

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF SPECIAL MEETING**

Monday, October 13, 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 7:30 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.

a) Proclamation of "Breast Cancer Awareness Day"

Mayor Ryu read the proclamation declaring October 13, 2008 as "Breast Cancer Awareness Day" in the City of Shoreline. Terry Dillis, Shoreline, accepted the proclamation and thanked the City for bringing awareness to this disease.

3. CITY MANAGER'S REPORT

Bob Olander, City Manager, provided reports and updates on various City projects, meetings, and events, including the upcoming schedule for the Community Conversations Vision Workshop series.

4. REPORTS OF BOARDS AND COMMISSIONS

Councilmember Eggen stated that he attended the Municipal Solid Waste Advisory Committee meeting, noting they are developing a solid waste comprehensive plan.

Councilmember Way commented that she has been nominated for the Evergreen Communities Partnership Task Force under the Washington State Department of Community, Trade and Economic Development (CTED). She added that she will be serving as the Western Washington

City Council representative and creating model cities ordinances for preserving trees and canopy levels for the state.

Mayor Ryu stated that she attended the North End Mayor's meeting and the top item was the King County budget. She said the Council will send a letter of concern to King County about this. She announced that she would be absent at the next Council meeting because she is leading a small delegation of representatives to Shoreline's sister city, Boryeong, Korea.

## 5. GENERAL PUBLIC COMMENT

a) Charlotte Haines, Shoreline, presented a petition against an off-leash dog park in North City because the proposed park is adjacent to and across from single family residences. She said the petition is signed by neighbors and employees of the group homes in the area. The neighbors, she stated, were assured that the park would remain passive. However, she believed this proposal will increase traffic on the narrow neighborhood street that oftentimes has children walking on it, recreational walkers, and bicyclists. She urged the Council to keep this park as undisturbed green space.

b) Wayne Cottingham, Shoreline, said his property adjoins Boeing Creek and Shoreview Park and has reviewed the resource material. He stated that the City has an agreement with the college to convert the parking lot to a park by 2010. He felt this is a false and it is wrong for the off-leash dog committee to use false data.

c) LaNita Wacker, Shoreline, discussed the rezone of the Northwest Christian Church property, noting that zoning doesn't regulate the environment. That property could have been rezoned for 15 stories, she stated, and the Council could have put in some conditions or required the developer to completely restore the stream. She said there could be structured parking since it is within walking distance to public transportation, and it could be sound proofed because of its proximity to I-5. She said the Council has the power to control the type and capacity of the land. These conditions, she said, can allow the Council to accomplish their Council goals.

d) Jake Labier, Lake Forest Park, on behalf of the Coalition for the Preservation of Cedarbrook, asked the Council to preserve or restore the Cedarbrook property. He said the school board has surplused the property and wants to sell it. He requested the Council include funds for acquisition of this property as a park/open space in the 2009 budget and to fund a special study process for this property. He also urged the Council to adopt the neighborhood plan and amend the Comprehensive Plan (CP) to address the property zoning.

e) Les Nelson, Shoreline, addressed the current visioning process. He said the existing Comprehensive Plan identifies a lot and it is a good plan. He noted that the Growth Management Act plans for what, why, where, and how the cities meet growth goals. Developers, he explained, don't know best how to meet growth targets. He urged citizens to get involved because they don't have to accept density if it isn't appropriate. He stated that the residents can decide what they want the next plan to look like.

f) Dwight Gibb, Shoreline, wanted to know if Planning Commission (PC) meetings will be listed on the front page of the City's website. He said he had heard about a PC meeting and searched various website pages. He said some PC meetings are more important than Council meetings and asked that the PC always be noted on the home page. He also pointed out that tonight's Council meeting did not mention a public hearing on the front page.

Mr. Olander replied to public comment and stated that the Parks Board is not making the final decision on the dog park. He added that the City doesn't have an agreement with Shoreline Community College to convert the property into a dog park. He said the City initiated the property exchange idea and it will come back to Council for finalization if and when the exchange is done. He said there is a lot of good content on the website but the information isn't easy to find. He commented that City staff will be working on updating the website for the next several months and the new site will be launched soon.

Councilmember Way asked the City Attorney about whether it is City policy to put conditions on a rezone. Mr. Sievers replied that the City doesn't advise the Council or the Commission to attach conditions to quasi-judicial rezones. Councilmember Way asked that the context of placing conditions on rezones be explained to the Council soon. Mr. Olander replied that they can find some time to talk about it at a study session.

#### 6. APPROVAL OF THE AGENDA

**There was Council consensus to pull item 7(g) from the Consent Calendar. Councilmember Way pulled 7(f), making it 8(c). Councilmember Hansen moved approval of the agenda as amended. Deputy Mayor Scott seconded the motion, which carried 7-0 and the agenda was approved.**

#### 7. CONSENT CALENDAR

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

- (a) **Minutes of Study Session of August 18, 2008  
Minutes of Business Meeting of August 25, 2008  
Minutes of Workshop Dinner Meeting of September 22, 2008**
- (b) **Approval of expenses and payroll as of September 30, 2008 in the amount of \$2,092,698.06**
- (c) **Adoption of Ordinance 525, amending the 2008 Budget for Operating Funds and Capital Projects**
- (d) **Motion to Accept King Conservation District Grant of \$194,460 for the City Hall Project**
- (e) **Motion to Authorize the City Manager to Execute an Agreement on the**

**Transfer of the Richmond Beach Sewer System to the Ronald Wastewater District**

**(h) Motion to Authorize the City Manager to Execute Intergovernmental Cooperative Purchasing Agreements with the Entities of US Communities, National Joint Powers Alliance, and the State of New York**

**8. ACTION ITEM: PUBLIC HEARINGS**

- (a) Public hearing to consider citizen's comments on Ordinance No. 523, extending a Moratorium for Six Months on the filing or acceptance of any applications for Residential Development of land within the Regional Business (RB) Land Use District which exceed a Density of 110 Dwelling Units per acre; and Motion to adopt Ordinance No. 523

Steve Cohn, Long-Range Planner, provided background on this item and urged the Council to extend the current moratorium in RB zones in order to allow sufficient time to refine the Development Code. This extension would allow the PC to review the regulations and review the vision process.

Mayor Ryu opened the public hearing.

a) LaNita Wacker, Shoreline, said the City is scaring away investment, which is contrary to economic goals. She said it takes 1-2 years to process a commercial development and if this is extended another six months it will take until 2011 before any projects can move forward. She felt that a 110-unit cap downzones the entire commercial area of the City. This will take millions in potential value away and it is worse than any tax increase. She said that 1,400 square foot units are neither affordable nor marketable as rental units, and that 3-bedroom houses are 1,400 square feet and this will deny any investor from building a feasible development. She urged the Council to move towards form-based zoning rather than prescriptive zoning.

b) Les Nelson, Shoreline, commented that the fallacy of the 110-unit development is that we still have height limits. He said the City should go back to R-48. He said the moratorium on the GMA allows the Council to fix code that violates the GMA. He said this isn't complying with the Comprehensive plan and allows developers to build at a density they are comfortable with. He commented that the City's current non-planning allows the development market to rule the outcomes. He supported concentrating on GMA growth in one 60-foot building.

**Councilmember Hansen moves to close the public hearing. Councilmember Eggen seconded the motion, which carried 7-0.**

**Councilmember Way moved to adopt Ordinance No. 523, extending a Moratorium for Six Months on the filing or acceptance of any applications for Residential Development of land within the Regional Business (RB) Land Use District which exceed a Density of 110 Dwelling Units per acre. Deputy Mayor Scott seconded the motion.**

Councilmember Hansen said he has mixed feelings on this, but moratoriums contemplate emergencies. However, he doesn't think there is an emergency. He said he knows current

economics aren't good, but he doesn't believe anyone would propose any development within the next few months. The Council is dragging its feet and has stretched this out, he stated, and he doesn't support continuing the moratorium.

Councilmember McGlashan concurred. He said he doesn't know what we expect to come out of the visioning process with except for transitions. He said he has mixed emotions on this item. He said this Council has economic development goals and housing goals, but the Council continues to ignore these objectives.

Councilmember McConnell commented that she has the same feeling that the previous two Councilmembers have expressed. She said this isn't an emergency and economic development is not happening. She said she is frustrated that the Council doesn't take action and is tired of extending the moratorium. She hoped that the Council encourages economic development in the future.

Councilmember Eggen said in spirit he agreed that the moratorium is not something he wants to continue, but it gives time to address some issues. The City staff is busy, but we've configured visioning process to get community consensus on how the program will develop. The City cannot allow development to move forward unfettered, and he urged the Council to achieve consensus as quickly as possible to remove the moratorium.

Deputy Mayor Scott supported the item and said the City staff has brought forth a reasonable recommendation and said the visioning process is a part of it.

Mayor Ryu expressed support for the ordinance. She said the Council should take the time to do a good job rather than letting development happen without directing it.

Councilmember Hansen agreed with Councilmember Eggen's suggestions, but he felt that this isn't protecting the neighborhoods; on the contrary, it is forcing construction into neighborhoods rather than into high density areas.

Councilmember McGlashan questioned if the moratorium has stopped any applications. Mr. Cohn responded that there haven't been any new permits since May 12 and there haven't been any new developments of this size in the City in a long time. Mr. Olander commented that there could be a number of reasons for any permit not going forward.

Mayor Ryu asked if there have been any rezone requests for regional business. Mr. Cohn replied that there haven't been since May 12.

Councilmember Way said this was a situation where citizens found a discrepancy between the Comprehensive Plan and the Development Code, which led to confusion about the density allowed in the Regional Business zone. She said the Director and staff concluded there was a problem. There are many residential areas adjacent to these zones in the City which may become denser. She highlighted that the City is trying to grapple with this and other issues and this has led to growing pains in Shoreline. She felt the moratorium should be continued.

**A vote was taken on the motion to adopt Ordinance No. 523, extending a moratorium for six (6) months on the filing or acceptance of any applications for residential development of land within the Regional Business (RB) land use district which exceed a density of 110 dwelling units per acre, which carried 4-3, with Councilmember Hansen, Councilmember McGlashan, and Councilmember McConnell dissenting.**

(b) Public hearing to receive citizens' comments on Ordinance No. 522, Granting a Franchise to Verizon Northwest, Inc. to Operate a Cable System in the Public Rights-Of-Way to provide Cable Services in the City Shoreline for a Twelve Year Term

Mr. Olander commented that this item asks the Council to hold public hearing and have discussion on this item with final adoption scheduled for October 27.

Mayor Ryu asked if they could leave the public hearing open until a later date. Mr. Olander responded that it can be but it needs to be held several days before the 27.

John Norris, Management Analyst, provided background on the proposal. He introduced Larry Manion and Milt DeMitt from Verizon Northwest, Inc. He noted that Shoreline, Bothell, Edmonds, Kenmore, Mukilteo, Mountlake Terrace, Woodway, Woodinville, and unincorporated Snohomish County negotiated together to obtain favorable service rates from Verizon.

Councilmember Hansen inquired if this franchise agreement allows Verizon to undercut another franchise. Mr. Norris responded that it does not.

Mayor Ryu questioned if there is any possibility that this will add a tax to the service. Mr. Norris replied that this franchise agreement doesn't involve a utility tax; that it is a separate issue.

Councilmember Way discussed free cable in public buildings and noted that the Shoreline Conference Center and Spartan Gym aren't going to receive free cable because they are outside the service area. She asked about the Richmond Beach Library.

Mr. Norris stated that the Richmond Beach Library should be included, and he would report back to the Council on this item. He stated that the franchise agreement adds public benefit in Shoreline.

Councilmember Way highlighted page 116, section F, which outlines parental control options that are upon request of the customer. She asked if it can be included as an option under G. Mr. Norris stated that the Consortium negotiated that collectively.

Mr. Manion stated that under this agreement everyone will get parental control capability and that this is standard language in all of their contracts.

Councilmember Hansen commented that they advertising the lockout feature a lot and don't hide it at all.

Councilmember Way discussed page 113, section H and asked about an online payment option.

Mr. Manion replied that they have to find out if it is available.

Councilmember McGlashan noted that these are questions the Council should be asking after the public hearing.

Mr. Norris continued with his presentation and concluded that the franchise company conforms to the thresholds listed in the Shoreline Municipal Code.

Mayor Ryu opened the public hearing.

a) H. Pat Murray, Shoreline, felt that the contract length is way too long because of fast-changing technology and said it should only be for five years. He added that he didn't see any reason to expand the City's service base. He said he informed the City to let him know when the franchise agreement was up for renewal and it didn't happen. He noted that the cities do not have the ability to support residents in choosing programming. If residents have to pay more, he felt they should have more say. He said he isn't happy with the channel makeup and the City doesn't seem to have control over it. He urged the Council to defer granting the franchise agreement until Verizon offers a viable change.

b) Bill Meyers, Shoreline, said he is glad to see the competition among cable providers and the public benefits from competition. He commented that calling this a franchise fee is "splitting hairs" because it taxes the tax. He noted that on page 80-81, section 1.1.6 lists everything included and there is a charge of 5% on that revenue. Residents, he explained, are paying a 5% franchise fee on the 5% franchise fee, which he finds repulsive and deceptive. He asked the Council to eliminate subparagraph T on page 81 and it will stop the deceptive practice of taxing the tax.

**There was Council consensus to leave the public hearing open for written comments until October 22, 2008.**

Councilmember Hansen said Mr. Meyers raises a valid point and if the 5% is being imposed to pay the City then it should be stricken.

Mr. Manion replied that it is standard language because a number of years ago there was court case at the federal level in the City of Dallas, Texas. The City contended they should get franchise fees on franchise fees, so most cities prefer it. He noted that Verizon was attempting to be competitively neutral, and competitors are doing same.

Mr. Olander asked if there were any legal reasons why the City can't eliminate item T. Mr. Manion said he would have to check for legality issues. Mr. Norris added that the Consortium basically took what was negotiated.

Councilmember Eggen felt item T is confusing. He commented that the tax is revenue, and then it gets taxed again. He said the Council should verify that it indeed means a tax on a tax before

the Council eliminates it. He added that the City may need to investigate the Comcast franchise. He asked if Comcast has a similar fee. Mr. Norris replied that they did.

Mr. Olander commented that a franchise fee is, in principle, a rental/use of the right-of-way and the utility tax is just a tax.

Councilmember Way said a lot of people would like online billing. She said there is existing service in this area and is curious how it will get switched over.

Mayor Ryu noted the reliability of hard-wired telephone service and asked if residents can still make calls when the digital system is down.

Mr. Manion replied that when a resident subscribes, Verizon will install a fiber optic connection to their home and the device converts light to electric. He noted that his firm provides phone service as a safety measure when power goes down; a battery pack provides 15 hours of service time. When the franchise is granted, Verizon can begin to offer service when the network is upgraded to fiber optic. He stated that the customers will be notified or they can call or go online to determine when the conduit is laid so they can start fiber optic services.

Councilmember Eggen discussed the digital converter boxes and said it seems televisions are able to convert digital signals with it. Mr. Manion responded that he is correct.

Councilmember McGlashan inquired if Verizon is ever going to expand their service beyond the initial service area. Mr. Norris replied that there is a very small chance that they would expand beyond it.

Councilmember McGlashan noted that competition is good and Comcast will respond with adjustments.

Mr. Olander commented that the Federal Communications & Cable Act (FCC) governs a lot of this and they took away the authority of cities to set rates.

#### RECESS

**At 9:25 p.m. Mayor Ryu called a five minute recess. Mayor Ryu reconvened the meeting at 9:32 p.m.**

- (c) Motion to Authorize the City Manager to Execute a Contract Amendment for the Shoreline Civic Center Project Management Services in the amount of \$40,000

**Councilmember Eggen moved to authorize the City Manager to execute a contract amendment for the Shoreline Civic Center Project Management Services in the amount of \$40,000. Councilmember McGlashan seconded the motion.**



Councilmember Way stated that the Council already authorized an additional amount and expanding the scope of work and engineering expertise seem to be something that would normally be done. She asked why these things weren't anticipated in the original contract.

Mr. Olander read an e-mail he sent to Councilmember Way prior to the meeting that stated that the prior amendment raised the contract to \$210,000 and she is correct that the construction contract guarantees a maximum price, but the City must ensure it is receiving full value. He noted that most of the contract concerned the early project management services provided by Bill. He added that the City now utilizes the construction services of Jim Napolitano and the staff is making sure it is getting what the City contracted for. Mr. Napolitano handles day-to-day decisions and overseeing construction which is what this is for, to pay Mr. Napolitano as we move through construction. He said it was a conscious decision to break this into phases to see what the City needs as we go along. This brings the total contract to \$250,000, he said, which is a very good price. He said normally if the City would have chosen the other method of construction, construction management and oversight would have cost the City about \$2 million.

Councilmember Way said the public is rightfully skeptical when there are additional charges and that is why she wanted to ask. She said it sounds reasonable, but didn't know this was being done in phases.

Mayor Ryu called for public comment. There was no one wishing to provide public comment on this item.

Councilmember Hansen said taking second looks is a good idea because the City can realize savings and additional values in terms of hundreds of thousands of dollars.

Councilmember Eggen stated that it is obvious that when this was bid that it was going to be a significant contract.

Mr. Olander commented that this doesn't require an actual bid on qualifications and that it is a request for proposal (RFP) process. He noted that the initial amount of \$3,000 was an exploratory contract.

Mayor Ryu supported the motion and appreciated Councilmember Way for bringing it up because it provides oversight. She said it isn't a question of the merit of the contract, but it gives the Council good feedback.

Mr. Olander said this is a small investment to ensure the City is getting what it contracted for.

**A vote was taken on the motion to authorize the City Manager to execute a contract amendment for the Shoreline Civic Center Project Management Services in the amount of \$40,000, which carried 7-0.**

## 9. NEW BUSINESS

- (a) Transmittal of the 2009 Proposed Budget

Debbie Tarry, Finance Director, outlined the process and schedule for adopting the 2009 proposed budget. She added that tonight is the culmination of past discussions and decisions. She noted that there will be two public hearings on October 27 and November 17. She then reviewed the 2009 budget highlights, concluding that this is a sound and balanced budget.

Mr. Olander highlighted that the guiding principles utilized for developing the 2009 Budget are the Strategic Guidelines the Council adopted. He reviewed the key guidelines and all the 2009 budget highlights using a PowerPoint presentation.

Mayor Ryu questioned the 1% property tax limitation per year. She asked if the City as a whole has a valuation higher than the equivalent area in King County, and whether it is calculated citywide or countywide. Ms. Tarry replied that if it is calculated for the City then it is calculated citywide. She said that even though the City saw a large amount of growth in assessed valuation, the tax rate is lowered to stay within the 1% cap.

Mr. Olander added that the City's share of property tax is 11% and the remainder goes to other taxing districts.

Councilmember McGlashan asked if the King County tax includes all the taxes shown on the slide. Ms. Tarry responded that the slide represents all of the taxes that are a part of the levy. She then continued with her review of the remainder of the budget.

#### MEETING EXTENSION

**At 10:00 p.m., Councilmember Way moved to extend the meeting until 10:15 p.m. Deputy Mayor Scott seconded the motion, which carried 7-0.**

Mr. Olander highlighted that the 2009 Capital Improvement Projects equal \$65 million in 2009.

Ms. Tarry pointed out that the City has fiscal capacity restraints, and that there will be budget gaps in 2010.

Mayor Ryu inquired about slide #30 and asked if the City of Lynnwood fiscal capacity constraints were higher because of their sales tax base. Ms. Tarry responded that she was correct.

Mayor Ryu called for public comment. There was no one wishing to provide public comment on this item.

#### 10. ADJOURNMENT

At 10:17 p.m., Mayor Ryu declared the meeting adjourned.

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Scott Passey, City Clerk