.				
Infrastructure				
15. Add impact fee to fund intersection improvements including corner treatment	Ryu	Pro: Creates synergy among corners in creating a "people place" Con: Impact fee must be tied to an overall impact fee program. State law only allows a fee that is proportional to a project's impact, not other future project's impacts	Council may decide to discuss this at its goal-setting retreat	Motion to direct search for additional funding sources when developing plan for intersection improvements at 165 th and 5 th Ave. NE.
Other				
16. Direct staff to: - Develop a neighborhood parking plan, including analysis of the viability of placing time restrictions on portions of 5th Avenue NE - Develop plan for 165th/5th Ave NE ROW and intersection improvements - Discuss with Crest owner how to maintain Crest as a viable community asset - Encourage police substation to move to new development.	Several Councilmembers		Recommended The staff supports this direction. These will be added as direction to the CMO and staff; separate and distinct from adoption of the zoning ordinance.	Motion to direct staff to take actions listed on item 16

ORDINANCE NO. 492

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING THE DEVELOPMENT CODE BY ADDING A NEW CHAPTER 20.91 THAT ESTABLISHES REGULATIONS FOR A NEW PLANNED AREA ZONE IN THE COMMERCIAL AREA OF THE RIDGECREST NEIGHBORHOOD AND AMENDING THE CITY'S OFFICIAL ZONING MAP CHANGING THE ZONING FROM NEIGHBORHOOD BUSINESS (NB) TO PLANNED AREA 2 (PLA 2); AMENDING SMC 20.40.020 AND AMENDING SMC 20.40.030

WHEREAS, the City of Shoreline initiated a legislative rezone of commercially zoned property in the Ridgcrest neighborhood reclassifying the property from Neighborhood Business (NB) to Planned Area 2 (PLA 2); and

WHEREAS, the City of Shoreline conducted extensive public participation and review process of the proposed chapter and the reclassification, holding a public hearing before the Planning Commission on November 1, 2007, November 15, 2007, November 29, 2007 and January 3, 2008; and

WHEREAS, on January 3, 2008, the Planning Commission recommended adoption of a new development code chapter creating a new PLA 2 zone and recommended approval of the reclassification to PLA 2 of the commercially zoned properties located at 16268, 16325, 16511 and 16535 5th Avenue NE and 412, 509, 525 and 602 NE 165th Street; and

WHEREAS, the City Council considered the Planning Commission recommendation on January 28, 2008, February 19, 2008, February 25, 2008, and March 3, 2008; and

WHEREAS, the City Council finds that the amendments adding the PLA 2 zone is consistent with the Comprehensive Plan, is not adverse to and is in the interest of citizens and property owners; and

WHEREAS, the City Council has amended the Planning Commission recommendation to adopt a new development code chapter creating a new PLA 2 zone and to reclassify to PLA 2 the properties located at 16268, 16325, 16511 and 16535 5th Avenue NE (parcel numbers 7304301405, 7301300185, 5727500243 and 5727500242) and 412, 509, 525 and 602 NE 165th Street (parcel numbers 5727500260, 7304301415, 7304301420 and 6163901780);

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

Section 1. Amendment to Development Code - New Chapter. A new chapter 20.91, Ridgcrest Commercial Planned Area 2, is adopted into the Shoreline Municipal Code to read as set forth in Exhibit A, attached hereto and incorporated by reference.

Section 2. Amendment to Zoning Map. The Official Zoning Map of the City of Shoreline is hereby amended to change the zoning classification of 16325 5th Avenue NE (parcel number 7301300185) from NB to PLA2a, 16511 and 16535 5th Avenue NE (parcel numbers 5727500243 and 5727500242) and 412 NE 165th Street (parcel number 5727500260) from NB to PLA2b, 602 NE 165th Street (parcel number 6163901780) from NB to PLA2c, and 16268 5th Avenue NE (parcel number 7304301405) and 509 and 525 NE 165th Street (parcel numbers 7304301415 and 7304301420) from NB to PLA2d, zone as shown in Exhibit B attached hereto and incorporated by reference.

Section 3. Amendment to Development Code. SMC 20.40.020, *Zones and map designations*, is hereby amended as follows:

20.40.020 Zones and map designations.

The following zoning and map symbols are established as shown in the following table:

ZONING	MAP SYMBOL
RESIDENTIAL	
(Low, Medium, and High Density)	R-4 through 48 (Numerical designator relating to base density in dwelling units per acre)
NONRESIDENTIAL	
Neighborhood Business	NB
Office	O
Community Business	CB
Regional Business	RB
Industrial	I
Special Overlay Districts	SO
North City Business District	NCBD

<u>Planned Area</u>	<u>PLA</u>
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Section 4. Amendment to Development Code. SMC 20.40.050, *Special districts*, is hereby amended as follows:

20.40.050 Special districts.

A. Special Overlay District. The purpose of the special overlay (SO) district is to apply supplemental regulations as specified in this Code to a development of any site, which is in whole or in part located in a special overlay district (Chapter 20.100 SMC, Special Districts). Any such development must comply with both the supplemental SO and the underlying zone regulations.

B. North City Business District (NCBD). The purpose of the NCBD is to implement the vision contained in the North City Subarea Plan. Any development in the NCBD must comply with the standards specified in Chapter 20.90 SMC.

C. Planned Area (PLA). The purpose of the PLA is to allow unique zones with regulations tailored to the specific circumstances, public priorities, or opportunities of a particular area that may not be appropriate in a city-wide land use district.

Section 5. Effective Date. This ordinance shall go into effect five days after passage, and publication of the title as a summary of this ordinance.

PASSED BY THE CITY COUNCIL ON MARCH 3, 2008

Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:
Effective Date:

Chapter 20.91

Ridgecrest Commercial Planned Area 2

Sections:

- 20.91.010 Purpose and Scope
- 20.91.020 Planned Area Zones and Permitted/Prohibited Uses
- 20.91.030 Density and Dimensional Standards
- 20.91.040 Administrative Design Review
- 20.91.050 Design Standards
- 20.91.060 Height Incentives
- 20.91.070 Parking
- 20.91.080 Signs
- 20.91.090 Outside Lighting

20.91.010 Purpose and Scope

- A. The purpose of this chapter is to establish development standards for Ridgecrest Commercial Planned Area 2. These standards are intended to implement a new vision for this area by replacing or modifying the regulations of SMC Chapter 20.50 – General Development Standards and revising permitted uses. The Ridgecrest Commercial Planned Area 2 standards are designed to:
 - 1. Be a form based code which provides flexibility, yet ensures the character of a project's building and site design is supportive of the adjacent public spaces and uses.
 - 2. Create lively mixed use and retail frontage in a safe, walkable, transit-oriented neighborhood environment.
 - 3. Provide for human scale building design.
 - 4. Contribute to the development of a sustainable neighborhood.
- B. If provisions of this chapter conflict with provisions elsewhere in the Shoreline Municipal Code, the provisions of this chapter will apply. When it is unclear which regulations apply, then the presumption will be that the regulations of this chapter take precedence with the ultimate determination to be made by the Director.

20.91.020 Permitted/Prohibited Uses

- A. In order to implement the vision of the Comprehensive Plan and the neighborhood visioning project, the Ridgecrest Commercial Planned Area 2 is adopted as shown on the official zoning map.
- B. NB uses will apply in Ridgecrest Commercial Planned Area 2 for developments less than 1.5 acres.
- C. All uses provided for under Chapter 20.40 SMC are permitted for developments 1.5 acres or more in Ridgecrest Commercial Planned Area 2 except the following:

DRAFT

Planning Commission Recommendation
March 3, 2008 version

1. Adult use facilities;
2. Gambling uses;
3. Vehicle repair, service and/or sales unless entirely within an enclosed building;
4. Wastewater treatment facilities;
5. Wrecking yards;
6. Warehousing, self-storage warehouses and wholesale trade;
7. Outdoor material storage, including vehicles. Material storage will be allowed only within a fully-enclosed structure.
8. Shipping containers;
9. Other uses the Director determines to not comport with the intent of the district as expressed in SMC 20.91.010(A).

20.91.030 Density and Dimensional Standards

- A. Developments in Ridgecrest Commercial Planned Area 2 that are less than 1.5 acres will apply the density and dimensional standards for NB zones.
- B. Developments in Ridgecrest Commercial Planned Area 2 that are 1.5 acres or more will apply the following density and dimensional standards:

1. Setback, Height, and Floor Area Ratio Standards

Table 20.91.030B –Dimensional Standards

Standards	Planned Area 2
Setback for building base	5' adjacent to Residential zones, 0' abutting the public right-of-way.
Setback/stepbacks from property line for buildings	Buildings must be 20' from property lines at 35' building height abutting all R-6 zones. Above 35', building to setback ratio will be 2:1
	Buildings must be 10' from all property lines above the 4th story abutting 5 th Ave NE, NE 165 th Street and all other MF zones.
	Buildings on NE

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	163 rd , across from R-6 zoning, can be 35' high at the property line; above 35' the building to setback ratio will be 2:1.
Building Height, Min	2 Stories
Building Height, Max	Up to 6 Stories or 65' if public bonus features are provided ^{1,2}
Floor Area Ratio (FAR)	4.75 ²
Density	Unit total limited by height, FAR and parking requirements ²

¹ See 20.91.060 for building height incentives.

² Only for Planned Area 2a. NB standards for height, FAR and density will apply to development 1.5 acres or more in 2b, 2c and 2d.

2. **Impervious Area.** Impervious area is 100 percent.

3. **Additional Height Provisions.**

- a. Mechanical penthouses, stair/elevator overruns and antennae (not including WTF's) may be excluded from building height calculation, provided they are no more than 15 feet above the roof deck and satisfy the criteria in SMC 20.19.050(B)(2)(g).
- b. Wireless Telecommunication Facilities ("WTF") may be excluded from building height calculation, provided they are no more than 15 feet above the roof deck, are entirely shrouded and satisfy the criteria SMC 20.19.050(B)(2)(g).
- c. Roof elements such as pitched roofs, gables and dormers may be excluded from building height calculations.
- d. Features providing environmental sustainability such as solar panels, wind turbines, and associated equipment are excluded from height standards, provided they are no more than 10 feet above the roof deck.

20.91.040 Administrative Design Review

A. **Applicability.** Administrative design review will be required for developments in Ridgecrest Commercial Planned Area 2 that are 1.5 acres or more and that meet one of the thresholds in SMC 20.50.125.

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B. **Standards for Approval.** When design review is required, the applicant will demonstrate that plans satisfy the criteria in SMC 20.91.050 unless approved as a design departure by the Department Director consistent with the intent of each subsection.

C. **Design Departures.** A permit applicant wishing to modify any of the standards in this chapter may apply for a design departure. A design departure will be approved if it is consistent with the intent of each subsection and it meets or exceeds the standard design objective. The Director's decision may be appealed to the Hearing Examiner with substantial weight given to the Director's decision.

20.91.050 Design Standards

A. Developments in the Ridgecrest Commercial Planned Area 2 that are less than 1.5 acres will apply the design standards for NB zones.

B. Developments in the Ridgecrest Commercial Planned Area 2 that are 1.5 acres or more will apply the following design standards:

1. **Site Design.**

a. **Accommodation of Street Level Commercial**

- i. Intent: To provide commercial services to the residents of the Ridgecrest Neighborhood by requiring first floors adjacent to the street be constructed to accommodate commercial services.
- ii. Buildings fronting 5th Avenue NE are required to build to the specifications for ground level commercial. Ground level commercial may include live/work units that satisfy the criteria in SMC 20.91.050(2)(i). There may be non-commercial occupation of the ground level.
- iii. Commercial uses will occupy a minimum of 50% of the available street frontage on 5th Avenue NE.

b. **Facades - 5th Avenue NE, NE 165th Street**

- i. Intent: To create frontage which encourages pedestrian use, promotes a sense of security by providing "eyes on the street" and creates visual connections between activities inside and outside of buildings.
- ii. Facades fronting on the 5th Avenue NE and NE 165th will include a minimum of 50 percent of the façade area 2 feet -12 feet above grade, comprised of windows with clear nonreflective glass allowing visual penetration of at least 2 feet into the building if used for commercial uses.

c. **Buffering**

- i. Intent: To soften the visual impact of multi-use buildings adjacent to single-family homes.
- ii. Decorative features such as plantings and/or trellises are to cover at least 50 percent of the building base on the side at the time of construction;

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iii. Stamped and painted concrete (decorative treatments to the building base) will be used on building fascia not covered by plantings to provide a visual relief to single-family residences.

iv. Mature trees and shrubs will be used on portions of the property abutting the right-of-way to soften the appearance of the building.

v. Retaining existing vegetation is encouraged to create a visual buffer to existing single-family residential



d. Driveway Access

- i. Intent: To ensure development reduces potential automobile conflicts on adjacent residential properties. Design ingress and egress points in a manner to reduce automobile impacts to adjacent residential uses.
- ii. Limit egress to NE 165th and 5th Avenue NE.

e. Transit stops

- i. Intent: To ensure development of sites adjacent to transit stops is designed to support, complement and accommodate the stop and promote use of the stop.
- ii. Development on parcels that front locations on 5th Avenue NE designated for a public transportation stop will be designed and furnished to accommodate the intent in a manner approved by the Director. Weather protection will be included in the design.

f. Entry Courtyard

- i. Intent: To provide a distinctive, safe and readily identifiable main pedestrian entry for the complex with a public right-of-way frontage.
- ii. Entry courtyards will:
 - 1) Abut and be visibly prominent from a public sidewalk by including at least two of the following design elements:
 - recess
 - overhang
 - portico/porch
 - stone, masonry or patterned tile paving in entry
 - ornamental building name or address
 - landscape pots or boxes
 - fixed seating
 - 2) Be at least 100 square feet in area with dimensions no less than 10 feet.

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- 3) Provide weather protection on at least two sides or overhead with walls, canopies, awnings, or landscaping.

2. **Building Design** All of the following elements of building design will be approved through the administrative design review process under SMC 20.91.040.

a. **Pedestrian enhancements and transparency**

- i. Intent: To provide pedestrians with protection from the elements, visual connections between activities inside and outside of buildings, and visual interest.
- ii. All street fronting buildings will provide overhead weather protection for pedestrians with a marquee, awning, building projection or other

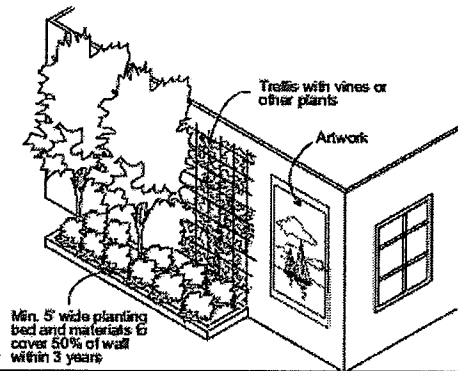


permanent structural element, over approximately 80 percent of the frontage of the subject property. The weather protection must cover at least 6 feet of the width of the sidewalk and be located a minimum of 10 feet above the walkway. The width may vary (not less than 3 feet) to accommodate street trees, streetlights, etc.

- iii. Ground floor facades of all structures facing a public sidewalk will be transparent nonreflective glass windows.
- iv. Ground floor building facades fronting public sidewalks will use planters, signage, architectural details and other techniques to create variety and interest.

b. **Blank walls**

- i. Intent: To reduce the negative visual impact of walls without openings or windows by ensuring there are features that add visual interest and variety to the streetscape.
- ii. Blank walls more than 30 feet in length will be treated to provide visual interest. Treatment includes installing trellises for vine and plant materials, providing landscaped planting beds that screen at least 50 percent of the wall, incorporating decorative tile or masonry, or providing artwork on the wall.



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c. Facade Articulation

- i. Intent: To reduce the apparent bulk of multistory buildings by providing visual variety.
- ii. All facades will be articulated with projections, recesses, covered doorways, balconies, covered box or bay windows and/or similar features to divide them into human scale proportions.
- iii. All facades longer than 30 feet will be broken down into smaller units through the use of a combination of projections, offsets, recesses, covered doorways, balconies, covered box or bay windows, staggered walls, stepped walls and overhangs. Changing materials and colors may be used to embellish the articulation but alone are not enough to provide the required amount of articulation.
- iv. Projections and recesses will be 3-5 feet in depth, 10 feet long and occupy at least 20 percent of the length of the façade.

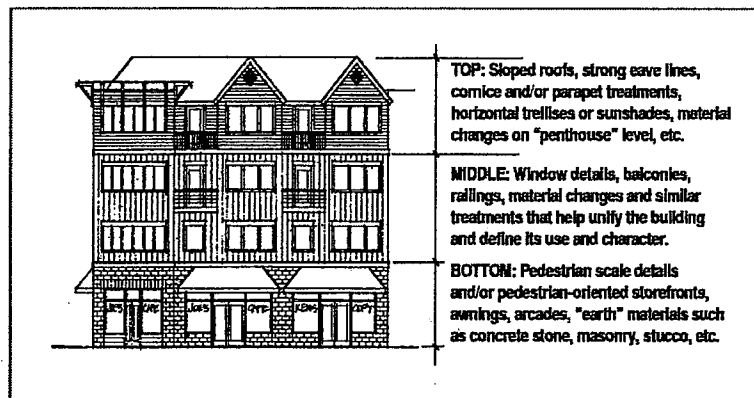
d. Vertical Differentiation

- i. Buildings will distinguish a “base” through the use of:
 - pedestrian scale details;
 - articulation;
 - overhangs;
 - masonry strips and cornice lines; and
 - “earth” materials such as stone, masonry, or decorative concrete.
- ii. Buildings will distinguish a “top” by emphasizing a distinct profile or outline with a:
 - parapet;
 - cornice, upper level set-back;
 - pitched roofline;
 - strong eave lines;

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- horizontal trellises; and
 - different facade material than that used predominantly in the “middle.”
- iii. Buildings with more than 2 stories above elevation of the nearest public sidewalk will also distinguish a “middle” through:
- material and/or color changes that differ from the base and top;
 - windows details, treatments and patterns;
 - balconies or alcoves; and
 - decks and/or railings.
- iv. The “base” will be the first story above grade. The “middle” will be stories between the base and top and the “top” is the highest story.
- v. All applications for new construction are required to submit detailed building elevations.



e. Street Frontage Standards

- i. Intent: To provide pedestrian relief from the elements, provide special enclosure and add design interest on 5th Avenue NE and 165th Street NE.
- ii. Buildings occupying the corner of 5th Avenue NE and NE 165th Street will be designed to encourage pedestrian activity.
- iii. Buildings located at corners will serve as gateways to the neighborhood distinguishable from the rest of the buildings. Corner entries and/or architectural treatment will be used to emphasize the corner location.
- iv. Buildings will occupy at least 75 percent of the street front.
- v. Buildings will have their principal entrance on the street frontage line.

f. NE 165th and 5th Ave NE Building Corner Treatment

- i. Intent: To provide visual interest, mitigate building bulk, provide for pedestrian amenities and outside meeting areas, and add to pedestrian vitality at the corner of 5th Avenue NE and 165th Street NE.

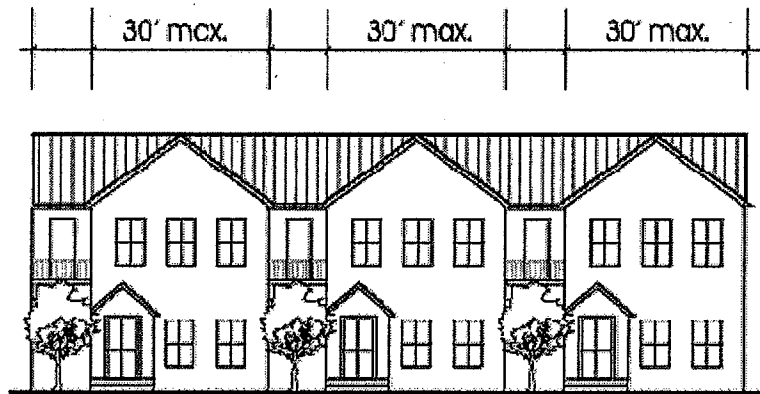
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- ii. Buildings occupying the corner of 5th Avenue NE and NE 165th Street will be designed to encourage pedestrian activity and pedestrian amenities. Pedestrian amenities include weather protection, substantial sitting areas, courtyard type flooring and lighting.
- iii. Buildings located at corners will serve as gateways to the neighborhood distinguishable from the rest of the buildings. Corner entries and/or architectural treatment will be used to emphasize the corner location.
- iv. Examples of design requirements can be found in the PLA2 administrative design guidelines.

g. Buildings fronting on NE 163rd Street

- i. Intent: To provide additional visual relief from more intense development across from R-6 zones.
- ii. If building is separated by a local street, building facades across from R-6 zones or single-family development will incorporate townhouse design elements.
- iii. Buildings located across from R-6 zones or single-family development will be used for residential living units.
- iv. Townhouse design elements are bay windows, stoops, stairways up to entry doors from public sidewalks, porches, patios, balconies, railings, sloped roofs, cornices, and other elements that meet the intent of this section as approved by the Director.



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h. Service areas and mechanical equipment

- i. Intent: To screen rooftop mechanical and communications equipment from the ground level and from other structures. On-site service areas, loading zones, garbage collection, recycling areas, and similar activities will be located in an area that minimizes unpleasant views from adjacent residential and commercial uses.
- ii. Utility vaults, ground mounted mechanical units, satellite dishes, and other similar structures will be screened on all sides from adjacent streets and public view. This does not include pedestrian-oriented trash receptacles along walkways.
- iii. Fences designed for privacy, security, and/or screening will be made of material that is compatible with the building design.
- iv. Fences for screening and security purposes that are adjacent to the public right-of-way may be used only in combination with a trellis, landscaping, or other design alternatives to separate such fences from the pedestrian environment.
- v. Mechanical units, utility equipment, elevator equipment, and wireless telecommunication equipment (except for the antennae) located on the roof will be:
 - Incorporated into the roof design; and
 - Thoroughly screened, including from above when not in conflict with International Building Code or equipment specifications, by an extended parapet wall or other roof forms that are integrated with the architecture of the building. Environmental features do not have to be screened.

i. Parking Structures

- i. Intent: To reduce the visual impact of above-ground parking structures.
- ii. Parking structures at ground-level will be fully enclosed except for vehicle entrances.

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- iii. Parking levels above ground level will have openings totaling no more than 65 percent of the façade area. All openings will be screened with garden walls (structures designed to support vegetation growing across the opening); vegetation designed to grow on the façade and over the openings, louvers, expanded metal panels, decorative metal grills, opaque glass, or other devices approved by the Director that meet the intent of this section.

j. **Live/Work Units**

- i. Intent: To accommodate retail/office space and living units fronting on public right-of-way. Live/work units provide flexibility to business owners who want to live where they work.
- ii. Ground floor units facing a public sidewalk are required to be plumbed and built to be adapted for commercial use.

20.91.060 Height Incentives

The following height incentives will only apply to developments in the Ridgcrest Commercial Planned Area 2a:

- A. Intent: To require installation of features that benefit the public by creating a more inviting and livable community.
- B. Building height may be modified based on the following criteria:
 - 1. The building may increase to 4 stories if approximately 80 percent of the building base fronting 5th Avenue NE is developed with nonresidential uses and/or live/work units.
 - 2. The building may increase to 5 stories if the standards in SMC 20.91.060(B)(1) and SMC 20.91.060(C)(1)-(5) are provided.
 - 3. The building height may increase to 6 stories if the standards in SMC 20.91.060(B)(1) and SMC 20.91.060(C)(1)-(5) are provided, and 20 percent of the total numbers of units are affordable housing, as defined in RCW 84.14.010.

C. Height Incentive Requirements:

1. **Active recreation area**

- a. Intent: To provide recreational opportunities for residents in an area of the City that has little public park space in support of high density development.
- b. Will not be used for parking or storage.
- c. May be located out of doors, on top of, or within a structure.
- d. Will include an area of at least 600 contiguous square feet with a minimum dimension of 20 feet.

2. **Art, Public**

- a. Intent: To add stimulating and aesthetically pleasing elements to the built environment.

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- b. Must be displayed near the main pedestrian entrance to a building and be visible and accessible from a public sidewalk or within a public plaza.
- c. The scale of the artwork will be appropriate for the space occupied and large enough to be appreciated in full from at least 10 feet away.

3. Indoor Meeting Space

- a. Intent: To provide space for non-profit organizations to contribute to "third place" energy to complement commercial, residential and pedestrian synergy.
- b. Users may include community associations, neighborhood groups, after school programs, non-profit meeting space, and other programs that benefit the community at large.

4. Fountain or other water element

- a. Intent: To add stimulating and aesthetically pleasing elements to the built environment.
- b. Will be located outside of the building.
- c. The sum of the dimensions of the smallest possible cube surrounding the water when in motion will be at least 30 feet.
- d. Will be publicly visible and accessible from the main pedestrian entrance to a building or along a perimeter sidewalk or pedestrian connection.
- e. Water will be maintained in a clean and noncontaminated condition.
- f. Water will be in motion during daylight hours.

5. Plaza, public

- a. Intent: To provide for public gathering places supportive of a pedestrian-friendly environment.
- b. Will be accessible to the public.
- c. Will be readily accessible from a public sidewalk.
- d. Some portion will provide protection from adverse wind and rain.
- e. Will be signed to identify the enclosed plaza is available for public use.
- f. Will include permanent and substantial sitting areas for at least 5 people.
- g. Will be coordinated with or connected to the site's primary pedestrian entrance.
- h. Will be at least 2,000 square feet in area (1600 sq. ft in contiguous area with a minimum dimension of 20 feet).
- i. Will be enclosed on at least two sides by a structure or by landscaping which creates a wall effect.
- j. Will provide opportunities for penetration of sunlight.
- k. Will be lighted at night.
- l. The property owner must grant the public a permanent easement ensuring public access over the plaza during normal business hours. The owner must record the easement with the county.

6. Sustainability Features

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- a. Intent: To ensure that new construction incorporates new and innovative building techniques to reduce demand on energy and stormwater systems.
- b. Development will be Built Green, as amended, or other sustainability standards approved by the Director that meet the sustainability intent of the King County Built Green program at a minimum of the three-star standard.
- c. Low-impact development techniques will be incorporated for all new development within PLA2. Some combination of the following low-impact development techniques will be employed: Rain gardens, permeable pavement, rainwater harvesting, vegetated roof, road design that promotes walking and bicycling, bike racks, increase access to and connection between public transportation modes and use of native non-invasive plant species.

20.91.070 Parking

- A. Intent: To provide adequate parking for a mix of uses on and around the Ridgecrest Commercial Planned Area 2. The parking management plan will make reasonable provisions to accommodate parking demand generated by on-site uses.
- B. All development proposals in the Ridgecrest Commercial Planned Area 2 require a parking management plan.
- C. The parking management plan will address parking impacts, ways to reduce parking demand and incentives for alternative transportation such as bike racks, bike lockers, and a minimum number of transit passes available for residents. As part of the parking management plan Metro bus passes will be made available to 50% of the units for the first two years of project occupancy.
- D. Parking spaces may be shared:
 - 1. When different uses share a common parking facility;
 - 2. The uses have peak parking demand periods that do not overlap more than 2 hours; and
 - 3. Shared parking areas will be appropriately designated and signed.
- E. Minimum parking spaces required for residential uses are 1 space for studio units, 1.3 spaces for 1-bedroom units and 1.6 spaces for 2-bedroom units.
- F. Provisions will be made for a car sharing program (like Flexcar), as approved by the Director, and include a car on-site as well as car-sharing only parking spaces.
- G. Parking areas in developments 1.5 acres or more will conform to the all of the parking design standards under SMC 20.50.410-.420
- H. On-site surface parking lot will be screened from public right-of-way and adjacent residential land uses. Screening can consist of locating parking behind buildings or by opaque landscaping.

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I. 2/3rds of the required parking spaces will be located on-site. The remainder of the required parking may be located off-site if the developer can secure parking through an agreement acceptable by the Director. Building occupancy will be restricted if, at any time, parking spaces off-site are lost and not replaced by other agreements. A notice will be recorded to the title of any property stating these requirements.

20.91.080 Signs

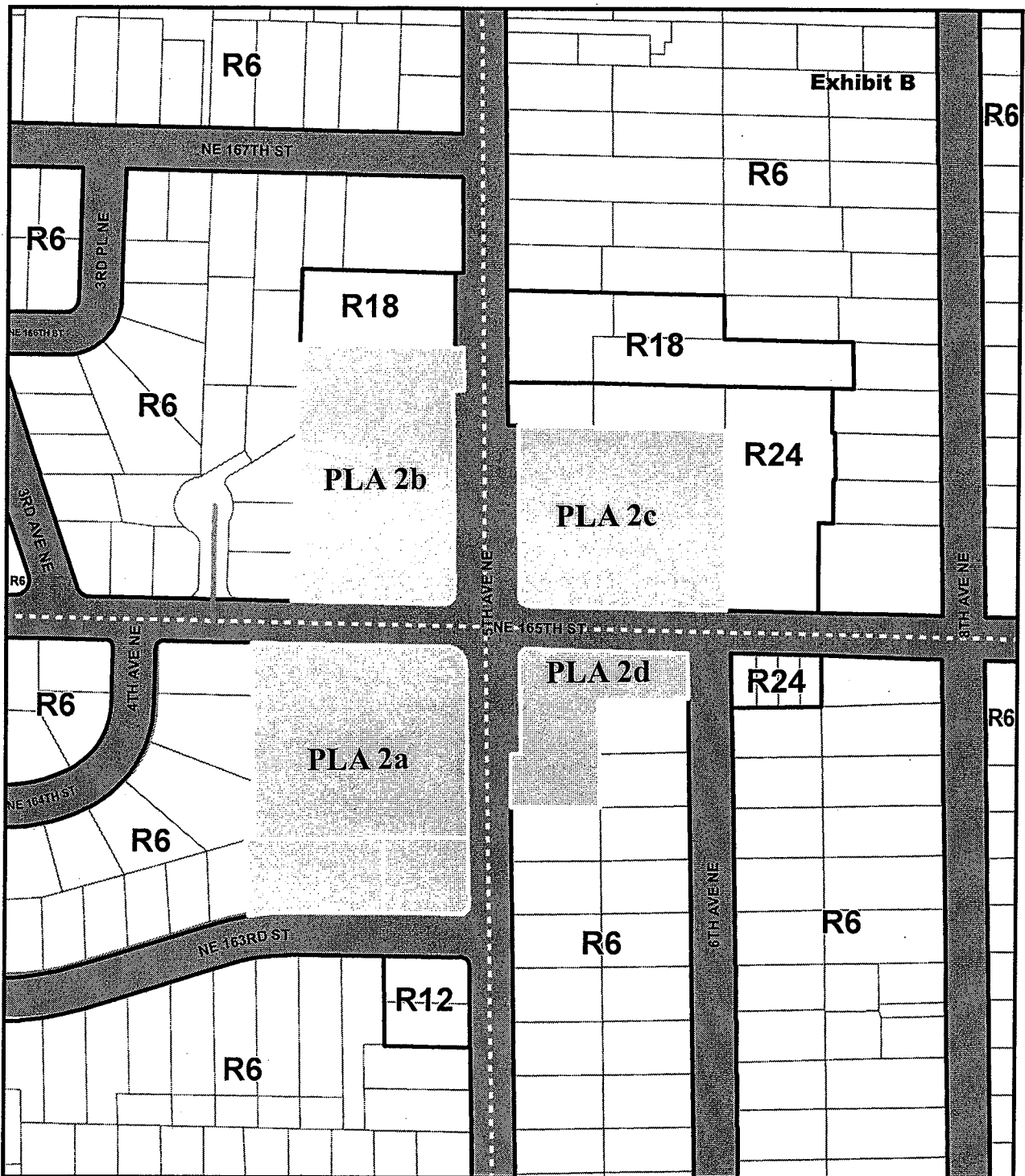
Development proposals in the Ridgecrest Commercial Planned Area 2 that are 1.5 acres or more require submittal and approval of a master sign plan through the administrative design review process set forth in SMC 20.91.040.

20.91.090 Outside lighting

- A. Intent: To create a walkable human scale neighborhood environment by providing adequate and appropriate lighting for pedestrians.
- B. The standards for outdoor lighting apply to all development proposals in the Ridgecrest Commercial Planned Area 2.
- C. The outdoor lighting will:
 - 1. Accent structures or provide security and visibility;
 - 2. Be shielded to confine emitted light to within the site ; and
 - 3. Be located so it does not have a negative effect on adjacent properties or rights-of-way.
- D. All building entrances will be well lit to provide inviting access and safety. Building-mounted lights and display window lights will contribute to lighting of pedestrian walkways and gathering areas.
- E. Light post height will not exceed 15 feet.
- F. Outside lighting will be minimum wattage metal halide or color corrected sodium light sources which emit "natural" light. Non-color-corrected low-pressure sodium and mercury vapor light sources are prohibited.

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Planned Area 2 (PLA 2)

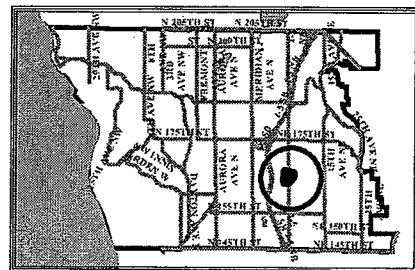
Zoning Legend

R4	Residential, 4 units/acre	NB	Neighborhood Business
R6	Residential, 6 units/acre	NCBD	North City Business District
R8	Residential, 8 units/acre	CB	Community Business
R12	Residential, 12 units/acre	O	Office
R18	Residential, 18 units/acre	RB	Regional Business
R24	Residential, 24 units/acre	RB-CZ	Regional Business-Contract Zone
R48	Residential, 48 units/acre	I	Industrial
CZ	Contract Zone		

Feature Legend

	- Map Tile Lines		- Unclassified ROW
	- City Boundary		- Parcel Line

μ



0 62.5 125 250 375 500 Feet

No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.

Council Meeting Date: March 3, 2008

Agenda Item: 8(b)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Ordinance No. 479, amending Ordinance No. 310, Property Tax Exemption Program-Continued Public Hearing
DEPARTMENT:	Economic Development Program/CMO
PRESENTED BY:	Tom Boydell, Economic Development Manager

PROBLEM/ISSUE STATEMENT:

The City Council held a public hearing on Ordinance No. 479, amending Ordinance No. 310, Property Tax Exemption Program, on January 14, 2008 and continued the hearing to January 28, 2008. However, due to time constraints this item was then rescheduled to March 3rd. The continued hearing will be an opportunity for those who have not previously testified to provide input to the City Council. The Council will then have the opportunity to discuss the proposal, ask staff questions, and provide direction for future adoption.

For reference, attached are the staff report from January 14, 2008 and a summary of public testimony taken from the January 14 Public Hearing.

RECOMMENDATION

Staff recommends that Ordinance No. 479 be adopted to modify the PTE program for compliance with state law, clarification of procedures, and expansion into the Ridgecrest neighborhood.

Attachments:

- Attachment A: Public Testimony from January 14, 2008 Public Hearing
- Attachment B: Staff Report from January 14, 2008

Approved by: City Manager RSO City Attorney _____

**SHORELINE CITY COUNCIL
PUBLIC HEARING**

**The following public testimony are from the
January 14, 2008 Summary Minutes As Adopted by Council**

8. ACTION ITEMS: PUBLIC HEARING

(a) Public hearing to consider citizens' comments on Ordinance No. 479, amending Ordinance No. 310, Property Tax Exemption Program

Mayor Ryu opened the public hearing.

(a) JJ McCament, Tacoma, on behalf of John Stephanus, the developer of Arabella Apartments, said that three questions which generate the most interest from the public concerning property tax exemptions: 1) is it for multi-family versus single family; 2) is it an incentive or an investment; and 3) is it being offered at the expense of another taxpayer. She explained that this tax exemption was instituted by the state to encourage people to move out of single family homes and into multi-family homes when the choice becomes available to them. She urged Council support of Ordinance No. 479.

(b) John Stephanus, Kirkland, developer of the Arabella Apartments, stated that his firm cannot build the project without the property tax exemption. He highlighted that the property tax exemption allows them to build structured parking beneath the building. Additionally, the 8-12 year program allows for reduced rents at the Arabella. He strongly urged support of the property tax exemption.

Councilmember Way inquired if the Arabella has a property tax exemption and if the property tax exemption was given to allow for the underground parking. She also said that there are neighbors who have felt the impact of parking and that the Arabella charges too much for parking in the garage.

Mr. Stephanus responded that there was a property tax exemption to allow underground parking and he noted that it costs \$25,000 - \$40,000 in building costs per parking stall. He concluded that the rate charged for parking doesn't cover that amount.

(c) Bill Austin, Redmond, Epic Asset Management, manager of the Arabella Phase 1 and manager of Phase 2, stated that the property tax exemption allowed for increased parking density. He stated that 35-40% of the people at the Arabella work in Shoreline, Lake Forest Park, and Lake City. He commented that the rent structure meets affordable housing guidelines to qualify for the 12-year program.

Councilmember Ryu asked if there was a plan for an active parking management plan because there have been complaints from residents about tenants parking in front of their houses. Mr. Austin stated that some will take care of itself as Phase 2 progresses because of more parking.

Councilmember Eggen questioned why they changed the mix from 2-3 bedrooms to 1 bedroom units and studios. Mr. Austin responded that it was to make the new units affordable and to have some economic viability.

(d) LaNita Wacker, Shoreline, supported the concept. She added that the City wants affordable housing and economic development and the tax incentive is a tool that allows both to happen. She summarized that the City will be gaining property taxes from new investments, which will be far in excess of what would be received from a one-story building. She urged the Council to adopt Ordinance 479.

(e) Chung Lee, Shoreline, said he owns property on 15th Avenue and was attracted to Shoreline eight years ago because of its foresight in establishing North City. He felt the City wants to do what's desirable and what's right and there is nothing better than having a vibrant downtown area. He concluded that this is a positive thing and he supports it.

Council Meeting Date: January 14, 2008

Agenda Item: 8(a)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Ordinance 479, amending Ordinance No. 310, Property Tax Exemption Program
DEPARTMENT:	Economic Development Program/CMO
PRESENTED BY:	Tom Boydell, Economic Development Manager

PROBLEM/ISSUE STATEMENT:

The Economic Development Strategic Plan adopted by the City Council contains the following work program:

"Review the existing or formulate new development incentives where appropriate to support priority development areas and designated Planned Action areas."

This report contains recommendations for revising the Property Tax Exemption (PTE) program, which is one tool the City can utilize to provide incentives for targeted economic development.

Ordinance 310 was first adopted by City Council on November 25, 2002. This ordinance established Shoreline's PTE program for the North City Business District. The PTE program provides a ten-year property tax exemption for development of multi-family residential housing in the North City Business District. Inherent purposes of the incentive are to encourage the development of multi-family housing in areas that would not occur without such an incentive, offset the costs of structured parking, offset the risk of higher density and mixed use development, provide incentives for more affordable housing, and steer development to designated target areas close to transit and neighborhood services to promote sustainable communities.

The proposed changes are to:

- Comply with recently revised state law on property tax exemptions.
- Amend the property tax exemption application requirements, clarify procedures, and add other administrative changes.
- Expand the program to incorporate Ridgecrest Commercial Area.

The economic analysis of developer pro formas indicates that the property tax incentive for affordable housing, as recently adopted by the State Legislature, is significant and likely to lead to a greater variety of housing choices.

FINANCIAL IMPACT:

The PTE program is a partial exemption from property taxes because the value of the new construction is not included on the tax rolls until the end of the exemption period. The exemption does not apply to retail square footage, other commercial space or land, nor does it exempt utility or other fees. The portion of the project that qualifies is basically the housing construction improvements (building). This program provides exemption from all "ad valorem property taxation", which includes the property tax levy for all taxing jurisdictions. Depending on the type of tax levy there are differing results of the property tax exemption.

The primary taxing districts that are directly affected by the property tax exemption program are the City, Fire District, and King County Library District for their regular levies. Under this program the City would be forgoing property tax revenue on the qualifying portions of the program for the period of the exemption (8 or 12 years). Based on the City's 2008 regular property tax rate of \$1.02 the amount of the property tax collected on \$12 million of improvements would be approximately \$12,240. Under the property tax exemption program the City will not collect this property tax. Applying the annual 1% property tax levy limitation growth this would equate to \$106,400 over eight years or \$163,000 over twelve years. This does not take into account added retail sales, utility taxes, or the property taxes from any increase in land values and non-residential square footage that may be included in a mixed-use development. After 8 years for market rate developments or 12 years for affordable housing developments, the residential units become taxable. Residential buildings have useful lives of 25 or more years.

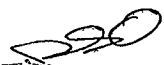
Generally property taxes alone are not sufficient to off-set the cost of government services. However, the City would collect other taxes, such as utility and sales, from occupants of the housing units during this time period to help off-set the cost of government services provided to the occupants.

RECOMMENDATION

Staff recommends that Ordinance No. 479 be adopted to modify the PTE program for compliance with state law, clarification of procedures, and expansion into the Ridgecrest neighborhood.

Approved by:

City Manager



City Attorney

Analysis

INTRODUCTION

The PTE program, adopted by the City Council in 2002, was aimed at increasing the amount of desirable, convenient and attractive residential housing in North City Business District in order to attract additional residents, which in turn would attract new businesses, expansion of existing businesses, and local economic development.

As an incentive to development of multi-family housing in the North City target area, the PTE program offered a ten-year exemption from payment of property taxes, commencing upon completion of the development. The exemption applies to property taxes on the value of the residential improvements alone. The exemption does not apply to land, retail space, other commercial space, or utility or impact fees. Ordinance 310 limited the total amount of units available for the tax exemption to 250 units and to projects that created 20 or more new units of multi-family housing.

Inherent purposes of the incentive are to encourage the development of multi-family housing in areas where this would not occur without such an incentive, offset the costs of structured parking, offset the risk of higher density and mixed use development, and steer development to designated target areas with transit, sidewalks and local services. This is a key strategy in promoting neighborhood and community sustainability.

One project has been built under the PTE program – the 88 unit development formerly known as North City Landing, located at 17763 15th Avenue NE. The project was completed in April 2007.

Staff has reviewed the PTE program at length, in light of the completed project, discussions with developers and other cities, changes in state law, and the experience of Shoreline staff in handling the North City Landing project. The North City Landing project (now known as Arabella Apartments, Phase I) provided useful information about which portions of our program work well and which portions need improvement. In addition, in responding to recent inquiries by developers desiring to use the remaining 162 units under Ordinance No. 310, staff has noted significant deterrents of the PTE program application process.

The PTE program can be a better tool for increasing development, affordable housing, and a more sustainable community, or other amenities. In the long-term, it also creates substantially positive improvements to the City's tax base.

BENEFIT OF TAX EXEMPTION PROGRAMS

The Association of Washington Cities and cities in the Puget Sound region (Seattle, Bellevue, Renton, Kent, Olympia, Bremerton, and Bellingham) have extensive experience with PTE programs.

To assist in our review, staff in Tacoma and Federal Way provided us with copies of their program evaluations. These two studies are summarized below, and copies are provided as an *Attachment*.

City of Tacoma:

Tacoma produced a study titled "Property Tax Exemption Program for Multifamily Development 1996-2004 – Program Review for City of Tacoma, April 2005." This was prepared by Greg Easton, Property Counselors.

Important findings from this study are:

- "Even with the benefits available from the program, many projects don't meet the financial or market requirements to proceed." Page 5
- "In a competitive market, all cost savings beyond those required to make the project feasible will be passed on to renters." Page 6
- The affordability of housing sold as condominiums is improved. Page 7
- "The property tax exemption plays a critical role in supporting economic value established by an appraisal required by a lending institution and can strengthen the equity position of the developer allowing a project to proceed without seeking a partner or investor to allow the project to go forward." FAQ Attachment Page 3.

City of Federal Way:

Federal Way examined and reported on projects in Seattle, Bellevue and Renton in addition to analyzing its own City Center target area. Their findings were reported to Council in a memorandum from Patrick Doherty to Eric Faison, October 15, 2002 titled "Tax Exemption Program for Multifamily in City Center." While the Federal Way study focused on a comparison of multi-family development in neighborhoods vs. those in the City Center area, there are two conclusions that are relevant to Shoreline.

- They conclude that the PTE program will stimulate projects on land that otherwise will stay vacant.
- Their analysis shows that tax increases from land assessed values and commercial construction are significant. They conclude that multi-family projects, even with the PTE, can help to spread out the tax burdens and thereby lessen the tax pressures on single-family residential properties.

Economic Analysis of the Shoreline PTE Program:

An independent consultant (Greg Easton, Property Counselors) was hired to evaluate the Shoreline PTE program. He concluded that the tax exemption incentive is still needed because construction costs are rising and market rents are not keeping up. In particular, mixed use development and development that includes affordable housing remains financially risky. Projects may not be profitable until five years post-development.

Pro forma economic analyses were prepared for six alternatives:

1. Rental Housing
 - No program
 - Eight year exemption
 - Twelve year exemption with 20% affordable housing
2. Ownership as Condominiums
 - No program
 - Eight year exemption
 - Twelve year exemption with 20% affordable housing

The prototype that was used is based generally on the Arabella and proposed Arabella II Apartments in North City. The feasibility analysis concluded that development of apartments is not feasible without the PTE program and that the greater incentive for affordable housing projects would influence developers in that direction. Condominium projects also do not meet the feasibility threshold without the PTE program; however, a developer would be likely to apply for the eight year exemption.¹

Developers and property owners tell staff that, without the PTE, less than half of the same land will be redeveloped, and the rest is likely to be redeveloped as low density townhouses with no associated retail or services.

The Economic Analysis Report is included as an Attachment.

CHANGES TO SHORELINE'S PTE PROGRAM

The proposed changes:

- Comply with the recently revised state law on property tax exemptions

¹ Land is assumed to be approximately 20% of total post-construction property value for rental buildings and 30% for condominiums. Values are discounted by the developers cost of capital (assumed as 6.5%), in order to show how a bank or developer would view costs, risks, and the value of the tax exemption. Property values are slightly higher than the values used by Finance Dept staff in the Financial Impact Analysis.

- Amend the property tax exemption application requirements, clarify procedures, and add other administrative changes
- Expand the program to incorporate Ridgecrest

A. State law changes

Affordable Housing

Recent changes in state law encourage affordable housing by increasing the exemption period to 12 years for affordable housing developments and reducing the exemption period to 8 years for market rate housing developments. To qualify as an affordable housing development, at least 20% of the multifamily housing units must be rented or sold as affordable housing. "Affordable housing" is defined as residential housing that is rented by a person or household whose monthly housing costs do not exceed 30% of the household's monthly income. Our current Ordinance No. 310 provides a 10 year exemption for all types of projects. In order to comply with state law, our ordinance needs to reduce the exemption to 8 years for market rate housing and extend it to 12 years for affordable housing projects.

The state law amendments were effective on July 22, 2007, and thus no new applications can be received or processed until the City's program is amended to be in compliance with new state law.

Reporting Requirement Added

An annual report to the Washington State Department of Community, Trade, and Economic Development is now required.

B. Procedural changes

Application process

Under the current ordinance, a developer must submit a North City Business District Planned Action Development submittal checklist and a building permit submittal checklist for Planned Action in North City, a brief written description of the project, a site plan, a statement from the owner acknowledging the tax liability after the exemption period expires, and verification by oath.

Submitting the items on the two checklists (which includes engineering plans, landscaping plans, and parking and vehicular access plans) has proven to be an unexpected deterrent to developers. Developers do not want to spend significant time and money on preparing extensive development plans if the tax exemption

is not guaranteed. In addition, lenders will not consider a project loan application until the tax exemption application is approved or they will increase the equity requirements. Finally, in the financial mind of a developer, equity is five to ten times costlier than capital from an approved and leveraged project.

In order to remedy this deterrent, the application submittal has been amended (attached to Ordinance 479). The City will now only require the PTE application form, the description of the project, the site plan, the statement and the verification. The City will not require the building permit and planned action submittal.

C. Program Expansion

Expansion of PTE Program Geographical Area

Staff recommends expansion of the PTE program into the Ridgecrest Commercial area in order to encourage developments that incorporate the principles of sustainability, on the ground and in the buildings. Ridgecrest has significant potential mixed use development, green buildings, public spaces, affordable housing opportunities, and pedestrian improvements. PTE is an important tool in negotiating these types of improvements and public benefits. Underground parking is essential to making new development work, in order to serve the residents and businesses of a site and without creating problems of parking spilling over to the neighborhood.

Staff recommends that the PTE program be amended to include the Planned Action zones on the southwest, southeast, and northwest corners, and adjacent zoning of R18 and R24. The incentive would not be available for the NW corner where the movie theater is located, because residential development on that site would not be compatible with a movie theater.

Requirements for things like public space and other amenities or design features are to be delineated in the zoning code for the Planned Action areas.

D. Program Limits

Limit the program by continuing the unit cap and by delineation of business protection areas consistent with zoning code

Unit Cap

The current cap on units limits the potential use of the PTE program and the benefit to the City's citizens and taxpayers. Currently, the PTE Program is limited to 250 residential units for North City, of which 162 units remain.

In Ridgecrest, a vision plan was recently developed by the University of Washington working in collaboration with the City and community. Several properties may be redeveloped under this plan. Staff requests that a unit cap of 250 residential units be established for this target area.

First Floor Commercial Space (Business Protection Areas)

In Ridgecrest, one of the key design elements proposed by University of Washington student design team and encouraged by the public and Planning Commission is that the first floors of buildings fronting commercial streets be reserved for "pedestrian-oriented business activity" (e.g., retail, restaurant, service, entertainment). This idea is already incorporated into North City Main Street 1 standards that are in SMC 20.90. In Ridgecrest, these requirements are specified by the Planned Action Zone standards.

For North City, staff proposes one change in the PTE ordinance. In order to ensure that new development is mixed use and does not result in a loss of spaces for businesses, staff proposes that Main Street 1 be extended to all 15th Avenue NE frontages, with respect to the PTE incentive,. In other words, if a developer's property is located on a property in the North City Main Street 2 area, and if he wants to receive the tax incentive, then the developer would have to meet the higher standards of the code for Main Street 1.

FINANCIAL IMPACT ANALYSIS

The PTE program is a partial exemption from property taxes; the value of new residential construction is not included on the tax rolls until the end of the exemption period. The exemption does not apply to retail square footage, other commercial space or land, nor does it exempt utility or other fees. The portion of the project that qualifies is basically the housing construction improvements (building). This program provides exemption from all "ad valorem property taxation", which includes the property tax levy for all taxing jurisdictions. This includes not only the City's property tax levies, but also those assessed by the State, County, School District, and other special districts. Depending on the type of tax levy, there are differing results of the property tax exemption. For example levies, such as those established by the School District, are set at an overall dollar amount. As such the School District will not actually lose revenue, but rather the levy tax rate will be fractionally higher than it would have been if the value of the improved properties were included on the tax rolls in order to collect the full levy that was approved by voters. This is the same for voted general obligation bond levies, i.e., the City's Park Bonds, as the City will continue to collect the required levy amount, but the levy rate necessary to collect the levy will be slightly higher, for the remaining tax payers, than it would be if the value of the new construction were included on the tax rolls.

The primary local taxing districts that have regular levies and that are affected by the PTE program are the City, the Fire District, and the Library District. The City would be forgoing property tax revenue from its general levy on the residential portion of the building for the period of the exemption (8 or 12 years).

Greg Easton used a mixed used development with 97 residential units valued at \$12 million as prototype in his Economic Analysis. Based on the City's 2008 regular property tax rate of \$1.02 the amount of the property tax collected annually on \$12 million of improvements would be approximately \$12,240. Under the property tax exemption program the City will not collect this property tax. Applying the annual 1% property tax levy limitation growth this would equate to \$106,400 over eight years or \$163,000 over twelve years. This does not take into account added retail sales, utility taxes, or the property taxes from any increase in land values and non-residential square footage that included in a mixed-use development.

Without the PTE program, the most likely scenario on the same property would be a maximum 20 townhouses, with an estimated value of \$5 million. (This is based on an assumption of 35,000 square foot property and R-24 zoning.) The amount of revenue that the City would gain from residential property tax is \$5,100 in year one and approximately \$151,000 over 25 years. There would no additional commercial space created and little impact on local retail spending.

Over this same 25 year timeframe, the 97 unit mixed use project with 8-year tax exemption generates \$260,000 in taxes to the City. A mixed use project with a 12-year tax exemption generates \$203,000. As stated above, this is residential property tax alone and does not take into account added retail sales, utility taxes, or the property taxes on land and commercial square footage. These figures also do not include any comparison for cost of government services provided to the residences that occupy the residential units.

SUMMARY

Three categories of changes are recommended for the Property Tax Exemption program. The first adopts changes required by state law that change the length of the exemption to 8 years for market rate housing and 12 years for affordable housing projects. The second category consists of administrative and procedural changes. The third category consists of recommendations for program expansion, specifically, adding the Ridgecrest Commercial area as a designated "target area."

These changes will benefit the city. Tacoma and other cities have experienced that the PTE stimulates new development in target areas both of PTE certified properties and non-PTE eligible properties. The PTE program provides an incentive to multi-family residential housing, public space, green buildings, affordable housing, and more efficient land uses such as structured underground

parking instead of surface parking. Without the incentive, profitability considerations by themselves are likely to drive decisions toward lower residential densities, fewer affordable housing units, less public space and fewer other features of public benefit.

RECOMMENDATION

Staff recommends that Ordinance No. 479 be adopted to modify the PTE program for compliance with state law, clarification of procedures, and adding the Ridgcrest neighborhood as a second target area.

ATTACHMENTS

Attachment A – Proposed Ordinance No. 479

Attachment B – Studies from Other Cities in the Puget Sound Region

- (1) City of Tacoma: Study titled "Property Tax Exemption Program for Multifamily Development 1996-2004 – Program Review for City of Tacoma, April 2005" prepared by Greg Easton, Property Counselors
- (2) City of Federal Way: Memo from Patrick Doherty to Eric Faison dated October 15, 2002 titled "Tax Exemption Program for Multifamily in City Center"

Attachment C – Evaluation of the Shoreline PTE program: Economic Impact Analysis, by Greg Easton, Property Counselors

Attachment A
Proposed Ordinance No. 479

ORDINANCE NO. 479

AN ORDINANCE AMENDING THE PROPERTY TAX EXEMPTION PROGRAM FOR ADMINISTRATIVE CHANGES AND EXPANSION INTO RIDGECREST COMMERCIAL PLANNED AREA 2 AND RESIDENTIAL AREAS DESIGNATED R-18 AND R-24 ADJACENT TO THE RIDGECREST COMMERCIAL PLANNED AREA 2

WHEREAS, on November 25, 2002, the City Council adopted a Property Tax Exemption Program for the North City Business District; and

WHEREAS, on July 22, 2007 Chapter 84.14 RCW changed for new applications to (1) increase the property tax exemption timeframe for affordable housing from ten years to twelve years and decrease the exemption for market rate housing from ten years to eight years; and (2) require annual reporting to the Washington State Department of Community, Trade, and Economic Development; and

WHEREAS, Chapter 84.14 RCW provides that an area designated as a residential target areas must be within an urban center, must lack sufficient available, desirable, and convenient residential housing to meet the needs of the public who would be likely to live in the urban center, if the desirable, attractive, and livable places to live were available; and the providing of additional housing opportunity in the area will assist in achieving one of the stated purposes in RCW 84.14.

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

Section 1. Amendment. Sections 1-10 of Ordinance 310 are amended to read as follows:

Findings

- A. The North City Business District, the Ridgcrest Commercial Planned Area 2(a), 2(c), and 2(d), and residential areas designated R-18 and R-24 adjacent to the Ridgcrest Commercial Planned Area 2(a), 2(c), and 2(d) are urban centers of the City of Shoreline as defined under RCW 84.14.010 (16). (10).
- B. The North City Business District, the Ridgcrest Commercial Planned Area 2(a), 2(c), and 2(d), and residential areas designated R-18 and R-24 adjacent to the Ridgcrest Commercial Planned Area 2(a), 2(c), and 2(d) lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public, and current and future residents of the City of Shoreline would be likely to live in the North City

- Business District, the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d) and residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d) if additional desirable, convenient, attractive and livable places were available.
- C. Provision of additional housing opportunities, including affordable housing, will assist in promoting further economic development and growth management goals by bringing new residents to utilize urban services and encourage additional residential and mixed use opportunities.

Purpose

- A. It is the purpose of this ordinance to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for revitalization of the North City Business District, the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d), and residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d). The limited 40-year exemption from ad valorem property taxation for multifamily housing in the residential targeted area is intended to:
1. Encourage increased residential opportunities within the residential targeted area;
 2. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for revitalization of the North City Business District, the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d), and residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d).
 3. Assist in directing future population growth to the residential targeted area, thereby reducing development pressure on single-family residential neighborhoods; and
 4. Achieve development densities that stimulate a healthy economic base and are more conducive to transit use in the designated residential targeted areas.

Designation of Residential Targeted Areas

The North City Business District, as defined in the Shoreline Municipal Code Chapter 20.90.020, the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d), as defined in Shoreline Municipal Code Chapter 20.91, and residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d) are is designated as a residential target areas as defined in chapter 84.14 RCW and the boundaries of the target area are coterminous with the North City Business District, the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d), and residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d)

Standards and Guidelines

- A. Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption:
1. Location. The project must be located within the North City Business District, the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d), or residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d) targeted areas as designated in section 3.
 2. Limits on Tax Exempt Units. The project's residential units must be within the first 250 tax exempt units of new or rehabilitated multifamily housing applied for and approved within the North City Business District residential targeted area or within the first 250 tax exempt units in the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d) and residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area 2(a), 2(c), and 2(d).
 3. Size. The project must provide for a minimum of fifty percent of the space for permanent residential occupancy. ~~include at least 20 units of multi-family housing within a residential structure or as part of a mixed-use development.~~ At least 20 ~~four~~ additional residential multi-family units must be added to existing occupied multi-family housing. Existing multi-family housing that has been vacant for 12 months does not have to provide additional units so long as the project provides at least fifty percent of the space for permanent residential occupancy ~~20 units of new, converted or rehabilitated multi-family housing and rehabilitated units failed to comply with one or more standards of the applicable state or local building or housing codes.~~ Transient housing units (rental of less than one month) are not eligible for exemption.
 4. Proposed Completion Date. New construction multi-family housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application.
 5. Compliance With Guidelines and Standards. The project must be designed to comply with the City's comprehensive plan, building, and zoning codes and any other applicable regulations in effect at the time the application is approved including Chapters 20.90 and 20.91 of the Shoreline Municipal Code.
 - a. Consistent with SMC 20.90.020(B)(1), projects located on 15th Avenue N.E. and within the property tax exemption program target area must have pedestrian-oriented business uses at the street level fronting on 15th Avenue N.E. The minimum depth of street level pedestrian-oriented business uses shall be 20 feet from the frontage line of the structure on 15th Avenue N.E., and all other requirements of Main Street 1 properties shall apply.
- B. Exemption - Duration. ~~The value of improvements qualifying under this chapter for a Multiple Family Tax Exemption~~ Projects qualifying under this

chapter for a Multiple Family Tax Exemption that rent or sell at least twenty percent of the residential units as affordable housing units as defined by Chapter 84.14 RCW will be exempt from ad valorem property taxation for ten twelve successive years beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption. Projects qualifying under this chapter for a Multiple Family Tax Exemption for market rate housing will be exempt from ad valorem property taxation for eight successive years beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption.

- C. Limits on Exemption. The exemption does not apply to the value of land or nonhousing-related improvement, nor does the exemption apply to increases in assessed valuation of land and non-qualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter.
- D. Contract. The applicant must enter into a contract with the city approved by the City Council under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the Council.

Application Procedures

- A. A property owner who wishes to propose a project for a tax exemption shall file an application for Multiple Family Tax Exemption to with the Department of Planning and Development Services in substantially the same form as the application set forth in Exhibit A, along with a minimum fee deposit of three times the current hourly rate for processing land use permits together with the current King County Assessors fee for administering the Multiple Family Tax Exemption program. Total City fees will be calculated using the adopted hourly rates for land use permits in effect during processing.
- B. In the case of rehabilitation or demolition, the owner shall secure verification of property noncompliance with applicable building and housing codes prior to demolition.
- C. ~~The application applicant shall contain such information as the Director may deem necessary or useful, and shall include:~~
 - ~~1. A North City Business District Planned Action Development Submittal Checklist and a Building Permit Submittal Checklist For Planned Action in North City;~~
 - 2. 1. A brief written description of the project setting forth the grounds for the exemption;
 - 3. 2. A site plan, including the floor plan of units;
 - 4. 3. A statement from the owner acknowledging the potential tax liability when the project ceases to be eligible under this ordinance; and
 - 5. 4. Verification by oath or affirmation of the information submitted.

Application Review and Issuance of Conditional Certificate

- A. Certification. Once a development project application is deemed complete ~~according to SMC 20.90.025~~, the City Manager or designee may certify as eligible an application which is determined to comply with the requirements of this ordinance and enter findings consistent with RCW 84.14.060. A decision to approve or deny certification of an application shall be made within 90 days of receipt of a complete application. If denied the applicant may appeal the denial to the City Council within thirty days by filing an Appeal Statement and the current appeal filing fee with the City Clerk. The appeal before the Council will be based upon the record before the City Manager or designee with the burden of proof on the applicant to show there was no substantial evidence to support the official's decision. The Council's decision on appeal shall be final.
- B. Approval. If certified as eligible, the application together with a contract between the applicant and the City regarding the terms and conditions of the project, signed by the applicant, shall be presented to the City Council with a recommendation that the City Council authorize the City Manager to sign the contract.
- C. Issuance and Time Limit. Once the contract is fully executed, the City Manager shall issue a Conditional Certificate of Acceptance of Tax Exemption. The Conditional Certificate expires three years from the date of approval unless an extension is granted.
- D. Extension of Conditional Certificate. The Conditional Certificate may be extended by the City Manager for a period not to exceed 24 months. The applicant must submit a written request stating the grounds for the extension, accompanied by a ~~\$121.00~~ processing fee equal to the current hourly rate for processing land use permits. An extension may be granted if the City Manager determines that:
 - 1. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner;
 - 2. The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
 - 3. All Conditions of the original contract between the applicant and the City will be satisfied upon completion of the project.
- E. Denial of Application. If the application for tax exemption is denied, the City Manager shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within ten day of the denial. An applicant may appeal a denial to the Hearing Examiner under the Rules of Procedure for Administrative Hearings within 30 days of receipt of the denial.

Application for Final Certificate

Upon completion of the improvements provided in the contract between the applicant and the City the applicant may request a Final Certificate of Tax Exemption. The applicant must file with the City Manager such information as the City Manager may deem necessary or useful to evaluate eligibility for the Final Certificate and shall include:

- A. A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
- B. A description of the completed work and a statement of qualification for the exemption; and
- C. If applicable, a statement that the project meets the affordable housing requirements as described in RCW 84.14.020; and
- D. A statement that the work was completed within the required three-year period or any authorized extension.

Within 30 days of receipt of all materials required for a Final Certificate, the City Manager shall determine whether the improvements satisfy the requirements of this ordinance.

Issuance of Final Certificate

- A. Approval. If the City Manager determines that the project has been completed in accordance with the contract between the applicant and the City and has been completed within the authorized time period, the City shall, within 40 days of application, file a Final Certificate of Tax Exemption with the King County Assessor.
- B. Denial and Appeal. The City Manager shall notify the applicant in writing that a Final Certificate will not be filed if the City Manager determines that:
 - 1. The improvements were not completed within the authorized time period;
 - 2. The improvements were not completed in accordance with the contract between the applicant and the City;
 - 3. If applicable, a statement that the project meets the affordable housing requirements as described in RCW 84.14.020;
 - 4. The owner's property is otherwise not qualified under this ordinance; or
 - 5. The owner and the City Manager cannot come to an agreement on the allocation of the value of improvements allocated to the exempt portion of the rehabilitation improvements, new construction and multi-use new construction.

~~The applicant may file an appeal to the Hearing Examiner under City of Shoreline Rules of Procedure for Administrative Hearings. An aggrieved party may appeal the decision to Superior Court under RCW 34.05.510 through 34.05.598~~

Annual Compliance Review

- A. Annual Declaration. Within 30 days after the first anniversary of the date of filing of the Final Certificate of Tax Exemption and each year thereafter, for a period of 12 years for affordable housing projects and 8 years for market rate housing projects, 10 years, the property owner shall file a notarized declaration with the City Manager indicating the following:
- A. 1. A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
 - B. 2. A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the City; and
 - C. 3. A description of any subsequent changes or improvements constructed after issuance of the certificate of tax exemption;
 - 4. The total monthly rent or total sale amount of each unit produced; and
 - 5. The income of each renter household at the time of initial occupancy and the income of each initial purchaser if owner-occupied units at the time of purchase for each of the units receiving a tax exemption.

~~City staff may also conduct on-site verification of the declaration. Failure to submit the annual declaration may result in the tax exemption being canceled.~~

- B. Additional Reporting Requirement: By December 15 of each year, beginning with the first year in which the Final Certificate of Tax Exemption is filed and each year thereafter for a period of 12 years for affordable housing projects and 8 years for market rate housing projects, the property owner shall provide staff with a written report with the following information sufficient to complete the City's report to the department of community, trade and economic development described in Section D below.

- C. Audits. City staff may also conduct audits or on-site verification of the declaration and information provided by the property owner. Failure to submit the annual declaration and annual reports may result in the tax exemption being canceled.

- D. By December 31 of each year, the City shall file a report to the department of community, trade and economic development indicating the following for each approved PTE project:

1. The number of tax exemption certificates granted;
2. The total number and type of units produced or to be produced;
3. The number and type of units produced or to be produced meeting affordable housing requirements;
4. The actual development cost of each unit produced, specifically,
 - i. Development cost average per unit including all costs
 - ii. Development cost average per unit, excluding land and parking
 - iii. Development cost average per structured parking stall
 - iv. Land Cost
 - v. Other Costs
 - vi. Net Rentable Square Footage
 - vii. Gross Square Footage, including common spaces, surface parking and garage
5. The total monthly rent or total sale amount of each unit produced;
6. The income of each renter household at the time of initial occupancy and the income of each initial purchaser if owner-occupied units at the time of purchase for each of the units receiving a tax exemption and a summary of these figures for the city; and
7. The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

Cancellation of Tax Exemption

A. Cancellation. If at any time during the ten-year exemption period, the City Manager determines the owner has not complied with the terms of the contract or with the requirements of this ordinance, or that the property no longer complies with the terms of the contract or with the requirements of this ordinance, or for any reason no longer qualifies for the tax exemption, the tax exemption shall be canceled and additional taxes, interest and penalties may be imposed pursuant to RCW 84.14.110 as amended. This cancellation may occur in conjunction with the annual review or at any other time when noncompliance has been determined. If the owner intends to convert the multi-family housing to another use, or, if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in RCW 84.14.020, the owner must notify the City Manager and the King County Assessor within 60 days of the change in use or intended discontinuance. Upon such change in use, the tax exemption shall be cancelled and additional taxes, interest and penalties imposed pursuant to state law.

B. Notice and Appeal. Upon determining that a tax exemption is to be canceled, the City Manager shall notify the property owner by certified mail return receipt requested. The property owner may appeal the determination to the Hearing Examiner under City of Shoreline Rules of Procedure for Administrative Appeal. ~~An aggrieved party may appeal the decision to Superior Court under RCW 34.05.510 through 34.05.598~~

Section 2 – Effective Date. A summary of this ordinance consisting of the title shall be published in the official newspaper and the ordinance shall take effect five days after publication.

ADOPTED BY THE CITY COUNCIL ON JANUARY 14, 2008

Mayor

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Publication Date:

Effective Date:

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CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Ordinance No. 495 Amending the Economic Development Advisory Committee
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Tom Boydell, Economic Development Manager

PROBLEM/ISSUE STATEMENT:

The Council directed staff to establish an Economic Development Advisory Committee (EDAC) by Ordinance No. 475 adopted on July 9, 2007 (SMC Chapter 2.65). Applications then were solicited over a six-week timeframe, ending on August 31, 2007. Twenty-nine applications were received. At the request of Council, the application process was re-opened in January 2008, at which time five additional applications were received. On February 4, 2008, the Council accepted the 16 applicants recommended by the City Council, and then formed a Council subcommittee to consider adding up to six more applicants as members. The committee met on February 11, 2008 to discuss and finalize their recommendation to the full Council.

BACKGROUND:

SMC 2.65.020 provides that the EDAC should consist of 16 members, representing a balance of business and commercial property interests and expertise in the community. Specifically, five members are to represent various organizations, three members from Aurora Avenue businesses, three members from neighborhoods, and five members appointed "at-large." Subsection C provides that members will be recommended for appointment by the City Manager and confirmed by the City Council.

A subcommittee of three members of the City Council (Mayor Ryu and Councilmembers McGlashan and Way) convened on February 11, 2008 to review the applicant list. At that time, in addition to the 16 members already approved by Council, the Council subcommittee selected five additional applicants to serve on the EDAC and recommended the at-large membership on the committee be expanded from five to ten to accommodate these new selections.

Proposed Ordinance No. 495 is attached amending SMC 2.54.020 make this increase in the number of at-large members on the EDAC.

RECOMMENDATION:

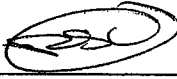
Staff recommends adoption of Ordinance No. 495 adding five at-large members to the EDAC and appointment of the five additional individuals listed in Attachment B under "Proposed Additional At-Large Members," recommended by the Council's subcommittee.

ATTACHMENTS

- A: Ordinance No 495
- B: List of recommended appointees and other applicants
- C: Subcommittee meeting notes

Approved By:

City Manager



City Attorney

ORDINANCE NO. 495

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON
AMENDING THE ECONOMIC DEVELOPMENT ADVISORY
COMMITTEE MEMBERSHIP BY ADDING FIVE ADDITIONAL AT
LARGE MEMBERS; AND AMENDING SMC 2.65.020**

WHEREAS, the City Council wishes to encourage ongoing citizen input and business input into the economic development planning process by expanding the at-large members on the Economic Development Advisory Committee; now therefore,

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

Section 1. Amendment. Shoreline Municipal Code section 2.65.020 is amended as follows:

.020 Membership-Appointments.

A. The Economic Development Advisory Committee shall consist of 21 members, each of whom shall be appointed for a term of two (2) years. Terms shall expire the 31st day of August of odd-numbered years beginning in 2009. No member shall be appointed for more than three (3) consecutive terms.

B. Members shall reside, own property or operate a business in Shoreline and represent interests in economic development, community development, business, or real estate development. Members should be selected as follows:

1. Representatives from the Chamber of Commerce, Forward Shoreline, Shoreline School District, Shoreline Community College, and the Shoreline Planning Commission.
2. Six (6) business representatives from the Aurora Corridor (including Aurora Village and Aurora Square) (3), the Ballinger Commercial Area (1), Richmond Beach or Richmond Highlands (1), and North City or other Eastside commercial neighborhoods (1).
3. ~~Five-Ten~~ (10) "at large" members.

C. Members will be recommended for appointment by the City Manager and confirmed by the City Council.

D. Members may be removed by the City Manager, with the concurrence of the City Council, for failure to comply with laws and city policies relating to conduct of public officials, failure to meet membership qualifications, or for

unexcused absence from more than three (3) consecutive regular meetings.
Vacancies shall be filled for unexpired terms in the same manner as for
appointments.

Section 2. Publication, Effective Date. This ordinance shall take effect and be in full
force five days after passage and publication of a summary consisting of the title.

PASSED BY THE CITY COUNCIL ON MARCH 3, 2008.

Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:

Effective Date: March _____, 2008



ATTACHMENT B

FOR MEMBERSHIP ON THE

Economic Development Advisory Committee

Applicants/Potential Members Recommended by Staff (includes 4 women, 3 minorities). Those designated by the plus sign (+) before their name are appointed for one year terms. All other terms are two years. All members may be reappointed for multiple terms.

Appointments by Organizations

- Chakorn Phisuthikul – Architect, Multi-family Housing Developer (Richmond Beach and Shoreline Planning Commissioner)
- + School Board Representative TBD (backed up by Craig Degginger from the Superintendent's office as an alternate)
- + Rick Stephens – Highland Ice Arena (Chamber of Commerce)
- + Marty Rood, Principal, Mr. 99 & Assoc. Commercial Brokers (Forward Shoreline)
- Susan Hoyne, Dean of the Engineering, Math and Science, SCC (Shoreline Community College representative)

Aurora Avenue

- +Joo Sun Choe, Shoreline Bank (Aurora Ave/Aurora Square area, Korean-speaking, female)
- Jim Abbott, SGA (Construction business and developer, along Aurora Ave – 1st, 2nd and 3rd miles; business office is across from Aurora Village)
- Greg Olson, Olson Chevy (Aurora Ave – central area, car dealerships)

Neighborhoods

- Michelle Cable, Triune Development and Cable Financial CPAs (Ballinger)
- Andy Anderson, Anderson House (North City, 25 years in business, 44 in residence)
- + Dick Nicholson – Council of Neighborhoods, Ridgecrest Association President, Shoreline Rotary, CPA. business experience in finance and surety bonding (Ridgecrest)

General At-Large

- + Dale Horton, Horton Properties (Aurora Ave – central area; 31 years in Shoreline)
- Tom Nasky, property owner, owner of 7 businesses including recycling, ABC team member (Aurora Avenue – 1st and 3rd miles; 7 years in Shoreline and 34 years in area)
- Warren Johnson, Vice President of Business Development, Bayley Construction, expertise in development process, site assembly, and design of buildings, malls, and town centers, ICSC and NAIOP member (National Developer, Innis Arden Resident)
- + Daniel A. Mann, small business owner, former School Board member, Chamber and Shoreline Merchants Association member, and other public involvement experience (resident of Central Shoreline at Stone Ave and 180th Street)
- + Wendy DiPeso, employee at Cat's Exclusive, Sustainable Shoreline Board Member, Chamber of Commerce Vice President (resident of Echo Lake)

Additional At-Large (AS RECOMMENDED BY THE COUNCIL SUBCOMMITTEE)

- Paula Anderson, home based business in telecom consulting, experience at Qwest and in neighborhood, citizen and school involvement (Westminster Triangle neighborhood)
- Larry Owens, NW Mechanical, Solar Shoreline, and Sustainable Shoreline (resident of Shoreline Paramount neighborhood)
- + Greg Price, home-based sales, marketing, and training business, publishing experience (Publisher of OutdoorsNW.com, resident of Richmond Highlands)
- Elaine Solberg, Catalina Properties, residential construction and brokerage (resident of 20th and NE 177th)
- + Ken Winnick, Winnick & Assoc., GIS/Economics Consulting (resident of the Paramount/Ridgecrest neighborhoods)

Other applications received (in alphabetical order):

- Sami Abdalla, Manager, Old Country Buffet (restaurant on Aurora Ave), Chamber Board
- Jack Hagel, home-based business/seafood broker (resident of Innis Arden Neighborhood)
- Corbitt Loch, City of Snohomish Planning Director (does not operate a business or own commercial property in Shoreline, resident of Richmond Beach)
- Robert L. Ransom, Consulting business owner, former Mayor and School Board Member
- Lyanne Scott, home based internet business called Blue Mountain Coffee, experience in local schools and church (Ridgecrest neighborhood)
- John Stebbins, employed at State L&I/Occupational Health and Safety (Paramount Park)
- Jerry Wilkins, CPA, Chamber of Commerce and Rotary (Westminster, business at 149th/Aurora)

Other withdrawn due to change of residence status:

- Barclay Fitzpatrick, Boeing engineer
- Terra Laggner, President of Urban Green

Applications transferred to the Financial Policy Advisory Committee (for consideration):

- Gretchen Atkinson, member of NCBA, formerly owner of a travel agency business in North City, PTA, ABC Team, Chamber experience (resident from the Richmond Highlands)
- Gary Batch – Certified Financial Planner, NCBA and Shoreline Chamber of Commerce Board member, co-organizer of the Small Business Forum and the North City Jazz Walk, Zoning Advisory Committee (professional services business located in North City)
- Wade Carter, Carter Motors, Inc. on Aurora Avenue (resident of Woodinville)
- Shari Tracey – staff assistant to King Co. Councilmember Bob Ferguson, Co-Chair of Bond Advisory Committee, real estate and land use experience working at Davis Wright Tremaine, Richmond Beach Little League Board (Echo Lake Neighborhood Resident)

Summary Meeting Notes

**Special City Council Subcommittee for
Review and Recommendation of
Additional Members for the
Economic Development Advisory Committee**

Pursuant to the direction of the City Council on February 4, 2008, a Council Subcommittee for review and recommendation of additional members for the Economic Development Advisory Committee (EDAC) was formed. Three Councilmembers were assigned: Mayor Cindy Ryu, Councilmember Janet Way, and Councilmember Keith McGlashan. Mayor Ryu chaired the meeting.

A meeting was held on February 11, 2008, at the Shoreline Center Highlander Room, staffed by Assistant City Manager Julie Modrzejewski and Economic Development Manager Tom Boydell.

Subcommittee members first identified their top candidates, based on their individual review of applications received. Six individuals were identified, with two identified unanimously. Discussion centered on what areas of Shoreline and types of professional skills that it would be desirable to have represented among the EDAC membership. Likewise, there was discussion on whether 22 or 21 was the appropriate size. Mayor Ryu preferred 22, and Councilmembers McGlashan and Way preferred 21. Following lengthy discussion, concurrence was reached on five total candidates bringing the total size to 21 members. These individuals are:

- Paula Anderson
- Larry Owens
- Greg Price
- Elaine Solberg
- Ken Winnick

It was also noted that the sixth name considered was Wade Carter. The Subcommittee noted Mr. Carter's additional interest in the Financial Long-Range Planning Advisory Committee. His name was thus included in the list of those applicants transferred to that committee. Mayor Ryu also asked, and the Committee agreed, that Mr. Carter might be the first considered as an alternate to the EDAC, should any of the selected group of 21 decline appointment or withdraw.