

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF STUDY SESSION

Monday, April 18, 2011
7:00 p.m.

Council Chamber – Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor McGlashan, Deputy Mayor Hall, and Councilmembers Eggen, Scott, and Roberts

ABSENT: Councilmembers McConnell and Winstead

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor McGlashan, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor McGlashan led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present, with the exceptions of Councilmembers McConnell and Winstead.

Upon motion by Deputy Mayor Hall, seconded by Councilmember Scott and carried 5-0, Councilmembers McConnell and Winstead were excused.

(a) Proclamation of Earth Day 2011

Debbie Tarry, Acting City Manager, invited Courtney Sullivan, National Wildlife Federation Northwest Regional Education Manager to present a Community Wildlife Habitat, Certificate of Exceptional Merit to the City of Shoreline and Boni Biery, Community Wildlife Habitat Project Coordinator. Ms. Biery gave a speech about the wildlife habitat preservation efforts in Shoreline, then presented the award to Mayor McGlashan. Mayor McGlashan read the proclamation declaring April 22, 2011 as "Earth Day" in the City of Shoreline and presented Ms. Biery with the proclamation.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Debbie Tarry, Acting City Manager, provided reports and updates on various City meetings, projects, and events.

4. COUNCIL REPORTS

Councilmember Eggen communicated that he attended the Suburban Cities Association Public Issues Committee (PIC) meeting and will send a written report to the Council. Additionally, he

noted his attendance at the Transportation Policy Board meeting where they communicated that there will be federal funding for transportation projects in the spring.

5. PUBLIC COMMENT

a) Michael Derrick, Shoreline, on behalf of the Ronald Wastewater District (RWD), spoke about agenda item 7(b), the City's potential acquisition of Seattle Public Utilities (SPU) water system. He communicated that there is a positive message and goal to be achieved by working together, and RWD is interested in utilities in Shoreline and wants to work with the City.

6. APPROVAL OF THE AGENDA

Upon motion by Councilmember Eggen, seconded by Deputy Mayor Hall and unanimously carried, the agenda was approved.

7. STUDY ITEMS

(a) Shoreline Urban Tree Canopy Assessment

Ms. Tarry introduced Paul Cohen, Senior Planner, Jennifer Leach, AMEC Earth & Environmental, Inc. (AMEC), and Joe Tovar, Planning & Development Services Director, who provided the staff report on this item. They provided the background and work completed on the Urban Tree Canopy (UTC) project. The City obtained a grant to complete a baseline assessment, which will help inform the Council and Planning Commission on the tree regulations and setting future goals for the UTC.

Ms. Leach provided a brief overview of the methods and results of the tree survey. She noted that Shoreline's UTC, which was measured at 30.6%, has not seen significant change in 20 years. She compared Shoreline to other cities and discussed the process of obtaining the UTC. The majority, 71%, of the existing UTC is located in low density residential areas. She added that the City has 3,282 acres that could theoretically be planted and that Shoreline's 31% UTC is average for Pacific Northwest cities and counties, but below the American Forests' recommended 40%. She added that reaching this amount would require the planting of 46,000, 30-foot diameter trees.

Continuing, Ms. Leach explained that there is dominant tree cover in isolated patches and that density contributes to the UTC. She stated she was unsure what software was utilized by Bellevue, Seattle, Thurston County, and Vancouver to do their UTC assessment. Councilmember Eggen said the other surveys in 2001 and 2009 may not be as accurate due to differences in the studies themselves. Ms. Leach replied that this was only a \$10,000 broad analysis. However, she said even if a more expensive and more detailed analysis was done the results would be about the same. Councilmember Eggen said the 2001 and 2009 maps should be compared with this study and that he received comments from Bill Meyers, who stated that American Forest concluded the average tree cover is 40%. Based on the information in the report, Councilmember Eggen confirmed with Mr. Tovar that in terms of the City being urban or suburban, everything within

Shoreline city limits is urban, but probably not under the same definition the American Forestry is using. There is no one accepted definition of the word urban, Mr. Tovar pointed out. Councilmember Eggen replied that it sounds like the Council should have a goal for tree cover. Mr. Tovar added that the report attempts to quantify some metrics in the Sustainability Strategy concerning the importance of the environment and trees. He communicated that the City staff can consider initiatives and strategies to increase the canopy, if so desired by the Council. Mr. Tovar continued and discussed the CRISTA tree replacement plan and said the urban forest is changing and the City will have to take a broad, long-term view. He noted that the City should get some idea of the effort and cost needed to reach various thresholds.

Deputy Mayor Hall said he looked at his own neighborhood aerial photos on the King County website and overlaid the past years' tree canopy. He said it was interesting to find the same canopy level now that was present in 1936, but it is a totally different kind of canopy as far as the type of trees that exist. The greatest potential is in the low-density residential neighborhoods, so he felt the City should encourage people to plant trees.

Councilmember Roberts verified that the UTC assessment was not categorized by neighborhood due to budget constraints.

Mayor McGlashan clarified that this study just considered trees, not shrubs. Ms. Leach said there are probably similar models that look at the entire structure of vegetation in a community. Mr. Cohen clarified that all plantings have similar attributes, but plantings below fifteen feet were not considered in this study. He also pointed out that the study was done on a limited budget and did not consider tree species, tree health, or tree counts. Mr. Tovar noted that there is little tree diversity in the parks, but it can be a Council policy question for discussion. There also was discussion concerning a problem with Madrona tree canker. Mayor McGlashan also inquired about the number of trees planted in the public right-of-way along the Aurora Corridor. Mr. Tovar replied that this item would be back on May 9. Finally, Mayor McGlashan discussed the Central Market event where the City provides residents with trees.

(b) Update to Council Goal #7: Acquire Seattle Public Utilities (SPU) Water System in Shoreline

Ms. Tarry introduced Mark Relph, Public Works Director, who reviewed the progress to date on Council Goal #7 - Acquiring the SPU Water System. He was joined by Anna Falcon from EES Consulting and Mark Bunje, Shoreline Fire Marshal. Mr. Relph explained the reasons for considering the acquisition. He noted that the parameters suggest a successful acquisition and communicated the public participation process. He said this is a very complicated issue. With the aid of a PowerPoint display, Mr. Relph discussed Council objectives and the reasons for the acquisition: 1) long-term strategic interests; 2) representation; 3) construction coordination; 4) operational efficiencies; and 5) City staff expertise. He reviewed the Community Vision and Framework Goals, specifically Framework Goal#2 and Framework Goal#14. This acquisition will present a more aggressive reinvestment strategy for the City and there is a need for line replacement and better fire protection. He added that it would also facilitate redevelopment within the City. He reviewed the financial parameters and the three evaluation methodologies concerning the price for the sale of the utility: 1) cost approach; 2) market approach; and 3)

income approach. He added that the next phase is to create a two-phase budget to operate and maintain this utility. He stated that the City is currently negotiating with Seattle with support from EES Consulting. The parties are very close to beginning the feasibility and financial analysis and hopefully this will be completed by the summer. He concluded that there is a need for an extensive public process.

Mark Bunje, Shoreline Fire Marshal, commented that the Fire Department is dealing with the same local issues that existed when Shoreline started as a city -- not having local control over the infrastructure. He added that there are areas in Shoreline in which water infrastructure does not exist, and the infrastructure could have vastly improved the water flow capability if Shoreline owned the utility.

Deputy Mayor Hall confirmed with Mr. Bunje that a lack of available water limits the opportunity to develop sites and thus affects economic development. He also confirmed that there are two water systems with deficiencies in Shoreline, in comparable condition, both with inadequacies in some areas. Mr. Bunje stated that with local control the water systems can be added into the City's Comprehensive Plan. Deputy Mayor Hall and Mr. Bunje discussed 2-inch mains and confirmed that there were some in the system. Deputy Mayor Hall also said he has an interest in knowing if there are any situations where sewer availability is limited, and Mr. Relph replied that he is not aware of any significant issues. Deputy Mayor Hall verified that there would be no rate increases to City of Shoreline ratepayers if the City moved forward. Mr. Relph further stated that the bond would affect ratepayers in the SPU district only. Responding to Deputy Mayor Hall, Ms. Tarry said revenue bonds would not affect the City's ability to issue general obligation bonds.

Councilmember Roberts noted that he resides in an area with deficient fire protection services. He inquired if revenue bonds would affect the City's bond rating and Ms. Tarry replied that they would not because the process follows the fiscal policies of the utility. Mr. Relph added that the City is aware of what the bond council will want in order to get the best rating possible. Councilmember Roberts confirmed with Mr. Relph that the City is aware of most of the SPU system inventory. Mr. Bunje added that the City has a good idea of the inventory, but the question is about the condition of the system since standards have changed. Mr. Relph noted that the complete system map would be made accessible to the Council. Councilmember Roberts discussed the timing of this issue and Ms. Tarry explained that the City has to notify King County Elections 84 days prior to an election. Mr. Relph announced that he is not confident that the public participation process would be completed in time for the general election this year. Mayor McGlashan agreed.

Councilmember Scott asked if the operation and maintenance (O&M) of the Shoreline's portion of the system is better or worse than the current maintenance of the rest of system. Mr. Relph replied he is not sure how Shoreline is treated compared to the rest of the system. However, his impression of O&M is that it does not meet service standards or his expectations. Councilmember Scott asked for more detail on construction coordination. Mr. Relph replied that the City did not get what it really wanted from the water utility to accommodate future redevelopment. He communicated that the second mile proceeded a little better than the first,

but the process was much more difficult. Mr. Bunje added that there is a lack of maintenance performed by SPU on their fire hydrants.

Councilmember Eggen clarified that the Seattle approach to upgrading the water system is that nothing occurs until there is new development and noted that it makes it difficult for developers because they have to build the water system to their capacity and cut into new construction, as was the case in the Aurora Corridor. Mr. Relph said his experience is that sometimes there are connection charges that are placed on the new developers that do not cover what needs to be done to the system. Therefore, there should be some judgment to look at a specific corridor over time and make some planning and infrastructure decisions. Councilmember Eggen noted that this leads to two problems: one is having developers who are not willing to pay for upgrades to the water system; and deciding not to build and having to cut into a newly constructed area, such as the Aurora Corridor.

Councilmember Eggen pointed out that Ronald Wastewater District (RWD) purchased a portion of the water system from SPU and wanted to know if the City is working with them. Mr. Relph replied that the City and EES Consulting are negotiating with Seattle and at a point where things are moving along. He communicated that the negotiation process and the conversations with the public and the Council need to occur prior to consulting with RWD. Councilmember Eggen said there is some concern that the City will use this as an opportunity to use fees to fund projects not connected to the utility. Ms. Tarry responded that it is illegal to do that and the entire process is subject to audit. She said there are safety nets and penalties for violations. Councilmember Eggen communicated that this would be a separate enterprise fund and accounted for separately from the City's General Fund. Councilmember Eggen noted that the City collects a franchise fee from SPU and the City of Seattle collects utility taxes. He pointed out that if the City acquires SPU, the residents would only pay one of the two fees and Ms. Tarry noted that the fee to Seattle is a 14% surcharge because they do not live in Seattle.

Mr. Relph highlighted the need for a more aggressive O&M and the desire to align with Council goals. However, he pointed out that there is not any assurance that the 14% fee would be eliminated. He warned that it still needs to be determined as there are many costs that need to be analyzed in this complicated issue. He emphasized that this utility will operate at a rate equal to or below its current level, and significant upgrades will occur. Deputy Mayor Hall noted that if the City owns the utility the City would establish the level of service, whether it is higher or lower than the present level.

Councilmember Roberts asked how this could be implemented and why the City should wait to discuss this with RWD and SWD. He stated that it seems advantageous to get everyone together to work out a process to implement it because there is a great advantage to having all utilities under one provider, or moving towards it. Mr. Relph responded that Seattle specifically requested that negotiations be city-to-city, and he is not sure how they would react if others were invited. He added that the feasibility study is Shoreline-specific, but it needs to get all the terms and conditions laid out and balanced based on the negotiations.

Deputy Mayor Hall clarified that the Council is not suggesting that the City become the sole utility provider.

Mayor McGlashan confirmed that planned SPU rate increases are a part of this analysis because SPU is considering one, but the forecasting gets challenging. Mr. Relph concluded that part of this process is determining whether SPU's forecast for rate increases makes sense.

8. ADJOURNMENT

At 9:15 p.m., Mayor McGlashan declared the meeting adjourned.

Scott Passey, City Clerk