

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Ordinance No. 694 - Amendment to Chapter 3.27 of the Shoreline Municipal Code for Technical Corrections to the Property Tax Exemption Program		
DEPARTMENT:	City Attorney's Office		
PRESENTED BY:	Julie Ainsworth-Taylor		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Discussion	

PROBLEM/ISSUE STATEMENT:

Starting in 2002, the City Council adopted several ordinances authorizing a real property tax exemption as provided in RCW 84.14. A total of four ordinances were passed establishing the North City Business District and various areas in and adjacent to the Ridgecrest Commercial Planned Area as target areas for this exemption. None of these ordinances were codified.

In 2011, the City adopted Ordinance No. 624 which, for the first time, codified the Property Tax Exemption (PTE) program as Chapter 3.27 of the Shoreline Municipal Code (SMC). The North City Business District and the Ridgecrest Commercial Planned Area were not included within SMC 3.27.020, the section of the code that designates targeted areas.

Adoption of proposed Ordinance No. 694 (Attachment A), will clarify all of the targeted areas available for use under the City's PTE program and will create maps in the code that visually show the PTE target areas.

RESOURCE/FINANCIAL IMPACT:

No resource or financial impact is anticipated. The City's PTE Program has been available for use since 2002. The purpose of the ordinance is merely to codify those targeted areas that were inadvertently omitted from SMC 3.27 in 2011 but have remained available for property tax exemption.

RECOMMENDATION

No action is required as this item is for discussion purposes only. However, staff recommends that Council adopt proposed Ordinance No. 694 when it is brought back to Council.

Approved By: City Manager **DT** City Attorney **JA-T**

INTRODUCTION

Starting in 2002, the City Council adopted several ordinances authorizing a real property tax exemption as provided in RCW 84.14. A total of four ordinances were passed establishing the North City Business District and various areas in and adjacent to the Ridgecrest Commercial Planned Area as target areas for this exemption. None of these ordinances were codified.

In 2011, the City adopted Ordinance No. 624 which, for the first time, codified the Property Tax Exemption (PTE) program as Chapter 3.27 of the Shoreline Municipal Code (SMC). However, despite staff reports and council minutes to the contrary, the North City Business District and the Ridgecrest Commercial Planned Area were not included within SMC 3.27.020, the section of the code that designates targeted areas.

Currently, unless a developer is expressly aware of the prior enactments, review of SMC 3.27 would result in the conclusion that the exemption is applicable to only those areas listed in SMC 3.27.020. Adoption of proposed Ordinance No. 694 (Attachment A), will clarify all of the targeted areas available for use under the City's PTE program.

BACKGROUND

In November 2002, the City Council passed Ordinance No. 310. This ordinance established a 10-year exemption from real property taxation for multi-family housing within the North City Business District, as defined in SMC 20.90.020. This ordinance was not codified.

In March 2008, the City Council passed Ordinance No. 496. This ordinance expanded the PTE program to three portions of the Ridgecrest Commercial Planned Area (CPA) and to residential areas designated R-18 and R-24 adjacent to those portions of the Ridgecrest CPA. This ordinance was not codified.

In December 2011, the City Council passed Ordinance No. 624. The intent of this ordinance was to expand the PTE program to five (5) additional areas within the City. These areas are: the Aurora Avenue North Corridor, including a portion of Westminster Way North; the Ballinger Way NE commercial area; the Hillwood commercial area; the Richmond Beach commercial area; and the commercial area associated with the intersection of NE 145th Street with Bothell Way NE and 15th Avenue NE. Exhibits included as City Clerk Receiving No. 6,645 delineate these areas. This ordinance was codified as SMC 3.27. Ordinance No. 624 did not repeal any of the prior enactments.

When adopting Ordinance No. 624, it is clear that the City Council considered expanding the previously designated target area of the PTE Program during several of its regular meetings. The Staff Reports for the September 26, 2011, November 28, 2011, and December 12, 2011 meetings state that the intent of Ordinance No. 624 was to expand the PTE program beyond what had been currently offered in North City and Ridgecrest. Staff reports for these meetings are available at the following links:

Sept. 26:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport092611-9c.pdf>

Nov. 28:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport112811-8d.pdf>

Dec. 12:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport121211-8a.pdf>

During these meetings, the City Council thoroughly deliberated which areas of the City the PTE program should be extended into but, at no time, was the elimination of the North City and Ridgecrest target areas considered. In fact, at the November 28 meeting, Economic Development Director Dan Eernisse specifically recommended retaining North City and Ridgecrest. Minutes of these meetings are available at the following links:

Sept. 26:

http://shoreline.granicus.com/DocumentViewer.php?file=shoreline_2cbe6bd4f5bff1e34e23de3f670dc434.htm&view=1

Nov. 28:

http://shoreline.granicus.com/DocumentViewer.php?file=shoreline_50cb93081ea36bffd b98f8bd32e288fc.htm&view=1

Dec. 12:

http://shoreline.granicus.com/DocumentViewer.php?file=shoreline_e9dad1cc01573d367710a78ec6aed52.htm&view=1

DISCUSSION

The purpose and function of the PTE program is not at issue. As stated above, the omission of the North City and Ridgecrest target areas was an error that needs to be corrected. The proposed amendment is intended solely to reflect the previous intent to retain the North City Business District and certain areas in/adjacent to the Ridgecrest Commercial Planned Area in this program. The amendment would codify these areas within SMC 3.27 so that all developers and/or property owners are fully aware of the development incentives available to them.

Upon Council suggestion, staff also recommends that maps of all of the codified PTE target areas also be codified as part of proposed Ordinance No. 694. While maps of the PTE target areas were attached to Ordinance No. 624 when it was adopted at the end of 2011, these maps were not put into the code. Rather, they were shown as exhibits to the ordinance and given a City Clerk's receiving number for reference. Although someone reviewing the code could work with the City Clerk to locate these maps, this practice is not very user friendly and separates the maps from the code language establishing the target areas. Similarly Ordinance No. 310 that established the North

City Business District PTE target area refers back to the Development Code for the map of that target area.

Given this, staff has put together draft PTE target area maps for Council review using the Council adopted maps of these areas. These maps, which have been further highlighted for clarity, are attached to this staff report as Attachment B. While staff was hoping to have GIS-created "clean" maps available for this staff report, given the timing of the addition of the maps, the attached draft maps were all that could be produced for tonight's discussion. However, when proposed Ordinance No. 694 is brought back for Council adoption, finalized maps showing the PTE target areas will be included. These maps will then be codified along with the other corrections in Ordinance No. 694.

COUNCIL GOAL(S) ADDRESSED

The 2011 Staff Reports listed the PTE Program as addressing Council Goals 1 and 3. At that time, Goal 1 sought to implement the Community Vision by partnering with businesses and Goal 3 sought to improve economic development opportunities in Shoreline.

Today, the Council continues to seek ways in promote economic development. The 2014-2016 Council Goal 1 states: Strengthen Shoreline's economic base. Action steps related to this goal include implementing marketing strategies to promote Shoreline as a progressive and desirable community for new residents, investors, and businesses and to enhance the attractiveness of Shoreline as a place for private investment.

In addition to these goals, the continued provision of the PTE program to all eligible areas of the City is consistent with the City's Comprehensive Plan, Element 5 Economic Development, which seeks to encourage, enhance, and promote economic vitality within the community.

RESOURCE/FINANCIAL IMPACT

No resource or financial impact is anticipated. The City's PTE Program has been available for use since 2002. The purpose of the ordinance is merely to codify those targeted areas that were inadvertently omitted when the PTE program was codified in 2011 but have remained available for property tax exemption.

RECOMMENDATION

No action is required as this item is for discussion purposes only. However, staff recommends that Council adopt proposed Ordinance No. 694 when it is brought back to Council.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 694
Attachment B Draft PTE Target Area Maps

ORDINANCE NO. 694

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING SHORELINE MUNICIPAL CODE, CHAPTER 3.27 PROPERTY TAX EXEMPTION, TO CORRECT THE PREVIOUS OMISSION OF THE NORTH CITY BUSINESS DISTRICT, CERTAIN AREAS OF THE RIDGECREST COMMERCIAL PLANNED AREA, AND CERTAIN RESIDENTIAL AREAS ADJACENT TO THE RIDGECREST COMMERCIAL PLANNED AREA, AS RESIDENTIAL TARGETED AREAS.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington (hereinafter referred to as “City”); and

WHEREAS, the City has previously adopted Ordinance Numbers 310, 479, 496, and 520 providing for a Property Tax Exemption Program within areas of the City, specifically denoting the North City Business District and certain areas of and/or adjacent to the Ridgcrest Commercial Planned Area as designated residential target areas; none of these ordinances were codified; and

WHEREAS, on December 12, 2011, the City Council adopted Ordinance Number 624, codifying the Property Tax Exemption Program by establishing a new chapter of the Shoreline Municipal Code (SMC) Chapter 3.27; and

WHEREAS, the intent of Ordinance Number 624, as demonstrated by Staff Reports and Council Minutes, was to expand the existing designated residential target areas by adding five (5) additional areas; and

WHEREAS, due to a drafting error, neither the North City Business District nor the applicable areas of the Ridgcrest Commercial Planned Area or adjacent residential areas were designated as a residential target area in SMC Chapter 3.27; and

WHEREAS, the City Council has determined that this error needs to be corrected; now therefore,

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

Section 1. Amendment to Shoreline Municipal Code. Shoreline Municipal Code, Title 3, Section 3.27.020 shall be amended as follows providing for a property tax exemption within the North City Business District, within certain areas of the Ridgcrest Commercial Planned Area, and within residential areas designated R-18 and R-24 adjacent to the Ridgcrest Commercial Planned Area:

3.27.020 Designation of residential targeted area.

The following areas, ~~as shown in Exhibits 1 through 5 to the ordinance codified in this chapter, given Clerk's Receiving Number 6645 _____,~~ are designated as residential targeted areas as shown on the maps accompanying the ordinance codified in this section:

- A. Aurora Avenue North Corridor, including a portion of Westminster Way N;
- B. Ballinger Way NE commercial area;
- C. Hillwood commercial area;
- D. Richmond Beach commercial area;
- E. The commercial areas associated with the intersections of NE 145th St. with Bothell Way NE and 15th Ave. NE;
- F. North City Business District;
- G. Ridgecrest Commercial Planned Area 2(a), 2(e), and 2(d); Business District and the residential areas designated R-18 and R-24 adjacent to the denoted Ridgecrest Commercial Business District.

Section 2. Severability. If any section, sentence, clause, or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Ordinance.

Section 3. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON SEPTEMBER 15, 2014.

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Julie Ainsworth-Taylor
Interim City Attorney

Date of Publication: , 2014
Effective Date: , 2014



Map 1: North City Business District (NCBD) Zoning

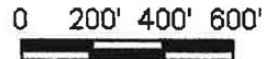
Attachment B







ORD. #310










ZONING LEGEND

-  North City Business District Zone
-  Zone Boundary



-  NB; Neighborhood Business
-  CB; Community Business
-  RB; Regional Business
-  O; Office
-  I; Industrial
-  CZ; Contract Zone

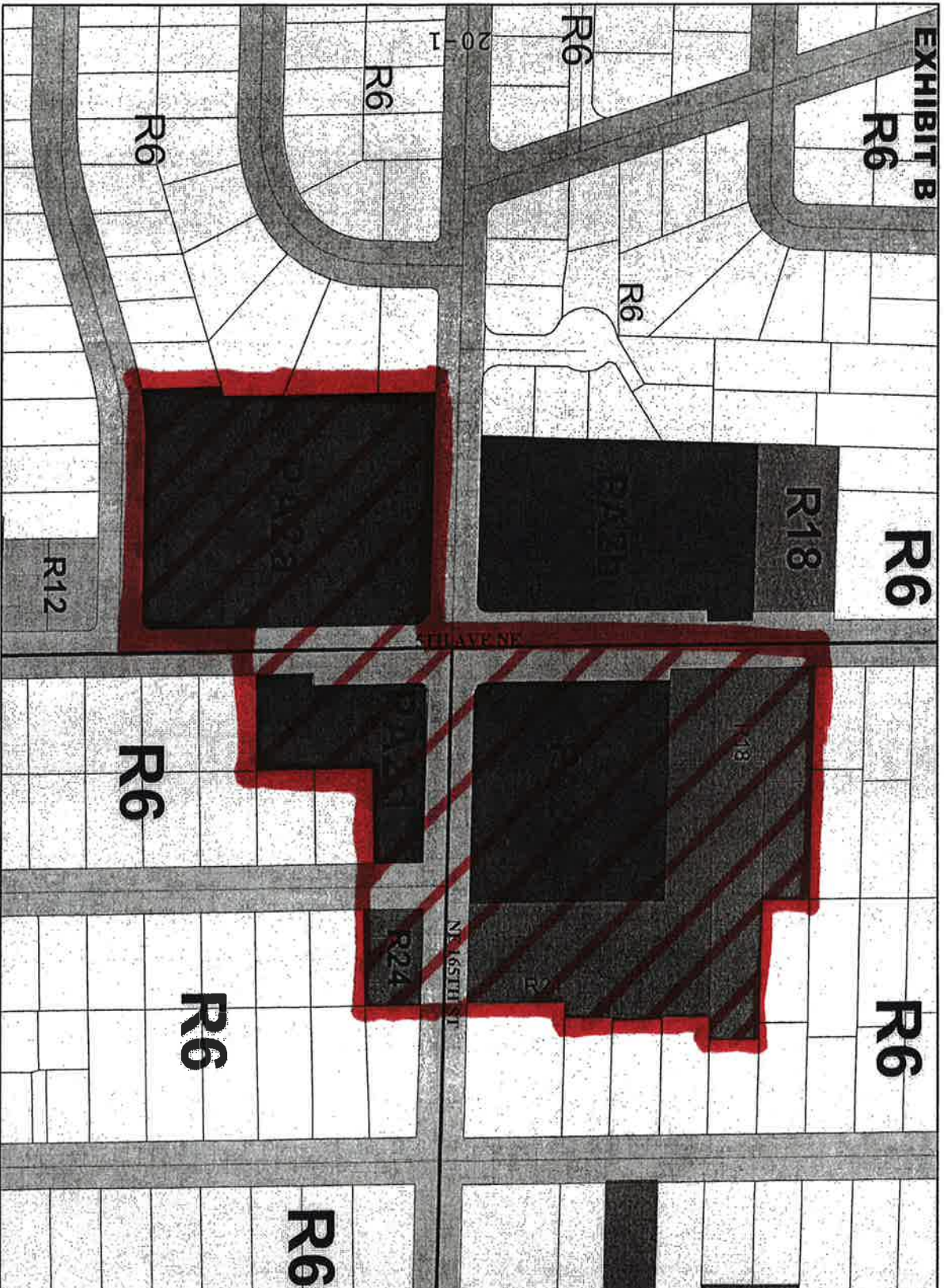
-  R-4; Residential, 4 units/acre
-  R-6; Residential, 6 units/acre
-  R-8; Residential, 8 units/acre
-  R-12; Residential, 12 units/acre
-  R-16; Residential, 16 units/acre
-  R-24; Residential, 24 units/acre
-  R-48; Residential, 48 units/acre

N



RIDECREST Commercial/Residential

ORD. No. 496



SHORELINE
 Geographic Information System
Proposed Zoning
Planned Area 2
 Representation of Official
 Zoning Map Adopted By
 City Ordinance No. 292
 Shows amendments through
 April 3, 2007.

Zoning Designation

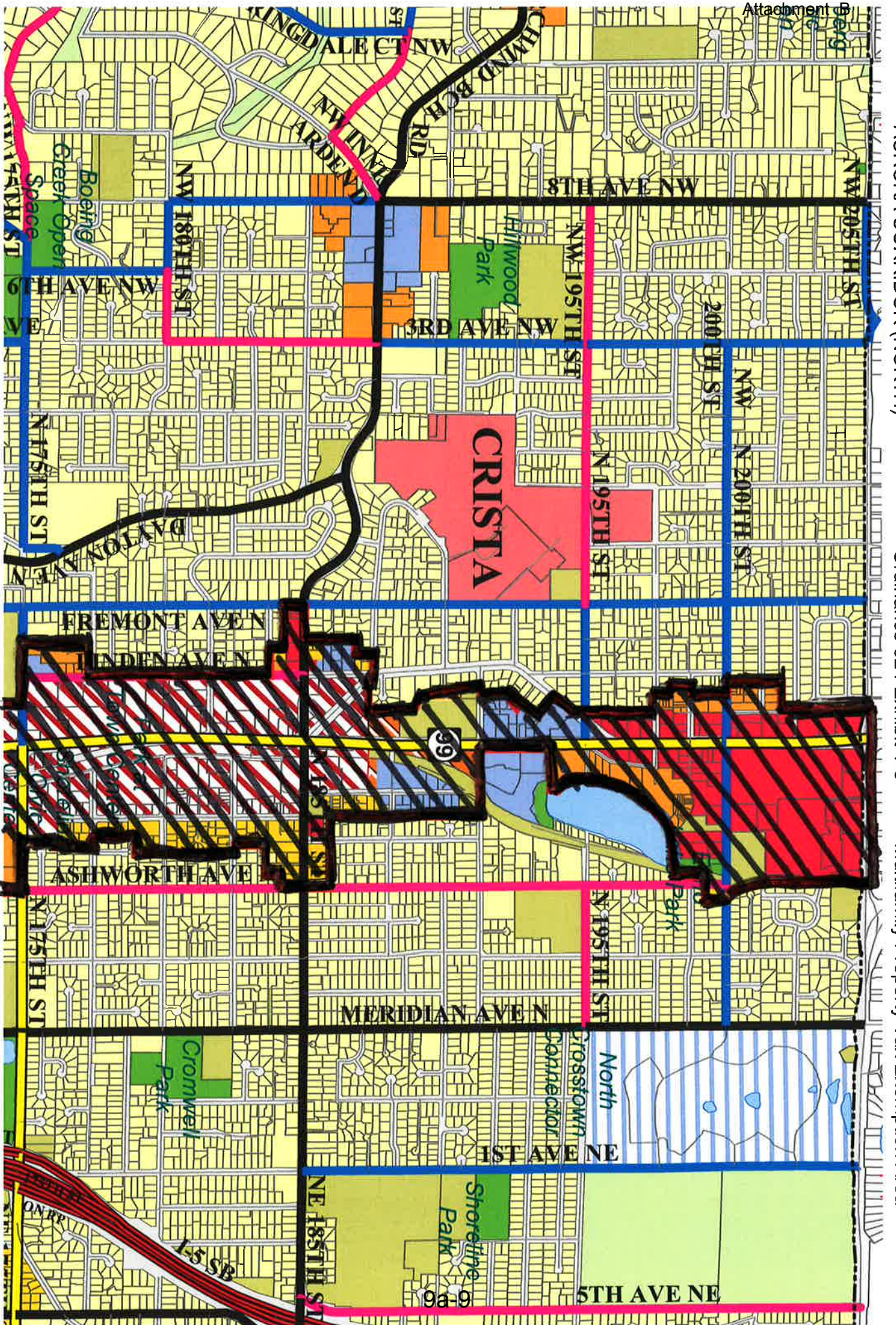
- P-2: Planned Area 2
- R-4: Residential, 4 units/acre
- R-6: Residential, 6 units/acre
- R-8: Residential, 8 units/acre
- R-12: Residential, 12 units/acre
- R-18: Residential, 18 units/acre
- R-24: Residential, 24 units/acre
- R-48: Residential, 48 units/acre
- O: Office
- NS: Neighborhood Business
- CB: Community Business
- NCBD: North City Business District
- IB: Regional Business
- I: Industrial
- CZ: Contract Zone
- Regional Business-Contract Zone

Other Map Features

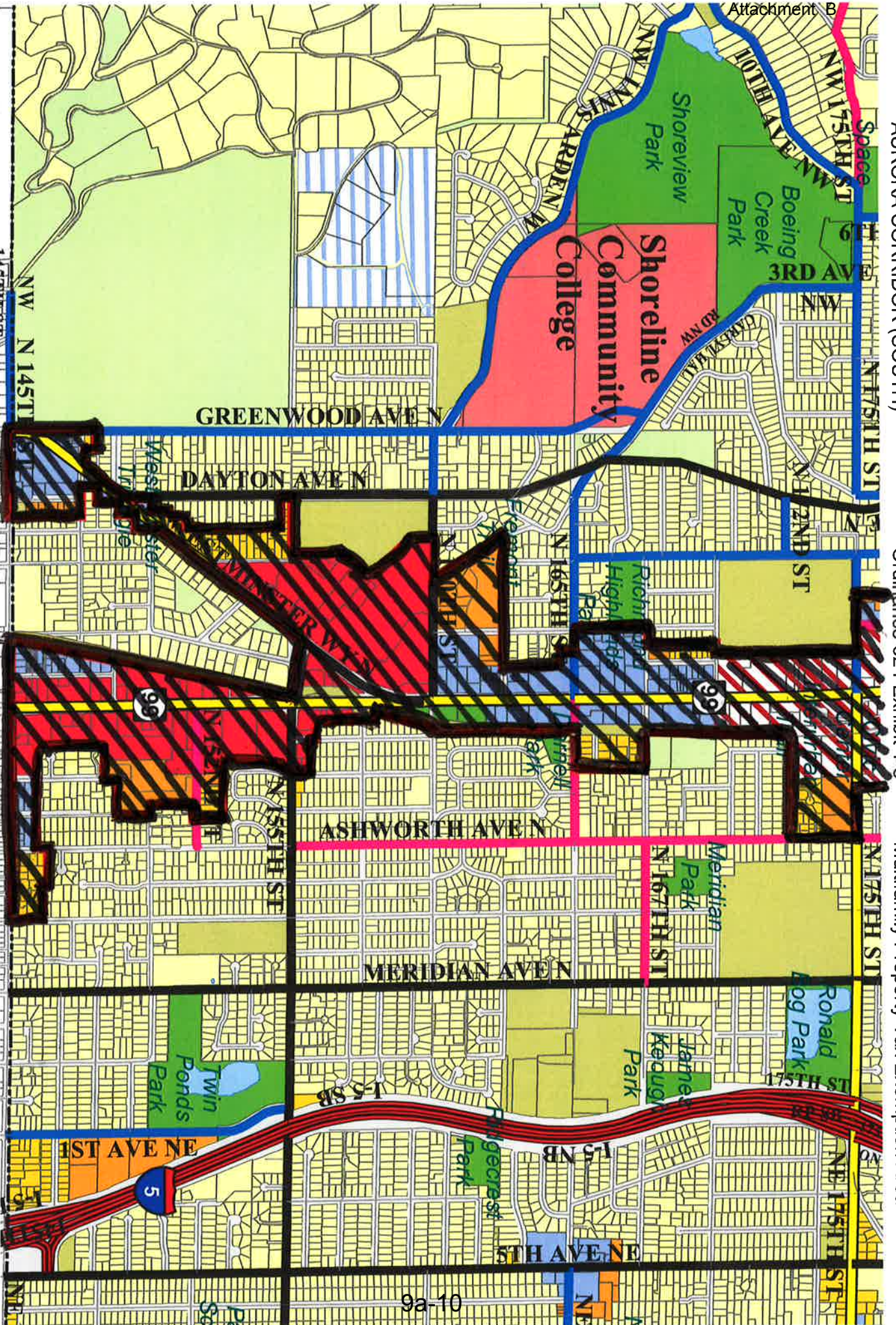
- City Boundary
- Open Water
- Outside Shoreline
- Inlets
- Principal Arterial
- Minor Arterial
- Collector/Arterial
- Neighborhood Collector
- Local Street
- Park
- Tax Parcel Boundary
- Indemnities Right-of-Way

Scale: 1 inch equals 150 feet
 0 30 60 120 180 240 Feet

SHORELINE
 No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.
 Shoreline GIS
 Updated: 01/02/07



Attachment B

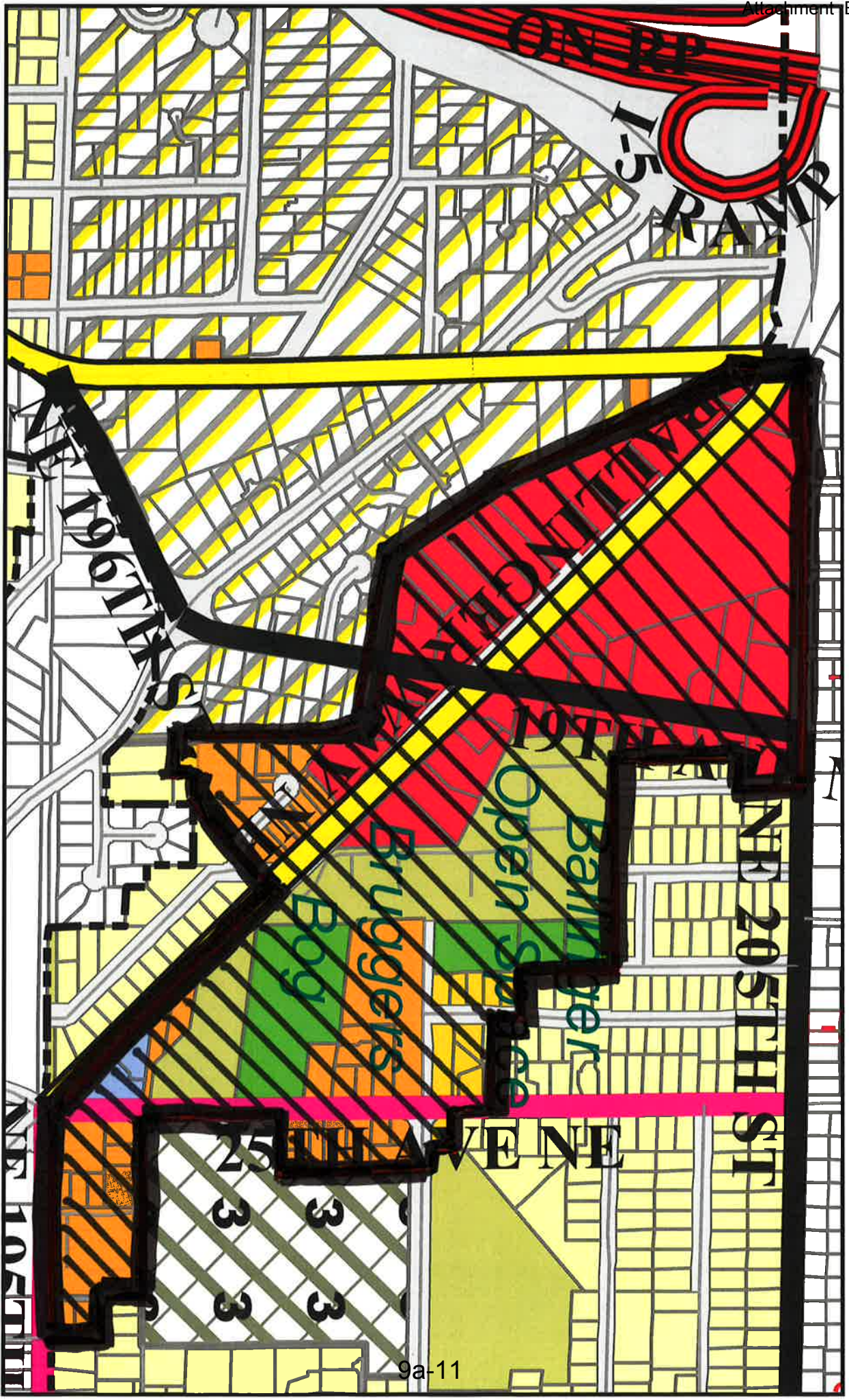


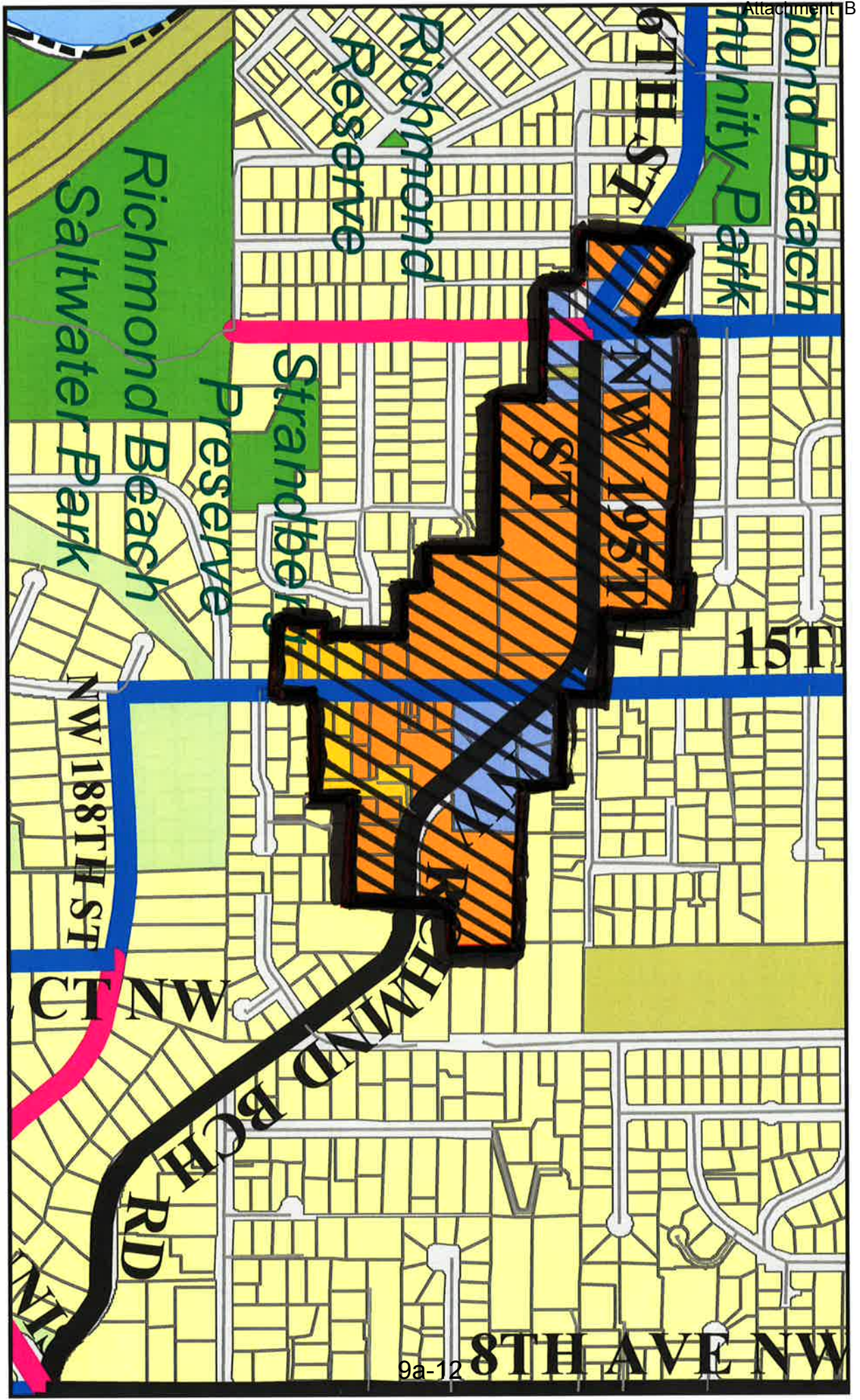
Attachment B

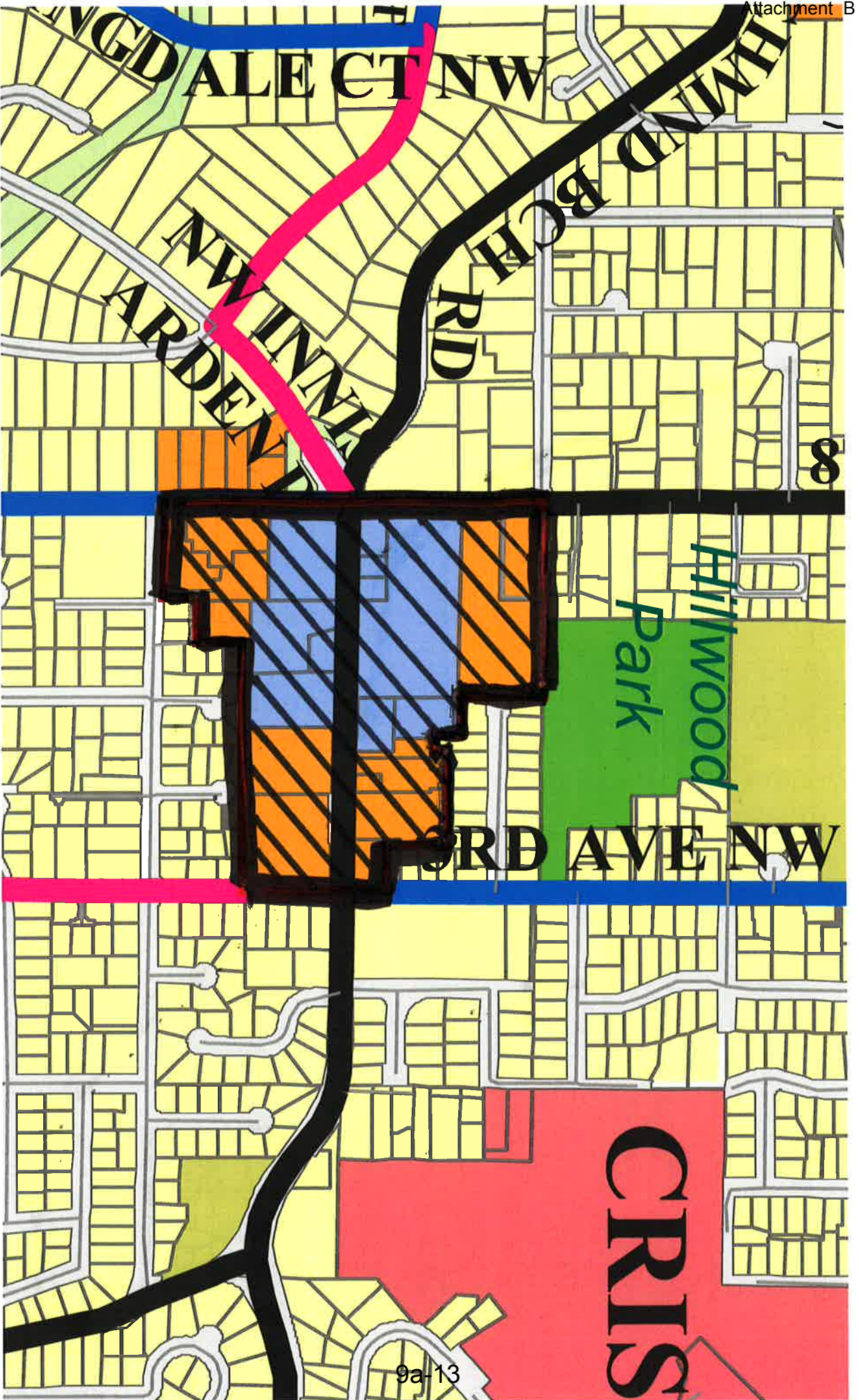
BALLINGER

Ordinance 624 Exhibit 1-5

Multifamily Property Tax Exemption Area



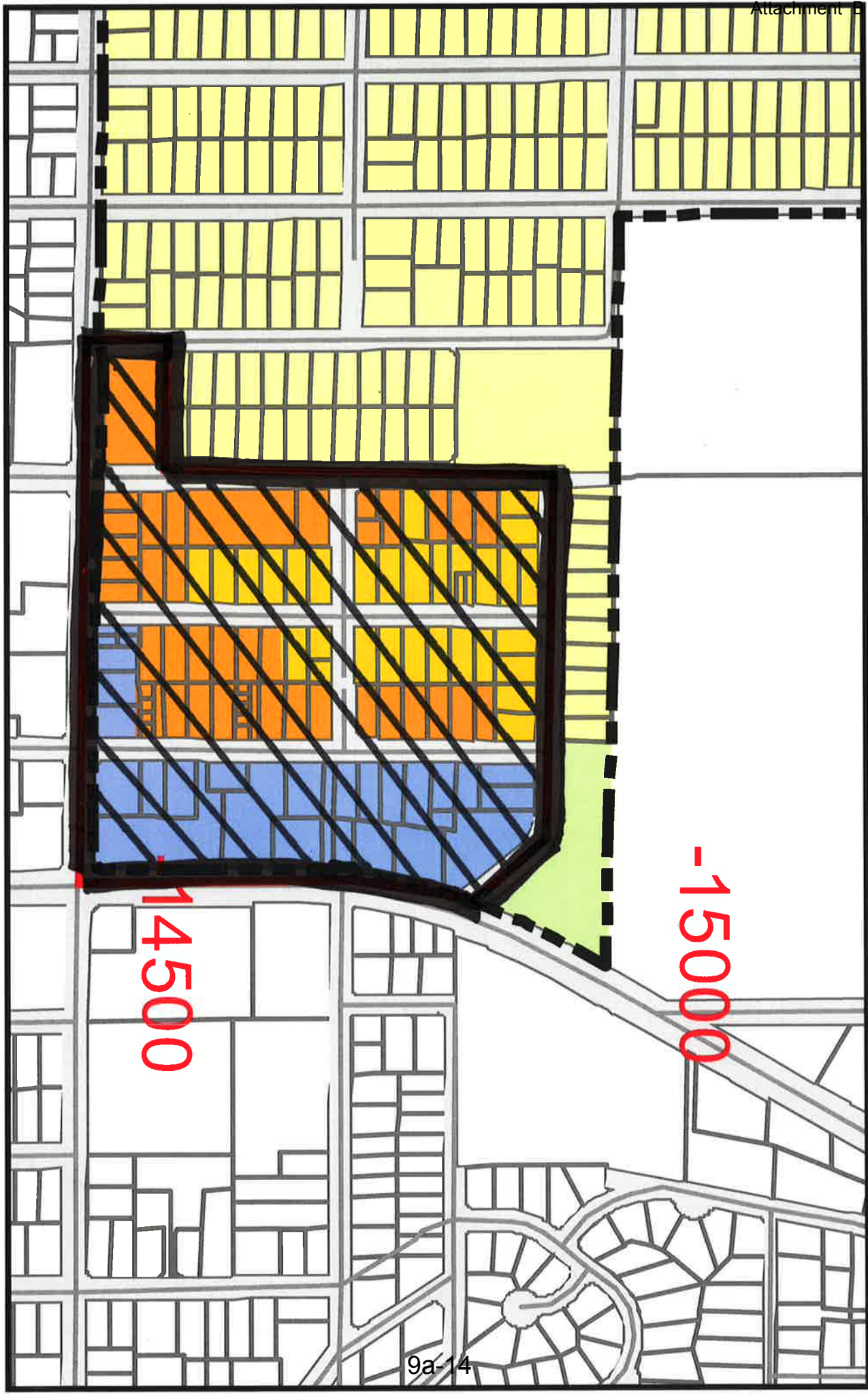




SE NEIGHBORHOODS (EAST)

Ordinance 624 Exhibit 1-5

Multifamily Property Tax Exemption Area



Attachment B

