

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

Monday, April 26, 2010
6:00 p.m.

Conference Room C-104 - Shoreline City Hall
17500 Midvale Avenue N.

PRESENT: Mayor Keith McGlashan, Deputy Mayor Will Hall, and Councilmembers Chris Eggen, Doris McConnell, Chris Roberts, Terry Scott, and Shari Tracey

ABSENT: none

STAFF: Bob Olander, City Manager; Julie Underwood, Assistant City Manager; Scott MacColl, Intergovernmental Programs Manager; Scott Passey, City Clerk

GUESTS: State Representative Maralyn Chase; State Representative Ruth Kagi

Mayor McGlashan called the meeting to order at 6:12 p.m.

Mr. MacColl provided brief introductory remarks and introduced Representative Maralyn Chase and Representative Ruth Kagi, who provided overviews of the past legislative session in Olympia.

Representative Kagi reported that the focus of the legislative effort this session was on the budget. She reported on the effort to avoid an "all cuts" budget, which was difficult, but explained that I-960 was suspended for one year in order to increase revenues. The cuts that will affect Shoreline include education, although K-12 funding will increase due to higher enrollment. She noted that the legislature funded levy-equalization, cut the national board certification requirement, but retained the gifted students program. She commented on the need to put into law our ability to fulfill our constitutional mandate for education.

Representative Kagi also reported on the revenue package, which included a 0.03% increase in the B&O tax and taxes on soda, beer, and candy. She also commented on the need to eliminate unfair taxation – i.e. structures that businesses create to avoid taxation. She noted that the legislature passed major legislation on early learning programs for low-income households, but that entitlement doesn't start until 2018.

Councilmember Eggen inquired whether the national health care bill will play into this in the future. Representative Kagi responded affirmatively, noting that the state will get a

federal match which will help the Basic Health program. However, there is a lot to sort out. She concluded that she felt the legislature did a good job managing this historic crisis.

Representative Chase then provided her perspective on the past legislative session. She noted that the tax package did not fundamentally address the revenue problem and that companies like Microsoft have moved their sales operations out of the state meaning a loss in tax revenues. She commented on the fact that Washington does not tax intangible property (stocks, bonds, intellectual property, etc.); however, this is the fastest growing segment of the economy. She noted that an income tax is the best method for overall taxation.

Representative Chase then commented on the efforts to create jobs through construction/affordable housing, infrastructure, and bonding schools for repair/maintenance funding. She then commented on the need to facilitate "green schools" and "lab coat/white coat jobs" in the life sciences. She pointed out that the pharmaceutical industry doesn't employ many people or produce products or infrastructure. She discussed the future of algae research, bio-health sciences, and other environmental research related to cellulose, switch grass, and solar energy. She noted that the Capital Budget has allocated approximately \$70,000 for storm water management in Shoreline.

The discussion then focused on the refinery tax. It was noted that the explosion at the Tesoro refinery in Anacortes was one of the reasons the refinery tax was not pursued, and consumers would have only seen a \$0.03 increase at the gas pumps.

Representative Kagi commented that the major thrust of the legislative session was to protect the public safety net.

Representative Chase commented on the dangerous nature of the Public Health Lab (PHL) in Shoreline, noting that the federal Government Accounting Office finished its report on high containment labs and concluded they are targets for terrorism. She added that the PHL has not turned in their master development plan, and she supports getting it out of the City. She also commented on storm water issues, fish habitat, preserving Puget Sound ecology, and the human health risks of using cell phones.

The Council then discussed the revenue problems facing most jurisdictions and the fact that King County may raise rates on cities. It was noted that King County is considering a criminal justice sales tax increase. Mr. Olander noted the high cost structure in King County, although the County Executive is trying to bring it more in line with market rates.

The Council then discussed the options the City is considering for animal control. It was noted that if cities such as Bellevue, Kirkland, and Redmond decide not to participate in the County option, that option will not be feasible from a cost perspective.

There was a brief discussion about the eastside approach to the 520 bridge and possible tolling, which will be decided by the State Legislature.

It was noted that Shoreline is contemplating a levy lid lift and Representative Chase commented that Shoreline can take a position on the proposed state income tax initiative (although the overall measure will likely be challenged in the State Supreme Court).

Deputy Mayor Hall commented on the City's efforts to streamline the planning and permitting process as a means to bolster economic development.

Councilmember Roberts commented on the traffic congestion problems associated with NE 145th Street and the need to improve that corridor. It was noted that light rail will factor into the equation and the fact that three different jurisdictions control that corridor make it even more difficult. Mayor McGlashan said he discussed the issue with Seattle Council President Richard Conlin and asked him to support the City in asking that Washington State Department of Transportation (WSDOT) do a feasibility study. Representative Chase suggested that City staff talk to Judy Clibborn, House Transportation Committee Chair, regarding NE 145th Street.

The Council then discussed its Healthy Cities Strategy, the streamlined sales tax initiative, and the new City business licensing program.

Representative Chase noted that the PHL is an issue that will come before the Council. There was discussion about how much the Council could discuss the details of the PHL since it will come before Council as a quasi-judicial matter. It was suggested that any relevant information regarding the PHL, including the community safety and risk analysis, should be included in the Planning Commission record so the Council can consider it.

Representative Kagi felt the City should seriously consider the state's PHL Risk Assessment and added that she supports the PHL. Mr. Olander said he would make sure all relevant information gets into the Planning Commission record.

The meeting adjourned at 7:15 p.m.

Scott Passey, City Clerk

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