

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, April 5, 2021
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.

(a) Proclamation of Sexual Assault Awareness Month

Mayor Hall announced the proclamation of April as Sexual Assault Awareness Month and spoke to the importance of bringing awareness of the widespread problem of sexual assault.

3. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

4. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided an update on the COVID-19 pandemic and reported on various City meetings, projects and events.

Mayor Hall recognized the outgoing Parks, Recreation, and Cultural Services/Tree Board Members. He reflected on the contributions of Bruce Amundson, John Hoey, Christine Southwick, and Elizabeth White and expressed gratitude for their volunteer service.

5. COUNCIL REPORTS

Councilmember McGlashan said at the Seashore Transportation Forum meeting they reviewed the workplan and heard a report about Sound Transit's deficit following the pandemic. He said the Forum is drafting a letter to send to the Sound Transit Board to proactively remind them of the regional importance of the 522/523 Bus Rapid Transit.

6. PUBLIC COMMENT

Whitney Murray, Shoreline resident, expressed opposition to the chip seal project planned in her neighborhood, shared her safety concerns, and recommended the use of asphalt instead.

Greg Anderson, California resident and representative of Shea Properties, spoke regarding tonight's scheduled discussion of the 185th Street Subarea Plan Review and MUR-70' Regulations. He shared the development projects his company is involved with in Shoreline and his opinions and suggestions regarding the Multi-Family Tax Exemption Program.

Jackie Kurle, Shoreline resident, expressed support for helping the homeless but that there needs to be adequate monitoring and oversight of safety surrounding the Enhanced Shelter. She added that additional sidewalks are a bigger priority than chip seal.

7. CONSENT CALENDAR

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

- (a) Approval of Minutes of Regular Meeting of March 22, 2021**
- (b) Authorize the City Manager to Execute Contracts with Centennial Contractors, Forma Construction Company, and Saybr Contractors for Job Order Contracting General Construction Services 2021**
- (c) Authorize the City Manager to Execute an Amendment to the Professional Services Agreement with Perteet, Inc. in the Amount of \$314,007 for 30% Design of the 175th Street (Stone to I-5) Project**

8. ACTION ITEMS

- (a) Public Hearing and Discussion of Transportation Improvement Plan (TIP) Update

Nytasha Walters, Transportation Services Manager, delivered the staff presentation. Ms. Walters reviewed the purpose of the TIP and said several data points are considered during the update, including the Transportation Master Plan, the Annual Traffic Report, any revenue or grant sources, and the Council's Goals. She elaborated that TIP informs the Capital Improvement Plan (CIP) and the Bi-Annual Budget. She described the format of, and information included in the TIP documents. She displayed a map with locations of both the funded and unfunded projects and programs being evaluated.

Ms. Walters described the changes, highlighting the City's Vehicle License Fee (VLF) for pavement maintenance and sidewalk rehabilitation was restored; a new project, the Eastside Off-Corridor Bike Network (Pre-Design Study) has been added; and the 195th Pedestrian and Bike Connector project has been completed and has been removed. She listed the unfunded projects that have been removed from the TIP for the next six-year period and said one project has been

removed because the improvements will be mostly completed by developers. Ms. Walters then described the unfunded projects that will remain in the TIP and explained the rationale for retaining them.

Ms. Walters said the total cost for unfunded projects for the TIP is \$85.5 Million and the cost of funded or partially funded projects is \$185 Million and she described the efforts toward securing grants. She listed the projects that are the top federal or regional grant priorities and asked for Council feedback on the prioritization. Ms. Walters said continuing to set aside revenue to have available for a grant match enables the City to compete for outside funding and shared the staff recommendations for doing so.

Ms. Walters said staff recommends holding the Public Hearing and that Council discuss the proposed 2022-2027 TIP and give direction on the policy questions outlined and revisions needed to the staff report.

Mayor Hall opened the Public Hearing.

Whitney Murray, Shoreline resident, wondered if some of the VLF funds could be directed toward asphalt, rather than chip seal, on area roads. She said she would like to know what entity holds accountability for any damages to residents caused on chip sealed surfaces. In response, Ms. Tarry reviewed the purpose of the two Vehicle License Fees levied by the City and said the pavement management allocation of funds only covers a portion of the roads maintenance expenses, and chip seal helps extend the life of the roads in the City.

Seeing no additional members of the public interested in offering testimony, Mayor Hall closed the Public Hearing.

Discussing the 15th Avenue NE project, Councilmember Roberts asked how any proposed speed limit changes might affect whether or not the project on 15th Avenue NE is moved forward. Ms. Walters replied that a reduction to the speed limit would not change the proposed improvements. Ms. Walters described the various improvements being considered at different segments of the project and listed ways the project could be broken into phases. Councilmember Roberts said he hopes that the work done with the business community continues, and Ms. Walters confirmed that it would.

Councilmember Roberts asked if Safe Routes to Schools projects are only added to the TIP once they are funded. Ms. Walters confirmed that the Ridgecrest project is funded and explained that projects that position themselves well for grants are placed on the TIP and described how potential projects are assessed. Councilmember Roberts asked that the segment of roadway on Northeast 200th Street from 30th Avenue Northeast to 25th Avenue Northeast be added as a potential Safe Routes to School project.

Councilmember McGlashan said he likes the projects remaining in the TIP and is okay with the ones being pulled since there is no chance of funding in the next six years.

In considering the importance of grant funding, Councilmember McGlashan asked if there are projects for which the City is not applying for grants due to lack of matching funds. Ms. Tarry emphasized that the City has never been held back from applying for any grant due to lack of matching funds. Councilmember McGlashan recognized the value of consistently making matching funds available, and Deputy Mayor Scully agreed. Councilmember McConnell encouraged the City to continue to apply for grants and approach the Council when opportunities arise. Mayor Hall asked when there are multiyear grants, instead of depleting the grant matching funds, if staff could focus on appropriating money in the budget cycle when grants are obtained to keep revenue available. He recognized staff's expertise in identifying strong grant candidate projects and their judgement in being strategic in how to get the maximum amount of funding for those projects.

Deputy Mayor Scully commended the comprehensive report and spoke regarding the remaining unfunded projects. He said his priority with the unfunded projects is for those that would improve safety, specifically the Ballenger Way and 15th Avenue NE projects, over fun projects and asked that staff remain committed to this prioritization. He said the 3rd Avenue Woonerf project does not seem to have as much Council buy-in. Mayor Hall added that what interests him in the Woonerf project is the public safety objective, so that the space at the base of the station area is one where pedestrians have priority and ability to walk.

Councilmember Robertson asked that the study of the speed reduction areas and capital improvement projects be done holistically. Ms. Walters confirmed that assessing speed reductions will be done in conjunction with evaluating capital improvements, contextually, segment-by-segment.

Mayor Hall added his support for the staff recommendations.

The timing of any Council-requested amendments was discussed, and it was agreed that the Transportation Improvement Plan would return as an Action Item.

9. STUDY ITEMS

(a) Discussion of 185th Subarea Plan Review and MUR-70 Regulations

Andrew Bauer, Senior Planner, delivered the staff presentation. Mr. Bauer reviewed the previous discussion and said stemming from that meeting staff have identified several different potential topics for further study relating to the Light Rail Station Subareas. Mr. Bauer said that the 185th Subarea Plan Progress Report in November 2020 determined that while residential growth continues as anticipated, there is continued interest from developers, but limited development activity in the MUR-70' zone. He said that while similar analysis has not been done in the 148th Subarea, there is also limited activity in its MUR-70' zone. He said staff have continued to review the reasons for the limited development and looked for lessons to learn from nearby cities.

Mr. Bauer said conversation with representatives from Mountlake Terrace and Seattle highlighted many common topics. He said staff has identified several topics for further study, and shared them in the following categories:

Short-Term: These topics include revising the development agreement process; reviewing, revising, and right-sizing development incentives; reviewing building height and potentially increasing the base; and considering MFTE Extension/Expansion. He described the ranking of the impact and effort each would require.

Medium Term: These topics include Catalyst projects – incentivizing developers coming to the table early; creating flexibility to deviate from parking standards; exploring ways to revise and alter the plat restriction process; and exploring opportunities to proactively encourage more aggregation. Mr. Bauer recognized that Development Code regulations can only guarantee outcomes to a certain point, so staff have also identified possibilities in capital investment and infrastructure planning topics. He stated that relying on new development to bear the entire cost of building infrastructure can create uncertainty, and staff have identified some utility capital or infrastructure planning topics under City control and ways to construct transportation improvements to build out the transportation network.

Long Term: These topics have the highest level of impact and effort and include exploring ways to offset infrastructure costs and looking at the current utility purveyors and partnering with them to plan for improvements.

Mr. Bauer said at this time staff recommends that the Council advance the short-term topics for further study and asked for Council input and direction.

Councilmembers generally agreed it is good to start these conversations and studies now. Several Councilmembers acknowledged Mayor Hall's email about policy questions on the MUR-70 zone and said this topic will warrant further focused study beyond tonight.

Deputy Mayor Scully expressed support for the staff's categorization of the short-term priorities and spoke in favor of further study, as did Councilmember Robertson. Councilmember Chang said she is hoping that they can look at medium term, as well as short term, topics, because of the impact they have in terms of cost.

Regarding development in the MUR-70' zone, Deputy Mayor Scully said he is not yet worried on the lack of development in the area as the build out is in the beginning phases, and he feels it is not to the point yet to make radical changes to get things built. Councilmember Chang said she is glad the conversation is happening now because she is concerned that there has not been much movement in the MUR-70' zone. She would like to investigate if the requirements are causing the lack of interest in development. She asked for details regarding Mr. Bauer's comment on his conversation with Mountlake Terrace and Seattle regarding taking caution with commercial development. Mr. Bauer said both cities have really focused on where the commercial should be required, and shared examples of the strategies they have employed. Councilmember McConnell said there are lessons to be learned from neighboring cities and she would be interested in hearing recommendations on adjustments to setbacks. She is hesitant about height increases and

would like to see the data before making that decision. Councilmember Roberts said it is important to address issues sooner to ensure that the outcome represents the community's wishes. He said he does not see any of the staff suggestions as radical changes, but as a method to get to Council's goal for the MUR-70' zone. Councilmember McGlashan recognized that development would need to be beginning now to be open when the Light Rail Stations become operational, but he does not feel panicked about the situation. He said the regulations in place need some revisions, and he reflected on projects that were lost because of too many regulations. He appreciates the input from developers in this information gathering and emphasized the need for in-depth study and discussion before decision making. Mayor Hall agreed that it is important to have conversations early, since once an application is submitted it is vested into the regulations that exist at the time. He asserted that he still believes that the original vision and proposed density is on track. He said another risk is the land being used in a suboptimum way and emphasized that the City has made a commitment to promote transit-oriented development. Mayor Hall agreed that conversations about height and the impact of changes need to involve community conversation. He reflected that because of construction costs, there is a gap of project feasibility between 70' until the building gets tall enough to pencil out, and that needs to be recognized.

Councilmember Chang said that it does not make sense to build sidewalks ahead of development, and Mayor Hall agreed.

Discussion on the Multi-Family Tax Exemption program included Deputy Mayor Scully's request for data in considering extending MFTE, because significant revenue is sacrificed in order to get affordable housing. He offered that if a building becomes unaffordable after 12 years when the exemption expires, he is not willing to make that compromise. Mayor Hall has been impressed with the data on how much revenue is being generated to fund City services through sales, REET, utility, and construction sales tax. He said he would support extending the MFTE program to continue it being an option for future development, and he supports extending the exemption period past twelve years, but he does not support expiring the affordability component after twelve years. Mayor Hall said it might be worthwhile to consider a reduction in the percentage of affordable housing required for buildings exceeding 70'.

In consideration of eliminating Developer Agreements, Deputy Mayor Scully recalled the Shoreline Place Developer Agreement required too much effort on the part of the City and of the Developer, and that the Council was way too involved in micromanaging, and the outcome was not much better. He would like to move towards fairly rigid requirements with some flexibility for unique circumstances. Councilmember Roberts suggested that the Council consider what amenities need to be put into the Code to replace the Development Agreement and asked where LCLIP and TDR considerations fit into this. He listed ideas for consideration, and said the community needs to be involved in the discussion. Mayor Hall agreed, saying that fundamentally the vision was one that was set out to have a variety of building heights. Mayor Hall feels the path should be streamlined for developers and the Development Agreement process is too cumbersome and costly. He would like to make the process clear to the public and developers and allow flexibility through design review.

Councilmember Robertson said if there is a rush to get this moving, she would like a workshop or smaller group meetings for more in-depth study time. Councilmember McGlashan supported that suggestion.

Councilmembers discussed considerations for parking incentives. Councilmember McConnell does not want to take away too many parking requirements, but it is worthy of discussion because of the impacts on developers and Councilmember Chang commented on the feedback received on the impacts of parking standards. Councilmember Roberts suggested that parking standards and the transportation network should be in the short term category and shared his reasons. Mayor Hall supports looking at parking standards since there is likely to be less demand for cars in the future.

The nuances and variables of property aggregation was discussed, and Councilmember McConnell said much is dependent on the available opportunities.

Mayor Hall noted that 2021 Development Code Amendments are looking at parking reductions and setbacks. He thinks it is worthwhile to be proactive about identifying infrastructure improvement projects.

Mayor Hall said while he understands that the mid-block connections issues can be problematic, the business objective is to create pedestrian connectivity. If there is a better way to get to that, he is open to it, but his sense is that some of that can be achieved by site design.

Mr. Tarry summarized that the Council recognizes that now is the time to consider and adjust regulations to identify what the community really wants to be ahead of the curve when development starts. There is interest in studying the short-term projects and parking standards. She will return to Council with suggestions for the best way to continue these conversations while including the Planning Department and the Planning Commission.

(b) Discussion of Resolution No. 473 - Establishing Wastewater Fee Table

Randy Witt, Public Works Director, delivered the staff presentation. Mr. Witt said with the assumption of the Ronald Wastewater District (RWD) the City is required to develop and implement a schedule for the Wastewater Utility fees. He explained that the proposed City Fee Table was established by using the existing permitting fees and service charges as established by RWD. He stated that Resolution No. 473 establishes the 2021 Wastewater Rate Schedule to be effective at the time of assumption and does not include any changes to the rates or rate structure as established by RWD. He noted that the City's Utility Tax is included in the permitting fees and services charges listed in the table and explained a correction to the table in the Review Fees for Developer Extensions costs. Mr. Witt reviewed the proposed late charges and waivers available.

Councilmember Roberts thanked staff for the clarification of the late charge policy. He said he thinks that 10 percent is an excessive charge for a late fee for an essential public service. It was confirmed by staff that one-time waivers are granted annually upon request. Councilmember Chang said she supports the proposal and appreciates the changes to the late fees. She asked

what support is available for lower income households. Ms. Lane said RWD offers low-income and senior/disabled discounts, and this practice will be continued by the City. Ms. Tarry added that CARES funding has been given to Hopelink for utility assistance and is another resource for financial support. Mayor Hall said the availability of utility assistance, combined with the ability to waive late fees, is solid mitigation for those with financial hardships. He said there is value in providing continuity of rules during assumption so he feels comfortable moving forward with the staff proposal.

It was agreed that Resolution No. 473 would return as a Consent Item.

10. ADJOURNMENT

At 9:15 p.m., Mayor Hall declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk