

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, February 23, 2009 - 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 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) Recognition of Bob Ransom for the National League of Cities Diamond Certificate of Leadership Program Award

Bob Olander, City Manager, presented former Mayor Bob Ransom with the Diamond Certificate for Achievement in Leadership Program Award from the National League of Cities. Former Mayor Ransom accepted the award and thanked the City for this recognition.

3. CITY MANAGER'S REPORT

Mr. Olander provided reports and updates on various City meetings, projects, and events. Mr. Olander introduced Debbie Tarry, Finance Director, and provided a brief summary of the City's financial projections for the fiscal year 2008. He stated that the expenditures were under projections by 2.6 percent, but revenues were below projections by 1.4 percent. Based on that, he noted that the 2009 projected revenues have been reduced by \$1.7 million. He said the City staff will be recommending some spending cuts and using part of revenue stabilization fund. Mr. Olander and Ms. Tarry reviewed the specifics of the City's economic status.

Councilmember Hansen questioned the estimate that permits are down \$455,000. Ms. Tarry responded that he was correct, but she said the projection is closer to \$1 million.

Councilmember Eggen asked for a copy of the slides and asked if the projections include the possibility of either gambling establishments closing or tax cuts to keep them viable. He also inquired if there was a report from them available yet. Mr. Olander replied that the report is based on the 10-percent tax rate and noted that the City will receive the gambling information at some point in the future. He added that the City staff is still reviewing the gambling tax revenues and preparing recommendations to the Council.

Ms. Tarry added that sales tax revenues went up 2 percent from 2007 to 2008, but is declining this year. Councilmember Hansen stated that there will be a lower level of construction activity. However, retail sales are holding up well, he said. Mayor Ryu verified that the 2008 year end report is scheduled to be presented in March. Councilmember Way questioned if there are any recognizable unemployment trends in Shoreline. Ms. Olander replied that those numbers are broken out countywide, and staff would need to do some research and comparisons to see how Shoreline has been affected.

4. REPORTS OF BOARDS AND COMMISSIONS

Councilmember Hansen reported on a local hazardous waste committee meeting. He noted they discussed drug takebacks and there was a report released to Olympia.

Councilmember Eggen reported on the Suburban Cities Association (SCA) public issues committee meeting. He said there is a vote coming next month on whether to oppose the King County Metro effort to supplement its tax base with a motor vehicle excise tax. He asked the Council for its position on the issue so he can take it back to the committee.

Councilmember Way announced that she attended "Environmental Lobby Day" at the AWC Conference and learned about the environmental bills. She said the municipal stormwater proposal bill could generate funds for cities to address stormwater issues. She noted that it was a very productive conference.

Councilmember Hansen said he also attended the Regional Water Quality Committee meeting and they elected a non-King County member as the new chair. So they can now propose legislation without sponsorship by King County. The biggest issues, he pointed out, are Brightwater and reclaimed water.

Deputy Mayor Scott commented that the AWC meeting was great, but the budget is gloomy. He said he met with Representatives Kagi and Chase and Senator Fairley. He said the Councilmembers advocated for a dedicated revenue stream for the public health facility in Kenmore and lobbied for the Aurora Corridor. He said it was a good opportunity to hear the Governor speak and she highlighted that there won't be much money coming out of Olympia for cities.

Councilmember McGlashan commented that the big buzzword the Governor used was "no mandates" and "flexibility."

5. GENERAL PUBLIC COMMENT

a) Joseph Fugate discussed a solution to the current economic breakdown crisis of the world monetary system.

b) Sara Stewart, Lynnwood, commented that people are organizing around the Larouche legislation and asked Shoreline to support this cause.

c) Dennis Lee, Shoreline, supported a motor vehicle excise tax for bus transportation. He said if the City wants congestion reduction and high density, there has to be way to tax people who don't take the bus. Mass transit, he concluded, is the only solution.

6. APPROVAL OF THE AGENDA

Deputy Mayor Scott moved approval of the agenda. Councilmember Way pulled item 7(e), which was placed as item 9(a). Councilmember Hansen seconded the motion, which carried 7-0, and the agenda was approved as amended.

7. CONSENT CALENDAR

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

- (a) Minutes of Study Session of December 1, 2008
Minutes of Business Meeting of December 8, 2008

- (b) Approval of expenses and payroll as of February 10, 2009 in the amount of \$2,320,826.01

*Payroll and Benefits:

| Payroll Period | Payment Date | EFT Numbers (EF) | Payroll Checks (PR) | Benefit Checks (AP) | Amount Paid |
|-----------------|--------------|------------------|---------------------|---------------------|---------------------|
| 1/11/09-1/24/09 | 1/30/2009 | 27640-27832 | 8481-8514 | 39140-39148 | \$526,936.61 |
| | | | | | <u>\$526,936.61</u> |

*Accounts Payable Claims:

| Expense Register Dated | Check Number (Begin) | Check Number (End) | Amount Paid |
|------------------------|----------------------|--------------------|--------------|
| 2/3/2009 | 39059 | | \$450.00 |
| 2/3/2009 | 39060 | 39084 | \$789,066.95 |
| 2/3/2009 | 39085 | 39108 | \$559,345.03 |
| 2/3/2009 | 39109 | 39111 | \$134,593.41 |
| 2/4/2009 | 39112 | 39138 | \$105,025.41 |
| 2/4/2009 | 39125 | | (\$675.00) |
| 2/4/2009 | 39139 | | \$675.00 |
| 2/4/2009 | 39149 | 39161 | \$17,576.30 |
| 2/5/2009 | 39162 | 39192 | \$89,955.61 |

| | | | |
|-----------|-------|-------|-----------------------|
| 2/10/2009 | 39193 | 39195 | \$6,079.31 |
| 2/10/2009 | 39196 | | \$447.12 |
| 2/10/2009 | 38928 | | (\$28.34) |
| 2/10/2009 | 39197 | 39200 | \$40,431.93 |
| 2/10/2009 | 38526 | | (\$336.00) |
| 2/10/2009 | 39201 | | \$336.00 |
| 2/10/2009 | 39202 | 39223 | \$50,946.67 |
| | | | <u>\$1,793,889.40</u> |

(c) **Motion to Appoint Tom Moran to the Shoreline Library Board**

(d) **Resolution No. 283 ratifying Amendments to the King County Countywide Planning Policies**

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

(a) **Motion to Adopt the Planning Commission 2009 Work Program**

Joe Tovar, Planning and Development Services (PADS) Director, provided the staff report. The City staff recommends that the schedule for item 6 of the Work Program be adjusted in March so the City's position on Point Wells can be clarified.

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

Councilmember Eggen moved adoption of the 2009 Planning Commission Work Plan as revised by staff. Deputy Mayor Scott seconded the motion.

Councilmember Eggen asked if it was possible to move the schedule up without delaying anything.

Mr. Tovar stated that the trees hearing will be heard by the Commission in June, July, and August. He felt the scope was clear and it will take less City staff time on the front-end and more Commission time on the back-end, but overall he felt it could be done.

Councilmember Hansen felt the Work Plan should be revised and it is up to the Director, but this is a very important issue. He said the Point Wells issue involves Snohomish County wanting to put 3,500 residential units for 6,000 people with only one road in and out. This is an 80 acre plot which would have an enormous impact on Shoreline. If this happens, he said, it will be the City's fault if we don't convey our feelings and recommendations.

Councilmember Way was skeptical about completing everything on the schedule. She said there is the Development Code package, Point Wells, the Visioning process, and the CRISTA master plan all in May. Mr. Tovar replied that he wasn't sure the CRISTA master plan will be done in May.

Councilmember Way inquired if this has any relation to the Countywide Planning Policies. Mr. Tovar said there is no relation, except now Point Wells can be referred to as a potential annexation area. However, in Snohomish County they call it a Municipal Urban Growth Area (MUGA). Councilmember Way asked if Snohomish County has planning policies about annexing. Mr. Tovar responded that they do have specific planning policies saying that they oppose all cross-county annexations. Mr. Olander stated that there are other laws that come into play and result in conflicting policies.

Councilmember Hansen noted that Woodinville went for cross-county annexation in Snohomish County and finally abandoned it. Mr. Tovar stated that this case is geographically very different.

Councilmember Way stated that she would like to include everyone who wants to be involved. Mr. Tovar added that there is a lot of information published on the City's website, including contracts and anything related to the environmental impact statement (EIS).

Mayor Ryu discussed staff hours and wondered if there will be more staff time to work on the planning program since permit activity is down. Mr. Tovar responded that the people who are going to be working on this are planners. There are long range planners and those who work on permits, he explained.

Councilmember McGlashan stated that there are two things that conflict the Work Plan: the Southeast Neighborhood Plan; and CRISTA. Based on this, he inquired if the Southeast Neighborhood Plan could be delayed. Mr. Tovar replied that he isn't sure it is a real constraint. He felt comfortable with it remaining on the schedule.

Deputy Mayor Scott questioned if there is even a problem that the Council needs to address. He noted that Mr. Tovar already adjusted the Point Wells schedule and inquired what he needed from the Council. Mr. Olander replied that the purpose of this is to ensure the City staff, Council, and the Commission are on the same schedule.

Councilmember Hansen inquired about the traffic analysis on the Point Wells site. He said a development of that size with one road in and out will be totally different than any of the annexations in Bothell. Mr. Tovar stated that the draft EIS comment period runs until the middle of March. Mr. Olander commented that they hired a firm to help with a more detailed traffic analysis.

Councilmember Way wondered about the possibly of considering interim tree regulations. Mr. Tovar replied that some things make sense to deal with immediately. He recalled the Council direction as being a comprehensive review of the tree issue, so he felt interim regulations would conflict with comprehensive regulations.

A vote was taken on the motion to adopt the 2009 Planning Commission Work Plan as recommended by staff, which carried 7-0.

9. NEW BUSINESS

- (a) Motion to Authorize the City Manager to Execute a Contract with Global Total Offices in the amount of \$375,500 for the Acquisition and Installation of Systems Furniture for the City Hall Project

Councilmember Way asked for an update and a brief description of the item.

Jesus Sanchez explained that this contract is for the acquisition and installation of systems furniture for the new City Hall. He added that it is under the initial City Hall budget. He said this system is built around the space plan that was developed in 2007. This system is one that supports the City's pursuit of LEED status because it is made from recycled materials and uses plug-in modules. There were a number of vendors that the City interviewed, and Global met the sustainable, LEED, efficiency, and cost parameters the City was seeking. He stated that some of the old furniture is being retained to reduce costs. Mr. Olander communicated that systems furniture is the fancy term for "cubicles." He also noted that the City of Puyallup spent over twice what we're spending.

Councilmember Way questioned the change order that was authorized in last July for the audiovisual equipment and wondered why this is coming now and why the cost wasn't anticipated.

Mr. Sanchez responded that the City did plan for it and costs were looked at, including the design integration and the system itself. He noted that they needed to get going on the design and there are decision timelines that needed to be made. He noted that the furniture could wait and they wanted to make sure there was an analysis done with some value engineering. He explained that the cost difference between the two is the audio-visual cost. Additionally, he knew the City staff would need to come back and see what else was needed. He said \$288,000 brings us into the future in terms of audio-visual needs in the conference rooms and in the Council Chambers. He noted this includes a whole host of things that hadn't been programmed until they knew what was needed. He concluded that the design, architectural, and integration costs are tied into this item.

Councilmember Way questioned the usage of the leased space and whether the City could recoup some of the costs. Mr. Sanchez responded that there is a rental policy for the 3rd floor spaces and the revenues would go back into maintenance costs.

Mr. Olander replied that by investing in technology the City will be able to see efficiencies in the future. He gave an example of City employees being able to get work done by monitoring the Council meetings from their office instead of sitting in the Council chamber waiting for their item to come up on the agenda. He noted that they heard from the public that they wanted multi-purpose meeting areas and the conference rooms.

Councilmember Ryu said that if we can get paying customers that would be great. She inquired about the lifespan of the new cubicle partitions.

Chandra Smith, Territorial Manager, Global Total Offices, stated that the lifecycle depends on how you take care of it. She said it normally lasts for 20 to 25 years and it is guaranteed for 20 years.

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

Councilmember Way moved to authorize the City Manager to execute a contract with Global Total Offices in the amount of \$375,500 for the acquisition and installation of systems furniture for the City Hall Project. Councilmember Hansen seconded the motion.

Councilmember Hansen verified that this contract doesn't constitute approval of the audio-visual system and it is just a contract with Global. He pointed out that as a result of this there will be a required amendment of \$288,000 and OPUS is trying to work this into their contract. He asked if there will be a future capital budget adjustment or if this will come out of savings or from another area. Mr. Sanchez replied that it is included in the overall capital budget cost.

Debbie Tarry, Finance Director, identified areas that may require addition to capital budget, but also identifying opportunities for savings. Mr. Olander commented that City staff will look for savings, but staff may back with an amendment.

A vote was taken on the motion to authorize the City Manager to execute a contract with Global Total Offices in the amount of \$375,500 for the acquisition and installation of systems furniture for the City Hall Project, which carried 7-0.

(b) Civic Center Project Progress Report

Mr. Sanchez and Ms. Tarry provided a detailed status update of the City Hall Project. He provided handouts to the Council concerning the contamination and said he was hoping to secure grants for cleanup. He added that the current LEED scorecard has this project rated at LEED Silver and is moving towards LEED Gold.

Mayor Ryu asked if there is any recourse with the seller or the dry cleaning company who was located there. Mr. Sanchez responded that the Department of Ecology (DOE) said there was "no action required." Mr. Olander speculated on what the potential financial impact might be.

Councilmember Way asked what the level of contamination was with regard to the water table. Mr. Sanchez replied that the water table is located west of the site and it doesn't even come close to it.

Ms. Tarry discussed costs and said that page 126 explains where the costs are. She said the City has already incurred \$222,000 in costs to remove tanks left behind from the auto repair shop and some asbestos had to be treated. Additionally, the soils estimate is \$614,000 and the demolition/abatement cost for the annex is estimated to be \$283,000.

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

Councilmember Hansen inquired what substance was removed at a cost of \$10,000 per truckload. Mr. Sanchez stated that core drilling was done throughout the building and the resulting soil had to be removed. Councilmember Hansen added that he heard the DOE core drilling regulations state that you must go down fifteen feet, not between eight and fifteen.

Mr. Sanchez commented that the proposed process with OPUS was to drill down in layers two feet at a time up to a maximum of fifteen feet, and the worst-case scenario is it would cost the City \$614,000.

Deputy Mayor Scott stated that in the build design phase of City Hall the DOE gave us a letter saying everything looks fine. He asked if there was anything the City could have done to anticipate this because this is a significant cost. Mr. Sanchez stated there is new regulatory behavior, and in 2004 the City assumed there wouldn't be additional costs; now the DOE regulations and conditions have changed and the City needs to submit the right data.

Deputy Mayor Scott said he appreciates the City staff efforts and asked if there were any DOE grants. Mr. Sanchez commented that DOE recognizes that this is a problem and the cleanup program allows for funding and possible grants to address this issue.

Councilmember Eggen asked whether it was a policy change or if it was just a higher level of contamination. Mr. Sanchez responded that the City learns more with more analysis. In this case, the level of concentration was not considered harmful to ecological systems when the sample was taken. Today, it is considered harmful to ecological systems and the public water facilities.

Councilmember Eggen discussed the open ground or natural space area and said the City is fortunate that it will be there. He said if the building were placed on this area, layering couldn't be accomplished. He inquired if this cost would be eligible to go on a final construction loan if the City doesn't receive grants. Ms. Tarry replied that this is outside the development agreement, but it could be added to the debt.

Councilmember Eggen inquired about the air handling units. Mr. Sanchez replied that this equipment provides for better quality air and there is a standard that has to be met. He stated that OPUS' design is more efficient and provides less energy consumption.

Councilmember Way inquired what the process of abatement was when digging the contaminated soil out to prevent further contamination. Mr. Sanchez replied that the area was watered and filter fences were used. Additionally, he said when it is loaded the soil is covered and sealed.

Mike Panek, OPUS, Project Manager, further described the process used to dispose of the contaminants. He said testing is done and there are two methods. Method A occurs when it is trucked to Rabanco and incinerated; Method B is when everything is localized, contained, and shipped by train to Oregon.

(c) Economic Development Business Education Programs

Mr. Olander introduced Mark Mayuga, Economic Development Programs Manager.

Mr. Mayuga provided the staff report. He stated that these are challenging times and economic development will play a major role in sustaining business in Shoreline. He said the business climate in Shoreline is relatively stable now, but it is important to be aggressive in supporting businesses. He discussed the City's Small Business Education Program. He displayed a brochure with the business education modules and programs offered through Shoreline Community College and the Chamber of Commerce. He explained that there are many people who need to know what it takes to build a successful business.

Mayor Ryu mentioned the Shoreline Community College Accelerator Program and asked what types of businesses were represented in that class. Mr. Mayuga commented that there were entrepreneurs, business consultants, banking professionals, an insurance agent, an ethics and personal growth professional, an importer/exporter -- an interesting cross-section. He said based on the questions there are all kinds of issues and challenges out there.

Mayor Ryu called for public comment. There was no one wishing to provide comment on this item. Mayor Ryu commented that the City wants to be financially sustainable and inquired how the businesses in Shoreline fit into sustainability.

Mr. Mayuga replied that the business mix is a reflection of its neighborhoods which serve the needs and demands of the community. He said there aren't many large retail stores in Shoreline, but what we have works. He said the most important thing is to keep it working. Business leaders, he noted, are positive and hopeful and they promote themselves. He noted that it is about attitude and how the community supports its business community.

Mr. Olander commented that many economic development programs focus too much on attracting new large businesses, but the successes of obtaining that are rare. He noted that it is important to support existing business and help encourage entrepreneur business ventures.

Mayor Ryu commented that for the City to be a resource to existing businesses, it needs to know who and where they are. She asked if there is a movement toward getting a business registration program in the City. Mr. Mayuga commented that he received the master list from the state, and there are 7,500 businesses registered in the in Greater Seattle area. He said he will glean the Shoreline businesses from the list. He noted that a business registration program is essential.

Mr. Olander commented that this issue has come up twice before the Council. He said he has directed Mr. Mayuga to see if the Chamber of Commerce will support a business registration program.

Councilmember Way suggested exploring creative businesses, such as design, graphic arts, software, electronics, etc. She said she would like to see us cater to them because they can be home-based businesses.

Mr. Mayuga commented that the Seattle area is the creative resource for the gaming industry.

Councilmember Eggen questioned if the classes will be offered several times or once. Mr. Mayuga replied that they will be offered every month, and each class has its own subject matter and approach. He said if he doesn't have the specific program someone is asking for, he will refer them to the incubator program at Shoreline Community College.

Mayor Ryu commented that the Washington Economic Development Commission released a report called the Washington Innovation Economic Strategy for Prosperity.

Deputy Mayor Scott commented that his concern for small business owners is timing. He said there can't be daytime education slots only because they are running their businesses in the daytime. He hoped there would be opportunities to offer this at additional times. Mr. Mayuga replied that if the City's program can't fit their schedule, he refers them to the incubator program.

10. ADJOURNMENT

At 10:00 p.m., Mayor Ryu declared the meeting adjourned.

Scott Passey, City Clerk