

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, November 30, 2020
7:00 p.m.

Held Remotely via Zoom

PRESENT: Mayor Hall, Deputy Mayor Scully, Councilmembers McConnell, McGlashan, 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. ROLL CALL

Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided updates on COVID-19 restrictions and the resurgence in transmission and shared reports and information on various City meetings, projects and events.

4. COUNCIL REPORTS

Councilmember Chang attended a Special Meeting of the Regional Transit Committee and said Metro presented the results of what adding to the transit system would look like if equity is prioritized. She said clarity is still needed on the impacts of the scheduled cuts in service hours.

5. PUBLIC COMMENT

Jackie Kurle, Shoreline resident, expressed her concerns regarding the availability of emergency support for the Enhanced Shelter and questioned the expertise of the Shelter operator. She said there are broader concerns that have been unaddressed to date and that there are better ways to address the homelessness problem.

Diane Pfeil, Shoreline resident, said the neighborhood behind the Enhanced Shelter currently has little to no evidence of homelessness or drug use, so if the problem increases it will be because of the Shelter. She expressed concerns about the impacts on the surrounding community when the Shelter becomes full and there are people waiting to come in.

Nathan Pfeil, Shoreline resident, said he hopes the Council is paying attention to what is going on at the Red Lion Hotel in Renton and suggested they ask the Renton Council for feedback on their experiences in partnering with the County.

Nancy Pfeil, Shoreline resident, expressed dissatisfaction with the Council's decision making and priorities regarding the Enhanced Shelter and said little has been done to ensure the safe protection of Shelter residents and the surrounding community.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor Scully and seconded by Councilmember McGlashan and unanimously carried, 7-0, the following Consent Calendar item was approved:

(a) Approving Minutes of Regular Meeting of November 16, 2020

8. ACTION ITEMS

(a) Adopting Resolution No. 467 Committing to Building an Anti-Racist Community

Christina Arcidy, Management Analyst, delivered the staff presentation. Ms. Arcidy reviewed the community involvement in drafting this Resolution, sponsored by Councilmembers Roberts and Robertson, and said there have been no updates since it was presented as a Study Item and said staff recommends adoption of Resolution No. 467.

Councilmember Robertson moved adoption of Resolution No. 467, Committing to Building an Anti-Racist Community. The motion was seconded by Councilmember Roberts.

Councilmember Robertson expressed thanks to the community and staff who participated in the creation of the Resolution. Councilmember Roberts echoed her sentiments and urged support of the Resolution. He added that this Resolution will establish an ongoing commitment to work toward building an anti-racism community and spoke against racist actions, both historical and recent.

The motion passed, unanimously, 7-0.

(b) Adopting the 2021 State Legislative Priorities

Jim Hammond, Intergovernmental Program Manager, delivered the staff presentation. Mr. Hammond said based on Council direction, two modifications were made to the State Legislative Priorities. One modification adds a fourth Shoreline-Specific Priority to continue to pursue a pathway for State partnership in the future development of a Community and Aquatics Center; and the other inserts an item to the Legislative Issues the City Supports to "develop more

sustainable revenue sources that are less regressive and targeted toward high-earning individuals and corporations”.

Councilmember Robertson moved to adopt the 2021 State Legislative Priorities. The motion was seconded by Deputy Mayor Scully, and passed unanimously, 7-0

9. STUDY ITEMS

(a) Discussing 185th Subarea Phase 1 Report

Andrew Bauer, Senior Planner, delivered the staff presentation. Mr. Bauer said the 185th Street Station Subarea Plan established the vision for a pattern of compact growth around the future Shoreline North Light Rail Station. He stated that the adopting Ordinance requires an evaluation of the Plan prior to Phases 2 and 3 taking effect and requires that the progress of mitigation measures associated with the Planned Action Environmental Impact Study (EIS) be reported, and tonight’s update was prepared to meet those requirements.

Mr. Bauer displayed a map outlining the phased zoning areas of the 185th Subarea and said Phase 2 is scheduled for 2021. He showed a graph of new unit growth by year, as tracked by permit applications, for the previous five-year period, and gave a breakdown of the years filed and current permit statuses. He noted that 2020 growth has dropped, likely attributed to the pandemic.

Displaying a map of disbursement of development activity within the Subarea, Mr. Bauer noted that there has not yet been any development activity in the MUR-70 zone and listed the possible contributing factors behind this. He compared the projected vs. actual annual growth rates, concluding that actual growth is in line with projections. He shared an update on the permit status of townhomes and multifamily units both under review and approved. Mr. Bauer said most new townhome units are owner-occupied, comparable to the citywide trend. He described the five apartment developments captured in the reporting period and described the unit mix, noting that there are no three-bedroom units. He said unit mix and availability is being reviewed as part of the Housing Action Plan.

Mr. Bauer said there has been no new commercial development since the Subarea Plan has been adopted, and offered possible reasons for this, noting that a low demand was anticipated. Mr. Bauer reported that the review included looking at how the infrastructure is keeping pace with development, and said the utilities have sufficient capacity to serve growth, but upgrades are needed, and shared examples of the processes by which these improvements may happen.

Mr. Bauer displayed a map of the transportation and mobility improvements being completed by Sound Transit in and around the Light Rail Station and said the City’s completion of the 185th Street Multimodal Corridor Strategy is a huge milestone in enhancing the vision of the Subarea Plan, noting that success for the area hinges on complimenting land use and transportation visions. He stated that improvements to the Corridor are not funded at this time and rely on incremental improvements constructed on a development-by-development basis.

Mr. Bauer said the Parks, Recreation, and Open Spaces (PROS) Plan estimates a need for 43 acres of new parks and open spaces to serve the Subarea, displayed a map of the identified areas, and stated that planning and acquisition efforts are underway.

Mr. Bauer summarized that Subarea growth is tracking with Subarea Plan assumptions, and capital investments are keeping pace. He recognized that there are always areas for improvement and reminded Council that it is still early in this long-range Plan. He summarized the potential future work program items identified, based on early trends.

There was discussion about the lack of construction in the MUR-70 zone, and levels of concern varied among Councilmembers. Deputy Mayor Scully and Councilmember Chang encouraged staff to look at the development in the Mountlake Terrace Station area as a comparison and to study methods to encourage development. Both Councilmembers McGlashan and Roberts said they think development in the MUR-70 zone will come eventually. It was pointed out that it might be worthwhile to review road classifications in the MUR-70 zones to support future volume. Mayor Hall expressed concern about the lack of permit activity in the MUR-70 zone and suggested that the Planning Commission look for ways to encourage development. He added that he thinks it might be worthwhile to revisit the prohibition on charging for parking separate from rent in the MUR-70 zones, and to look at expanding and extending the Multi Family Tax Exemption (MFTE) program. Councilmembers Chang and Roberts expressed interest in learning if there has been any feedback on why development is not happening in the MUR-70 zone to aid in proactively assessing potential issues. Councilmember McConnell said she would like to hear historical comparisons on when development occurred around Light Rail Station areas in other places.

Councilmember Roberts raised questions around sidewalk construction in these areas, and said walkable neighborhoods are best served by a complete network. He suggested considering processes in which to get sidewalks finished out as part of new development requirements. Mayor Hall commented that while he likes the idea of investing in infrastructure to attract quality development, this might be an inefficient use of funds since new construction often results in tearing up whatever sidewalk is there.

In discussing the value of development incentives, Councilmember Roberts said the real question is what kind of expectations are being placed on developers while considering both the public good and the associated costs. He said he thinks efficient construction and use of space should be encouraged to keep housing prices down. Deputy Mayor Scully agreed that the focus should be on planning and infrastructure, rather than trying to move the market needle as he does not think there is enough the City can give that would make a significant change to justify what would have to be sacrificed. He said if there are roadblocks to property aggregation, they need to be evaluated. Mayor Hall agreed that the current system of incentives can seem upside down, and that if the goal is transit-oriented development that uses the space around stations efficiently, it might make more sense to have stricter requirements for smaller/low density buildings and greater incentives to reward taller buildings.

Councilmember McGlashan said it is nice to see the work of so many years coming to fruition but he would like to have a more in-depth discussion about opening Phases 2 and 3 of the Subarea Plan at the same time to meet development demand.

It was agreed that the Council Strategic Planning Workshop would be an appropriate time for continued study and discussion of the Subarea Plan.

- (b) Discussing the Addendum to the Feasibility Study for Transfer of Development Rights and the Landscape Conservation and Local Infrastructure Program (LCLIP) in Shoreline

Steve Szafran, Senior Planner, delivered the staff presentation and welcomed Moran Shook, of ECONorthwest and Nick Bratton, of Forterra; and said Michael Murphy, Transfer of Development Rights Program Manager with King County, was available for questions. He said based on Council direction, the consultants created three development scenarios that use proposed incentives to place Transfer of Development Rights (TDR) credits in different zones in the City to take advantage of the LCLIP Program.

Mr. Bratton described the TDR program as a voluntary, market based real estate tool that encourages growth where it is desired and conserves farms and forests that are important to the region's health. He explained that LCLIP adds a form of tax increment financing to the TDR program, creating a financial incentive. He specified the types of improvements the revenue can pay for and shared a graph of how LCLIP grows revenue over time. He displayed a map of the study area and said findings indicate LCLIP can work in Shoreline, and recommended the City maximize the benefits of the program by committing to using its full allocation of TDR credits if it chooses to adopt LCLIP.

Mr. Bratton said the addendum being presented tonight responds to the Council's feedback indicating that they would like to: consider a wider range of scenarios; focus on fewer incentives; and be presented with examples of construction types, development patterns, and an illustration of TDR credit use in new construction. He described the factors included in refining the updated scenarios.

Mr. Shook shared details and specifics on the three development scenarios categorized as Light Rail Station area emphasis, expanded geographic emphasis, and full utilization with a broad program use over multiple zones.

Mr. Bratton listed the consultant recommendations of creating an effective TDR incentive structure, starting LCLIP before the Light Rail Stations open, and establishing an implementation strategy. Mr. Szafran said should Council wish to proceed, next steps would include directing staff to draft Development Code amendments to create a TDR mechanism, draft a LCLIP adoption ordinance, and discuss interlocal agreements with King County.

Councilmember Robertson said she had a hard time trying to identify a downside to this program, and initially she is interested in the full utilization option but is looking forward to hearing all points offered.

There was in-depth discussion on the incentives to be offered, since some incentives seem to make it easier to build without using them. Mayor Hall asked that the Planning Commission and staff look closely at ways to structure the program so that underutilizing developable land near a station area in the MUR-70 zone means you have to provide greater public benefit to compensate. Councilmember Roberts said LCLIP is a fantastic program in many ways, but he is not excited about moving forward because he does not see how the TDR program incentivizes the most efficient use of the land. He suggested re-evaluating the ways developer agreements are implemented and looking at parking reduction requirements.

Councilmember McGlashan said there is a lot to think about. He asked about the process for updating the Development Code regulations to align with the incentives being offered through LCLIP. Mr. Szafran said restructuring the development agreement approval process, if an applicant took advantage of buying TDR credits, could be presented as an incentive, and would be brought forward as a development code amendment.

Councilmember McGlashan confirmed the ways in which funds from the credits can be spent in the Local Infrastructure Project Area (LIPA). He asked what the difference is between the three Areas shown on the LIPA map. Mr. Bratton said they would all be part of the program if the City chose full utilization of the program and said the only requirement would be that each of the areas needs to have some use of TDR and investment in infrastructure. Councilmember McGlashan said at this point he supports moving forward with full utilization in order to save forest and farm land.

Deputy Mayor Scully said he is in full support of pursuing the broadest program possible. He explained that density requirements are far lower in rural areas, and landowners are really fighting to economically justify keeping their land as farm or forest. He summarized that in looking specifically at the impacts of the program in Shoreline, the cost is that the City has to give up something. He agreed that he does not see a downside to it either, since none of the proposed incentives would be a disservice to the City. He said that spreading this throughout the City in allowable zones would be his preference.

There was conversation centered on the MFTE incentive, and Deputy Mayor Scully said he will only support it if it can be shown that it supports a net revenue gain for Shoreline, and Mayor Hall agreed that it would be helpful to see the economics of it. Councilmember Roberts said he thinks MFTE works well for creating affordable housing and he is not certain if adding a new component to it makes sense.

Councilmember Chang asked if LCLIP would detract or prevent some of the affordable housing requirements that Council wanted to see in the Station Areas from happening. Mr. Szafran said the new incentives proposed around the sale of TDR credits would be in addition to those already offered in the code. Councilmember Chang said she would rather see clustering of tall buildings, rather than spread out.

The Councilmembers discussed the impacts of determining a number of TDR credits to be committed to, and Mr. Bratton said it is most practical to pick a number and stick with it.

Councilmember McConnell asked what the result would be if the City decided it wanted to reduce utilization down the road. Mr. Bratton said the factors that drive the amount of revenue the City can expect are the amount of growth, the geography, and the number of TDR credits committed to. Mr. Bratton said once a City commits to a target amount of credits you can add to it, but not reduce it, and he explained the targeted milestones in the timeline. He confirmed that there is no cost to the City should it fail to meet any of its placement obligation, just lost of the ability to collect future revenues.

Mayor Hall said he is in favor of moving forward and feels the greatest cost/benefit would be in full utilization. He underscored the possibility of lack of interest in the program dependent on the incentives offered.

Councilmember Roberts said his preference is for the development code amendments related to MUR-70 to be presented as a comprehensive package. Mayor Hall agreed that hearing how it all fits together will be valuable.

Ms. Tarry summarized that there is overall Council direction to move forward with next steps, and that there is a preference for investing in reviewing the incentives in order to look at the program holistically.

10. ADJOURNMENT

At 9:10 p.m., Mayor Hall declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk