

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF REGULAR MEETING**

Monday, September 9, 2019  
7:00 p.m.

Council Chambers - Shoreline City Hall  
17500 Midvale Avenue North

PRESENT: Mayor Hall, Deputy Mayor McConnell, Councilmembers McGlashan, Scully, Chang, Robertson, 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

Councilmember McGlashan reported that he and Deputy Mayor McConnell attended the SeaShore Transportation Forum Meeting and heard details of the Port of Seattle's five year Capital Improvement Plan. The meeting also included a WSDOT presentation on the I-5 System Partnership. He added that the Sound Transit Executive Board approved \$3.7 for preliminary design of the 148th Street Pedestrian Bridge.

Councilmember Scully said that at the recent Continuum of Care (COC) Board Meeting the list of priority projects for federal funding was voted on. He noted that this year several regional programs outside of Seattle have been ranked as Tier 1, including at least from Shoreline. He added that the Regional Action Plan has been released. The Plan would create a new Homelessness Executive Director and Executive Board charged with bringing order and continuity to regional allocations of homelessness resources and services. The City of Seattle and King County are currently the participants, and suburban cities are not being asked to contribute funding at this point. He said his stance is that Shoreline should contribute through coordinated local programs in conjunction with area partners to help ensure a full suite of services available regionally.

Councilmember Roberts said that he attended the Association of Washington Cities Legislative Committee meeting and listed the priorities the Legislative Committee is recommending to the Board.

Mayor Hall said the groundbreaking for the Lynnwood Link Extension was well attended, and that he recently attended the Governors Orca Task Force meeting. He reported that development projects in Shoreline are improving stormwater and therefore habitat for the orcas, rather than having a negative impact as seen in other areas of the region.

**5. PUBLIC COMMENT**

Pat Anunsen, Shoreline resident, referenced the recent Court of Appeals decision regarding the Ronald Wastewater District's right to serve customers in the Point Wells area. He voiced questions and concerns regarding the potential impacts associated with the City's assumption of Ronald Wastewater District.

Robert Doran, San Diego resident and Retail Opportunity Investments Corporation (ROIC) representative, said that ROIC still holds the position that the Shoreline Place Development Agreement (Resolution No. 441) is premature. He updated Council on the work towards resolving the existing issues with Merlone Geier but concluded that it is ROIC's opinion that there are still numerous issues to be resolved before the Development Agreement should be solidified.

Gail Steele, Shoreline resident, recommended that the City institute taxes, codes and regulations for Airbnb properties. She suggested that there be a way to identify properties as Airbnb's.

Ginny Scantlebury, Shoreline resident, said she is concerned about adding another layer of government designed to oversee the homelessness problem. She said the City should look at the ways other regions are handling the issue and listed the needs of the population. She stated she hopes that the City Council does not sign on to the new King County Regional Homelessness Services Plan.

George Whiteside, Shoreline resident and parent of students at Cascade Community School, expressed his displeasure at the long-lasting construction at the school and shared the negative experiences his children are having as a result of the construction.

**6. APPROVAL OF THE AGENDA**

The agenda was approved by unanimous consent.

**7. CONSENT CALENDAR**

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

**(a) Approving Minutes of Regular Meeting of July 29, 2019**

**Approving Minutes of Workshop Dinner Meeting of August 12, 2019****(b) Approving Expenses and Payroll as of August 23, 2019 in the Amount of \$7,541,299.21****\*Payroll and****Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
Prior period check voided/reissued			16357/16461		\$0.00
Check voided			16462		\$0.00
Prior period check voided/reissued			16409/16463		\$0.00
6/30/19-7/13/19	7/19/2019	85955-86233	16464-16521	75214-75221	\$957,091.33
7/14/19-7/27/19	8/2/2019	86234-86512	16522-16575	75647-75652	\$755,520.83
7/28/19-8/10/19	8/16/2019	86513-86797	16576-16627	75711-75716	\$758,470.19
					<u>\$2,471,082.35</u>

**\*Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
7/30/2019	75222	75222	\$53,671.91
8/1/2019	75223	75241	\$405,578.95
8/1/2019	75242	75261	\$409,469.14
8/1/2019	75262	75315	\$990.00
8/1/2019	75316	75419	\$5,922.43
8/1/2019	75420	75429	\$71,426.24
8/1/2019	75430	75450	\$1,781,776.77
8/1/2019	75451	75458	\$1,168.62
8/5/2019	75459	75459	\$2,560.00
8/8/2019	75460	75484	\$309,022.84
8/8/2019	75485	75598	\$5,966.17
8/8/2019	75599	75622	\$69,344.60
8/8/2019	75623	75646	\$159,571.29
8/15/2019	75653	75674	\$181,528.17
8/15/2019	75675	75688	\$140,469.89
8/15/2019	75689	75689	\$10,227.53
8/15/2019	75690	75703	\$13,015.00
8/15/2019	75704	75710	\$909.34
8/20/2019	75717	75718	\$94,197.22
8/22/2019	75719	75751	\$154,641.60
8/22/2019	75752	75774	\$2,660.20
8/22/2019	75775	75782	\$35,503.21
8/22/2019	75783	75836	\$1,160,595.74
			<u>\$5,070,216.86</u>

- (c) Adopting Resolution No. 445 - Amending the Council Rules of Procedure Relating to the Use of Gender References and Surnames, Start Times for Public Hearings, and Public Testimony**
- (d) Authorizing the City Manager to Execute Amendment Four to the Professional Services Contract with Reid Middleton Inc. for the Design and Environmental Review Services for the Westminster Way N and N 155<sup>th</sup> Street Improvements Project**

8. ACTION ITEMS

- (a) Public Hearing and Discussing the 2020 Community Development Block Grant Funding Plan

Bethany Wolbrecht-Dunn, Grants Administrator, delivered the staff presentation. Ms. Wolbrecht-Dunn stated that the Community Development Block Grant (CDBG) is an annual process. She shared the estimated annual Community Development Block Grant (CDBG) revenues for 2020 and listed the guides used for determining funding support. She described the annual process and said that the 2019-2020 Biennial Budget already reflects the estimated CDBG. Ms. Wolbrecht-Dunn described the suggested funding allocations for regional and local programs and for program administration.

**Mayor Hall opened the Public Hearing. There was no public comment, and Mayor Hall closed the Public Hearing.**

Ms. Wolbrecht-Dunn was asked about the number of households benefiting from the funding, and she reported that the maximum loan allowed for major home repair is \$25K, and the City is able to support approximately 4-6 such loans annually. She also said there are limits on the amount qualifying residents are able to access through the Housing Stability Program, but the total amount awarded citywide is approximately \$13K annually. She said that there is always more demand than available resources.

Councilmember Scully asked why Lake City Partners is no longer requesting funding in the program. Ms. Wolbrecht-Dunn said that she would report back with a response.

- (b) Adopting Resolution No. 441: Approving the Shoreline Place Development Agreement Between the City of Shoreline and Merlone Geier Partners

Rachael Markle, Planning and Community Development Director, delivered the staff presentation. Ms. Markle said that Resolution No. 441 would allow the City Manager to enter into an agreement with Merlone Geier Partners (MGP) for the development of a 17.3 acre portion of Shoreline Place. She listed the key components of the Development Agreement and explained that the Planning Commission and City staff have analyzed it for compliance with the criteria as required by the Development Code and determined that the project meets all of the necessary criteria.

Ms. Markle said that the Planning Commission unanimously recommended approval of the Shoreline Place Development Agreement to the City Council in July of 2019. She added that staff and the applicant have worked together to draft amendments to the Agreement as suggested by Council at the August 5, 2019 meeting, and she explained why some of the proposed amendments were not incorporated. She said staff also proposed a few minor edits to the Development Agreement as part of the final review.

Ms. Markle displayed a summary of the potential amendments and reviewed the exhibits that would need to be updated if amendments were to be made to the Development Agreement.

**Councilmember McGlashan moved adoption of Resolution No. 441 as recommended by the Planning Commission. The motion was seconded by Councilmember Roberts.**

Councilmember Scully said he would like an update on the substance and status of the unresolved issues with Retail Opportunity Investments Corporation (ROIC). Jamas Gwilliam, Vice President, Development with MGP said that members of ROIC and MGP met to discuss the outstanding issues. He described the back-and-forth of the conversations with ROIC and said that now there are essentially two items related to governing documents that are outstanding, and MGP is waiting for additional information from ROIC. Councilmember Scully asked what the two remaining issues are, and Mr. Gwilliam said that he would not feel comfortable sharing the issues because they were discussed in confidence and there is an agreement to work through them.

Councilmember Chang asked for clarification on the recommendations for the major amendment process. Margaret King, City Attorney, explained that the amendments point out the fact that the changes do not have to initiate from the beginning of the development application process, since the agreement has already met the submittal requirements. She added that any major amendment would permit the City to reevaluate and negotiate the overall public value, basically opening up the agreement again.

Since the addition of parcels would be considered a major amendment, Councilmember Chang asked why the Agreement reiterates this in Section 34. Ms. King said the repetition is intended as a recognition that any additional parcels would be additive to what was previously negotiated. She said the statement is not necessary, and if it causes concern for any Councilmember it could be removed. Mayor Hall said that while it is a bit redundant, it is important to continually clarify what constitutes a major amendment.

Councilmember McGlashan asked for an explanation of the slide that displayed a minimum percentage of retail to residential on the site, saying the staff report measures it by square footage. Ms. Markle explained that the slide did not change any of the designated requirements, it was merely a different way of expressing the same information.

Councilmember Roberts pointed out a potential typographical error in the building articulation amendment and staff began to work toward a response.

Councilmember Robertson said that what she has taken away from this process is that she hopes Council can make time to review some of the existing code requirements that put the City in a weaker position for negotiations, such as open space and setback requirements. If it were up to her she would not give up any impact fees because their benefits are so significant.

Councilmember Robertson then addressed a portion of the public comment received, saying it would be appropriate for decisions on future development to take into consideration the impact the addition of housing would have on the School District. Finally, Councilmember Robertson said she continually hears that a greater quality and variety of local restaurants is very important to residents and she is happy that a retail square foot minimum was established. Mayor Hall replied that it is important for the community to patronize new restaurants.

Deputy Mayor McConnell agreed with Councilmember Robertson that the flaws in the Development Code should be reviewed and addressed. She thanked MGP for accepting the established minimum for retail space, and commended staff and the Planning Commission for their work throughout the development of this Agreement. She said she is a little concerned that the remaining issues have not yet been resolved and she hopes MGP and ROIC will continue to work toward resolution.

Mayor Hall pointed out that the cumulative credit column for impact fees on page 227 of the Staff Report was not updated to reflect the amended impact fee credits. He also commented that by making parcel additions a major amendment, it gives future Councils the opportunity to consider public benefits and ensures that the balance is in place, but that he still has concerns with allowing it.

**Councilmember McGlashan moved to modify the Planning Commission's recommendation for the Shoreline Place Development Agreement as set forth in Attachment B to the Staff Report. The motion was seconded by Councilmember Chang.**

Councilmember McGlashan stated that the amendments address issues that Council discussed at their study session and that staff and MGP collaborated on. The amendments strike a compromise and fit well within the Development Agreement.

Mayor Hall said he is comfortable moving the Development Agreement forward from the perspective of the legislative body, and that even though it may not be as complete as some might wish it to be, it is important to remember that staff will be involved with the development at every step in the process.

**The motion as amended passed unanimously, 7-0.**

**Councilmember Roberts moved to amend Attachment A Exhibit 2(M) to correct the cumulative credit column as produced by staff. The motion was seconded by Councilmember Scully.**

Ms. King read the corrections to the cumulative credit columns. She said the cumulative credits should be corrected to change the East Plaza credit from \$1,143,962 to \$972,657; the West Plaza

credit from \$1,341,790 to \$1,170,485; and the Westminster Way Plaza credit from \$1,436,403 to 1,265,098.

Councilmember Roberts pointed out that the calculations are based on an assumed number of units but will adjust based on actual construction.

**The motion passed unanimously, 7-0.**

**Councilmember Roberts moved to amend Attachment A Exhibit 2(C)(i)(b) to strike the number 35 and insert the number 80. Councilmember McGlashan seconded the motion.**

**The motion passed unanimously, 7-0.**

Councilmember McGlashan expressed his appreciation for the work that went into this process. He said it is exciting to see a development project this big move forward.

Councilmember Roberts echoed Councilmember McGlashan's statement and agreed that Council should have regular discussion on the impact large developments might have on schools. Mayor Hall said the School District could request School Impact Fees should it determine that growth is impacting their capital funding requirements.

Mayor Hall said working on the Development Agreement has been an incredible learning opportunity and that moving forward he is interested in trying to clearly legislate what the minimum development requirements are and dispensing with the development agreement process. Councilmember Scully echoed this statement and reflected on how labor-intensive the process was for the City as a whole.

**The main motion as amended passed unanimously, 7-0.**

9. ADJOURNMENT

At 8:18 p.m., Mayor Hall declared the meeting adjourned.

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Jessica Simulcik Smith, City Clerk