

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, July 13, 2015
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts (Councilmember Roberts arrived at 7:50 p.m.)

ABSENT: None

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

Mayor Winstead led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF CITY MANAGER

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

4. COUNCIL REPORTS

There were no Council Reports.

5. PUBLIC COMMENT

Kevin Osborn, on behalf of the Ronald Commons Project, thanked Council for their continued support to social services and ensuring that all residents have an opportunity to thrive. He urged Council to support proposed Ordinance 719 exempting Hopelink from impact fees, and thanked the City Manager for bringing this item forward to the Council.

Jarred Swalwell, Shoreline resident and co-owner of Ridgecrest Public House, shared that while searching locations for a “third place” in Shoreline, he learned about transportation impact fees. He stated had he located his business one door over, he would have been required to pay \$35,000 in impact fees which calculates to 70% of his build out budget. He acknowledged staff’s proposal for a one year deferral and said it would not make a difference in the ability to pay such a large fee. He stated he is opposed to any impact fees and urged Council to consider a Business & Occupancy Tax as an alternative.

Megan Kogut, Shoreline resident and co-owner of Ridgecrest Public House, explained that she is representing residents who want places to go at night. She commented that small businesses should not be defined as less than 2,000 square feet and urged Council to consider the negative impact that the impact fee will have on small businesses. She read an excerpt regarding the vision for Aurora Square and said this is what they are trying to accomplish in the Ridgecrest business area. She encouraged Council to think about all the places where growth and redevelopment are taking place that will be assessed impact fees.

Steve Goldstein, Shoreline resident, recalled attending a previous Council meeting where he expressed confusion over tree removal on Meridian Avenue. He said he is no longer confused but not because of information he received from the City. He talked about conversations he had with his neighborhoods and the perception that the City does not care about residents' issues. He concluded stating constituents should not leave a meeting confused and he recommended ways to improve communications.

Samantha Francis, Shoreline property owner, explained that her property is bisected by two zones making it impossible to market and sell the property. She is requesting that the City return the property to its previous zoning of MB without going through the rezone process and incurring costs.

Tom Jamieson, Shoreline resident, commented on five events regarding property acquisition that he believes should be linked together. He noted the Gunderson property acquisition is central to all the events and Council should review everything in a holistic manner because it appears fragmented.

Ms. Tarry commented that staff is happy to meet with residents to resolve issues, and explained Mr. Goldstein cancelled his appointment with her. She added that the Assistant City Manager is following up with Ms. Francis.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor Eggen, seconded by Councilmember Salomon and unanimously carried, 6-0, the following Consent Calendar items were approved:

- (a) Minutes of Business Meeting of May 4, 2015, Minutes of Business Meeting of May 11, 2015 and Minutes of Business Meeting of May 18, 2015**
- (b) Approval of expenses and payroll as of June 26, 2015 in the amount of \$3,279,318.05**

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
5/24/15-6/6/15	6/12/2015	61292-61498	13852-13870	60324-60329	\$439,774.30
					<u>\$439,774.30</u>

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
6/26/2015	1095	\$4,578.34
		<u>\$4,578.34</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
6/11/2015	60210	60228	\$78,604.22
6/11/2015	60229	60236	\$3,553.34
6/11/2015	60237	60251	\$11,683.93
6/11/2015	60252	60258	\$65,297.84
6/11/2015	60018	60018	(\$12,380.83)
6/11/2015	60259	60259	\$12,380.83
6/15/2015	60260	60260	\$7,322.61
6/16/2015	60261	60262	\$42,489.75
6/18/2015	60263	60263	\$800.00
6/18/2015	60264	60285	\$124,176.72
6/18/2015	60286	60322	\$111,710.85
6/18/2015	57907	57907	(\$106.38)
6/18/2015	60323	60323	\$106.38
6/25/2015	60330	60354	\$1,928,577.28
6/25/2015	60355	60381	\$258,458.20
6/25/2015	60382	60389	\$780.36
6/25/2015	60390	60393	\$201,510.31
			<u>\$2,834,965.41</u>

(c) **Approval of the Interlocal Agreement with King County for Automated Finger Print Identification System**

(d) **Authorize the City Manager to Terminate the Existing Kruckeberg Botanic Garden Service Agreement and Execute a New Service Agreement Between the Kruckeberg Botanic Garden Foundation and the City of Shoreline**

8. **ACTION ITEMS**

(a) **Authorization for Real Estate Acquisition - Molver and Ohora Properties**

Dan Eernisse, Economic Development Manager, identified the Molver and Ohora properties on a map and explained the City was approached by owners to purchase the properties. He said the properties are located next to City property and provides immediate value as staging for the Aurora project. He said the cost of acquiring the Molver property is \$225,000 and the cost for Ohora is \$75,000.

Deputy Mayor Eggen moved to authorize the City Manager to execute two purchase agreements to acquire the Molver property for the amount of \$225,000 and the Ohora property for the amount of \$75,000. The motion was seconded by Councilmember Salomon.

Deputy Mayor Eggen stated the properties are a great deal and asked for clarification about the use of the property in the future. Mr. Eernisse responded that there is greater utility in property when the area is larger and combining the Molver and Ohora properties with the adjacent City owned property will be very useful.

Councilmember Hall asked about ownership of both properties and if their purchase would be conducted in one or two transactions. He questioned why the City is purchasing the Ohora property for 25% over the \$60,000 appraisal. Mr. Eernisse stated they would be two separate purchases and explained the rationale for the \$75,000 purchase price.

Councilmember Hall moved to amend the main motion to reduce the purchase price of Ohora to 100% of the appraisal value at \$60,000. The motion was seconded by Councilmember Salmon.

Councilmember Hall commented on previous discussions regarding property acquisition, talked about the appraisal process, and stated that he is unwilling to pay 25% extra of tax payers' dollars.

Councilmember McGlashan asked if the City can purchase the Molver property and not the Ohora property. Mr. Eernisse responded yes.

Councilmember Salomon asked why the property is needed for staging for the Aurora Project. Mr. Eernisse explained that the property will be useful for other purposes including construction staging for the North Maintenance Facility, the Police Station, and the future assumption of Ronald Wastewater.

Ms. Tarry offered that the Ohora property can be brought back to Council for further discussion.

Deputy Mayor Eggen stated that he can support the amendment and that the Ohora property will be more valuable added to the larger parcel than as a land locked property.

Councilmember McConnell asked for guidance on whether Mr. Eernisse thought the property owner would be willing to sell the property for \$60,000. Mr. Eernisse responded that staff can negotiate a purchase price of \$60,000 and recommend that Council move forward with the purchase of the Molver property.

The motion to amend the main motion passed, unanimously, 6-0.

Councilmember Hall moved to have the City Manager move forward with both purchases, however if the reduce asking price delays Ohora, she is authorized to move forward with the purchase of the Molver property as the first step. The motion passed unanimously, 6-0.

The main motion, as amended, passed, unanimously.

9. STUDY ITEMS

- (a) Continued Discussion of Ord. No. 705 - Aurora Square CRA Planned Action FEIS and Ord. No. 712 Amending SMC 20.50 Subchapter 8 - Signs

Mr. Eernisse recapped Council's last discussion on the Aurora Square CRA Planned Action FEIS, and said that Growth Alternative 3 with an additional 1,000 units and 500,000 square feet of commercial is preferred. He recalled identifying prioritized mitigation; a need for Westminster Way North design study; on-site stormwater mitigations; and development of a partnership with Shoreline Community College for regional stormwater solutions. He added that there were no changes to the Sound Ordinance.

Mr. Eernisse explained that signage is needed to unite the CRA and support Vision 2029's dining and community elements. He presented unifying signs as monument, way-finding, and pylon, and provided examples of each sign. He stated staff is proposing the installation of three new signs and pointed out proposed locations. He reminded Council that all tenants will not be listed on the sign and explained that electronic messaging is a way for the smaller businesses to advertise. He said that the Shoreline Municipal Code regulations allow a 20 second hold time and prohibit flashing messages. He asked for Council's feedback on the electronic messaging hold time.

Councilmembers discussed signage and electronic messaging hold times. A majority of Councilmembers expressed comfort with a 5-10 second hold time, and supported providing this instrument as a means for smaller business to advertise. They discussed having the Planning Commission study changing the 20 second hold time and include a public process to solicit community input. They suggested that businesses be provided an opportunity to participate in the process.

Councilmember Hall cited a study regarding drivers looking at electronic messaging signs, and stated it is not safe for a driver to use one-third of their time looking away from the road. He recalled a police accident report that identified driver distraction as the leading cause of crashes, and shared that 29% of distractions were caused by things outside the vehicle. He questioned why the City would install something designed to distract drivers. He commented that the Planning Commission did not recommend changing the Code, and there was no public process regarding the hold time. He is comfortable with a 20 second hold time.

Councilmember Salomon stated that he will not support electronic signage at this stage of the process, and suggested that the process not be rushed. He recommended integrating signage in

the site design plan, and talked about making the property unique and drawing in a variety of businesses.

Mr. Eernisse explained why signage is being discussed and that the sign code amendment was identified in the CRA renewal project. He stated the goal of signage is to draw together the entire area as a cohesive unit. He shared that the City has hired a consultant for design rebranding and added that signage is not an urgent matter.

Mr. Eernisse asked for Council's feedback on monochrome or full color electronic signs and for guidance on sign code implementation and deadlines. He said he expects having the sign implementation worked out in two years, and estimates signage will cost \$400,000. He shared that the property is classified as blighted and signage is needed to rehab the property.

Councilmembers asked if signs are being replaced or if new ones are going in. They discussed the cost to businesses to put together a sign and finding a way to encourage the property owners to engage in the discussion. A majority of Councilmembers stated preference for the monochrome text and supported a two year timeline. Councilmember Roberts added that he prefers signs without logos, and that he would only like to only see them located across the street from the mixed use business zone, and having two pylon signs on Aurora.

Councilmembers asked why the City has not been enforcing current sign code regulations. Ms. Tarry responded that it has been a lower code enforcement priority and that staff is currently preparing a Code Enforcement Update for Council discussion at a future business meeting.

Councilmember Hall requested an amendment to change the minimum hold time to 20 seconds, and requested that this item not be placed on the Consent Calendar. Councilmember Roberts requested an amendment requiring pylon signs on Aurora and located across from mixed use zones.

Mr. Eernisse summarized that staff will bring back an ordinance with a 10 second hold time, with an amendment for a 20 second hold time; a monochrome electronic messaging; full color pylon with individual businesses' names; a two year implementation with a 1 year extension; and one exception for Value Pet Clinic signage until the CRA is fully redeveloped.

Councilmember McGlashan commented that this is a rebranding effort for the entire Aurora Square and it should not exclude the pet clinic.

Deputy Mayor Eggen expressed concern that there is nothing included in the CRA regarding benefits for the Northwest School for the Deaf and that education is being grouped with commercial. He added that the sign cost is minor and commented on the huge Local Improvement District (LID) cost. He asked if the School could be exempted from the LID requirements. Councilmember Hall asked if the School has direct access to Westminster. Mr. Eernisse responded yes there is direct access and that the School is a CRA member. He stated that he will research whether the School can be exempted from LID requirements and report back to Council.

Councilmember Salomon said he spoke to the School Boardmembers and stated that they have repeatedly requested to be removed from the CRA. Councilmember Roberts reminded Council that the School can petition the fees and pointed out the benefits derived from being a member. Mr. Eernisse added that the vision for Aurora Square was never retail only and explained the benefits of participating in the CRA. Councilmember McGlashan commented that the School is part of the package and if they want to be separated they should go through the legal process to separate themselves. Councilmember Hall concurred.

Councilmembers, with the exception of Councilmember Salomon, confirmed that staff should move forward with Growth Alternative 3 for the CRA Final FEIS.

At 9:06 p.m., Mayor Winstead called for a recess, and reconvened the meeting at 9:13 p.m.

(b) Discussion of Ordinance No.'s 716, 717, 718, 719, 720 - Amendments to SMC 12.40 and 3.01 - Impact Fees for Transportation

Julie Ainsworth-Taylor, Assistant City Attorney, provided background and a status update on the implementation of the Transportation Impact Fee Program. She presented the five following proposed Ordinances amending the Impact Fee Program:

- 716: Change of Use/Vacancy - Addresses provisions in existing ordinance
- 717: Small Business Deferral - Proposes new program
- 718: Single Family Deferral - a State Mandate
- 719: Community-Based Human Service Agencies Waiver - provides an exemption to these agencies
- 720: Assisted Living Rate - add a rate to the rate table for assisted living facilities

She explained that proposed Ordinances 716, 719, and 720 will have a retroactive provision, and presented pending applications that would qualify for the retroactive provision.

Councilmembers offered support for Ordinance 720 and agreed that it be retroactively applied.

Ms. Ainsworth-Taylor explained the exemption for human services agencies, eligibility requirements, and stated that the exempted fees must be paid by public funds. She stated that the City has received one application from Hopelink that falls under this category.

Councilmembers asked how change of ownership would affect impact fees. Ms. Ainsworth-Taylor explained if the development activity changes that the owner would be subject to impact fees.

Councilmembers offered support for Ordinance 719, while acknowledging human service providers also generate traffic and that it will have an impact on the budget.

Ms. Ainsworth-Taylor presented Ordinance 718 and stated it resulted from a State Legislature mandate. She asked Council's direction on identifying an effective implementation date.

Councilmembers offered support for Ordinance 718 and an effective date of 5 days after the publication of the Ordinance.

Ms. Ainsworth-Taylor presented Ordinance 716 eliminating vacancy language and addressing credits and refunds. Councilmembers offered support for Ordinance 716.

Ms. Ainsworth-Taylor presented Ordinance 717 that would establish a small business deferral program. She explained that it changes the deferral period to 18 months to match single family, defines small business based on square footage, and reviewed payment options and penalties for non-payment. She asked for Council's direction on defining a small business and if the Ordinance should have a retroactive implementation provision.

Councilmember Salomon requested that staff explore exemptions for small businesses and a definition of a small business, other than by square footage. He questioned the fairness of a business paying impact fees if they go out of business. Deputy Mayor Eggen applauded the courage of small business owners, expressed concern over funding exemptions, and stated his preference for a longer term deferral and payment plan for fees. He suggested defining a small business by capital input of \$100,000 to \$150,000 and likes the option of revoking a business license for failure to pay impact fees.

Councilmember Hall commented that he does not support exemptions because it would require tax payer subsidies. He addressed equity issues and added that growth should pay for growth.

Mayor Winstead stated she supports an exemption because economic development is needed in Shoreline. She stated an exemption does not have to be forever and suggested exempting non franchised businesses and businesses in certain areas of the City. She requested information on Business & Occupancy Tax.

Councilmember Roberts moved to extend the meeting to 10:15 p.m. The motion was seconded by Deputy Mayor Eggen and passed unanimously.

Councilmember Roberts asked for the cost of the initial payment for a surety bond, and questioned the benefit of a deferral program if 60% of the fee is required. He expressed concern about the definition of small business and supported providing impact fee exemptions in preferred economic development areas.

Councilmember Hall suggested moving forward with Ordinances 716, 718, 719 and 720, and postponing 717 for further discussion. He stated that he would like more input from the business community and the Chamber of Commerce. Mayor Winstead, and Councilmembers McConnell and McGlashan concurred.

Councilmember McGlashan asked about exemption criteria. Ms. Ainsworth-Taylor explained that to be eligible for an exemption a broad public purpose must be demonstrated.

Councilmember Salomon commented that providing an exemption to Aurora Square could result in potentially having chain stores and not creative businesses. He supports identifying selected

areas in the City for exemptions, and suggested not paralleling small businesses with the single family deferral program.

Mayor Winstead directed staff to move forward with Ordinances 716, 718, 719 and 720, applying the retroactive provisions, and recommended that staff research an interim solution for small businesses. Councilmember Roberts requested more information on State Senate Bill 5923, an act relating to promoting economic recovery in the construction industry, and Councilmember McGlashan requested more information on identifying specific economic development areas for exemption.

10. ADJOURNMENT

At 10:14 p.m., Mayor Winstead declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

DRAFT