

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, August 6, 2018
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Hall, Deputy Mayor Salomon, Councilmembers McGlashan, Scully, McConnell, Chang, and Roberts

ABSENT: None

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

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

3. REPORT OF CITY MANAGER

Debbie 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

Meghan Paterka, Shoreline, shared a summary of two of her favorite books, "*THE GIVING TREE*," and "*A WORLD WITHOUT HUMANS*", which illustrate the relationship between humans and trees. She asked the Council to postpone its decision relative to Ordinance No. 833 to allow more time to gather enough information to carefully consider the value that the City's trees provide.

Richard Shilling, Shoreline, said he is one of the candidates for the Con Committee for Shoreline's Proposition 1 (sales tax initiative for sidewalk transportation improvements). If appointed, he intends to give the work his best effort, and he recommended Ginny Scantlebury and Councilmember Salomon also be appointed to serve on the Con Committee.

Ginny Scantlebury, Shoreline, said she would also like to serve on the Con Committee for Proposition 1 to help provide voters with enough information to understand the implications of their vote. She expressed her belief that there are better places to get the money to pay for sidewalks than the sales tax increase.

Richard Miller, Shoreline, suggested that the Council fund sidewalk improvements by increasing the car tab tax by an additional \$20, which wouldn't require voter approval. He asked if the City requires CDL licensing and medical exams.

Ms. Tarry advised that the State Legislature has enabled the City Council to enact up to \$50 in vehicle license fees. The first \$20 was enacted in 2009 and the second \$20 in 2018. The latter increase is dedicated to repair and maintenance of the City's sidewalk network system. The Council would have to wait 24 months before enacting the remaining \$10. Any increase beyond \$50 would require voter approval.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Councilmember Roberts and seconded by Councilmember McGlashan and unanimously carried, 7-0, the following Consent Calendar items were approved:

- (a) Adopting the 2019-2020 Human Services Allocation Plan**
- (b) Adopting Ordinance No. 832 – Surface Water Revenue Bond Authorization**
- (c) Adopting Ordinance No. 829 – Limited Term General Obligation (LTGO) Bond Anticipation Notes 2018 –PROS Plan Property Acquisition**

8. ACTION ITEMS

- (a) Public Hearing and Discussing Ordinance No. 835 – Consideration of Potential Condemnation of Property for the Community and Aquatics Center**

Margaret King, City Attorney, made the staff presentation. She reviewed that the 2011 Parks, Recreation and Open Space (PROS) Plan listed a new aquatic and recreation facility as a priority project, and a Repair or Replacement Assessment of the current pool was done in 2014, indicating that extensive upgrades and major maintenance was needed. After touring the facility in 2015, the Council affirmed a Pool/Recreation Center Master Planning Project, and it was later added to the 2017-2022 Capital Improvement Program. The Council approved the 2017 PROS Plan on July 31, 2017 after an extensive 18-month community involvement period. In addition, Goal 2, Action Step 2 of the Council's 2018-2020 Goals calls for implementing the PROS Plan with the priority of an aquatics center.

Ms. King advised that the City completed an Aquatics/Community Center Feasibility Study in 2017 that indicated four preferred locations: Town Center Subarea, Aurora Avenue between

160th and 170th, Richmond Highlands Park, and Aurora Square Community Renewal Area. In June of 2018, the Council announced the preferred site to be the Storage Court property, as well as potentially eight adjacent residential properties along Stone Avenue. In June, the Council authorized a contract with WRNS for site design, and Ordinance No. 829 (LTGO bonds for acquisition of the property necessary), was adopted earlier in the meeting as part of the Consent Calendar.

Ms. King said staff's current recommendation is to remove the two residential properties on Stone Avenue out of the Ordinance and only include the Storage Court site. She cautioned that Ordinance 829 does not immediately condemn the property, but it allows the City to continue to negotiate with the property owner. The City is very hopeful a resolution can be reached without having to go through a judicial process. The City will only move forward with a litigation condemnation if it cannot reach a mutually agreeable situation.

Mayor Hall opened the public portion of the hearing.

Gail Crumpton, Shoreline, asked if she is correct in her understanding that the City will not need to acquire her property (Parcel 361060-0010), which is located at 7803 Stone Avenue. Mayor Hall confirmed that the proposed acquisition is limited to only the Storage Court property.

David Azose, Mercer Island, said he co-manages the Storage Court property. He shared that the business was established over 40 years ago, and the owners have been approached a number of times over the years by potential buyers, most recently for multifamily development. The property produces approximately \$785,000 of cash flow each year, and they have no desire to sell at this time. The 14 investors use this income for their retirement. While he understands the City's right to condemn the property, he is concerned that the City is seeking to acquire the property in the next 30 to 60 days even though it will not seek voter approval for bonds to fund the project until 2019 and design and permitting will not occur until 2020. He asked that the Storage Court be allowed to continue to operate at least until the funding source has been approved by voters.

Daryl Deutsch, Sammamish, said he is counsel for the Storage Court property owner. He reminded the Council that it will be up to the voters to decide whether or not to support a bond measure to fund a new Aquatics/Community Center, and the 2017 PROS Plan and more recent City Council discussions indicate that the bond measure will not be placed on the ballot until 2019 or 2020. He said the property owner will not oppose condemnation of the property if the voters approve the funding mechanism, but it is premature to pass a condemnation ordinance, both legally and factually, before voter approval has been obtained.

Wagdi Hafzalla, Shoreline, said he was planning to retire in the home he has owned on Stone Avenue since 1992. He was pleased to see that his property was also removed from the Ordinance. However, rather than displacing the Storage Court business to accommodate the new aquatics center, he suggested the City consider locating the new facility at the Fircrest School site, which is very large. He noted there is already a pool in this location that is not operational.

Mayor Hall closed the public hearing portion and turned to Council for discussion.

Councilmember Scully said he appreciates that the project has been scaled back and the acquisition of residential properties on Stone Avenue will no longer be necessary. He said he is not likely to support the condemnation measure in advance of the ballot measure, and explained the reasons why. He reviewed that he supported the bond measure as a mechanism for funding the project, and he supports the design. However, it seems backwards to acquire the property through condemnation before the voters have indicated support for the bond measure.

Deputy Mayor Salomon said he was also glad to see the proposal narrowed down to just one property. While he does not dispute the City's authority to condemn private property for a public purpose, he questioned the judgement of exercising that authority at this point. He expressed his belief that it would be problematic and heavy handed to use that authority to take a private property for a project that is not yet funded. He said he is not 100% sure the voters will approve the ballot measure, especially coming on the heels of the sidewalk measure.

Councilmember Chang said she supports the ordinance with the removal of the two residential properties. The Council and staff have worked hard to consider potential locations, including the Fircrest site. The existing pool facility in that location is old and it would be extremely costly to make it operational and meet building and safety codes. She supports the Storage Court site because it is centrally located. In addition, it makes sense to go to the voters with a ballot measure that includes defined costs.

Councilmember Roberts pointed out that if the City were to conduct the sale without a condemnation ordinance, the current owners would not receive certain tax benefits and other breaks. Ms. King agreed that the condemnation ordinance gives the current owners benefits they would not otherwise have such as additional time to invest the money and they do not have to pay the real estate excise tax. He observed that adopting the ordinance does not commit the City to purchasing the property. It simply makes sure the City has the authority to initiate the court process at the time it chooses. He said he is comfortable moving forward with the condemnation ordinance.

Councilmember McConnell said the intent is for the City to actively purchase the property, and a negotiated sale will happen if the ordinance is approved. She expressed her belief that negotiations for the Storage Court property should consider the \$785,000 annual cash flow the current owner anticipates. She recalled that the Council had robust discussions about potential sites in public meetings, including the Fircrest site. In addition to not meeting the location criteria, the property is unavailable because it is owned by another government entity (State). She said she does not think it would be prudent to go to a ballot measure without having a clear acquisition of property.

Mayor Hall asked staff to clarify how an appraiser would determine a valuation for an income-generating property. Ms. King explained that both the City and the property owner would hire appraisers and then work with the property owner to negotiate terms that are agreeable to both parties. She said there are a variety of options for addressing the property owner's concerns relative to timing, etc.

Councilmember McGlashan said he supports the condemnation ordinance because it allows the City to go out to the voters having property secured. In addition, properties that will fit the City's

needs are few and far between, especially properties in a central location. The City has been talking to the State for a number of years about doing something with the Fircrest site, but the State's anticipated master plan was never completed due to lack of funding. He said he hopes condemnation is unnecessary and the City is able to successfully negotiate with the property owner. He said he is somewhat concerned that if the voters do not approve the bond measure, the City will have to sell the property.

Mayor Hall said the condemnation ordinance is necessary if the City is going to commit to designing a project at a level of detail that is suitable to go to the voters for approval. Although the bond measure may not be on the ballot until 2019, owning the property gives the City the ability to secure other funding (i.e. grants and other entitlements) and seek partnership opportunities so the burden does not fall entirely on the voters. The Council has made a strong commitment to the site as the ideal spot for a facility that has extremely strong community support. The City has other options if the bond measure is not approved by the voters.

Deputy Mayor Salomon observed that the property owner has voiced opposition to the Ordinance at this time, so it seems insulting to suggest that adoption of the Ordinance will give him certain benefits. Ms. King said her intent was to explain that adoption of the Ordinance does not result in a condemnation of property. A lot of other steps are required before the City would be able to move forward with a legal condemnation action. From a legal standpoint, the condemnation ordinance makes benefits available to the property owner as the negotiations continue towards a mutually beneficial agreement. Mayor Hall summarized that if negotiations are done under the threat of condemnation, certain transaction costs can be reduced, resulting in cost savings for the property owner and City compared to doing the same purchase without the threat of condemnation.

Ms. Tarry summarized that Council is supportive of limiting the ordinance to the single property (Storage Court). She noted that the Ordinance would be brought back as an action item on August 13th.

(b) Appointment of Pro and Con Committee Members for City of Shoreline
Proposition 1: Sales and Use Tax for Sidewalk Transportation Improvements

Eric Bratton, Communications Program Manager, made the staff presentation. He reviewed that as part of the Council's responsibility in placing a measure on the ballot, they are to appoint a pro and con committee to write statements in favor of or in opposition to the ballot measure. There is a limit of no more than three members per committee, and their statements will go to voters as part of the Voters Pamphlet, along with the City's explanatory statement. Five applications were received for the con committee and four for the pro committee. However, Councilmember Roberts (con) and Councilmember Scully (pro) have withdrawn their applications, and two additional applications were received today for the pro committee.

Mr. Bratton advised that once the Council makes the appointments, staff will notify the committee members and provide them the information they need to do the statements. It will be the committees' responsibility to submit the statements to King County Elections by the due

date. King County Elections will then send the pro statement to the con committee and vice versa, and rebuttals must be submitted. He announced the applicants as follows:

Pro Committee

Robyn McClelland
William Montero
Laura Mork

Con Committee

Megan Kogut
Dustin McIntyre
Christopher Roberts
Ginny Scantlebury
Richard Shilling

Mayor Hall explained that staff set an administrative deadline in order to get applications in a timely way for the Staff Report. However, State law puts the duty on the Council to appoint up to three people to both committees. Late applications can be accepted and, in fact, an application process is not even required. It is fully in order and consistent with the intent of State law that they consider all of the candidates.

Councilmember Roberts moved to appoint _____ to write the pro statement and _____ to write the con statement. Deputy Mayor Salomon seconded the motion.

Councilmember Roberts moved to amend the motion to appoint Robyn McClelland, William Montero, and Laura Mork to the Pro Committee. Councilmember McGlashan seconded the motion, which carried unanimously.

Councilmember McConnell moved to amend the motion to appoint Dustin McIntyre to the Con Committee. Councilmember Roberts seconded the motion.

Councilmember McConnell pointed out that Mr. McIntyre served on the Sidewalk Advisory Committee (SAC). Councilmember Scully observed that Mr. McIntyre was very supportive of sidewalk funding when he served on the SAC, and his stated intent is to bring accurate information to the voters and raise concerns. The other three members on the list have made numerous public comments over the years voicing concern about taxes, which is closer to the concerns expressed in public comments. Commissioner Chang felt it would be helpful to have both perspectives and it makes sense to have a member of the SAC on each of the committees.

Councilmember McGlashan said he likes the idea of having someone from the SAC on both committees and suggested that Mr. McIntyre's opposition likely has to do with the funding source, which is different than what the SAC recommended. Councilmember McConnell said she recommended him because he can bring a wealth of knowledge to the Con Committee, and the statement will be a joint effort of all three members.

The motion to amend was approved 6-1, with Councilmember Scully voting in opposition.

Deputy Mayor Salomon moved to amend the motion to appoint Megan Kogut to the Con Committee. Councilmember Chang seconded the motion.

Deputy Mayor Salomon said Ms. Kogut is a local business owner who has written well-thought-out comments to the Council from time to time. While he may not agree with her opposition, he felt she would do a great job.

The motion to amend was approved 6-1, with Councilmember McGlashan voting in opposition.

Councilmember McConnell moved to amend the motion to appoint Ginny Scantlebury to the Con Committee. Councilmember Roberts seconded the motion.

Councilmember McConnell observed that Ms. Scantlebury has been very involved in the community and is well versed. She has lived in the community for 36 years and does a lot of volunteer work. She is also passionate about being on the Con Committee.

Councilmember McGlashan agreed she is passionate about a lot of things, but tends to oppose things more than support. Councilmember Scully said both Ms. Scantlebury and Mr. Schilling are very passionately opposed to tax increases, and he felt either would do fine on the committee. Mayor Hall pointed out that Mr. Schilling is the only candidate who is present for this discussion, which shows he is committed to the work. He would be in favor of appointing him to the Con Committee. Councilmember Roberts noted that anyone can assist the committee members in preparing the statements, but state law limits the names on the statements to three. Mayor Hall asked staff to help facilitate the process so that other people can act as resources to the committees.

The motion to amend was approved 4-3, with Councilmembers McGlashan and Chang and Mayor Hall voting in opposition.

The main motion was unanimously approved as amended.

9. **STUDY ITEMS**

- (a) Update on the Implementation of the 2017 – 2027 Comprehensive Garbage, Recyclables and Compostables Collection Contract with Recology Cleanscapes, Inc.

Randy Witt, Public Works Director, and Rika Cecil, Environmental Services Analyst, were present to make the Staff Report. Mr. Witt reviewed that the 2017-2027 contract with Recology became effective March 1, 2017. He shared some of the highlights from that contract such as: mandatory garbage collection, embedded compostable/yard debris collection, additional storm debris collection, and adjustments to how commercial containers are handled.

Kevin Kelly, Recology's General Manager, said Recology is an employee-owned company that focuses on the recovery of resources. They provide to over 15,000 residential customers in Shoreline and nearly 1,000 commercial/multifamily sites, and take pride in their ability to serve customers. They have no landfills in Washington State and the recyclable materials are processed at a facility in South Seattle. He reported that since the contract was approved, Recology added a new collection fleet powered by renewable natural gas using energy taken from a King County

waste facility in Renton. This results in substantial greenhouse gas reductions and the trucks are quieter. New carts were also provided that look better and are more functional. Mr. Kelly said Recology closely monitors what it does with the resources collected in the community (compostables and recyclables) that are sent somewhere other than a landfill. Currently, about 47% of the material collected in Shoreline is sent to a purpose other than landfill.

Mayor Hall said his understanding of the new contract was that commercial and residential yard waste was to be bundled in with garbage service, but that was not the case. Many food businesses in Shoreline do not collect food waste as compost. He asked what Recology is doing and what the City can do to help given that they do not have a mandatory requirement in large part because they didn't want to impose an additional cost on businesses. Mr. Kelly responded that for some, it's an issue of space and they don't want to have three dumpsters on site because it potentially takes away parking stalls. Others have the perception that compost containers are smelly. Recology tries to move customers past these perceptions and explain the cost implications of recycling and diverting to yard waste bins.

Deputy Mayor Salomon questioned how much value would be captured if the policy were changed to require commercial properties to recycle yard waste, compost and food. Mr. Kelly answered that most of the opportunity for greater diversion is in multifamily and commercial. Typically, the multifamily population is more transient and come from areas that do not have the same standards. In addition, the infrastructure is not always available to provide conveniently-located areas for recycling, yard waste, and garbage. Shoreline's numbers are consistent with those of other jurisdictions, but there is definitely room for growth. For example, King County has adopted an aspirational goal of hitting 70% recycling by 2030 for all three sectors combined (residential, multifamily and commercial).

Mayor Hall recalled that at a recent dinner meeting with King County Solid Waste it was discussed that the current landfill is reaching the end of its lifecycle and the cost of any of the disposal options (waste energy conversion, expanded landfill, or exporting) are dramatically higher than the current costs. Anything they can do to increase recycle rates has a financial benefit. He then shared a conversation he had with a restaurant owner in Snohomish County who switched from plastic to compostable straws to make it easier to dump everything into the compost bin without having to separate out the straws. This change dramatically reduced the amount of trash he was sending to the landfill, and his costs were also reduced given that a dumpster of trash cost about \$800 and a dumpster of compost \$160. This opportunity ties into previous Council discussions about how to incentivize restaurants to shift away from plastics and towards compostables.

Councilmember McConnell suggested that more effort needs to be put into educating commercial customers about the cost savings associated with composting and recycling. She voiced concern about the multifamily numbers, particularly as areas of Shoreline have been rezoned to allow for greater residential densities. Mr. Kelly said Recology works hard to educate the public on the potential costs savings and other benefits of recycling, and they are interested in working more closely with the City as new development occurs so that solid waste collection is part of the consideration.

Councilmember Roberts asked what Recology does to encourage its multifamily and commercial customers to switch plans. Mr. Kelly answered that Recology contacts every property owner at least once per year to talk about their options. Councilmember Roberts suggested another reason why the compostable rates are less in the multifamily sector is because there is significantly less yard debris. Mr. Kelly agreed but said there is still room for improvement.

Mr. Kelly announced that Recology opened a new store on Aurora Avenue N in 2017. The store serves as an in-person customer service support center and they sell products that are either made from recycled material or designed to help landfill waste. The store also serves as a drop-off facility for hard-to-dispose-of items. He shared data about the materials that have been collected to date.

Councilmember McGlashan applauded Recology for its store, and thanked them for taking part in the Farmer's Market to draw attention to the store and the types of hard-to-dispose-of items that it accepts. Mr. Kelly said Recology values opportunities to engage with the community, and they try to participate in as many events as possible. In 2017, they reached about 1,600 community members through various outreach programs.

Mr. Kelly advised that China is the largest importer of recyclable materials, but they plan to phase out imports of all recyclable materials for which they can have domestic product. For example, they will stop accepting cardboard if they can grow enough trees. Malaysia and Vietnam have announced similar efforts. China is also dropping down the percentage of impurities allowed in recyclable materials from 4% to 0.5%. These changes are significantly impacting the recycling market, including waste haulers. He referred to a clause in the current contract that says if there is an unforeseen temporary market that changes Recology's operations, they can come to the City to renegotiate. He suggested that this discussion needs to happen soon. Recology is working with the consultant who assisted with the current contract to review the data and make some recommendations.

Councilmember Roberts said he heard there is a proposal to develop a recycling facility within Washington State. Mr. Kelly said there are already several recycling facilities in the State, and the current situation has generated a lot of interest. A number of ideas have been thrown out for discussion such as pulping facilities and secondary processing facilities. However, all of these ideas are speculative at this point.

As part of contract reconsideration, Councilmember Scully said he is very interested in revisiting the concept of bundling services and mandating recycling and yard waste in the commercial areas.

Deputy Mayor Salomon asked where waste goes when things are thrown into the wrong bins and the materials are all mixed up. Mr. Kelly answered that it would all be considered garbage. Deputy Mayor Salomon questioned if the Councilmembers are interested in looking at commercial regulations at a future date. Mayor Hall recalled that, when discussing the existing contract, he and Councilmember Roberts were pushing a commercial mandate, but they decided to back off of the idea. He cautioned against pushing the issue forward under the existing

contract because he does not want to laden businesses with another expense. However, as they change things up, he hopes that a commercial mandate would be part of the discussion.

Mayor Hall commented that there are a number of models aimed at reducing contamination. He suggested that bundling should be considered as one of the options the Council considers. Councilmember McGlashan pointed out that separation can occur quite easily in the kitchen areas of restaurants. The problem comes up when the public is left to dispose of their trash in the right bins. Most of the containers get contaminated and end up being handled as trash that goes to the landfill.

Councilmember Chang asked who is working on the issue of the lack of a market for recyclables. Mr. Kelly answered that international and national trade groups are currently exploring potential solutions and many options are being considered. Councilmember Chang asked where recyclables from Shoreline would go if China decides to no longer accept them. Mr. Kelly said Recology has found other markets, with India being a major one. This has raised costs and impacted the global supply chain. With China withdrawing 60% of the market overnight and the supply staying the same, the price for recycled materials fell dramatically.

Mayor Hall noted that the Council has talked a lot about sustainability strategies. While they cannot solve the global recycling and contamination problems, there is a lot the City can do to reduce the amount of waste and change packaging and product delivery methods so sorting is easier to do.

Councilmember Roberts asked if communities are moving back to programs that require customers to separate their recyclables (glass, cans and paper). Mr. Kelly answered no. He explained that the industry moved away from that system because it was very inefficient.

Deputy Mayor Salomon asked how much carbon is produced as a result of moving recyclable goods to India. Mr. Kelly responded that the benefits from recycling are significant as compared to extracting-version resources. The materials are shipped in containers via ships and rail to maximize the capacity to the greatest extent possible. The best option would be to have domestic infrastructure that could handle it, but it is not available at this time.

10. ADJOURNMENT

At 8:52 p.m., Mayor Hall declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk