

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, October 25, 2021
7:00 p.m.

Held Remotely via Zoom

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

ABSENT: Councilmember Chang

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 except for Councilmember Chang.

Councilmember McConnell moved to excuse Councilmember Chang for personal reasons. The motion was seconded by Councilmember Robertson and approved by unanimous consent.

3. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

4. REPORT OF CITY MANAGER

John Norris, Assistant City Manager, provided an update on COVID-19 and reported on various City meetings, projects, and events.

5. COUNCIL REPORTS

Mayor Hall proclaimed November 1, 2021 as Extra Mile Day in Shoreline in order to recognize and encourage volunteerism.

Deputy Mayor Scully reported that he and Councilmember Robertson toured the Oaks Enhanced Shelter and relayed community concerns to their management and learned more about the services offered at the facility. He came away convinced of the quality of the program and commented that there is more to be done to combat homelessness.

6. PUBLIC COMMENT

Kathleen Russell, Shoreline resident and member of the Tree Preservation Code Team, spoke regarding current and potential tree preservation incentives in Shoreline and stated that the Tree Preservation Code Team requests that the current code of incentives for tree retention in MUR 70' zones be retained.

Martha Diesner, Shoreline resident, commented on the importance of maintaining significant trees as the City goes through rapid development. She expressed sorrow that mature trees, which offer many benefits, are scheduled for removal as part of the 198th Street Affordable Housing Project.

Jackie Kurlle, Shoreline resident, appreciated the update on the Oaks Enhanced Shelter and encouraged continuing transparency and reporting. She commented on activities in an adjacent parking lot and suggested oversight of the area.

7. CONSENT CALENDAR

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

(a) Approval of Minutes of Regular Meeting of October 4, 2021

(b) Approval of Expenses and Payroll as of October 8, 2021 in the Amount of \$3,733,290.17

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
9/5/21-9/18/21	9/24/2021	98943-99147	17612-17619	83568-83574	\$792,715.79
9/5/21-9/18/21	9/24/2021			WT1212-WT1213	\$102,809.99
					<u>\$895,525.78</u>

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
9/28/2021	1211	\$845,741.98
		<u>\$845,741.98</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/29/2021	83522	83528	\$60,456.91
9/29/2021	83529	83546	\$86,459.45
9/29/2021	83547	83567	\$648,176.29
10/6/2021	83575	83591	\$635,751.78
10/6/2021	83592	83609	\$440,740.09
10/6/2021	83610	83616	\$28,027.56
10/6/2021	83617	83636	\$11,754.26
10/6/2021	83637	83649	\$80,656.07
10/6/2021	78468	78468	(\$354.00)
10/6/2021	83650	86350	\$354.00
			<u>\$1,992,022.41</u>

(c) Authorize the City Manager to Execute Contract #10124 Business Pollution Prevention Inspection Services with Aspect Consulting, LLC, in the Amount of \$110,479.46

8. STUDY ITEMS

(a) Discussion with the Shoreline Planning Commission on MUR-70' Zone Development Regulations

Andrew Bauer, Planning Manager, delivered the staff presentation, stating that tonight's conversation is focused on having an in-depth discussion of the MUR-70' zone and issues that are constraining development. He explained that the intended outcome is to provide direction to the Planning Commission and staff as they look forward to developing potential future code amendments. Mr. Bauer reflected on the significant amount of planning required to bring the Light Rail Station subareas to where they are today and reviewed the process and outcomes toward creating desirable transit communities. He said the need for discussion tonight stems from the lack of MUR-70' development, and stated that it is time to assess what refinements to the regulations are needed.

Mr. Bauer said the MUR-70' zone areas are closest to the Light Rail stations and allow the most intensive development. He displayed graphics of the 145th and 185th Station subareas and described the four developments in progress. He explained that, stemming from discussions of development constraints in the MUR-70' zone, staff contracted a financial feasibility analysis of development scenarios. He introduced Todd Chase of FCS Group for a presentation of their analysis.

Mr. Chase said it is important to consider a third-party perspective on development and financial feasibility. He explained that in coordination with staff, FCS developed residential high-rise prototypes to evaluate the financial feasibility of the prototypes, which were five to ten levels of

housing over parking and commercial space and included a sensitivity analysis of the available incentives. He listed the major assumptions included with all prototypes, including those associated by construction costs as well as income and equity. Mr. Chase outlined the approach taken, which reflected a for-profit developer perspective, applies local market conditions, and included a residual land value test. He concluded by listing the key findings and listed policy decisions that could influence financial feasibility.

Mr. Bauer summarized alternatives for discussion highlighted in the staff report, which included parking alternatives, catalyst alternatives, and development agreement and building height provisions. He concluded by listing the next steps following the discussion, which will begin with a Planning Commission discussion of amendment alternatives in early 2022.

Mayor Hall emphasized that the goal of the conversation tonight is to provide guidance for the Planning Commission and staff on identifying aspects of the regulations on which to focus further study.

Councilmember Roberts said the focus should be on improving development outcomes and noted that the overarching question is how to achieve the vision that the Council adopted, which he read. He listed the features and amenities that are desirable for the area and wondered how the ideals are taken to fruition. His goal is to make the most efficient use of the space possible for people in MUR-70' while achieving the established vision. Mayor Hall agreed that building up increases efficiency.

In consideration of parking reductions, it was asked what percentage of additional parking reduction is being considered. Mr. Bauer said a number had not been assigned but said the comparison table in the staff report may help provide perspective. Commissioner Julius Rwamashongye asked if how to clearly identify street parking for residential tenants had been considered and Mr. Bauer said the hope is that there will be a percentage of residents living there who do not own cars, so offering free or subsidized transit passes may be a good incentive. Councilmembers McConnell and Robertson expressed support for evaluating parking ratios. Councilmember Robertson said there is fear in neighborhoods about spillover parking and asked for any data that might address those concerns. Councilmember McGlashan said he is not set on further parking reductions, and shared reasons why. Mayor Hall is comfortable examining reducing ratios, since he feels a buffer has been built in in the MUR-70' zone. He observed that this reduction lowers the cost of construction. Deputy Mayor Scully said hopefully new development will make housing available for lower income households, and shared his lived experience as being that with low-income jobs, cars are necessary, so he is cautious about low or zero parking. Vice Chair Pam Sager said while it would be wonderful to reduce the number of cars, she does not think we have the businesses nearby to support car free areas. Chair Laura Mork said how transportation is thought about has changed and she likes the idea of having car sharing services to reduce parking. She says the City needs to consider having traffic enforcement for the Light Rail areas. Mayor Hall responded that an enforcement mechanism is part of the parking management plans the Council has discussed.

Reviewing the proposed the catalyst alternatives, Councilmember Robertson asked why there was a 100-unit threshold established as a catalyst and wondered if that number could be brought higher. She would like to know how many non-profit developers are out there and if Shoreline is attractive to them. Councilmember McConnell said she thinks there needs to be continued discussion of what can be done for catalyst projects and would like to eliminate some of the stumbling blocks and improve the process for developers. Councilmember McGlashan thinks the height incentives should be taken out of consideration because it does not sound like developers are going to be interested in it because of the requirement to build with steel. Commissioner Mei-Shiou Lin said using a building step back may not be desirable, as limiting it could diminish visual impact of new development and Commissioner Jack Malek thinks the height restriction should be waived.

In-depth conversation on the proposed catalyst alternative of a reduction of impact fees included observations and preferences from several Councilmembers and Commissioners. It was suggested by Councilmember Robertson that it would be preferential to identify which impact fees they are being considered for reduction, recognizing that alternative funding may be easier to secure for some projects rather than others. Mayor Hall said his concern is that if the impact fees are lowered, costs for parks and roads are not reduced, just shifted to taxpayers. He said we know the community wants more and better parks, we need to invest in parks, roads, and sidewalks, so he would prefer to reduce costs to projects than reducing impact fees. Commissioner Andy Galuska would prefer a capital project by the City to subsidizing development by waiving impact fees and Councilmember Roberts disagreed with waiving impact fees, suggesting State funding, instead. Councilmember McConnell said she would like to have more investigation done on how impact fees could be replaced.

Focusing on the timing of development in the Station Areas, Commissioner Lin said she is happy to hear the vision for the Station Area village. She observed that with the use of the word ‘eventually’ it recognizes that the development is organic, and it is hard to identify how the transition will evolve. She asked how the anticipated speed of development is established, and if that is information that can be given to the Planning Commission, to measure the rate of success and figure out how much of a delay is acceptable. She said allowing the time needed to grow into it will make the impact easier to grasp. Deputy Mayor Scully expounded on Commissioner Lin’s comment and said that before they think about getting rid of impact fees or getting rid of parking, he wants to make sure that there is an urgent need to do so. Mayor Hall said for the most part development in the station areas is proceeding as envisioned, just not in the MUR-70’ areas. He said the questions regarding timing of build out are good ones, and the transition period will be rough as tall buildings pop up in single family neighborhoods.

Commissioner Andy Galuska echoed the question about why action is needed now and observed that more patience is needed for the demand to get there. Councilmember Roberts replied that there is pressure to act, since single family zoning across the City could be taken away at the State level. He said there should be efficient use of the areas right off the Light Rail lines. Vice Chair Sager said it is important that timeline is discussed, and the City does need to keep development moving along but she does not want decisions forced before there is time to give due consideration.

Mayor Hall clarified that the Council has directed action on modifying the MUR-70' regulations to help ensure achieving the vision. He said it is not an emergency, but echoed Councilmember Roberts' comment that the legislator is on the brink of eliminating single family zoning and Shoreline's approach of concentrating future goal near the station areas is a better approach. He said it is important to note the speed in which development happens, and that once a permit is submitted the regulations for the project cannot be changed.

Commissioner Malek shared his observations and suggestions for increasing development, which focused on increasing diversity and adjusting the City's image. He suggested the City provide sewer, water, and electric and hold the Latecomer's Agreement, rather than having that be the responsibility of the developers, and Councilmember Roberts and Chair Mork expressed interest in this possibility. Councilmember Roberts said many people look at Shoreline as an example of what can be done in the region. He agreed that it is important to be visionaries and emphasized the importance of placemaking.

Commissioner Janelle Callahan said the state passed condo liability reform with the hopes of spurring more condo development and wondered if the financials have changed since this law was passed, and if more condo development could be encouraged. Mr. Bauer said that the City's development standards do not differentiate between ownership occupancy versus rental housing.

Addressing the suggestion of offering additional height to encourage tree preservation, Mayor Hall emphasized that offering additional height incentives means a cost increase to developers because of the materials required for higher construction. Mayor Hall said he could imagine saying 'in exchange for preserving more green space at street level he is willing to allow higher heights.' Councilmember Roberts said there should not be additional costs or hurdles to go higher than MUR-70' if the pedestrian scale amenities wanted can be provided. Commissioner Rwamashongye said the tree issue is a big one and offered suggestions for ways to get trees replanted in the neighborhoods. Mayor Hall shared information on the tree replanting efforts that is taking place in the City.

Mayor Hall noted that the savings available with the recent expansion and extension of the Multi-Family Property Tax Exemption program were not taken into consideration with the prototype analysis provided.

Councilmember McConnell would like to reduce the roadblocks for development without upsetting what is valued in Shoreline and she would like the Planning Commission to evaluate ground floor commercial requirements.

Mayor Hall said that the Development Agreement process takes a lot of staff and council time, so he would prefer to legislate the agreed upon priorities. Councilmember Roberts agreed.

Deputy Mayor Scully encouraged the Planning Commission to think broadly and recognized that it is a tough job because the toolkit is small.

It was summarized that the key themes expressed in the conversation were support for a reduction in parking ratios, mixed opinions on catalyst developments and impact fees, an interest

in eliminating the need for Development Agreements in some instances, consideration of a public investment in infrastructure to bring utilities to the site, and continued evaluation of the possibility of increasing building height limitations. Councilmember Roberts said traditionally many of these amendments have come to Council as one big package, but he encourages the Planning Commission to forward individual recommendations to the Council expediently. Mayor Hall agreed, recognizing that all change is incremental, and the goal is to make development an asset to the community, for both current and future residents.

9. ADJOURNMENT

At 9:00 p.m., Mayor Hall thanked the Planning Commission for their work and declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk