



SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, October 23, 2006
6:00 p.m.

Shoreline Conference Center
Highlander Room

TOPICS/GUESTS: •

SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, October 23, 2006
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		6:30
2. FLAG SALUTE/ROLL CALL		6:30
3. REPORT OF THE CITY MANAGER		6:35
4. REPORTS OF BOARDS AND COMMISSIONS		6:38
5. GENERAL PUBLIC COMMENT		6:40

This is an opportunity for the public to address the Council on topics other than those listed on the agenda, and which are not of a quasi-judicial nature. The public may comment for up to three minutes; the Public Comment under Item 5 will be limited to a maximum period of 30 minutes. The public may also comment for up to three minutes on agenda items following each staff report. The total public comment period on each agenda item is limited to 20 minutes. In all cases, speakers are asked to come to the front of the room to have their comments recorded. Speakers should clearly state their name and city of residence.

6. APPROVAL OF THE AGENDA	7:00
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7. CONSENT CALENDAR

(a) Minutes of Study Session of September 5, 2006	<u>1</u>
Minutes of Workshop Dinner Meeting of October 9, 2006	<u>15</u>
(b) Approval of expenses and payroll as of October 12, 2006 in the amount of \$2,075,751.76	<u>19</u>

- (c) Approval of Highland Terrace Neighborhood Association Mini-Grant in the amount of \$4,500 21

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS, AND MOTIONS

- (a) Motion to Authorize the City Manager to Increase Contract Contingency Spending Authorization for the Aurora Avenue Multimodal Corridor Project (N 145th Street – N 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project 27 7:10
- (b) Ordinance No. 439, adopting Proposed Amendments to the Development Code 31 7:30
- (c) Ordinance No. 442, approving a Site Specific Rezone located at 17503 10th Avenue NE 51 8:00

(This is a quasi-judicial matter for which the Council does not take public comment.)

- (d) Ordinance No. 441 creating Section 5.05 of the SMC regarding business licenses and Ordinance No. 444 creating Section 3.01.080 of the SMC establishing a fee for business licenses 97 8:30

9. NEW BUSINESS

- (a) 2007 Budget Workshop 123 9:00

10. ADJOURNMENT 9:30

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 546-8919 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 546-2190 or see the web page at www.cityofshoreline.com. Council meetings are shown on Comcast Cable Services Channel 21 Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m.

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF STUDY SESSION

Monday, September 5, 2006
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Ransom and Councilmembers Gustafson, McGlashan, Hansen, Ryu, and Way

ABSENT: Deputy Mayor Fimia

1. CALL TO ORDER

The meeting was called to order at 6:47 p.m. by Mayor Ransom, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Ransom led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Deputy Mayor Fimia.

Councilmember Way moved to excuse Deputy Mayor Fimia. Councilmember McGlashan seconded the motion, which carried 6-0.

(a) Recognition of Celebrate Shoreline Sponsors

Mayor Ransom recognized and thanked the sponsors of the 2006 Celebrate Shoreline event held on Saturday, August 19, 2006. The sponsors were:

Platinum Sponsor (\$1,000) Shoreline/South County YMCA

Gold Sponsor (\$500) Shoreline Central Market
Anderson House
Sky Nursery
Shoreline Community College
Shoreline/Lake Forest Park Arts Council
Shoreline Bank

Silver Sponsors (\$300) Chuck Olson Chevrolet-Kia
Mark Simons, DMD
James Alan Salon
Shoreline Rotary Foundation
North City Safeway
Top Food & Drug
Gordon's Les Schwab Tires

He also thanked St. Mark's Catholic Church, which hosted the staging area for the parade and Ridgecrest Elementary School, the location of the community festival.

3. CITY MANAGER'S REPORT

Bob Olander, City Manager, provided updates and reports on the following items:

- On August 30th there was a back- to-school event at Ridgecrest Elementary School attended by over 500 Shoreline School District students
- Richmond-Highlands Recreation Center was refurbished last week
- Employee Appreciation Picnic is tomorrow at 5:00 pm at the Recreation Center
- All pedestrian pathway projects are substantially complete throughout the City
- The King County Metro "Adopt a Stop" litter program is underway and is an anti-litter program for bus stops throughout the City
- There is a joint Planning Commission/Parks Board meeting on September 7th at 7:00 pm in the Spartan Room at the Shoreline Center
- The grand reopening of Shoreline Soccer Fields A & B will be on September 9th at 9:30 am

Councilmember Way inquired if the Planning Commission meeting could be televised.

Mr. Olander said since they would be switching rooms, it would be a problem. He felt it would be best if the Council invited the Cascade Land Conservancy to a future Council meeting to make a community presentation that could be televised.

4. COUNCIL REPORTS

Mayor Ransom said he was interviewed by Tony Ventrella for a Comcast Cable program called "Comcast Local Edition." It airs on Cable Channel 45 in the City of Shoreline and has run twice a day for the past two weeks. The video features the Mayor outlining City projects, park facilities, and other City services.

Councilmember Gustafson thanked the Celebrate Shoreline sponsors for making the event a success and welcomed Councilmember McGlashan back from knee surgery.

5. PUBLIC COMMENT

(a) Bill Bear, Shoreline said he reported to the Council a couple of weeks ago that the Shoreline Water District told him there were 20 to 30 families who have their water service shut off each month. He added that of those families, about 11 do not have their water turned back on. He inquired of Seattle City Light and found out that 175 families have had their power shut off in the last six months. He said the City has failed these families. He said families cannot be left without water and power. He added that the agencies in the City should be trying to prevent this and other problems, such as homelessness.

- (b) Ellen Sullivan, Shoreline, invited the Council to the North City Classic Car Show on September 16th from 10:00 am until 4:00 pm in North City.

Councilmember Way asked Mr. Olander to address Mr. Bear's comments.

Mr. Olander responded that the City's Human Services Department is aware of this and it continues to be a concern. He said the Human Services budget will be discussed in the upcoming months.

Mayor Ransom said there were requests for revisions in the order of the agenda items. He said there was a request from the Shoreline Sister Cities Association (SSCA) to present their information to the Council first.

There was Council consensus to move the SSCA Update to Item 6(a).

Mr. Olander added that Councilmember Way wanted to discuss the "Transit Now" proposal. He said the King County Council voted to put an amended version of it on the November ballot by a vote of 8-1. Therefore, he said there would be time to discuss it and it doesn't necessarily need to be discussed during the meeting. Additionally, he announced there will be a Suburban Cities Policy Committee meeting on September 13. One of the discussion items at that meeting will be a recommendation to the Executive Board on the King Conservation District/WRIA-8 funding issue. He suggested discussing the issue at the end of this meeting so Mayor Ransom and/or Councilmember Gustafson can provide direction at the committee meeting.

Councilmember Way suggested the King Conservation District/WRIA-8 funding issue also be brought up for more discussion at the Council meeting next week. Councilmember Ryu said she also would like to discuss the issue next week.

6. STUDY ITEMS

- (a) Shoreline Sister Cities Association Update

John Chang, Shoreline Sister Cities Association (SSCA) President, said the SSCA is based on the giving and receiving between two cities where both parties benefit by participating in an active relationship. Shoreline's Sister City, Boryeong, Korea, has sent an invitation to us and our City hasn't decided whether or not to accept. SSCA was formed in 2002 and both Mayors executed an agreement with Boryeong, and their Mayor visited Shoreline in 2003. At this point, he felt our Mayor should visit Boryeong. He requested the Council's assistance in making this happen. He thanked City Clerk Scott Passey for his help in promoting the relationship. He added that without Mr. Passey the process would have been very difficult. He said a visit to Boryeong on November 4th seems to be a workable date. Additionally, Boryeong has committed to visiting Shoreline in 2007 and has sent exchange students to our schools. He wanted to see the Shoreline Chamber of Commerce working with Boryeong. He concluded that the SSCA is asking that the City expend \$5,000 in travel expenses so the City can participate in the visit.

Mr. Olander stated that there is \$7,000 set aside in the budget for this purpose and sending an official City delegation consisting of the Mayor and another person would be proper protocol. He noted that the overall cost of \$5,000 would cover one City official and staff member, the hosting of one dinner, and a modest gift. He reported that major bilateral trade and negotiations are being hosted in the Northwest between the United States and Korea, so this trip is important. Since the City has committed itself to this relationship it is important for this to occur. Also, it is not fair to ask the Mayor or whoever attends in the future to pay their own way because they represent the City. However, if there is a funding issue then only the Mayor should attend. He concluded that the questions before Council are: 1) whether the City accepts the invitation; and 2) if the Council should authorize travel expenses for the elected official.

Councilmember Gustafson said since the City is committed to this relationship, he agreed with the City Manager's proposal. He said since the money was set aside for 2006 the Council should go ahead and approve sending a delegation to Boryeong. However, he said he would like to revisit the Sister Cities agreement in 2007. It is important to send Mayor Ransom and Mr. Olander, he said. He asked to have this put on the budget agenda discussion for 2007.

Councilmember Hansen supported the \$7,000 budget item when it passed last year. However, he has questions because last year former Mayor Jepsen and his wife paid their own way, former Councilmember Chang went and paid his own way, and he also paid his own way. He said maybe there should be a limit on Council travel expenses where they each can decide what they want to attend and what they don't want to attend. He said he is not sure if he supports this proposal. He agreed with utilizing the money for a gift and for the Boryeong officials.

Mr. Olander pointed out that the last time the Council went to Boryeong the funds were not in the budget; therefore the Councilmembers had to pay their own way. Now, there are funds allocated for this purpose.

Councilmember Hansen said there were funds set aside at that time.

Scott Passey, City Clerk, clarified that there were \$10,000 in available funds but there was no expenditure policy at the time.

Councilmember Hansen noted that the SSCA raised a considerable amount of funding in the past, and two of the people who went last time had their travel paid. He said he has no qualms if SSCA was sending the delegation.

Councilmember Ryu said it makes sense to RSVP and send a City delegation; however, the City needs to be sensitive in spending public funds. She said there is an interest among other ethnic groups in Shoreline to reach out to other cities around the world. She said this issue needs to be addressed for the long term and the Council needs to decide if the entire SSCA policy needs to be revisited. She agreed with Councilmember Gustafson

that the Council needs to consider the entire SSCA policy. According to Representative Chase, she added, the SSCA could do fundraising. A fundraising effort by the SSCA would be a great opportunity to build bridges and connect with the community. She felt it would also be a good outreach mechanism and would avoid the spending of public funds.

Mr. Olander felt fundraising puts the SSCA in a difficult position and until this sister city relationship is a success it will be impossible to make the next one succeed as well. He added that this relationship with Boryeong is still new, and it will be difficult for the SSCA to raise enough travel funds for their own members. He added that it may be a problem for the City to ask the SSCA to raise the funds for the official City delegation. He felt that since the City committed to the agreement there are obligations that the City should abide by.

Mr. Chang said that fundraising would be very difficult because he accepted his position a month ago and businesses have been struggling in Shoreline because of the Aurora construction. Additionally, he said the organization hasn't been able to really get established yet. He agreed that the SSCA needs to do more work and get momentum going towards being more self-sufficient. To benefit from the relationship, the SSCA needs to be more outgoing and when this happens the entire community will benefit. He added that the Mayor's attendance is very symbolic and he represents Shoreline.

Mr. Olander agreed with Mr. Chang and said it would be very difficult for the SSCA to undertake a major fundraiser in the next month.

Councilmember Way supported the concept of sister cities and having positive relations with other cities from other countries, especially if it involves schools. She is interested on how this is budgeted. She asked is Council travel and sister cities are separate budget items.

Mr. Olander explained that the Council has a separate travel and education budget item, and the City Clerk's Office has a \$7,000 Shoreline Sister City Association and visiting activities budget item.

Responding to Councilmember Way, Mr. Olander confirmed that any funding approved by Council for this would come from the sister cities funding in the City Clerk's budget, not the Council travel and education budget.

Councilmember Way inquired if there was any contingency funding if an emergency arose while in Boryeong.

Mr. Olander said any problems could be addressed with travel insurance, which could be paid for individually. However, he added the insurance would be very specific on what it covers.

Councilmember Way concurred with Mr. Chang that the SSCA doesn't have the capacity to raise funds at this time.

Mr. Chang responded that because the SSCA doesn't even know if the City is participating, it is pointless to plan. He said the committee is awaiting confirmation from the City delegation. He said the last trip to Boryeong was attended by 30 SSCA members.

Councilmember Way asked if there was any potential for the committee to make a contribution.

Mr. Chang explained that each committee member who goes to Boryeong already pays \$3,000 and takes time off from work. Therefore, to ask them to pay for the Mayor to attend would be a burden. He felt that it would be hard to fundraise at the current time because of the "Dollars for Scholars" auction coming up, elections, and other Shoreline events which will compete with fundraising efforts. He said this relationship with Boryeong is a commitment and both entities need to commit to having exchange activities going back and forth between countries. He said that after the trip the SSCA could begin to work on fundraising for the following year. He added that in the City of Federal Way, Weyerhaeuser and McDonald's support their program.

Councilmember McGlashan supported utilizing the \$7,000 and felt that there is no point in sending the SSCA unless the Mayor was with them. He asked what the status of the SSCA is.

Mr. Chang responded that he can't comment on the activities of the past president, but she was very busy with her own personal responsibilities. Meanwhile, he said the Korean-American residents in the SSCA are meeting every month. In July, SSCA took 15 high school students to Boryeong for the Mud Festival. He noted that there are many activities and events going on "behind the scenes." He added that the groundwork is laid out and he is ready to get to work.

Councilmember McGlashan reiterated that he will only support utilizing the \$7,000 if the Mayor and a City staff member are going.

Councilmember Ryu clarified there is \$32,500 in the Council travel budget. She suggested dividing the travel budget evenly among the seven Councilmembers and let them decide how to use their portion.

Mr. Olander reported that the amount spent this year will be very close to the allocation, and the allocation could be increased through a Council policy decision.

Councilmember Gustafson restated his opinion to pay for the Mayor and the City Manager through the \$7,000 Sister City Association budget item. He also noted that there is a proviso in section E of the Sister City Relationship Policy which outlines

annual review of Sister City relationship. He said the annual review needs to be scheduled on the Council's agenda as stated in the policy.

Mayor Ransom said it should be automatic for the Mayor to visit the sister city. He noted that the City of Federal Way pays for all of their councilmembers to attend all sister city related events. He pointed out that it has taken Federal Way five years to build their business base to allow for the travel. He felt the direction to the City Manager is to go ahead and utilize the \$7,000 and make arrangements for the Mayor and City Manager to travel to Boryeong.

Councilmember Hansen suggested that Mr. Passey be funded and attend as a liaison to the City delegates for protocol purposes. He informed the Council that former president Cheryl Lee's uncle was a motivating factor behind the committee. He was killed two years ago in an auto accident and since then the committee has stopped meeting. He suggested the Council analyze all of the Council travel expenses prior to approving any travel to Boryeong. He also noted that the City of Edmonds has a very established sister city relationship with the City of Hekinan, Japan and each councilmember pays their own way.

Councilmember Ryu asked how much money each Councilmember has used out of the travel budget.

Mr. Olander said he will bring it to the next meeting, along with a motion for the Council to take formal action on approving the utilization of the Sister City funding for travel to Boryeong.

(b) Domestic Partner Health Benefits and Revised Personnel Policies
Regarding Definitions of Immediate Family and Domestic Partner

Marci Wright, Human Resources Director, discussed the possibility of adding domestic partner health benefits to the City's benefit packages. Currently, benefits are provided for eligible dependents which include spouses and children or stepchildren. Unmarried domestic partners are not currently eligible for medical coverage through the City. A few years ago, the Association of Washington Cities (AWC) Trust revised their regulations to allow cities to add domestic partner coverage. She added that it is an option and there is no legal requirement for the City to execute this agreement at this time, however, Council approval is required to start the benefit. She added that if the program was started the Council would need to determine whether domestic partner would include same sex partners, opposite sex partners, or both.

Mayor Ransom called for public comment.

a) Greg Logan, Shoreline, supported providing benefits for same gender relationships. He said it is an issue of justice and we need to treat each relationship in the same manner. The State Supreme Court failed to do this. He said there is also a religious element against it in society. As a person of faith, he said he is disappointed with the

religious people who are against this. He said he wants Shoreline to become a city that practices genuine justice.

Mayor Ransom commented that he received some e-mails and phone calls for and against this proposal.

Councilmember Hansen said adding coverage for domestic partners is not significant financially. He questioned the calculations Ms. Wright had in the staff report and asked for clarification.

Ms. Wright responded that they are made up of assumptions based on different family scenarios. She also pointed out that the figures in the staff report were the annual totals for coverage.

Councilmember Way wondered if there were any trends in the private sector versus the public sector in relation to domestic partner medical coverage.

Ms. Wright responded that the trend in the public sector is that more jurisdictions are offering medical coverage for domestic partners.

Councilmember Way asked if Ms. Wright saw any problems in the future regarding this.

Ms. Wright said she doesn't expect to encounter any issues or any significant differences from other cities.

Councilmember Way wanted to know if a waiting period would be appropriate for same sex couples.

Ms. Wright said the City will not have much control over the rules of the benefit since the AWC Trust came up with the criteria, which was modeled after the marriage criteria.

Mr. Olander added that he hasn't seen any significant abuse occur with this program.

Councilmember Gustafson said he doesn't support Shoreline taxpayers paying benefits to domestic partners who are not married.

Councilmember Ryu inquired what the City of Seattle's rates are for domestic partner coverage. She clarified that the AWC criteria wasn't flexible. She asked if the children of a domestic partnership were covered.

Ms. Wright replied that the children of a domestic partnership were covered.

Mr. Olander said there would have to be some judgments made on cost estimates.

Councilmember Ryu asked if the AWC rates are based on the number of participants in the pool.

Ms. Wright replied that they negotiate the rates with the insurance firms.

Councilmember Ryu said she didn't want to open the City up to any lawsuits. She asked Ms. Wright to find out whether there are any couples who choose to have the insurance through their partner rather than the City.

Ms. Wright responded that there are going to be some who choose to have coverage elsewhere in order to have more funds diverted into deferred compensation.

Councilmember McGlashan said marriage is a choice. He said after the National League of Cities conference the Council came back and discussed celebrating diversity in Shoreline and becoming an inclusive City. However, if the City doesn't offer anything like this, we are putting conditions on people. He said he doesn't see people abusing it. He supported the proposal for same sex and opposite sex relationships. He concluded that doing this will support the existing City policy of equal treatment in Shoreline regardless of marital status or sexual orientation.

Mayor Ransom did not support this proposal. He said that in the pool of over 200 Washington cities, 90 percent of them do not have this coverage. He said there are ten comparison cities, and eight of them don't have the coverage. He said the phone calls and e-mails he has received have not been in favor of this.

Councilmember Hansen also said he would not be in favor of this proposal.

Councilmember Way said diversity is a value. She highlighted that she has received approximately fifteen comment letters and ten of them supported the proposal. She commented that this is a civil rights and social justice issue. She added that this is a way to take care of employees and provide security for both partners so they can provide the best customer service to the residents of Shoreline. There is stress involved when someone cannot afford proper health care, and this stress will be felt by the current City employee if their partner is not taken care of. The City provides other options to families and other benefits, so why not provide them for domestic partners and their families. She supported the proposal.

Councilmember Ryu wanted staff to bring back more information.

Councilmember McGlashan suggested that the Council not form an opinion based on the fact that over 90 percent of AWC cities do not offer these benefits. It is unfair to base the decision on that information since it is unclear whether or not they are aware of or have time to review the information from the AWC.

Mayor Ransom responded that the program has been an option with the AWC for the past two years.

Councilmember McGlashan added that he didn't know about the program until this meeting.

Mr. Olander stated the staff would bring legislation and more information on this back to the Council at a later date.

RECESS

At 8:54 p.m., Mayor Ransom called for a five-minute recess. At 9:05 p.m., Mayor Ransom reconvened the meeting.

(c) Comprehensive Housing Strategy Work Plan

Steve Cohn, Planner, stated this staff report focuses on the public involvement piece of the comprehensive housing strategy, which is the next step of the overall plan. He stated the objective of the plan is to determine how the housing needs of Shoreline's changing demographics should be met. He stated that the best way to involve the public at this venture is to form a Citizen's Advisory Committee (CAC). City staff will advertise the opportunity to be involved, announce that applications are being accepted at City Hall until September 30, conduct interviews, and make initial recommendations for subsequent Council appointments in October. He stated that the outreach and communication with the public during the CAC process will involve two public open houses, two meetings with City Council for check-in and direction, and use of Channel 21, the City's website, and the City's newsletter "Currents." He continued that the timeline for the CAC begins with a committee meeting in early November to review data, develop a vision statement, and formulate preliminary strategies. He added that the timeline will continue with a report to Council and the refining of strategies and development of implementation tools. Once that is completed, the CAC will once again report to the Council and hold an open house. The final step will take place with the Council review and adoption of the work plan.

Mayor Ransom opened this item to public comment.

a) Bill Bear, Shoreline, commented that Shoreline doesn't have a hospital, and there have been times when patients en route to either Stevens Hospital or Northwest Hospital and Medical Center have been rerouted to another location. He said there are times when resources are stretched to the maximum at these hospitals, and the population in Shoreline is only projected to increase. Therefore, he felt it is not a good plan to maximize the housing infrastructure in Shoreline. He stated that the citizens need to decide what reasonable density is. He urged the Council to investigate, understand, and consider the needs of the people of Shoreline and how much they are willing to pay for increased infrastructure.

Councilmember Hansen questioned the need to include members of the business community on the committee, as well as the need to have a Councilmember on the committee.

Mr. Cohn responded that it is good to have different perspectives when different forms of housing are discussed. He felt this would also add balance to the committee.

Mr. Olander added that both the business and residential community will grow. Thus, population growth will relate to the business community and the need for more businesses to serve the residents. This perspective from even a general business person will be useful on the committee. The question on whether to have Councilmembers on the committee has pros and cons. It was useful on the Parks bond committee, but the danger is that the committee members might see what that Councilmember says as direction and not render their own independent decision.

Councilmember Way felt this proposal is heading in the right direction. She asked if Mr. Cohn considered having a category for renters and group homes. She said they need to be represented here because these groups are not represented often.

Mr. Cohn said it is their intention to have them involved in the CAC. He argued it would be difficult to find two people willing to join the CAC, but the City would try to get them involved.

Councilmember Way compared this committee to the WRIA-8 organization and said that King County Councilmembers keep it afloat. Councilmembers, she said, may have more of a focus on the big picture.

Councilmember Gustafson thought the vision on this issue should not be beyond 20 years. He noted there should be someone from the Council of Neighborhoods and the Parks, Recreation and Cultural Services Board on the CAC. Additionally, he felt that a Councilmember should be on the CAC, but only as an observer.

Councilmember Ryu said she would prefer as many “fresh” ideas in the committee from residents who don’t come to regular Council meetings. She noted that there needs to be some revisions to the zoning and land use codes. The CAC should also take a look at transportation impacts. She pointed out that it will be hard for Councilmembers to be engaged in the committee only as observers. She suggested the Councilmembers participate and not be counted as one of the 12 members of the committee.

Mr. Cohn said 12 is not a “magic number.” He added that the committee could end up consisting of 14 or 15 members. It depends on who submits applications.

Mr. Olander said a key driver is if the City can get the desired diversity. He added that the Bond committee was different than this one because it was initially to help build community support for the bond issue and more members were needed.

Councilmember McGlashan congratulated Mr. Cohn on the aggressive timeline. He concluded that if he was a common Shoreline resident and had to present his ideas to a

committee that had a Councilmember on it, he would feel odd. He said he would be more apt to observe and not share his ideas if a Councilmember was present.

Mr. Olander thought this process has some built-in checkpoints already, so the committee can report to the Council instead of them observing and participating in the committee meetings.

Mayor Ransom commented that the Council usually does the interviewing for committees and in the past it has worked well to have two Councilmembers involved in the committee. Deputy Mayor Fimia has been heavily involved in this issue and Councilmember Gustafson has been involved with this topic in the National League of Cities Steering Committee. He felt that they can make a great contribution to this committee. He summarized that he wanted Councilmembers to formulate a committee to screen and choose the members of the CAC, not the City staff.

Mr. Olander responded that this is an ad-hoc committee so it is appropriate for staff to make the initial recommendations and the Council makes final selections. However, if the Council doesn't agree with the recommendations the Council can exercise their options to choose other candidates. He added that the proposal considers that the committee will have to work closely with the staff and the Council. He concluded that sometimes it takes the Council a long time to consider candidates and this item is on the fast track.

Councilmember Way asked Mr. Cohn if he would be soliciting families with children for the committee.

Mr. Cohn said the committee does need to have diverse representation, so families and those with children are welcome to be on the committee.

Councilmember Way added that the cost of housing is rising, and families with children are having problems obtaining adequate housing. There should be a good representation of that demographic on the committee. She asked if there would be more detail on future work of the committee and whether the work would be related to other sectors and factors such as access for people with disabilities and pedestrian-friendly design standards. She added that "connectivity" is one of her main concerns. This, she said, refers to openness, accessibility, and a sense of quality of life in Shoreline's communities.

Mr. Olander noted that this committee will focus on housing, but there are some things that Councilmember Way stated that will affect the committee.

Mr. Cohn concurred and said there will be very specific recommendations on development code amendments from the committee.

Councilmember Ryu added that Shoreline has historically been defined by its schools and the committee should have representatives who send their children to public schools.

Mayor Ransom concurred with having the staff interview the committee members. However, he felt the Council needs to consider appointing Councilmembers to the committee.

d) King Conservation District Distribution (KCD)

Mr. Olander noted that the draft policy paper from the Suburban Cities Association (SCA) has been provided to the Council.

Mayor Ransom discussed the proposed distribution and noted that there were thirty-seven SCA members involved in this proposal. He also said WRIA 9 worked with the federal government to come up with a list of projects to recover salmon, and those are listed.

Councilmember Gustafson said he would like this brought back to the Council because the SCA Policy Issues Committee (PIC) will be taking a position on September 13. He stated that the recommendation of the PIC will be that the SCA support the KCD's plan to assess each King County parcel \$10.00, but not at the proposed assessment allocation of 3-3-3-1. The committee, he highlighted, recommends the SCA request the King County Council reject the proposed assessment and funding allocation plan unless the KCD revises it to be similar to the 2006 assessment allocation of 6-2-2. He said the Council needs to prepare a position on this. He asked the Councilmembers to look at the "white paper," and the rationale listed in items 1-4 point out why the subcommittee is making this recommendation.

Councilmember Way inquired if the KCD had a representative present their position to the PIC.

Councilmember Gustafson responded that at the last WRIA-8 meeting there were three different people from the KCD who spoke and answered questions for an hour. He added that the KCD representatives felt that they could do a better job at distributing the funds. He noted that they proposed a grant that would take over \$1,500,000 from the WRIA-8 focus on salmon recovery and allocate it into farmlands and rural implementation projects.

Mr. Olander called attention to policy issue #1 on page 2 of the white paper. He explained that the proposal would reduce the direct funding to WRIA by \$1,500,000. He said WRIA would submit projects to the KCD as a part of the new competitive grant program. However, this is additional work and would include another layer of review. On the other hand, jurisdictions could use their 50% increase to fund projects under the salmon recovery. However, he noted there is no guarantee the jurisdictions would do that.

Councilmember Way wanted clarification on the statement that there is no guarantee jurisdictions would use the funds for the salmon recovery projects.

Mr. Olander explained that there is a list of 170 projects identified by WRIA for salmon recovery. The controversy is that cities can utilize the funds for other salmon projects that they identify rather than those major projects identified on the WRIA list.

Councilmember Way said she has had experience with the KCD in the past on salmon recovery projects and they are practical and extremely qualified. KCD helped with the acquisition of 96 acres of Shadow Creek bog for preservation purposes. She added that they have adequate funding to be effective. They have clear objectives and they want to ensure the survival of salmon. She highlighted that there are many reasons she supports what they do, but she said she isn't ready to endorse the proposal yet.

Councilmember Hansen noted that the cities with the KCD went to the State Legislature in order to get the assessment raised from \$5.00 to \$10.00 per parcel. Therefore, KCD's share has doubled and this is four times what they previously received. He felt this proposal wasn't going to happen. He said SCA is having an executive board meeting immediately after the PIC meeting on September 13th to adopt or reject this or a different proposal.

Councilmember Gustafson concurred with Councilmember Way that the KCD does good things. However, he disagreed with them taking the majority of the funding for implementing salmon recovery. He objected to the idea that they think they should allocate money beyond what WRIA-8 recommends. He added that perhaps they can spend their current allocations more wisely.

Mayor Ransom added that the federal government has made it clear that if there is no progress on salmon recovery in ten years, they will tax the cities and do the work themselves.

Councilmember Ryu felt that the additional bureaucracy would not be that arduous, and that the KCD is very good at what they do in getting the work done.

Mr. Olander said he would put the item back on the agenda for the next Council meeting.

8. ADJOURNMENT

At 10:03 p.m., Mayor Ransom declared the meeting adjourned.

Scott Passey, City Clerk

DRAFT

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF WORKSHOP DINNER MEETING

Monday, October 9, 2006
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, and Councilmembers Hansen, McGlashan, and Way

ABSENT: Councilmembers Gustafson and Ryu

STAFF: Robert Olander, City Manager; Julie Modrzejewski, Assistant City Manager; Joyce Nichols, Communications and Intergovernmental Relations Director

GUEST: Ron Vine, ETC Institute

At 6:20 p.m., Mayor Ransom called the meeting to order.

Mr. Olander introduced Ron Vine, Vice President of ETC Institute, who will be conducting the citizen survey for the City. ETC Institute conducted the City's satisfaction survey in 2004, as well as a parks survey and a survey for the Bond Advisory Committee in 2003.

Mr. Olander reviewed how we conduct surveys and why the survey results are useful to us. He said these surveys help us track our performance measures; that part of the data can be collected internally, but some effectiveness measures are better accomplished via a survey. It is also important to measure the public's perception and satisfaction with our services and level of customer service.

He said his firm employs 70 people, is located in Olathe, Kansas, and the vast majority of its clients are local governments. He congratulated the City Council and the community on a successful bond levy for parks.

Mr. Vine discussed the importance of asking people not only what's important, but how satisfied they are with the service. This "importance-satisfaction analysis" is critical in helping sort out the difference in rating and in setting priorities.

He described how the survey will be conducted – by mail and phone, with a guarantee of at least 500 responses. They will process as many responses as they receive from a random sample of 2,000 residents. People will receive a voicemail message two days

before the surveys are mailed out telling them it's coming and asking them to fill it out and return it. People will also receive a phone call after the surveys have been out for several days to remind them to send it back.

Deputy Mayor Fimia asked about how they decided how to target for the household income levels and whether it is representative of the median for the community.

Mr. Vine responded affirmatively, noting they use it as a device when looking at the overall demographic distribution.

Councilmember Way asked about a potential scenario in which the age of the person responding is over 18 but they are not head of household.

Mr. Vine said they usually ask for head of household, and that the 18-25 year old demographic is the hardest to reach.

Mayor Ransom noted the high number of questions and the length of the survey.

Mr. Vine said the survey is seven pages, which is the longest survey they will do. He asked Councilmembers to tell him what questions they want to drop or add, as well as their overall goal for the survey.

Mr. Olander said the 2006 survey needs to reflect new Council goals. He suggested adding questions relating to:

- Environmental sustainability
- Transportation
- Emergency preparedness

Following a discussion of the questions, Councilmembers generally agreed on the following:

- Add questions on PRCS (number, condition, maintenance, habitat values, etc.).
- Clarify #9 regarding building code enforcement – too much, not enough enforcement, enforcing the things people care about?
- Reverse order of #11 and #12 regarding customer service/visited or called City
- Delete “Healthy, Vibrant Neighborhoods” section header before #20.
- Add to #20: Are you involved in your neighborhood association/group or a block watch; and, how would you rate Shoreline “as a place to shop?”
- Delete #28 (Compared to other cities in Washington, would you rate quality of services provided by Shoreline as better, about the same, or worse?).
- Add a question, e.g., what percentage of weekly trips do you take by single-occupant vehicle, car pool bus, bicycle, walking?
- Delete map on page 7 and ask if they live east/west of I-5 and/or east/west of Aurora.
- Add to #9 regarding building codes, (e), “enforcing building codes.”

- Modify #14 (a) regarding watching City's Cable Channel 21, to say "during the past MONTH" instead of week.

Issues where there did not appear to be agreement:

- Whether to keep/delete #24 and #25.
- Whether to keep/delete/modify to include CC Goals #18 (Is the City on the right track?), which would affect #19 which is an open-ended question following up on responses to #18.
- Whether to modify #26 to add the word "safe" item to read: "Availability of "SAFE" pedestrian walkways.

Mr. Vine then outlined the next steps. He said he would revise the 2004 survey document and incorporate Council comments. He outlined the proposed schedule and timeline, which includes having a final draft survey by October 19; printing and mailing surveys and follow-up calls through beginning of November; and presentation of the findings to City Council at its November 27 meeting. He cautioned that this is an ambitious schedule and we'll have to push to meet it.

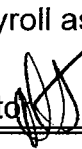
At 7:25 p.m., the meeting was adjourned.

Joyce Nichols, Communications and Intergovernmental Relations Director

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CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Expenses and Payroll as of October 12, 2006
DEPARTMENT:	Finance
PRESENTED BY:	Debra S. Tarry, Finance Director 

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to formally approve expenses at the City Council meetings. The following claims/expenses have been reviewed pursuant to Chapter 42.24 RCW (Revised Code of Washington) "Payment of claims for expense, material, purchases-advancements."

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$2,075,751.76 specified in the following detail:

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
9/10/06-9/23/06	9/29/2006	15959-16131	5627-5666	30580-30590	\$406,053.38
					<u>\$406,053.38</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
10/2/2006	30500	30503	\$53,781.47
10/3/2006	30504		\$3,633.43
10/3/2006	30505	30519	\$4,099.42
10/4/2006	30520		\$462.00
10/4/2006	30521	30546	\$1,350,806.59
10/5/2006	30547	30569	\$203,474.65
10/5/2006	30570	30579	\$53,345.82
10/11/2006	30591		\$95.00
			<u>\$1,669,698.38</u>

Approved By: City Manager _____ City Attorney _____

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CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Approval of Highland Terrace Neighborhood Association Mini-Grant for \$4,500
DEPARTMENT: Communications & Intergovernmental Relations
PRESENTED BY: Joyce Nichols, C/IR Director

PROBLEM / ISSUE STATEMENT:

The Highland Terrace Neighborhood Association has completed an application for \$4,500 for a Mini-Grant to purchase plants and related materials to enhance the Fremont Trail. The Fremont Trail project is located in the right-of-way of Fremont Place N at N 161st. The neighborhood recently participated with the City's Public Works Department to clear the overgrown two-block area and install a trail. The trail building was the 2006 community service project of the Public Works Department. The purpose of the Mini-Grant is to complete the next step of the project, which is to finish removing invasive species and then plant native species in the area that was cleared of blackberries.

The Fremont Trail project has created an open, inviting, pedestrian-friendly link between the Interurban Trail and the Boeing Creek Trail. Neighbors have "adopted" the right-of-way, and committed to picking up and disposing of litter and garbage and mowing the grassy section of right-of-way. The next step of the project is to re-plant the area with native species. Native species will enhance this open space, and make the Fremont Trail a more inviting walking trail. This project enhances neighborhood livability. The project also builds community within the Highland Terrace Neighborhood by bringing neighbors together to work on a shared goal. The proposed project has been reviewed and meets the requirements set forth for use of Mini-Grant funds.

FINANCIAL IMPACT:

Council authorized \$30,000 in the 2006 budget to fund Neighborhood Mini-Grants. This is the fourth 2006 Mini-Grant submitted for approval. The project budget is included in Attachment A.

RECOMMENDATION

Staff recommends Council approve \$4,500 in Mini-Grant funds for the Highland Terrace Neighborhood Association.

Approved By: City Manager  City Attorney _____

INTRODUCTION

Highland Terrace Neighborhood Association has completed the application process for \$4,500 to plant native species in the public right-of-way adjacent to new Fremont Trail. The neighborhood association has committed more than 520 hours in volunteer time as a match towards the project. Funds will be used to purchase materials for the project such as native plants and soil and to rent equipment needed such as a pressure washer for removing graffiti from the wood fences bordering the trail.

BACKGROUND

Resolution No. 54 established the Neighborhood Mini-Grant program, with the process and administration of the funds to be handled by Neighborhoods staff. The allocation of the total funds available is determined from year to year by appropriation of the City Council. All such grants to individual neighborhood associations are governed by rules approved by the City Council October 7, 1996 and amended November 23, 1998. Grants must be approved by City Council prior to their implementation.

The Mini-Grant program provides grants of up to \$5,000 to each of the active, qualifying neighborhood associations in the City of Shoreline. Neighborhood associations are required to match Mini-Grant funds. A match may be generated from co-sponsoring groups, businesses, organizations, schools, media, in-kind donations and/or "sweat equity".

Mini-Grant project categories include the following:

- Projects that create or enhance a tangible improvement in the neighborhood;
- Projects that disseminate information and increase awareness of the goals and mission of the neighborhood association to the neighborhood community;
- Projects that directly benefit a public agency or organization and its immediate neighborhood, and that require the active involvement of both the public agency and members of the neighborhood in planning and carrying out the program.

RECOMMENDATION

Staff recommends Council approve \$4,500 in Mini-Grant funds for the Highland Terrace Neighborhood Association.

ATTACHMENTS:

Attachment A – Highland Terrace Community Association Budget for Fremont Trail Enhancements

Attachment B – Letter of support from Jesus Sanchez, Operations Manager, City of Shoreline Public Works

Attachment C – Aerial Photo of Fremont Place North Trail project area

Attachment A

Highland Terrace Neighborhood Association 2006 Mini-Grant Budget Fremont Trail Enhancement Project

<u>Project / Item</u>	<u>Cost*</u>
Landscape design & native plant selection Provided through Washington Native Plant Society	\$ 500
Native plants, topsoil, soil preparation	\$3,265
Equipment rental/supplies	\$ 400
Plant replacement, fertilizer	\$ 200
Right-of-way permit	<u>\$ 135</u>
<i>Mini-Grant Total</i>	<i>\$4,500</i>

* costs include Washington state sales tax

Project Match

The Highland Terrace Neighborhood Association proposes to provide match for its Mini-Grant through "sweat equity". The Association will provide the following on the project: coordinating and directing volunteers; graffiti removal; invasive species removal; soil preparation; identifying sources for native plants and purchasing; installation of plants; watering and maintenance of plants; litter pick up and disposal; mowing grassy area.

Attachment B



City of Shoreline

17544 Midvale Avenue North
Shoreline, WA 98133-4921
(206) 546-1700 ♦ Fax (206) 546-2200

September 25, 2006

Gloria Bryce
Highland Terrace Neighborhood Association
Forest Villa HOA
708 North 161st Place
Shoreline, WA 98133

Dear Gloria,

We appreciate the efforts of your community in working with us on our Public Works community project the week of September 11th. The Fremont Trail is a wonderful improvement to the neighborhood making it a more open and safe area. We fully support your efforts to continue to enhance this area through the removal of the invasive species and adding native plants that invite citizens to use this area and the trail.

Gloria, I understand that you may have a question regarding permits as part of the project improvements you are planning in the mini-grant. The primary elements that would have triggered any permits would have been the application of impervious surface such as the asphalt or concrete. However with the application of our new porous concrete, it was determined that a permit was no longer required. Your plans for continued improvements and commitment to provide maintenance merits strong support and certainly is an improvement for the health and welfare of the local community and its users. Good luck on your proposal. We do not hesitate to endorse your project.

Sincerely,

Jesus Sanchez,
Operations Manager



Fremont Trail Enhancement Project

Fremont PI N (N 161st PI to N 163rd St)



Project Description:

Remove invasive plants and install native vegetation along Fremont PI N Trail.

-  Plant Native Species
-  Remove Invasive Species

0 15 30 60 90 120 Feet
1 inch equals 42 feet

Partial sale from Seattle Public Utilities
and King County Department of Transportation
General reference to best practices
Aerial photography from 2006
No warranty of any kind, including accuracy,
fitness, or non-infringement, is made by the project
owner, Seattle and King County Department of
City of Seattle, 2007



Project Timeline:

Fall 2006 - Spring 2007

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CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Motion to Authorize the City Manager to Increase Contract Contingency Spending Authorization for the Aurora Avenue Multimodal Corridor Project (N. 145th Street – N. 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project

DEPARTMENT: Public Works

PRESENTED BY: Paul Haines, Public Works Director
Kirk McKinley, Aurora Corridor/Interurban Trail Project Manager

PROBLEM/ISSUE STATEMENT: Staff is requesting that Council authorize the City Manager to increase contract spending authorization for the Aurora Avenue Multimodal Corridor Project (N. 145th Street – N. 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project. The project is approximately 75% complete, and staff has completed a cost-to-complete (CTC) analysis, which projects that the current contract spending and budget authority would be exceeded prior to contract completion. The CTC includes all previous and projected expenditures for the above mentioned project for the design, right-of-way and construction phases. Tonight Council is requested to authorize the increase for contract spending authority for the project. The budget change will be included with the budget amendment scheduled for Council consideration on November 13, 2006. The current contract completion date is January 9, 2007.

BACKGROUND: Council awarded the construction contract to Gary Merlino Construction Company (GMCC) on June 6, 2005 in the amount not to exceed \$23,606,287.75. This contract award included five different schedules/projects: Aurora, Interurban Bridges, Seattle City Light, Seattle Public Utilities and Ronald Wastewater. Council also authorized a contingency to complete the Aurora Avenue Multimodal Corridor Project (N. 145th Street – N. 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project for a total spending authorization of \$24,992,820.68. Specifically, the contingency for the Aurora Corridor Project (N. 145th St. – N. 165th St.) and the Interurban Pedestrian & Bicycle Crossing Project was calculated at 5%, and the underground utility work was calculated at 10% for SCL, SPU and Ronald Wastewater. On May 8, 2006, Council increased the contingency by \$410,000 to \$1,796,533 (reimbursed by SPU) to respond to the SPU requests for total contract authority of \$25,402,821. As we shared during the bid award in June of 2005, a 5.9% combined total contingency (4% for city portion and 1.9% for utility portion) is considerably less than is typical for a project of this scope and complexity and staff indicated the likelihood of needing to return for funding additional authorization beyond the 5.9% contingency. This request would raise the overall contingency to 12%, with 6.9% attributable to the city portions of the project and 5% designated to the reimbursable utility portions. This is still well within a normal range of 12% to 15% expected for this scale and complexity of project.

There are several circumstances associated with the increased costs. These generally include 1) changes in quantities and prices for certain materials (several of which are yet to be resolved or negotiated), 2) added costs associated with mandatory WSDOT inspections and testing, 3) added costs to address conditions that required additional design and construction beyond what was known at the time of bid award (many of these are utility related and reimbursable), 4) additional improvements added to the scope to accommodate specific construction safety needs including businesses, their customers and pedestrian facilities that initially had been eliminated to reduce costs, and 5) added costs associated with property interfaces, altering designs to accommodate redevelopment projects, and marketing and communication with businesses to assist them with business during construction and 6) eligible delay costs associated with a supplier's strike and utility purveyors. Staff felt it to be important to come to the Council now in order to secure budget capacity well ahead of the potential project expenses.

ALTERNATIVES ANALYZED: Staff has identified the following alternatives to address the projected potential increases:

- *Increase contract spending and budget authority to complete all of the construction work from identified revenue sources. (Recommended)*
- *Review the overall project to potentially reduce and/or eliminate construction items from the project. This option is not recommended because the potential reductions are limited to elements that are key to the design of the project, and would require later expenses by the City to complete them.*

FINANCIAL IMPACT: Table 1 provides an overview of Merlino's original contract award and projected contract authority needed to complete the construction work. Overall, a projected total amount of \$1,025,973 is needed to complete the construction work. The City's portion of the projected increase totals \$636,726 and the utilities portion totals \$389,247. The utilities portion is reimbursable to the City by SCL, SPU and Ronald Wastewater.

Table 1
Merlino Construction Contract

Project	Original Contract Award	Project CTC	Difference
Aurora Corridor Project	\$15,304,460	\$16,764,776	\$1,460,316
Interurban Pedestrian & Bicycle Crossing Project	\$3,118,157	\$3,200,390	\$82,233
Add Alternate No. 1 & 2	\$1,059,300	\$1,156,303	\$97,003
Aurora/Bridge Contingency	\$1,002,826		-\$1,002,826
City	\$20,484,743	\$21,121,469	\$636,726
SCL	\$3,555,375	\$4,310,497	\$755,122
SPU	\$558,116	\$985,948	\$427,832
Ronald Wastewater	\$10,880	\$10,880	\$0
Utility Contingency	\$793,707		-\$793,707
Utilities	\$4,918,078	\$5,307,325	\$389,247
Total	\$25,402,821	\$26,428,794	\$1,025,973

Although Council is not being asked to authorize a budget amendment this evening for the Aurora Corridor Project, an increase in budget authority will be included in the November 13, 2006 Budget Amendment to be approved by Council.

Table 2 – The following table compares current budget authorization to projected total project cost to complete. This information shows that an additional budget authority of \$119,032 is needed to complete the project. This is proposed to be 100% funded by existing federal grant resources.

Table 2
Budget Authorization

Project	Current Resources	Projected Cost to Complete (CTC)	Difference
Aurora Corridor (N. 145 th - N. 165 th)	\$26,740,346	\$28,061,283	\$1,320,937
Interurban Pedestrian Bridges	\$6,369,824	\$6,048,887	(\$320,937)
Utilities	\$6,188,292	\$5,307,324	(\$880,968)
Total Budget	\$39,298,462	\$39,417,494	\$119,032

The chart does not include any unknown costs stemming from resolution of potential claims or other miscellaneous costs. Even though the budget amendment for the project cost is \$119,032, the revenue sources to complete the project will need to be adjusted to show the increase in direct expenses of the project that are not reimbursed by the utilities. The City has been awarded an STP-C grant that can be used for either Phase I or Phase II of the Aurora Corridor Project. In the 2007 – 2012 CIP, staff programmed this grant in Phase II. Staff is now recommending to program up to \$1 million of this grant in Phase I to cover the non-utility additional costs. This will increase the amount of future grants to be obtained to complete Phase II by up to \$1 million. No action on this item is required by Council at this time.

Conclusion: In order to complete the construction work as scheduled, staff is requesting the following increases:

1. Increase total contract spending authority for the Aurora Avenue Multimodal Corridor Project (N. 145th Street – N. 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project by an amount of \$1,025,973.
2. On November 13, 2006 as part of the City budget amendment, Increase the budget spending authority by an amount of \$119,032.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to increase contract spending authority for the Aurora Avenue Multimodal Corridor Project (N. 145th Street – N. 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project by \$1,025,973.

Approved By: City Manager  City Attorney _____

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**CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON**

AGENDA TITLE:	Ordinance #439 Proposed Amendments to the Development Code
DEPARTMENT:	Planning & Development Services
PRESENTED BY:	Joe Tovar, Director Steven Szafran, Planner II

PROBLEM/ISSUE STATEMENT:

Amendments to the Development Code are processed as legislative decisions. Legislative decisions are non-project decisions made by the City Council under its authority to establish policies and regulations and subject to the goals and requirements of the Growth Management act (RCW 36.70A). The Planning Commission is the review authority for legislative decisions and is responsible for making a recommendation to the City Council on each amendment.

The Planning Commission conducted a workshop on July 6th, 2006. CTED was notified of the proposed changes on June 8th, 2006. A SEPA Determination of Non-significance was issued July 13th, 2006, and no appeals were filed. A Public Hearing was held August 3rd, 2006, wherein the Planning Commission formulated a recommendation on each of the amendments for Council review. Ordinance 439 (Attachment A) will enact the Planning Commission recommended amendments. The Planning Commission Minutes (Attachment B) contains a summary of the amendment proposals.

The proposed amendments are to the following chapters of the Development Code: 20.20, 20.30, 20.50, and 20.70. Recommended changes include, but are not limited to, the following: Clarifying the definition of a Site Development Permit; adding language to the procedural requirements of a preapplication meeting; a new section pertaining to the purpose, general requirements and review criteria for a site development permit; deleting condominiums from the binding site plan section of the development code; altering requirements for maximum building coverage and impervious surfaces for zero lot line developments; modifying setback requirements for driveways; clarifying and reordering section 20.70.010 (Engineering Regulations) and; allowing private streets to be located within an easement.

FINANCIAL IMPACT:

Staff does not anticipate that any of the amendments recommended for approval would have a financial impact on the City.

RECOMMENDATION

Planning Commission and staff recommend approval of Ordinance 439, amending the Shoreline Development Code.

In the event that the Council wishes to modify provisions of the recommended amendments, or to add additional provisions to the cited code sections, the public participation requirements of the GMA would require that such changes be supported by the record below and notice already given. The staff will be able to assist in determining if those facts exist. If such were not the case, and the Council wished to consider such changes, it would be necessary to refer those matters to a future list of Development Code Amendments.

Approved By: City Manager  City Attorney ____

INTRODUCTION

An amendment to the Development Code may be used to bring the City's land use and development regulations into conformity with the Comprehensive Plan, or to respond to changing conditions or needs of the City. The Development Code Section 20.30.100 states that "Any person may request that the City Council, Planning Commission, or Director initiate amendments to the Development Code." Development Code amendments are accepted from the public at any time and there is no charge for their submittal.

During this Development Code review cycle, only the City Staff have made requests to amend the Development Code.

BACKGROUND

Throughout the first part of 2006, staff collected and organized a large group of amendments. Staff organized the proposed amendments based on urgency and importance. The items most in need of revision mostly come from the Engineering and Utilities portion of the Development Code. At the July 6th, 2006 meeting, the Planning Commission first looked at the list of Development Code Amendment and had the opportunity to ask questions. A notice of Public Hearing, request for public comment, and preliminary SEPA threshold determination was published July 13th, 2006. No comment letters were received from citizens or public agencies receiving the notice. The Public Hearing was held August 3rd, 2006. There was no public comment, nor were there any citizens in attendance.

The list of amendments was discussed and a recommendation on whether or not to approve the proposed amendment was made. The following analysis contains the issues and Planning Commission and recommendation for each proposed amendment.

ALTERNATIVES ANALYSIS - AMENDMENTS AND ISSUES

Exhibit 1 to Attachment A includes a copy of the original and proposed amending language shown in legislative format. Legislative format uses ~~strikethroughs~~ for proposed text deletions and underlines for proposed text additions. The following is a summary of the proposed amendments, with staff analysis. Note that the proposals that are classified as technical amendments serve only to clarify code language or to properly reference code, they do not change the meaning or intent of the ordinance.

Amendment #1: 20.20.046 (Site Development Permit Definition). This amendment clarifies when a Site Development Permit is needed. City Staff has added the word "redevelop" to clarify that a Site Development Permit may be needed when an applicant redevelops a site.

Amendment #2: 20.30.080 (Preapplication Meeting). This amendment adds language referring to the procedural requirements for a preapplication meeting. The reason for the added language is to inform an applicant that additional permits may be needed and the

time and procedure for obtaining those permits. In the past applicants have discovered mid-process that additional approvals were necessary and their timelines could not be met.

Amendment #3: 20.30.315 (New Code Section). This is a new code section explaining the purpose, general requirements and review criteria of a Site Development Permit. The Site Development Permit process has not been well defined as to its applicability. Section 20.30.295 explains the purpose of a SDP, when a SDP is required and the review criteria for a SDP.

Amendment #4: 20.30.480 (Binding Site Plans). This amendment deletes the condominium section from the binding site plan requirements. Binding Site Plans are a division of land for commercial and industrial lands and should only apply to commercial and industrial divisions of land. A condominium is not a division of land, it is a form of ownership, and should not be considered as such.

Amendment #5: 20.50.020(1) (Densities and Dimensions in Residential Zones). The purpose of this Development Code Amendment is to modify building coverage and impervious area for zero lot line developments. Maximum building coverage and maximum impervious area requirements will still apply over the entire site, not on individual zero lot line lots. The Development Code currently allows modified standards for lot width, lot area, and front, side and rear yard setbacks. By allowing modified standards for maximum building coverage and impervious surfaces, more flexibility is given to applicants while the impact of overall impacts is not increased.

Amendment #6: 20.50.040 (Setbacks). The amendment deletes the requirement for residential driveways having to comply with setback standard. Residential driveways will be allowed to go up to the property line with no setbacks required. When a property owner wants to subdivide an existing parcel, many times they do not have the room to place a new driveway and still meet the required side yard setback requirement. This amendment will allow the property to have more flexibility to subdivide an existing parcel while helping meet the City's growth targets.

Amendment #7: 20.70.010 (Easements and Tracts). The amendment revises and clarifies language regarding easements and tracts. No content has been added to this section; however, the amendment reorders and clarifies the section making it easier to follow and understand.

Amendment #8: 20.70.160 (A) (1). This amendment is the result of a situation that arose during a short plat application. Under SMC 20.70.160 private streets are allowed, subject to City approval, when specified conditions are present. One of those conditions is the street to be located within a tract. Since the acreage within a tract is subtracted from the buildable lot area, the current process can result in a reduction in the number of lots permitted on a site. The City can improve customer service and code administration by simplifying and clarifying the process for determining density and how many lots can be realized on a piece of property.

DECISION CRITERIA

According to Section 20.50.350 of the Shoreline Municipal Code (SMC), an amendment to the development code may be approved if:

1. The amendment is in accordance with the Comprehensive Plan; and
2. The amendment will not adversely affect the public health, safety or general welfare; and;
3. The amendment is not contrary to the best interest of the citizens and property owners of the City of Shoreline.

Staff has concluded that the proposed amendments do not conflict with any of the decision criteria.

OPTIONS

1. Approve Ordinance 439 as recommended by Planning Commission.
2. Modify Ordinance 439
3. Deny Ordinance 439

RECOMMENDATION

Planning Commission and staff recommend approval of Ordinance 439, amending the Shoreline Development Code.

ATTACHMENTS

- Attachment A: Ordinance 439, containing proposed amendment language in legislative format as Exhibit 1.
- Attachment B: Draft Planning Commission Minutes from August 3, 2006

ORDINANCE NO. 439

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING THE MUNICIPAL CODE TITLE 20, INCLUDING CLARIFYING THE DEFINITION OF A SITE DEVELOPMENT PERMIT; ADDING LANGUAGE TO THE PROCEDURAL REQUIREMENTS OF A PREAPPLICATION MEETING; A NEW SECTION PERTAINING TO THE PURPOSE, GENERAL REQUIREMENTS AND REVIEW CRITERIA FOR A SITE DEVELOPMENT PERMIT; DELETING CONDOMINIUMS FROM THE BINDING SITE PLAN SECTION OF THE DEVELOPMENT CODE; ALTERING REQUIREMENTS FOR MAXIMUM BUILDING COVERAGE AND IMPERVIOUS SURFACES FOR ZERO LOT LINE DEVELOPMENTS; MODIFYING SETBACK REQUIREMENTS FOR DRIVEWAYS; CLARIFYING AND REORDERING SECTION 20.70.010 (ENGINEERING REGULATIONS); AND ALLOWING PRIVATE STREETS TO BE LOCATED WITHIN AN EASEMENT.

WHEREAS, the City adopted Shoreline Municipal Code Title 20, the Development Code, on June 12, 2000;

WHEREAS, the Shoreline Municipal Code Chapter 20.30.100 states “Any person may request that the City Council, Planning Commission, or Director initiate amendments to the text of the Development Code”; and

WHEREAS, City staff drafted several amendments to the Development Code;

WHEREAS, the Planning Commission held workshops and a Public Hearing, and developed a recommendation on the proposed amendments; and

WHEREAS, a public participation process was conducted to develop and review amendments to the Development Code including:

- A public comment period on the proposed amendments was advertised from July 13th, 2006 to July 27th, 2006 and
- The Planning Commission held a Public Hearing and formulated its recommendation to Council on the proposed amendments on August 3rd, 2006.

WHEREAS, a SEPA Determination of Nonsignificance was issued on July 27th, 2006, in reference to the proposed amendments to the Development Code; and

WHEREAS, the proposed amendments were submitted to the State Department of Community Development for comment pursuant WAC 365-195-820; and

WHEREAS, the Council finds that the amendments adopted by this ordinance are consistent with and implement the Shoreline Comprehensive Plan and comply with the adoption requirements of the Growth Management Act, Chapter 36.70A. RCW; and

WHEREAS, the Council finds that the amendments adopted by this ordinance meet the criteria in Title 20 for adoption of amendments to the Development Code;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE,
WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. Amendment. Shoreline Municipal Code Chapters 20.20, 20.30, 20.50, and 20.70 are amended as set forth in Exhibit 1, which is attached hereto and incorporated herein.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date and Publication. A summary of this ordinance consisting of the title shall be published in the official newspaper and the ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON October 23rd, 2006.

Mayor Robert Ransom

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

20.20.046 S definition

Site Development Permit

A permit, issued by the City, to develop, redevelop or partially develop a site exclusive of any required building or land use permit. A site development permit may include one or more of the following activities: paving, grading, clearing, tree removal, on-site utility installation, stormwater facilities, walkways, striping, wheelstops or curbing for parking and circulation, landscaping, or restoration.

20.30.080 Preapplication meeting.

A preapplication meeting is required prior to submitting an application for any Type B or Type C action and/or for an application for a project located within a critical area or its buffer.

Applicants for development permits under Type A actions are encouraged to participate in preapplication meetings with the City. Preapplication meetings with staff provide an opportunity to discuss the proposal in general terms, identify the applicable City requirements and the project review process including the permits required by the action, timing of the permits and the approval process.

Preapplication meetings are required prior to the neighborhood meeting.

The Director shall specify submittal requirements for preapplication meetings, which shall include a critical areas checklist. Plans presented at the preapplication meeting are nonbinding and do not "vest" an application. (Ord. 324 § 1, 2003; Ord. 238 Ch. III § 4(a), 2000).

20.30.315 Site development permit

A. Purpose. The purpose of a site development permit is to provide a mechanism to review activities that propose to develop or redevelop a site, not including structures, to ensure conformance to applicable codes and standards.

B. General Requirements. A site development permit is required for the following activities or as determined by the Director of Planning and Development Services:

1. The construction of two or more detached single family dwelling units on a single parcel;
2. Site improvements associated with Short and Formal Subdivisions; or
3. The construction of two or more nonresidential or multifamily structures on a single parcel.

C. Review Criteria. A site development permit that complies with all applicable development regulations and requirements for construction shall be approved.

20.30.480 Binding site plans – Type B action.

A. Commercial and Industrial. This process may be used to divide commercially and industrially zoned property, as authorized by State law. On sites that are fully developed, the binding site plan merely creates or alters interior lot lines. In all cases the binding site plan ensures, through written agreements among all lot owners, that the collective lots continue to function as one site concerning but not limited to: lot access, interior circulation, open space, landscaping and drainage; facility maintenance, and coordinated parking. The following applies:

1. The site that is subject to the binding site plan shall consist of one or more contiguous lots legally created.
2. The site that is subject to the binding site plan may be reviewed independently for fully developed sites; or, concurrently with a commercial development permit application for undeveloped land; or in conjunction with a valid commercial development permit.
3. The binding site plan process merely creates or alters lot lines and does not authorize substantial improvements or changes to the property or the uses thereon.

B. Condominium. ~~This process may be used to divide land by the owner of any legal lot to be developed for condominiums pursuant to State law. A binding site plan for a condominium project shall be based on a building permit issued for the entire project.~~

Table 20.50.020(1) – Densities and Dimensions in Residential Zones

Note: Exceptions to the numerical standards in this table are noted in parenthesis and described below.

Residential Zones							
STANDARDS	R-4	R-6	R-8	R-12	R-18	R-24	R-48
Base Density: Dwelling Units/Acre	4 du/ac	6 du/ac (1)(7)	8 du/ac	12 du/ac	18 du/ac	24 du/ac	48 du/ac
Min. Density	4 du/ac	4 du/ac	4 du/ac	6 du/ac	8 du/ac	10 du/ac	12 du/ac
Min. Lot Width (2)	50 ft	50 ft	50 ft	30 ft	30 ft	30 ft	30 ft
Min. Lot Area (2)	7,200 sq ft	7,200 sq ft	5,000 sq ft	2,500 sq ft	2,500 sq ft	2,500 sq ft	2,500 sq ft
Min. Front Yard Setback (2) (3)	20 ft	20 ft	10 ft	10 ft	10 ft	10 ft	10 ft
Min. Rear Yard Setback (2) (4) (5)	15 ft	15 ft	5 ft	5 ft	5 ft	5 ft	5 ft
Min. Side Yard Setback (2) (4) (5)	5 ft min. and 15 ft total sum of two	5 ft min. and 15 ft total sum of two	5 ft	5 ft	5 ft	5 ft	5 ft
Base Height	30 ft (35 ft with pitched roof)	30 ft (35 ft with pitched roof)	35 ft	35 ft	35 ft (40 ft with pitched roof)	35 ft (40 ft with pitched roof)	35 ft (40 ft with pitched roof) (8) (9)
Max. Building Coverage (2), (6)	35%	35%	45%	55%	60%	70%	70%
Max. Impervious Surface (2), (6)	45%	50%	65%	75%	85%	85%	90%

Exceptions to Table 20.50.020(1):

- (1) *In order to provide flexibility in types of housing and to meet the policies of the Comprehensive Plan, the base density may be increased for cottage housing in R-6 (low density) zone subject to approval of a conditional use permit.*
- (2) *These standards may be modified to allow zero lot line developments. Setback variations apply to internal lot lines only. Overall site must comply with setbacks, building coverage and impervious surface limitations; limitations for individual lots may be modified.*

20.50.040 Setbacks – Designation and measurement.

I. Projections into Setback.

[1-9 unchanged]

~~10. Driveways for single-detached dwellings may cross required yard setbacks or landscaped areas in order to provide access between the off-street parking areas and the street, provided no more than 15 percent of the required landscaping or yard setback area is displaced by the driveway. (Ord. 352 § 1, 2004; Ord. 299 § 1, 2002; Ord. 238 Ch. V § 1(B-3), 2000).~~

20.50.420 Vehicle access and circulation – Standards.

A. Driveways providing ingress and egress between off-street parking areas and abutting streets shall be designed, located, and constructed in accordance with the adopted engineering manual.

~~B. Access for single-family detached, single-family attached, and multifamily uses is not allowed in the required yard setbacks (see Exceptions 20.50.080(A)(1) and 20.50.130(1)).~~

G. B. Driveways for single-detached dwellings, single-family attached, and multifamily uses may cross required yard setbacks or landscaped areas in order to provide access between the off-street parking areas and the street, provided no more than 15 percent of the required landscaping or yard setback area is displaced by the driveway.

~~D.~~ C. Driveways for non-single-family residential development may cross required setbacks or landscaped areas in order to provide access between the off-street parking areas and the street, provided no more than 10 percent of the required landscaping is displaced by the driveway.

~~E.~~ D. Direct access from the street right-of-way to off-street parking areas shall be subject to the requirements of Chapter 20.60 SMC, Adequate Public Facilities.

~~F.~~ E. No dead-end alley may provide access to more than eight required off-street parking spaces.

G. F. Businesses with drive-through windows shall provide stacking space to prevent any vehicles from extending onto the public right-of-way, or interfering with any pedestrian circulation, traffic maneuvering, or other parking space areas. Stacking spaces for drive-through or drive-in uses may not be counted as required parking spaces.

~~H.G.~~ A stacking space shall be an area measuring eight feet by 20 feet with direct forward access to a service window of a drive-through facility.

~~H.~~ Uses providing drive-up or drive-through services shall provide vehicle stacking spaces as follows:

1. For each drive-up window of a bank/financial institution, business service, or other drive-through use not listed, a minimum of five stacking spaces shall be provided.
2. For each service window of a drive-through restaurant, a minimum of seven stacking spaces shall be provided.

~~J.I~~ Alleys shall be used for loading and vehicle access to parking wherever practicable. (Ord. 299 § 1, 2002; Ord. 238 Ch. V § 6(B-4), 2000).

20.70.010 Purpose.

The purpose of this chapter is to establish requirements for engineering regulations and standards to implement the Comprehensive Plan. ~~This chapter will ensure that public facilities and services necessary to support development are provided in a timely manner consistent with the goals of the Washington State Growth Management Act of 1990 and provide a general framework for relating development standards and other requirements of this Code to:~~

- A. Adopted service level standards for public facilities and services,
- B. Procedural requirements for phasing development projects to ensure that services are provided as development occurs, and
- C. The reviews of development permit applications.

The requirements of this chapter shall apply to all development in the City processed under the provisions of the Shoreline Development Code. No permit shall be issued nor approval granted without compliance with this chapter. (Ord. 238 Ch. VII § 1(A), 2000).

20.70.020 Engineering Development Guide.

The Department shall prepare an "Engineering Development Guide" to include construction specifications, standardized details, and design standards referred to in this chapter. The Engineering Development Guide and any amendments shall be made available to the public. The specifications shall include, but are not limited to, the following:

- A. Street widths, curve radii, alignments, street layout, street grades;
- B. Intersection design, sight distance and clearance, driveway location;
- C. Block size, sidewalk placement and standards, length of cul-de-sacs, usage of hammerhead turnarounds;
- D. Streetscape specifications (trees, landscaping, benches, other amenities);
- E. Surface water and stormwater specifications;

F. Traffic control and safety markings, signs, signals, street lights, turn lanes and other devices be installed or funded; and

G. Other improvements within rights-of-way. (Ord. 238 Ch. VII § 1(B), 2000).

20.70.030 Required improvements.

The purpose of this section is to identify the types of development proposals to apply the which the provisions of the engineering this chapter apply.

A. Street improvements shall, as a minimum, include half of all streets abutting the property. Additional improvements may be required to insure safe movement of traffic, including pedestrians, bicycles, nonmotorized vehicles, and other modes of travel. This may include tapering of centerline improvements into the other half of the street, traffic signalization, channeling, etc.

B. Development proposals that do not require City-approved plans or a permit still must meet the requirements specified in this chapter.

C. It shall be a condition of approval for development permits that required improvements shall be installed by the applicant prior to final approval or occupancy. ~~as follows: The provisions of the engineering chapter shall apply to:~~

D. The provisions of the engineering chapter shall apply to:

1. All new multifamily, nonresidential, and mixed-use construction;~~and remodeling or additions to these types of buildings or conversions to these uses that increase floor area by 20 percent or greater, or any alterations or repairs which exceed 50 percent of the value of the previously existing structure;~~

2. Remodeling or additions to multifamily, nonresidential, and mixed-use buildings or conversions to these uses that increase floor area by 20 percent or greater, or any alterations or repairs which exceed 50 percent of the value of the previously existing structure;

32. Subdivisions;

43. Single-family, new constructions, additions and remodels.

Exception 20.70.030(C)(3)(1):

- i. Single-family addition and remodel projects where the value of the project does not exceed 50 percent or more of the assessed valuation of the property at the time of application may be exempted from some or all of the provisions of this chapter. ~~at the request of the applicant, if approved by the Director.~~
- ii. New single-family construction of a single house may be exempted from some or all of the provisions of this chapter, except sidewalks and necessary drainage facilities. ~~at the request of the applicant, if approved by the Director.~~

Exception 20.70.030(1): Exemptions to some or all of these requirements may be allowed if:

E. Exemptions to some or all of these requirements may be allowed if:

- 1a. The street will be improved as a whole through a Local Improvement District (LID) or City-financed project scheduled to be completed within five years of approval. In such a case, a contribution may be made and calculated based on the improvements that would be required of the development. Contributed funds shall be directed to the City's capital project fund and shall be used for the capital project and offset future assessments on the property resulting from a LID. A LID "no-protest" commitment shall also be recorded. Adequate interim levels of improvements for public safety shall still be required.
- 2b. A payment in-lieu-of construction of required frontage improvements including curb, gutter, and sidewalk may be allowed to replace these improvements for single-family developments located on local streets if the development does not abut or provide connections to existing or planned frontage improvements, schools, parks, bus stops, shopping, or large places of employment, providedand:
 - ai. The Director and the applicant agree that a payment in-lieu-of construction is appropriate;
 - bii. The Director and the applicant agree on the amount of the in-lieu-of payment and the capital project to which the payment shall be applied. ~~The Director shall give~~Priority shall be given to capital projects in the vicinity of the proposed development, and the fund shall be used for pedestrian improvements;

civ. Adequate drainage control is maintained:

diii. At least one of the following conditions exists. The required improvements:

i.(A) Would not be of sufficient length for reasonable use;

ii.(B) Would conflict with existing public facilities or a planned public capital project; or

iii.(C) Would negatively impact critical areas. and

~~iv. Adequate drainage control is maintained.~~

ev. An agreement to pay the required fee in-lieu-of constructing frontage improvements shall be signed prior to permit issuance. The fee shall be remitted to the City prior to final approval or occupancy. The amount of the required payment in-lieu-of construction shall be calculated based on the construction costs of the improvements that would be required. (Ord. 303 § 1, 2002; Ord. 238 Ch. VII § 1(C), 2000).

20.70.160 Private streets.

A. Local access streets may be private, subject to the approval of the City. Private streets will be allowed when all of the following conditions are present:

1. The private street is located within a tract or easement;
2. A covenant tract or easement which provides for maintenance and repair of the private street by property owners has been approved by the City and recorded with the County; and
3. The covenant or easement includes a condition that the private street will remain open at all times for emergency and public service vehicles; and
4. The private street would not hinder public street circulation; and
5. At least one of the following conditions exists:
 - a. The street would ultimately serve four or fewer single-family lots; or
 - b. A Director's Decision is required for approval and must demonstrate that the private street would ultimately serve more than four lots, and the Director determines that no other access is available. In addition, the proposed private street would be adequate for transportation and fire access needs (to be reviewed by the Fire Department and Traffic Engineer), and the private street would be compatible with the surrounding neighborhood character; or
 - c. The private street would serve developments where no circulation continuity is necessary. (Ord. 238 Ch. VII § 3(D), 2000).
6. If the conditions for approval of a private street can not be meet or is otherwise denied by the Director, then a public street will be required.

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CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 442, a Site Specific Rezone located at 17503 10 th Avenue NE. File No. 201552
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Joe Tovar, PADS Director Steven Szafran, Planner II

PROBLEM/ISSUE STATEMENT:

The issue before the City Council is a Site Specific Rezone for a 6,600 square foot parcel located at 17503 10th Avenue NE (see **Attachment C1**). The applicant, Brad and Kim Lancaster, are requesting to change the zoning of the site from R-8 (Residential - 8 dwelling units per acre) to O (Office).

The applicant currently has a legal office in the City of Edmonds. The applicant would like to relocate to the City of Shoreline and is proposing to use the existing residence as a professional office. The proposed zone change will allow a low intensity commercial use to locate in a predominately residential area.

A rezoning of property in single ownership is a Quasi-Judicial decision of the Council. An open record public hearing was conducted before the Planning Commission on September 21st, 2006. Council's review must be based upon the written record and no new testimony may be accepted. The Planning Commission completed its recommendation to Council on the proposed Rezone on September 21st, 2006.

ALTERNATIVES ANALYZED: The following options are within Council's discretion and have been analyzed by staff:

- The Council could adopt the zoning requested by the applicant and recommended by the Planning Commission and Staff (a rezoning from R-8 to Office) by adopting Ordinance No.442 (**Attachment A**).
- The Council could deny the rezoning request, leaving the zoning at R-8 (as it currently exists).

FINANCIAL IMPACTS:

- There are no direct financial impacts to the City.

RECOMMENDATION

Staff recommends that the Council adopt Ordinance No. 442, (**Attachment A**) thereby approving the rezone of one parcel located at 17503 10th Avenue NE from Residential 8 units per acre (R-8) to Office (O).

Approved By:

City Manager 

City Attorney 

INTRODUCTION

The rezone application before Council is a request to change the zoning designation for one parcel generally located at 17503 10th Avenue NE from R-8 to Office.

A public hearing before the Planning Commission was opened and closed on September 21st, 2006. The Planning Commission Findings and Recommendation are included in **Attachment B**. The staff report to the Planning Commission that analyzed the rezone application is included as **Attachment C**.

The Planning Commission recommended that the rezone of the property from R-8 to Office be approved. The draft minutes of the public hearing are included in **Attachment D**.

BACKGROUND

In 1998 the City of Shoreline adopted its first Comprehensive Plan. This document includes a map that identifies future land use patterns by assigning each area a land use designation. The subject parcel and those adjoining it to the north, south, east and west are designated *Mixed Use* in the Comprehensive Plan. The Comprehensive Plan document specified: R-8 through R-48 residential zoning and all commercial and industrial zoning categories as appropriate zoning districts for this designation. The current zoning (R-8) and the requested reclassification (O) of the parcel are both consistent with the *Mixed Use* land use designation.

The site is currently zoned R-8 and is developed with a single-family home. Under the proposal, if the site is rezoned as Office, the existing home would remain as it currently exists but the use would change from residential to professional office. Since the proposed professional office will be located within the existing home, it will integrate well into the neighborhood. If in the future the property were to be redeveloped with a different structure, the new building would have to meet standards in effect at that time.

The subject site is required to have three on-site parking spaces for the office use and the applicant is proposing four. Modifications to the home are not proposed other than a small sign in the window advertising the proposed law office. There are two significant trees on the site that will not be modified.

PROCESS

The application process for this project began on June 13th, 2006, when the applicant held a pre-application meeting with city staff. A neighborhood meeting was held on June 29th, 2006 with property owners within 500 feet of the proposed rezone. The formal application was submitted to the city on June 13th, 2006 and was determined complete on July 10th, 2006.

The requisite public hearing was held before the Planning Commission on September 21st, 2006. The Planning Commission made a recommendation and formulated

Findings and Determination on the night of the public hearing. The Planning Commission voted to recommend approval of the rezone with no added conditions.

PUBLIC COMMENT

The City received 3 comment letters in response to the standard notice procedures for this application prior to the public hearing. The property owner and several adjacent neighbors testified at the Planning Commission public hearing on this proposed action.

The comments (Attachments C4 and D) focused on the following issues:

- Commercial use in a residential area
- Traffic and Noise
- Parking
- The Lancaster's being a good neighbor

The Planning Commission addressed the comments in its Findings and Determination (Attachment B).

OPTIONS

Options for Council action are:

- Adoption of the Planning Commission recommendation,
- Adoption of the Planning Commission recommendations with added conditions or
- Denial of the rezone request.

REZONE TO OFFICE (O) – PLANNING COMMISSION RECOMMENDATION

The applicant has requested that the subject parcel be rezoned to Office. Planning Commission in its Findings and Determination found that a rezone to Office has been evaluated and found to be consistent with the rezone decision criteria, listed below, provided in Section 20.30.320(B) of the Development Code.

- Criteria 1: The rezone is consistent with the Comprehensive Plan.*
- Criteria 2: The rezone will not adversely affect the public health, safety or general welfare.*
- Criteria 3: The rezone is warranted in order to achieve consistency with the Comprehensive Plan.*
- Criteria 4: The rezone will not be materially detrimental to uses or property in the immediate vicinity of the subject rezone.*
- Criteria 5: The rezone has merit and value for the community.*

DENIAL OF REZONE REQUEST

The Council may review the written record and determine that the existing R-8 zoning is the most appropriate designation for the subject parcel. This determination would be

consistent with the Comprehensive Plan designation of *Mixed Use* for the parcel, as this designation includes both the existing zoning (R-8) and the requested zoning (O).

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 442, (**Attachment A**) thereby approving the rezone of one parcel located at 17503 10th Avenue NE from Residential 8 units per acre (R-8) to Office (O).

ATTACHMENTS

Attachment A: Ordinance No.442: R-8 to Office

Attachment B– Planning Commission Findings and Determination

Attachment C: Planning Commission Staff Report

C1: Existing Condition Site Plan

C2: Vicinity Map with Zoning Designations

C3: Vicinity Map with Comprehensive Plan Land Use Designations

C4: Public Comment Letters

Attachment D: Planning Commission Minutes- September 21st, 2006

ORDINANCE NO 442

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING THE CITY'S OFFICIAL ZONING MAP TILE NUMBER 455 CHANGING THE ZONING FROM RESIDENTIAL 8 DU-AC (R-8) TO OFFICE (O) OF ONE PARCEL LOCATED AT 17503 10th AVENUE NE (PARCEL NUMBER 0927100318).

WHEREAS, the owner of the property, with parcel number 0927100318, has filed an application to reclassify the property from Residential 8 units per acre (R-8) to Office (O); and

WHEREAS, on September 21st, 2006, a public hearing on the application for reclassification of property was held before the Planning Commission for the City of Shoreline pursuant to notice as required by law; and

WHEREAS, on September 21st, 2006, the Planning Commission recommended approval of the reclassification to Office and entered findings of fact and conclusions based thereon in support of that recommendation; and

WHEREAS, the City Council does concur with the Findings and Determinations of the Planning Commission specifically that the reclassification of property, located at 17503 10th Avenue NE (parcel number 0927100318), to Office is consistent with the goals and policies of the Comprehensive Plan and appropriate for this site;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE DO ORDAIN AS FOLLOWS:

Section 1. Findings. The Findings and Determinations on File No. 201552 as set forth by the Planning Commission on September 21st, 2006 and as attached hereto as Exhibit 1 is hereby adopted.

Section 2. Amendment to Zoning Map. The Official Zoning Map Tile 455 of the City of Shoreline is hereby amended to change the zoning classification of said parcel, located at 17503 10th Avenue NE (parcel number 0927100318) from R-8 to Office.

Section 3. Severability. If any provision of this ordinance or the application of a provision to any person or circumstance is declared invalid, then the remainder of this Ordinance, or the application of such provision to other persons or circumstances, shall not be affected.

Section 4. Effective Date. This ordinance shall go into effect five days after passage, and publication of the title as a summary of this ordinance.

PASSED BY THE CITY COUNCIL ON October 23rd, 2006 .

Mayor Robert L. Ransom

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:
Effective Date:

FINDINGS AND DETERMINATION OF THE CITY OF SHORELINE PLANNING COMMISSION

Lancaster Rezone Request File #201552

Summary-

Following the public hearing and deliberation on the request to change the zoning designation of a 6,600 Sq. Ft. parcel located at 17503 10th Avenue NE, the City of Shoreline Planning Commission has determined that the request is in compliance with City codes and not detrimental to the health, safety, or welfare of the City of Shoreline, and therefore recommends approval of such action.

I. FINDINGS OF FACT

1. Project Description-

- 1.1 Rezone the subject parcel from R-8 (Residential 8 units per acre) to Office (O) so that the applicant can operate a professional law office on the site.
- 1.2 Site Address: 17503 10th Avenue NE
- 1.3 Parcel Number: 0927100318
- 1.4 Zoning: R-8
- 1.5 The subject property has a land use designation of *Mixed Use* identified on the City of Shoreline's Comprehensive Plan Land Use Map. A *Mixed Use* designation is consistent with the following zoning: R-8, R-12, R-18, R-24 and R-48, Office, Neighborhood Business, Community Business, Regional Business and Industrial.

2. Procedural History-

- 2.1 Public hearing held by the Planning Commission: September 21st, 2006
- 2.2 Notice of Public Hearing and SEPA Determination of Nonsignificance: August 24th, 2006
- 2.3 End of 14 day Public Comment Period: August 3rd, 2006
- 2.4 Notice of Application with Optional DNS: July 20th, 2006
- 2.5 Complete Application Date: July 10th, 2006
- 2.6 Application Date: April 4th, 2006
- 2.7 Neighborhood meeting Date: June 29th, 2006

3. Public Comment-**3.1** *The following individuals participated in Neighborhood Meetings:*

9 people attended the required Neighborhood Meeting. General comments included ample customer parking, traffic, commercial use in a residential area, and future use of the property. Most of the comments were supportive of the applicant's rezone request.

Written Comments have been received from:

3 letters were received in response to the standard notice procedures for this application and included comments on ample customer parking, traffic and commercial uses in a residential area.

3.2 *Oral testimony has been received from:*

In addition to the applicant, three adjacent property owners testified at the open record public hearing. All of the commenters supported the rezone application.

4 SEPA Determination-

- 4.1** The optional DNS process for local project review, as specified in WAC 197-11-355, was used. City staff determined that the proposal will not have a probable significant adverse impact on the environment and that an environmental impact statement is not required under RCW 43.21C.030 (2) (c). A notice of determination of non-significance was issued on August 24th, 2006.

7. Consistency –**5.1** Site Rezone:

The application has been evaluated and found to be consistent with the five criteria listed in Shoreline Municipal Code Section 20.30.320 (B).

- 5.2** A recommendation to approve the Rezone does not constitute approval for any development proposal. Applicable permits shall be obtained prior to construction. Permit applications shall show compliance with the 1998 King County Storm Water Design Manual and Title 20 of the Shoreline Municipal Code (SMC). Applicable sections of the SMC include but are not limited to

the following: Dimensional and Density Standards 20.50.010, Tree Conservation 20.50.290, Surface and Stormwater Management 20.60.060, and Streets and Access 20.60.140 and any conditions of the Rezone.

II. CONCLUSIONS

SITE REZONE:

Rezoning is subject to criteria contained in the Development Code. The proposal must meet the decision criteria listed in Section 20.30.320(B) of the SMC. The criteria are listed below, with a brief discussion of how the request meets the criteria.

1. The rezone is consistent with the Comprehensive Plan.

The Comprehensive Plan land use map identifies the subject parcel as *Mixed Use*. The Office zoning category is consistent with the *Mixed Use* land use designation. The parcel is developed with one single family home (developed at a density of 6.6 dwelling units per acre)—which is also consistent with the density goals and policies of the Comprehensive Plan which plans for this site to accommodate 8 to 48 dwelling units or businesses to support employment targets within the City.

The applicant does not currently plan to modify the existing structure, ensuring the proposed office use integrates into the neighborhood. If the parcel redevelops with a new office building in the future, the new structure will have to meet development guidelines in effect at that time.

2. The rezone will not adversely affect the public health, safety or general welfare.

Staff concludes the proposed rezone will not adversely affect the public health, safety or general welfare of the surrounding neighborhood and community. The existing home will continue to integrate into the neighborhood while providing an office location for the applicants. The small office use will not burden the community with overbearing signage, lighting or traffic. The rezone will however change the designation of this parcel from R-8 to Office meaning, in the future, more intense development can occur.

This area, designated for Mixed Use, will begin to change over time. This is the first parcel in the area to do so. During the transition of the area, adjacent properties may be impacted by new development. Any new development on-site will be

required to provide landscape buffers. The Shoreline Development Code has measures to mitigate impacts to adjacent properties. These measures include landscaping, on-site parking and building design requirements.

3. The rezone is warranted in order to achieve consistency with the Comprehensive Plan.

The site's Comprehensive Plan land use designation is *Mixed Use*. Consistent zoning designations for this land use include R-8 through R-48 and all commercial zoning categories. The subject parcel is currently zoned R-8. Both the existing and proposed zoning designations are consistent with the Comprehensive Plan.

Right now, the site is developed with one single-family house at a density of 6.6 dwelling units an acre, which is underdeveloped under the current zoning category. The application to change the zoning of the parcel to Office was made in order to locate the applicant's professional office within the City of Shoreline.

The current zoning in the immediate vicinity of the project includes R-6 and R-8. The uses in the area include mostly single-family houses, and a church with a Metro Park and Ride. Approximately 850 feet to the east is the North City Business District.

4. The rezone will not be materially detrimental to uses or property in the immediate vicinity of the subject rezone.

At this time the proposed rezone appears to have minimal negative impacts to the properties in the immediate vicinity. The property owner does not plan to modify the existing structure or site. In the future, under the Office zoning, the property could change if the parcel is redeveloped with a new office building.

Concerns have been raised by adjacent neighbors concerning appropriateness of the commercial zoning (Office), increased traffic and noise, and parking. The following brief summary demonstrates how the project addresses each of these.

Changing Land Use

Staff received several comments that this area has historically been a single-family residential area. Historically, this has been true, but the Comprehensive Plan has identified this area as being appropriate for mixed use development which permits a variety of uses—single-family and multifamily uses, offices, and retail businesses.

The City adopted the Comprehensive Plan and designated certain areas as areas where a mix of uses should occur. The subject parcel is in one of those areas. Office is an appropriate zoning category under the Mixed Use land use designation. The Office zoning category is the least intense zoning category in the commercial designation and can provide a good transition between commercial and residential land uses.

If office zoning is adopted, it will be the first parcel in the area to change to a commercial use. Land uses along NE 175th have been changing to more businesses oriented uses in the recent years but generally in areas closer to North City.

Traffic/Parking

The applicant is proposing to use the existing home as an office. The P.M. peak hour vehicular trips will be .92 (.46 X 2) for the office. Since the P.M. peak hour trips are not greater than 20, a traffic study was not required (SMC 20.60.140(A)).

The office is required to supply 3 on-site parking spaces while the applicants are planning for four. Staff experience is that an office like this is unlikely to have more than two visitors at a time, and there is little likelihood of spillover parking. If, in the future, the building is expanded or rebuilt, the traffic generation will be recalculated and mitigated if necessary.

5. The rezone has merit and value for the community.

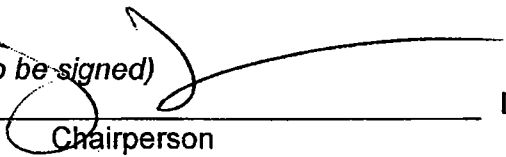
The proposed rezone to Office is the least intensive commercial zoning allowed under the Mixed Use Land Use designation. The Office zoning will provide a natural transition between NE 175th Street and the low-density single-family homes to the west, north and east. The proposed Office zoning will allow a business that the neighborhood may need in the community.

In summary, the Planning Commission concludes that the proposed change will benefit the community.

III. RECOMMENDATION

Based on the Findings, the Planning Commission recommends approval of application #201552; a rezone from R-8 to Office.

City of Shoreline Planning Commission

(To be signed)  Date: 10/6/06

Chairperson

Commission Meeting Date: September 21st, 2006

Agenda Item:

**PLANNING COMMISSION AGENDA ITEM
CITY OF SHORELINE, WASHINGTON**

AGENDA TITLE: Type C Action: Rezone Application #201552 for one parcel generally located at 17503 10th Avenue NE from R-8 (Residential 8 dwelling units/acre) to Office (O).

DEPARTMENT: Planning and Development Services

PRESENTED BY: Steven Szafran, Planner II

I. PROPOSAL

The applicant, Brad and Kim Lancaster, propose to modify the existing zoning category for a 6,600 square foot parcel located at 17503 10th Ave. NE. This application before the Planning Commission is a request to change the zoning designation from R-8 (Residential - 8 dwelling units per acre) to Office (O). The applicant is not proposing any modifications to the existing home or site though the use will change from residential to office. A site plan showing the site configuration of the proposal (existing site conditions) is included as **Attachment 1**. A vicinity map showing existing zoning for the project site and adjacent properties is located in **Attachment 2**. The parcel has a Comprehensive Plan Land Use designation of Mixed Use, and both the existing and proposed zoning are consistent with this designation (**Attachment 3** illustrates the comprehensive plan land use designations of the surrounding vicinity).

Under the Appearance of Fairness Doctrine, local land use decisions that are not of area wide significance shall be processed as quasi-judicial actions. Because this is a Site Specific Zone Change it shall be processed per RCW 42.36.010 as a Type C quasi-judicial action.

There is currently one single-family home on-site that will be used for the proposed office use (Law Office). The proposed rezone would allow the owners to transfer their law practice from the City of Edmonds to this site.

This report summarizes the issues associated with this project and discusses whether the proposal meets the criteria for rezone outlined in the Shoreline Municipal Code and the goals of the Comprehensive Plan. Type C Actions are reviewed by the Planning Commission, where an Open Record Public Hearing is held and a recommendation for approval or denial is developed. This recommendation is then forwarded to City Council, which is the final decision making authority for Type C Actions.

II. FINDINGS

1. SITE

The subject site is located on the northwest corner of NE 175th Street and 10th Ave. NE. The parcel is developed with one single-family residence. The parcel measures 6,600 square feet in area (approximately .15 acres). The site is generally flat. There are two significant trees on site that will remain.

Access to the site is from a residential driveway off of 10th Avenue NE. The driveway is approximately 20 feet wide at the curb tapering down to 11 feet further into the site (see **Attachment 1**).

Parking requirements for the site are based on office square footage. The Shoreline Development Code specifies 1 parking space for every 300 square feet accessible to the public. The proposed office building will require 3 parking spaces (800 square feet/300 = 2.6 = 3). The applicant is providing 4 spaces.

A traffic study is not required if P.M. Peak Hour Trips do not exceed 20. A single-tenant office use generates 3.3 Average Daily Trips per employee and .46 P.M. Peak Hour Trips per employee. The proposed office will have two employees generating .92 P.M. Peak Hour Trips.

2. NEIGHBORHOOD

The project site is located in the North City Neighborhood. Access to the property is gained from 10th Avenue NE, a street that is classified as a Neighborhood Collector. 10th Ave. NE is designated as a Neighborhood Collector from NE 155th Street and as a Collector Arterial from NE 185th till it dead-ends into NE 195th Street. As indicated previously the site is zoned R-8 and has a land use designation of Mixed Use.

The current zoning of the parcels immediately adjacent to the subject parcel on the north, south, east and west is R-8; the uses on these sites include mostly single-family residential and a church parking lot that serves as a Metro Park and Ride Lot during the week. (These parcels also have a Mixed Use Comprehensive Plan Designation which allows all residential zoning categories between R-8 and R-48; and all commercial zoning categories.)

The North City Business District begins approximately 850 feet to the east. The zoning classifications and Comprehensive Plan Land Use designations for the project sites and immediate vicinity are illustrated in **Attachments 2 and 3**.

3. TIMING AND AUTHORITY

The application process for this project began on June 13th, 2006, when a pre-application meeting was held with the applicant and City staff. The applicant held the requisite neighborhood meeting on June 29th, 2006. The application was determined complete on July 10th, 2006. A Public Notice of Application was posted at the site, advertisements were placed in the Seattle Times and Shoreline Enterprise, and notices

were mailed to property owners within 500 feet of the site on July 20th, 2006. The Notice of Public Hearing and SEPA Determination was posted at the site, advertisements were placed in the Seattle Times and Shoreline Enterprise, and notices were mailed to property owners within 500 feet of the site on August 10th, 2006.

Comments were received at the neighborhood meeting and during the public comment period. The comments are included in **Attachment 4**.

Rezone applications shall be evaluated by the five criteria outlined in Section 20.30.320 (B) of The Shoreline Municipal Code (SMC). The City Council may approve an application for rezone of property if the five decision criteria are met.

5. CRITERIA

The following discussion shows how the proposal meets/ or does not meet the decision criteria listed in Section 20.30.320(B) of the SMC. The reader will find that the criteria are integrated and similar themes and concepts run throughout the discussion.

Criteria 1: The rezone is consistent with the Comprehensive Plan.

The Comprehensive Plan land use map identifies the subject parcel as *Mixed Use*. The parcel is developed with one single family home (developed at a density of 6.6 dwelling units per acre)—this is not consistent with the density goals and policies of the Comprehensive Plan which plans for this site to accommodate 8 to 48 dwelling units or businesses to support employment targets within the City.

If Office becomes the adopted zoning for the site, the applicant intends to use the existing home as a professional office.

The following table summarizes the bulk requirements for the current zoning and the potential Office zoning. (Note: The following standards apply to new construction. The applicant intends on using the existing home as it exists).

Standard	R8 Development	Office
Front Yard Setback	10'	10'
Side Yard Setback	5'	10'
Rear Yard Setback	5'	10'
Building Coverage	45%	N/A
Max Impervious Surface	65%	85%
Height	35'	35' (50' if mixed use building)

The Comprehensive Plan identifies different areas of the City where growth should be encouraged and can be accommodated. In some areas, the City allowed densities and

intensity of uses to be increased. In the case of the subject parcel, more dense and/or intense development is anticipated in the future when the underutilized parcels are redeveloped.

Office zoning may be an appropriate designation for the site in order to achieve many goals and policies of the Comprehensive Plan, including:

Goal LU I: Ensure that the land use pattern of the City encourages needed, diverse, and creative development, protects existing uses, safeguards the environment, reduces sprawl, promotes efficient use of land, encourages alternative modes of transportation and helps maintain Shoreline's sense of community.

Goal LU IV: Encourage attractive, stable, quality residential and commercial neighborhoods that provide a variety of housing, shopping, employment and services.

The neighborhood will benefit by having a low intensity office use that can serve the community and that can integrate within the existing neighborhood.

LU 17: The Mixed Use designation is intended to encourage the development of pedestrian oriented places, with architectural interest, that integrate a wide variety of retail, office and services uses with residential uses.

This area of Shoreline, even though it is planned for Mixed Use, has not had any rezoning requests. The area is "planned" to integrate a wide variety of uses but currently the zoning and land uses in the immediate area are primary low-density single-family homes.

CD 23: Where clearing and grading is unnecessary, preserve significant trees and mature vegetation.

There are two significant trees on-site that will not be disturbed.

ED 14: Encourage and support home-based businesses in the City, provided that signage, parking, storage, and noise impacts are compatible with neighborhoods.

Though, not a home based business; the proposed office use will operate out of an existing home that is compatible with the neighborhood. Parking is off-street, no outside storage is proposed, and signage will be limited to a window sign by the applicant.

ED 15: Support and retain small businesses for their jobs and services that they provide to the community.

ED 24: Ensure sufficient land use designations and zoning provisions to support businesses.

ED 15 and ED 24 are intended help small businesses owners, such as the applicants, to be able to operate in Shoreline while providing services to the local community.

CD 8: To minimize visual impact of commercial, office, industrial, and institutional development on residential areas by requiring appropriate building and site design, landscaping and shielded lighting to be used.

CD 48: Develop attractive, functional, and cohesive commercial areas that are harmonious with adjacent neighborhoods, by considering the impacts of the land use, building scale, views and through-traffic.

The applicant does not currently plan to modify the existing structure, ensuring the proposed office use integrates into the neighborhood. If the parcel redevelops with a new office building in the future, the intensity of the site or building design may not fit well with existing adjacent land uses.

Criteria 2: The rezone will not adversely affect the public health, safety or general welfare.

Staff concludes the proposed rezone will not adversely affect the public health, safety or general welfare of the surrounding neighborhood and community. The existing home will continue to integrate into the neighborhood while providing an office location for the applicants. The small office use will not burden the community with overbearing signage, lighting or traffic. The rezone will however change the designation of this parcel from R-8 to Office meaning, in the future, more intense development can occur.

This area, designated for Mixed Use, will begin to change over time. This is the first parcel in the area to do so. During the transition of the area, adjacent properties may be impacted by new development. Until adjacent parcels start to redevelop with more intense uses, the Shoreline Development Code has measures to mitigate impacts to adjacent properties. These measures include landscaping, on-site parking and building design requirements.

Criteria 3: The rezone is warranted in order to achieve consistency with the Comprehensive Plan.

The site's Comprehensive Plan land use designation is *Mixed Use*. Consistent zoning designations for this land use include R-8 through R-48 and all commercial zoning categories. The subject parcel is currently zoned R-8. Right now, the site is developed with one single-family house at a density of 6.6 dwelling units an acre, which is underdeveloped under the current zoning category. The application to change the

zoning of the parcel to Office was made in order to locate the applicant's professional office within the City of Shoreline.

The current zoning in the immediate vicinity of the project includes R-6 and R-8. The uses in the area include mostly single-family houses, a church and a Metro Park and Ride. Approximately 850 feet to the east is the North City Business District.

The subject property will take access from 10th Ave. NE, a Neighborhood Collector street. The Comprehensive Plan states that the Mixed Use Land Use designation applies to a number of stable or developing areas. The designation is intended to encourage the development of pedestrian oriented places, with architectural interest, that integrate a wide variety of retail, office and service uses with residential areas. This is the first parcel in the area to change and more change is anticipated in the future.

Criteria 4: The rezone will not be materially detrimental to uses or property in the immediate vicinity of the subject rezone.

At this time the proposed rezone appears to have minimal negative impacts to the properties in the immediate vicinity. The property owner does not plan to modify the existing structure or site. In the future, under the Office zoning, the property could change if the parcel is redeveloped with a new office building.

Concerns have been raised by adjacent neighbors concerning appropriateness of the commercial zoning (Office), increased traffic and noise, and parking. The following brief summary demonstrates how the project addresses each of these.

Changing Land Use

Staff received several comments that this area has historically been a single-family residential area. Historically, this has been true, but the Comprehensive Plan has identified this area as being appropriate for mixed use development which permits a variety of uses—single-family and multifamily uses, offices, and retail businesses.

The City adopted the Comprehensive Plan and designated certain areas as areas where a mix of uses should occur. The subject parcel is in one of those areas. Office is an appropriate zoning category under the Mixed Use land use designation. The Office zoning category is least intense zoning category in the commercial designation and also provides a good transition between commercial and residential land uses.

If office zoning is adopted; it will be the first parcel in the area to change to a commercial use. Land uses along NE 175th have been changing to more businesses oriented uses in the recent years but generally in areas closer to North City.

Traffic/Parking

The applicant is proposing to use the existing home as an office. The P.M. peak hour vehicular trips will be .92 (.46 X 2) for the office. Since the P.M. peak hour trips are not greater than 20, a traffic study was not required (SMC 20.60.140(A)).

The office is required to supply 3 on-site parking spaces while the applicants are planning for four. Staff experience is that an office like this is unlikely to have more than two visitors at a time, and there is little likelihood of spillover parking.

Criteria 5: The rezone has merit and value for the community.

The proposed rezone to Office is the least intensive commercial zoning allowed under the Mixed Use Land Use designation. The Office zoning will provide a natural transition between NE 175th Street and the low-density single-family homes to the west, north and east. The proposed Office zoning will allow a business that the neighborhood may need in the community.

In summary, staff concludes that the proposed change will benefit the community.

III. CONCLUSIONS

1. **Consistency-** The proposed reclassification for the subject properties is consistent with the Washington State Growth Management Act, the City of Shoreline Comprehensive Plan, and the City of Shoreline Development Code.
2. **Compatibility-** The proposed zoning is consistent with existing and future land use patterns identified in the Comprehensive Plan.
3. **Housing / Employment Targets-** The current residential density of 6.6 dwelling units per acre indicates the site is underutilized per the density guidelines listed in the Comprehensive Plan for the *Mixed Use* land use designation. By changing the zoning to Office, the project assists the City of Shoreline in meeting employment targets as established by King County to meet requirements of the Growth Management Act.
4. **Environmental Review-** It has been determined that per WAC 197.11.600 (2) the SEPA obligations for analyzing impacts of the proposed rezone are fulfilled by previous environmental documents on file with the City. The FEIS prepared for the City of Shoreline's Comprehensive Plan, dated November 9, 1998, and is incorporated by reference to satisfy the procedural requirements of SEPA.
5. **Infrastructure Availability-** There appears to be adequate infrastructure improvements available in the project vicinity. This includes adequate storm, water, and sewer capacity for the future development.

IV. PLANNING COMMISSION ROLE AND OPTIONS

As this is a Type C action, the Planning Commission is required to conduct a Public Hearing on the proposal. The Commission should consider the application and any public testimony and develop a recommendation for rezone approval or denial. The City Council will then consider this recommendation prior to their final adoption of the application.

Planning Commission has the following options for the application:

1. Recommend approval to rezone the site at 17503 10th Ave. NE (parcel number 0927100318) from Residential 8 units per acre (R-8) to Office (O) based on the findings presented in this staff report.
2. Recommend approval to rezone the site at 17503 10th Ave. NE from R-8 to Office with added conditions, based on findings presented in this staff report and additional findings by the Planning Commission with added conditions.
3. Recommend denial of the rezone application. The existing Residential 8 units per acre (R-8) zoning remains based on specific findings made by the Planning Commission.

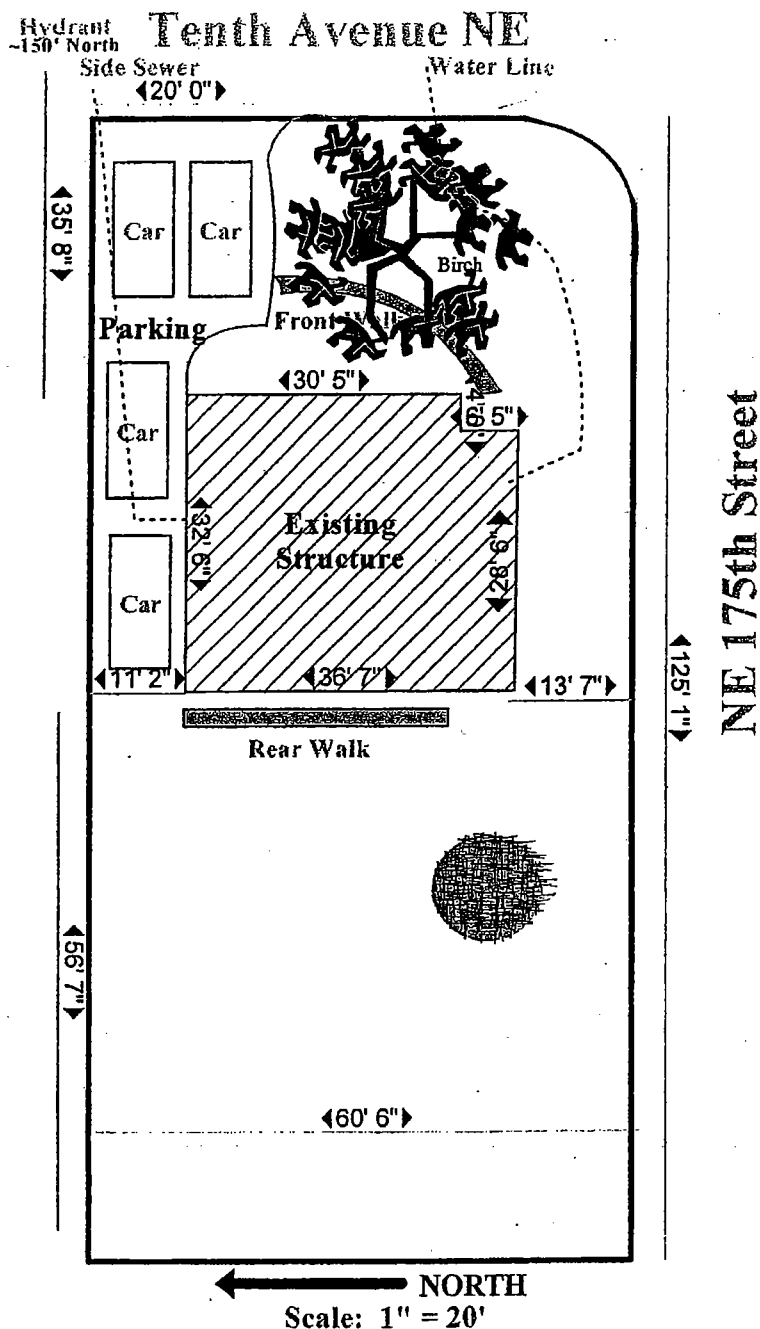
V. PRELIMINARY STAFF RECOMMENDATION

Staff recommends that the Planning Commission move to recommend to the City Council that Office zoning be adopted for the property located at 17503 10th Ave. NE (parcel number 0927100318). Enter into findings based on the information presented in this staff report that this proposal meets the decision criteria for the reclassification of property as outlined in the Shoreline Municipal Code Section 20.30.320.

ATTACHMENTS

Attachment 1: Existing Condition Site Plan
Attachment 2: Vicinity Map with Zoning Designations
Attachment 3: Vicinity Map with Comprehensive Plan Designations
Attachment 4: Public Comment Letters

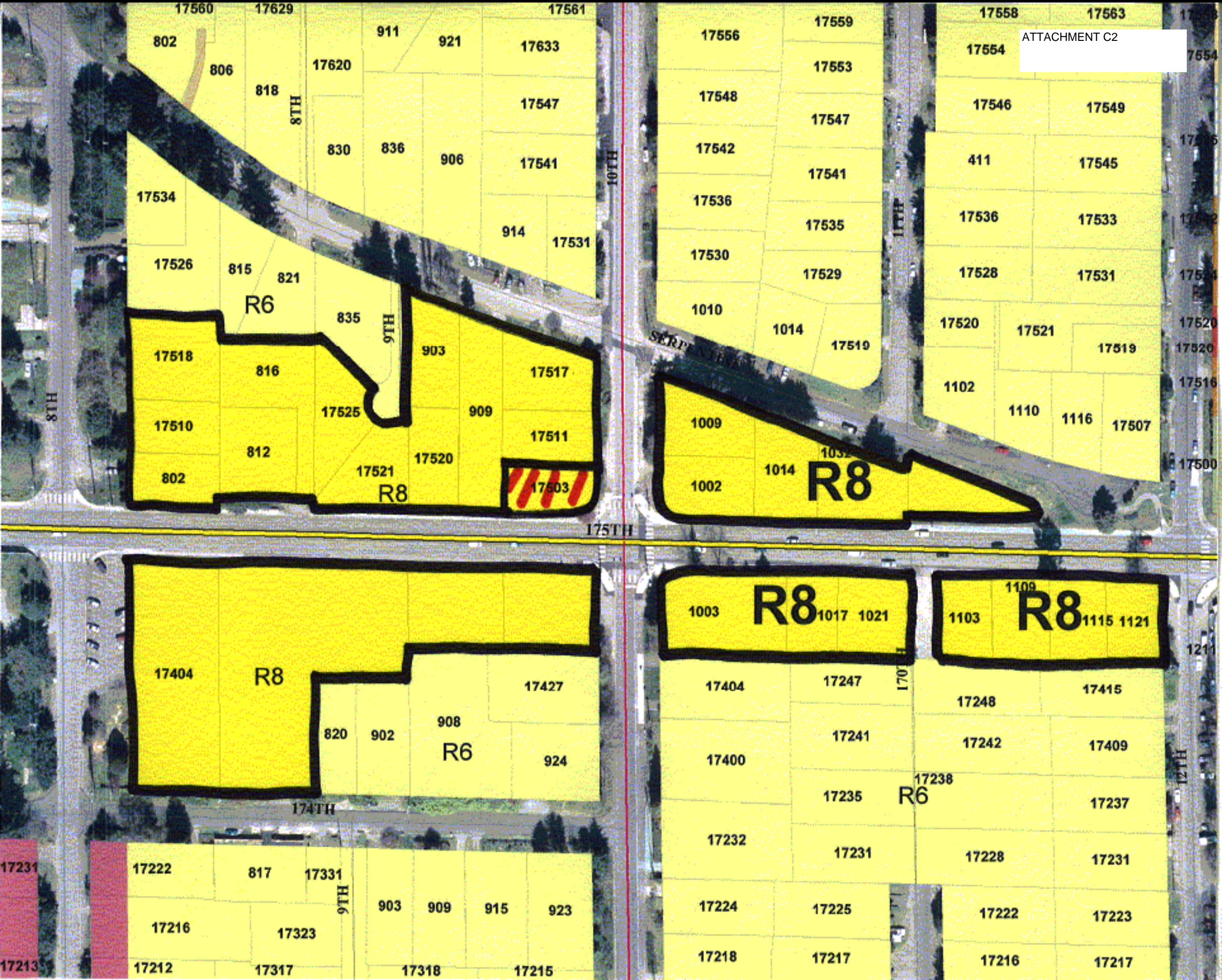
SITE PLAN

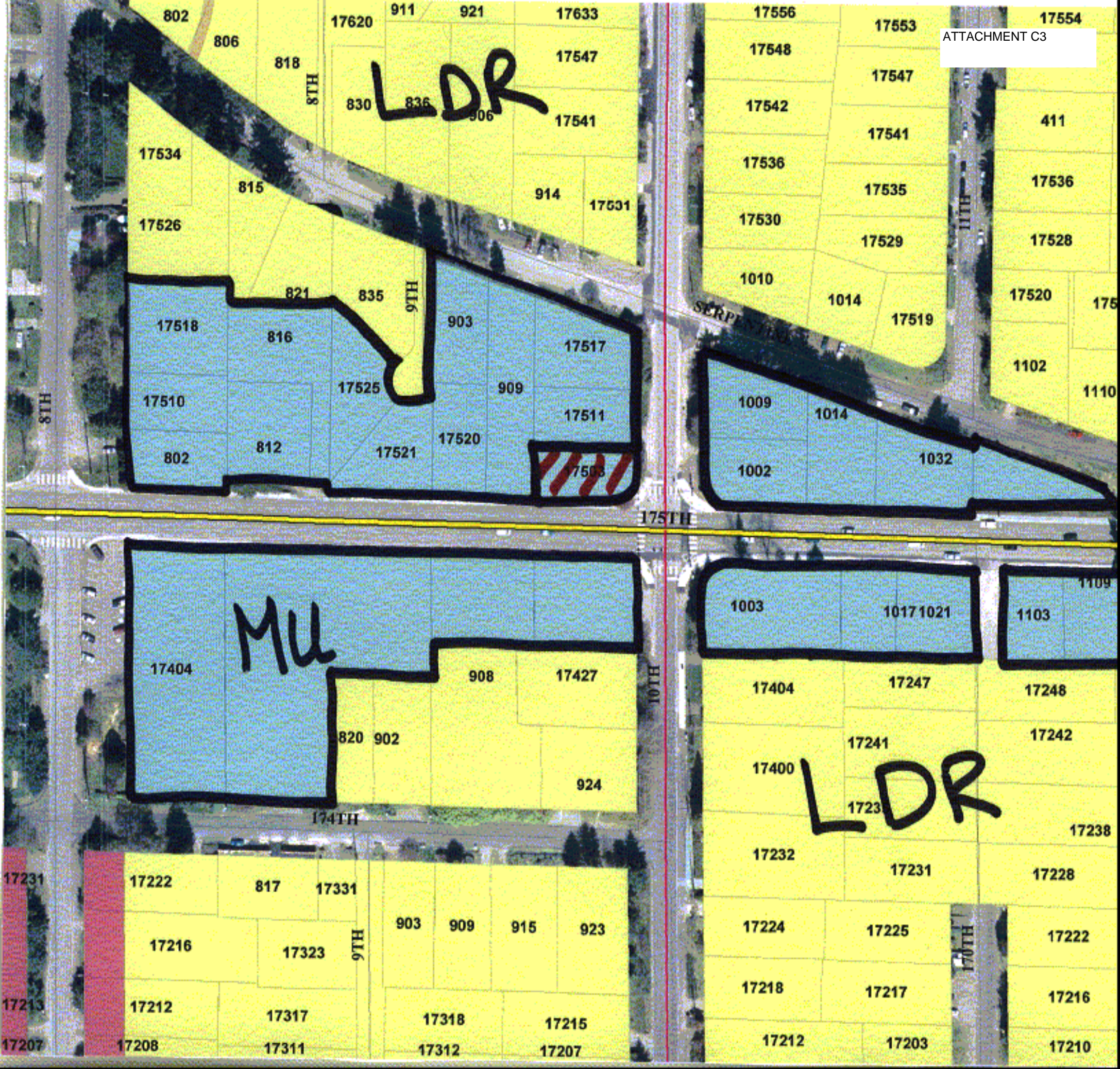
REZONE APPLICATION RE 17503 TENTH AVENUE NE, SHORELINE

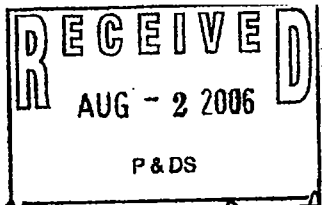
IMPERVIOUS SURFACES	
Client Use Area	259 sq ft 23%
Existing Building	1120 sq ft
Sidewalks: 29x3, 31x4	<u>211 sq ft</u>
Subtotal Impervious:	1321 sq ft
PERVIOUS SURFACES	
Crushed Rock Parking: (x 50%)	644 sq ft
Total Surfaces	1965 sq ft
Lot Area	7562 sq ft
Percentage Impervious Coverage	25.98%
Building Height: One story	18 ft
Prepared by: Brad and Kim Lancaster 18331 Tenth Avenue NE Shoreline, WA 98155 206-542-2739	

Site Address	17503 Tenth Ave. NE
Tax Parcel Number	092710-0318-05
Legal Description	The South 90 feet of Lot 1, Block 4, Bonnie Glen, according to the plat thereof recorded in Volume 30 of Plats, page 20, records of King county, Washington; EXCEPT the South 30 feet thereof conveyed to King County for road by instrument recorded under Recording No 2701439; and EXCEPT that portion conveyed to King County for road by instrument recorded under No. 9301291393, which is a re-record of Recording No. 9208200596. SUBJECT TO: All covenants, conditions or restrictions, all easements or other servitudes, and all reservations, if any, but omitting restrictions, if any, based upon race, color, creed or national origin, disclosed by the Plat of Bonnie Glen. Right to make necessary slopes for cuts, fills or drainage upon the land herein described as granted to the State of Washington by deed recorded under Recording No. 9301291393, which is a re-recorded of Recording No. 9208200596.

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August 2, 2006

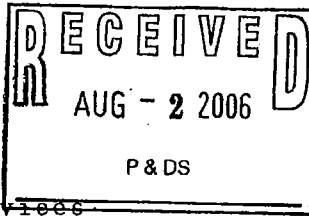
Planning & Development Services,

I am opposed to the rezone application at
#7503 10th ave. N.E., Shoreline, Wa. 98155.

I do not want to see a business come into a
residential area. It increases the traffic & noise
for the neighborhood.

We have an adult family home in our neighborhood
at 19605 10th Ave N.E. It brought with it extra
traffic from staff & visitors. 911 is called on a
regular basis & we see aid cars & ambulances
on our quiet dead end street quite often. This is a
small business & it has changed our neighborhood for
the worst.

Sincerely,
Tales Lulay



1003 N E 196th
Shoreline, Wa 98155
August 1, 2006

Planning & Development Services
City of Shoreline
17544 Midvale Ave North
Shoreline, Wa 98133

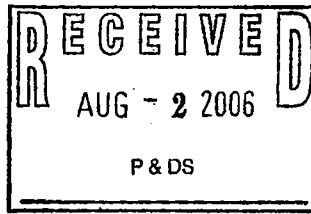
Gentlemen:

As per your request, I am writing to let you know that I heartily disagree with the Rezone Application. This is a residential area and not meant for business.

We have lived here for almost 50 years and would hate to see the residential area changed. The feeling in this neighborhood is absolutely negative concerning this proposed change.

Sincerely,

Mrs James A Saldin
Mrs James A Saldin



Kim File
1010 NE 197
Shoreline wa 98155

Planning and Development Services
City of Shoreline
17544 Midvale Ave N.
Shoreline wa 98133

Dear Sir,

I grew up in this area, went to grade school, jr. high, high school - all in the Shoreline School district. I am raising my family here. I lived here just about all my life. It is a residential area.

I am deeply disappointed in a proposed zoning change of this residential area. I support the businesses in North City and drive by this location at least twice a day.

It seems to me, the North City business district is close enough to 175th and 10th NE to move a business to.

Please do not let this zoning change go through.

Let's keep our residential neighborhood.

Respectfully,

Kim File

LANCASTER LAW OFFICE

BRAD LANCASTER, ATTORNEY
KIM LANCASTER, PARALEGAL

9653 FIRDALE AVENUE
EDMONDS, WASHINGTON 98020

TELEPHONE: 206-542-2739

FACSIMILE: 206-533-0223

TOLL FREE: 1-888-837-6519

E-MAIL: BRAD.LANCASTER@VERIZON.NET
LANCASTERLAWOFFICE.COM

June 30, 2006

Steve Szafran
City of Shoreline
Planning and Development Services
17544 Midvale Avenue North
Shoreline, Washington 98133-4921

By U. S. MAILS

**RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
Summary of Neighborhood Meeting
SMC 20.30.080, 20.30.090**

Dear Mr. Szafran:

Enclosed are the following documents:

- A. Copy of Notice of Neighborhood Meeting;
- B. Written Responses from Notice Parties;
- C. Lancaster Letter to Marie Lowther, Dated June 22, 2006.

On Thursday, June 29, 2006, at 6:00 p.m., at Shoreline Center, Arden Room (E-300), we conducted the neighborhood meeting required for our re-zone application, pursuant to SMC 20.30.080, 20.30.090. Nine neighbors attended, plus Kim and me. We had coffee, water, and cookies, and conversation. The meeting commenced at 6:05 p.m. and the last participant left the Arden Room around 7:15 p.m.

PERSONS ATTENDING

The following persons attended the neighborhood meeting:

- 1. Brad and Kim Lancaster, Re-Zone Applicants
18331 Tenth Avenue NE
Shoreline, WA 98155
- 2. Charlotte Haines, Co-Chair of North City Neighborhood Assn.
836 NE 194th
Shoreline, Washington 98155

SUMMARY OF LANCASTER RE-ZONE NEIGHBORHOOD MEETING - Page 1 of 5

NEIGHBORHOOD MEETING Summary.

3. Sally Granger, Co-Chair of North City Neighborhood Assn.
16804 Sixteenth Avenue NE
Shoreline, Washington 98155
4. Patty Hale, Chair of Ridgecrest Neighborhood Assn.
16528 Eighth Avenue NE
Shoreline, Washington 98155
5. John and Robin Leaden
17242 Eleventh Avenue NE
Shoreline, Washington 98155
6. Michael L. Smith
17547 Tenth Avenue NE
Shoreline, Washington 98155
7. Haile and Lete Behre, Adjacent neighbor immediately north of subject parcel.
17511 Tenth Avenue NE
Shoreline, Washington 98155
8. Scott Solberg, Neighbor from SE corner of NE 175th and Tenth NE
1003 NE 175th Street
Shoreline, Washington 98155

SUMMARY OF OPINIONS EXPRESSED

- A. George and Joanne Banschback (816 NE 175th Street, Shoreline) responded by mail, expressing their view that Lancaster Law Office would be a good neighbor, and having a lawyer nearby may be handy.
- B. John and Colleen Carmody (909 NE Serpentine Place, Shoreline) adjacent neighbors immediately west of subject parcel) responded by mail, stating their appreciation for the cleanup of 17503 Tenth Avenue NE, and their support for rezoning to permit Lancaster Law Office to operate there.

- C. Susan Garner (17526 – Eighth Avenue NE, Shoreline) responded by mail and expressed concern that there be “ample parking for your customers.”

We respond that our plan incorporates parking for four vehicles, which is one more parking space than the three required by the business use of the premises.

- D. Glenn and Linda Hinrichsen (17241 Eleventh Avenue NE, Shoreline) responded by mail, stating that they oppose any businesses in the neighborhood. In their view, the area is residential and should stay that way. They are concerned about traffic increasing in the area.

We respond that traffic use will decrease under our proposed use from the number of vehicles using the streets that one would reasonably expect at 17503 Tenth Avenue NE utilized as a residence.

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- E. Marie Lowther (924 NE 174th Street, Shoreline) responded by mail on a number of relevant concerns.

We addressed each of her concerns by written response, which is attached to this letter as Exhibit C.

- F. Kim Anh Pham (17525 Ninth Court NE, Shoreline) responded by mail, stating strongly support for our rezone application, and Kim Anh Pham's view that Lancaster Law Office will not cause any negative impacts on the neighborhood.

- G. Tom Ruhlman (17232 Tenth Avenue NE, Shoreline) responded by mail, stating that he has "no problem" with Lancaster Law Office practicing from 17503 Tenth Avenue NE. Mr. Ruhlman noted that NE 175th Street is in transition from residential to business. He welcomes us to the neighborhood.

THE NEIGHBORHOOD MEETING DISCUSSION

Brad Lancaster made a brief opening statement. He explained why Lancaster Law Office seeks to move to Shoreline from its present location in Edmonds, and described the nature of his business, its client traffic pattern, and the hours of law office operations. Mr. Lancaster described his usual client traffic to Lancaster Law Office: one to two persons per week. He passed out a copy of the local section of the Comprehensive Plan, as well as selected pages from the Lancaster's rezone application.

- H. Patty Hale, chair of the Ridgecrest Neighborhood Association, expressed her full support for Lancaster's rezone application. She said that adding a law office will be good for the neighborhood. She indicated that she read the concerns of Marie Lowther, who responded by mail, and our responsive letter to Marie Lowther. She thought we addressed each of Ms. Lowther's concerns well. We told Ms. Hale that it is not our intention to live in 17503 Tenth Avenue NE, but only to practice law from that location. Ms. Hale likened our rezone application to the circumstance of the insurance office located at 15th Avenue NE and NE 155th Street. That use has been no problem for the Ridgecrest neighborhood, and that no cars backup when the insurance businesses clients exit onto NE 155th Street.

- I. Sally Granger, co-chair of the North City Neighborhood Association, inquired if we intend to add new construction onto the building. We replied that it is not our present intention to add on, since we have more square footage in the existing building than we require for our operations. Ms. Granger also inquired if there would be exterior signage in our design plan. We indicated that we have an interior window sign we use, and do not intend to deploy a sign exterior to the building. Our clientele does not derive from walk-in traffic, but almost entirely from referrals and internet advertising.

- J. Charlotte Haines, co-chair of the North City Neighborhood Association, stated that siting Lancaster Law Office at this particular location is a fabulous idea. When Shoreline was first incorporated, the planning meetings intended that NE 175th Street would build up in mixed use. That is happening. The dentist office, YMCA, and other commercial enterprises are on NE 175th Street near our intersection. Other locations nearby on NE 175th Street are ripe for redevelopment as offices or mixed use buildings.

Ms. Haines, as a water district commissioner, described the upcoming new water trunk line that will travel down NE 175th Street past 17503 Tenth Avenue NE to Eighth Avenue

NE, and then turn south to the business district at NE 155th Street. This work is in design phase now, and the project should be put out for bids at the end of 2006. This upgrade is intended to accommodate the future denser uses that will be made in the mixed use zones of Shoreline in the North City and Ridgcrest areas. It will also alleviate low pressure in the Ridgcrest area. Ms. Haines restated that she is "very much in favor of our rezone of 17503 Tenth Avenue NE."

Patty Hale inquired about the status of the empty space behind the building at 17503 Tenth Avenue NE. We replied that it is a large back yard where, if the City requires it, we could site a permeable parking lot. Ms. Haines supported that idea, if required by the City.

Ms. Haines went on to say that she has known the owners of the subject parcel for many years through many owners. With teen drivers residing at the parcel, there have been some traffic problems at the site. Our use should alleviate such problems.

- K. Michael Smith, who is a neighbor of 17503 Tenth Avenue NE, two houses to the north, inquired what will happen when we sell the parcel. We responded that the parcel could be used by another business like ours, or, if the new owner so chose, the building could be razed and replaced. In the latter instance, new permits would be required. Mr. Smith expressed concern that Tenth Avenue NE is now almost an arterial and will only get worse.

We responded that traffic pressure on Tenth Avenue NE has worsened during the course of the North City redevelopment project, but should diminish somewhat now that the project draws to a close.

Patty Hale said that traffic planning is contemplating a roundabout at NE 170th Street on Tenth Avenue to break up that long stretch, and slow down the traffic. She also said that the four-way stop at NE 180th Street and Tenth Avenue NE has also slowed down traffic. She is investigating whether a polarized light filter that limits distant views of the color of the traffic signal at Tenth Avenue NE and NE 175th Street might not help slow traffic in the area by reducing the number of people gunning to get through the green light there.

Mr. Smith said that he supports our office use of the parcel because he would rather see us use it as a small office than have the location redeveloped as a condominium structure.

- L. John and Robin Leaden, who live at 17242 Eleventh Avenue NE, indicated their support for our rezone of the parcel. They would rather have us stabilize the use of the parcel in a low-impact business than see the parcel redeveloped into a triplex or small apartment building. Leadens said our use decreases the density of the neighborhood, and should relieve some traffic congestion.

- M. Haile and Lete Behre, who are the adjacent neighbors immediately to the north of the subject parcel at 17511 Tenth Avenue NE, have their driveway adjoining that of the subject parcel. Behres stated their strong support for our rezone application. They are happy we have cleaned up the subject parcel, and are hoping we will remain their neighbors. [Mr. Behre made a special effort to attend the meeting, despite the fact that it fell in the middle of his time for sleep, due to his late shift work.] Patty Hale inquired if we would be willing to install a fence between Lancaster Law Office and the Behre's parcel. We responded that we would be willing to do so if the Behres want that, but that in our view such a fence would make it more difficult for both us and the Behres to get in

and out of cars in our respective driveways. Behres did not indicate that they want such a fence.

- N. Sally Granger inquired about the parking currently available at the site. We responded that there are four parking places, one of which we would utilize daily. We told her that the maximum number of parking stalls required for the site would be three, under the Office zoning requirements.
- O. Charlotte Haines injected that she likes that our office is low key. Our presence at the subject parcel may induce other professionals to locate in the area, and therefore may provide an easy transition for this developing locale.
- P. Patty Hale inquired about what further process is involved in the rezone application. We described the process: a public hearing at which public comment will be taken, and then the city council will consider the matter and make the final decision.
- Q. Scott Solberg, who owns two adjacent parcels across the street on NE 175th Street, arrived just after the other participants had left the meeting. He strongly supports our rezone application. He intends to rezone his parcels when he is able to acquire a parcel adjacent to those parcels he presently owns. He has prospective tenants for the redevelopment he envisions: a real estate company, accounting firm, and construction company willing to relocate to the NE 175th Street and Tenth Avenue NE area. He is concerned with his parcels about possible storm water problems, but is willing to work with the city on those issues.

SUMMARY OF CONCERNS NOT ADDRESSED

Susan Garner (17526 Eighth Avenue NE, Shoreline, WA 98155) wants to insure that no "further expansion of zoning along NE 175th to the west" occurs, in order "to protect the current single family homes." We are unable to address what other persons may choose to do in the future.


Glenn and Linda Hinrichsen oppose any businesses in the neighborhood. We are unable to address their concern because our application seeks to place a business in the neighborhood.

SUMMARY OF PROPOSED MODIFICATIONS TO APPLICATION

None.

We enjoyed this process, and it gave us a chance to meet some of our neighbors. If you have any questions about this neighborhood meeting, please call me at my office.

Respectfully,



Brad Lancaster

RESPONSE FORM



**RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
SMC 20.30.080, 20.30.090 Neighborhood Meeting
Shoreline Center, Arden Room (E-300)
Thursday, June 29, 2006, at 6:00 p.m.**

FROM:

George + Joanne
Banschbach (Name)
816-NE 175th (Address)
Shoreline WA 98155
206 362-8949 (Telephone)

To: Brad and Kim Lancaster:

I am unable to attend your neighborhood meeting, but wanted you to have the benefit of my response to your proposal. I have the following thoughts:

Thank you for informing the neighbors
of your plans to have a home and office
on the corner of our block. Sounds
like you would be good neighbors and
keeping the house goes well with the
area. Also you would be handy if we
should need legal services. You seem
well organized and competent.

Sincerely,

Joanne Banschbach (signature)
6/15/06 (Date)

RESPONSE FORM



RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
SMC 20.30.080, 20.30.090 Neighborhood Meeting
Shoreline Center, Arden Room (E-300)
Thursday, June 29, 2006, at 6:00 p.m.

FROM:

John + Colleen Carmody (Name)
909 NE Serpentine (Address)
Shoreline WA 98135
206 361 5084 (Telephone)

To: Brad and Kim Lancaster:

I am unable to attend your neighborhood meeting, but wanted you to have the benefit of my response to your proposal. I have the following thoughts:

after many years of changing ownership
and occupancy of 17503 10th Ave NE -
the property line shared by a portion of
our property - we are amazed and
delighted to have such a huge
improvement in the house and yard -
the only thing better than the house
becoming a law office - viewed by
us as a plus for the neighborhood -
would be you, Brad, and Kim living
there.
we can imagine no negative impact
resulting from your request, if all
additions to the neighborhood
follow your lead!

Sincerely,

John P. Carmody (signature)
Colleen Carmody (signature)
6-28-06 (Date)

RESPONSE FORM



RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
SMC 20.30.080, 20.30.090 Neighborhood Meeting
Shoreline Center, Arden Room (E-300)
Thursday, June 29, 2006, at 6:00 p.m.

FROM:

Susan Garner
17526 - 8th Ave NE (Name)
Shoreline, WA 98155 (Address)

(Telephone)

To: Brad and Kim Lancaster:

I am unable to attend your neighborhood meeting, but wanted you to have the benefit of my response to your proposal. I have the following thoughts:

my concern is that you provide ample
parking for your ~~car~~ customers.
I would further limit any expansion
of zoning along NE 175 to the
west side protect the current
single family homes

Sincerely,

Susan Garner (signature)
6/22/06 (Date)

RESPONSE FORM



RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
SMC 20.30.080, 20.30.090 Neighborhood Meeting
Shoreline Center, Arden Room (E-300)
Thursday, June 29, 2006, at 6:00 p.m.

FROM:

GLEN & LINDA HINRICHS (Name)
17241-11th AVE NE (Address)
206-383-8198 (Telephone)

To: Brad and Kim Lancaster:

I am unable to attend your neighborhood meeting, but wanted you to have the benefit of my response to your proposal. I have the following thoughts:

WE DO NOT AGREE WITH YOUR RE-ZONE.
WE ARE LETTING THE DOOR OPEN FOR OUR NICE
RESIDENTIAL BLOCKS. WE DON'T WANT BUSINESSES
CREATING MORE TRAFFIC. THE NEIGHBORHOODS NEED
TO REMAIN FAMILY NOT BUSINESSES.

Sincerely,

[Signature] (signature)
6/24/06 (Date)

RESPONSE FORM

EXHIBIT

D

RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
SMC 20.30.080, 20.30.090 Neighborhood Meeting
Shoreline Center, Arden Room (E-300)
Thursday, June 29, 2006, at 6:00 p.m.

FROM:

Marie Lowther (Name)
924 NE 174th St (Address)
Shoreline WA 98155
367-2977 (Telephone)

RECEIVED

JUN 21 2006

LANCASTER LAW OFFICE

To: Brad and Kim Lancaster:

I am unable to attend your neighborhood meeting, but wanted you to have the benefit of my response to your proposal. I have the following thoughts:

I oppose your request to rezone 17503 Tenth Avenue NE. While I can appreciate that you perceive that you have positive intentions for the property I will list the following reasons that I see this site as different from many of the business you reference in your exhibit c.

1. The businesses East of this property referenced North City Dental, YMCA, North City Lumber & Auto Repair/Propane Vehicle Storage all have driveway entrances on 175th St, not the side street of 12th that is the other boundary street for some of the businesses.
2. There is currently no light for turning left off of 175th St to Tenth Ave. NE. The negative impact on the traffic on Tenth Ave. NE, due in part to the construction on 15th Ave. NE, has been significant. Many light cycles have three or more cars backed up blocking the driveway at 17503 Tenth Ave. NE to this property. If a car successfully turns off of 175th St. on to Tenth Ave. NE they may cause further congestion and traffic hazard to cars traveling northbound on Tenth Ave. NE because they are waiting to turn into the driveway that is blocked by cars.
3. These other businesses have daytime hours and do not offer evening appointments that may be required of a service business such as the legal services offered. It is in your best interest to present the impact as minimal, but the actual use could be very different.
4. The nature of their business does not suggest clients that could be accused of illegal activity. The nature of your business, you do not state your specialty in your documents, suggests clients who require legal council of some kind.

(OVER)

Sincerely,

Marie Lowther (signature)
6-19-06 (Date)

Cc: City of Shoreline Planning & Development, Patty Hale

I will also note you correctly state the premises has an air of neglect and could use clean up, the long term impact of a zoning change has repercussions that you do not state and cannot predict.

1. Once the zoning is changed, the site can be used for office space for any sort of business.
2. You express intent to use this location for long term, but there is no guarantee to the community once this change is made that your business, or even one with similar community impact would use the property in the same way.
3. Granting this zone use change is a sign that this area is being abandoned as single family residential and there is no precedence to deny further request of zoning changes.

I appreciate the opportunity to have my concerns addressed. The City of Shoreline has made several changes to this area, and my block, in the last few years that I feel have indicated a concession to decline, or a lack of respect for the residence of this neighborhood. **I implore you to find a suitable location for your business that is already zoned for the type of use you intend.**

RESPONSE FORM



RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
SMC 20.30.080, 20.30.090 Neighborhood Meeting
Shoreline Center, Arden Room (E-300)
Thursday, June 29, 2006, at 6:00 p.m.

FROM:

KIMANH PHAM (Name)
17525 9th Court NE (Address)
Shoreline, WA 98133-3642
(206) 306-0719 (Telephone)

To: Brad and Kim Lancaster:

I am unable to attend your neighborhood meeting, but wanted you to have the benefit of my response to your proposal. I have the following thoughts:

The location of your law office at 17503 Tenth Avenue NE may not cause any negative impact on our neighborhood at all. Thus I strongly support your application to rezone 17503 Tenth Avenue NE from its present R-8 zoning designation to Office zoning designation.

Sincerely,

Kim Anh Pham (signature)
6-30-2006 (Date)

RESPONSE FORM

EXHIBIT

tabbiter

D

RE: Brad and Kim Lancaster's Re-Zone Application for 17503 Tenth Avenue NE
SMC 20.30.080, 20.30.090 Neighborhood Meeting
Shoreline Center, Arden Room (E-300)
Thursday, June 29, 2006, at 6:00 p.m.

FROM:

Tom Ruhlman (Name)
7232 10th Ave NE (Address)
Shoreline, WA 98155
206-367-5074 (Telephone)

To: Brad and Kim Lancaster:

I am unable to attend your neighborhood meeting, but wanted you to have the benefit of my response to your proposal. I have the following thoughts:

I have no problem with
your office coming to the
corner of 175th + 10th -
seems like ~~the~~ 175th is rather
"business oriented" anyway -
Library, Churches, Dentist,
Lumber yard, car repair,
Restaurants, home for elderly -
welcome to the neighborhood -

Sincerely,

Tom Ruhlman (signature)
6-21-06 (Date)

DRAFT

These Minutes Subject to
October 19 Approval

CITY OF SHORELINE

SHORELINE PLANNING COMMISSION SUMMARY MINUTES OF REGULAR MEETING

September 21, 2006
7:00 P.M.

Shoreline Conference Center
Mt. Rainier Room

COMMISSIONERS PRESENT

Vice Chair Kuboi
Commissioner Broili
Commissioner Hall
Commissioner Harris
Commissioner Pyle (arrived at 8:00 p.m.)
Commissioner Phisuthikul
Commissioner Wagner

STAFF PRESENT

Steve Cohn, Senior Planner, Planning & Development Services
Steve Szafran, Planner II, Planning & Development Services
Jessica Simulcik Smith, Planning Commission Clerk

COMMISSIONERS ABSENT

Chair Piro
Commissioner McClelland

CALL TO ORDER

Vice Chair Kuboi called the regular meeting of the Shoreline Planning Commission to order at 7:04 p.m.

ROLL CALL

Upon roll call by the Commission Clerk, the following Commissioners were present: Vice Chair Kuboi, Commissioners Broili, Harris, Phisuthikul, Hall, and Wagner. Commissioner Pyle arrived at 8:00 p.m. Chair Piro and Commissioner McClelland were excused.

APPROVAL OF AGENDA

The Director's Report was placed at the end of the agenda.

APPROVAL OF MINUTES

The minutes of July 20, 2006 and August 3, 2006 were approved as corrected.

GENERAL PUBLIC COMMENT

No one in the audience expressed a desire to address the Commission during this portion of the meeting.

PUBLIC HEARING ON LANCASTER SITE SPECIFIC REZONE REQUEST: 17503 – 10TH AVENUE NORTHEAST (FILE NUMBER #201552)

Vice Chair Kuboi reviewed the rules and procedures for the public hearing. He reminded the Commission of the Rules of the Appearance of Fairness Laws and invited them to disclose any communications they may have received concerning the subject of the hearing outside of the hearing. None of the Commissioners disclosed a conflict of interest or an ex-parte communication. No one in the audience expressed a concern, either.

Staff Overview and Presentation of Preliminary Staff Recommendation

Mr. Szafran described the location of the subject property. He advised that the parcel is currently designated in the Comprehensive Plan as mixed-use. The current zoning of the subject property is R-8, and is currently developed as a single-family home at the northwest corner of North 175th Street and 10th Avenue Northeast. To the east is a single-family home, which resembles the subject property in its potential for redevelopment. A single-family home is located directly to the north. He pointed out that 10th Avenue Northeast appears to be a heavily traveled street. In addition, a Park-and-Ride is located on the south side of North 175th Street so the site lends itself well to public transportation.

Mr. Szafran reviewed each of the rezone criteria as follows:

- **Consistent with the Comprehensive Plan** – Office zoning is consistent with the mixed-use land use designation.
- **Rezone will not adversely affect public health, safety or welfare** – The current home integrates into the neighborhood. If the office zoning is adopted, future redevelopment of the site would have to meet all of the zoning standards in the Shoreline Development Code.
- **The immediate area is planned for mixed-use development** – The area is planned for change, and this is the first parcel to do so.
- **Has merit and value for the community** – The office zoning would allow a business that the neighborhood may need, and the office zoning would allow a natural transition between North 175th Street and the lower density houses to the north.

Mr. Szafran advised that staff recommends approval of the rezone application as proposed.

Applicant's Testimony

Brad Lancaster, applicant, advised that he has been practicing law in the City of Edmonds for the past nine years at Firdale Village, which is going to be torn down in the near future. They live at 18331 – 10th Northeast, which is about 10 blocks from the subject property. He and his wife are excited about the North City Development that is taking place and are hoping to be part of that in this new location. He advised that the current zoning of the subject property is single-family, and they are asking that it be changed to Office. This would permit them to use the existing structure as their law office. No structural changes would be necessary.

Mr. Lancaster reported that he and his wife have met with the neighbors both prior to and after purchasing the property to discuss their plans. A few neighbors provided some written comments, as well, and these were included as part of the Staff Report. In addition, he has provided copies of a response they wrote to Marie Lowther, who gave thoughtful written criticism of the proposal.

Mr. Lancaster advised that the immediate neighbors to the west and to the north have both voiced their strong support of the rezone application. He reviewed some of the criticisms that have come forward as he and his wife have met with the neighbors. There is a concern about traffic in the area because it has been especially bad on 10th Avenue Northeast during the North City Project as people have diverted from 15th Avenue to 10th Avenue Northeast. They are hopeful this traffic will die down again. He suggested that the proposed office use would likely result in less traffic than a single-family residential use. The site would only be used during business hours.

Mr. Lancaster pointed out that traffic problems already exist for the site. It is very difficult to turn north from the subject property onto 10th Avenue Northeast. Because the subject property is located on a corner, the access point is very close to the intersection. They plan to encourage only right turns out of the parking area. Because their home is located close by, they would only use one parking space. The other three on-site parking spaces would be utilized by clients. During a normal week, only three or four clients visit his office. Most of his work is done via the telephone and internet.

Mr. Lancaster said some neighbors have expressed concern that they don't want the neighborhood to change. While he sympathizes with their concern, this issue has already been decided by adoption of the Comprehensive Plan land use designation of mixed-use. The City recognized a need to make room for small businesses in mixed-use zones. He pointed out that their proposal has some special merits in terms of these concerns. He plans to practice law in this location for another 20 years or more, so the use would be stable. In addition, the office use would provide a good transition from the busy North 175th Street and the single-family residential neighborhoods.

Mr. Lancaster said he believes it is important for Shoreline to welcome new businesses as they develop more of their own identity. They should encourage small business owners to move into Shoreline. This would be beneficial to the City in many ways. He concluded that staff has recommended support of the proposal, as have the direct neighbors. He asked that the Commission recommend approval, as well.

Questions by the Commission to Staff

Commissioner Phisuthikul noted that the site plan shows parking space for four cars, and three of the spaces would be tandem. Normal access would require backing onto 10th Avenue Northeast, which would be difficult given the close proximity to the intersection. He asked if the Traffic Engineer has approved of this access and parking situation for a business use. Mr. Szafran pointed out that because only the use is changing and no structural changes have been proposed, the Traffic Engineer did not review the proposal. Changing the access would require substantial modifications to the site.

Commissioner Hall agreed with Commissioner Phisuthikul's concern. However, the same concern would be equally true for all the existing residential uses on 10th Avenue Northeast. None of the residential properties have been developed with loop driveways or turn arounds on site. Everyone has to back out of their driveways, so the proposal would not exacerbate the problem.

Public Testimony or Comment

Colleen Carmody, Shoreline, said her property shares a back fence with the subject property. While she has lived in her house for 14 years, she has seen the subject property change hands a number of times. She said she is delighted with the changes that Mr. and Mrs. Lancaster have brought to the home. It is already being maintained better, and they don't see that the change would have anything but a positive impact for them. They understand that this part of the neighborhood is changing; and hopefully, future changes will be done in this same manner.

John Carmody, Shoreline, agreed that they have seen nothing but a positive impact in their immediate vicinity as a result of the work done by the Lancasters. For years, there have been renters occupying the subject property, and these people really did not care about the property. They have had issues with past tenants with pets and clean up, etc. The change has been very positive, and the Lancasters are very nice neighbors who have communicated with them from the onset.

Sally Granger, Shoreline, said she lives in the North City area. She said it is her understanding that the Comprehensive Plan has designated North 175th Street to 8th Avenue Northeast as mixed-use and commercial. Therefore, she can see no problem with rezoning the subject property to office. In addition, the house looks 100% better since the Lancasters purchased it.

Presentation of Final Staff Recommendation

Mr. Szafran said staff's final recommendation is that the Commission recommends approval of the proposed office zone.

Final Questions by the Commission and Commission Deliberation

Commissioner Broili asked Mr. Lancaster if he and his wife plan to live in the home. Mr. Lancaster answered that they do not intend to live in the home. They live at 18331 – 10th Northeast. Commissioner Broili asked if the existing home would remain in its current state for use as an office

space. Mr. Lancaster agreed that the structure on the subject property would be used as an office, with no structural changes.

Closure of the Public Hearing

COMMISSIONER HALL MOVED TO CLOSE THE PUBLIC HEARING. COMMISSIONER BROILI SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Vote by Commission to Recommend Approval, Denial or Modification

COMMISSIONER HARRIS MOVED TO RECOMMEND REZONING THE LANCASTER PARCEL AT 17503 – 10TH AVENUE NORTHEAST FROM R-8 TO OFFICE AS RECOMMENDED BY STAFF. COMMISSIONER PHISITHIKUL SECONDED THE MOTION.

Commissioner Harris said he supports the rezone application. He noted there no real objections raised in any of the neighborhood meetings. He has noticed that the property has been cleaned up significantly, too. While this rezone would actually result in a net loss of residential density in the City, the change would be positive for the neighbors.

Commissioner Hall noted that in exchange for losing one residential unit, the City would pick up an additional two jobs so the change would be positive from an economic development standpoint. Bringing small businesses into the City is a valuable thing. The traffic concern raised by Commissioner Phisuthikul is legitimate, and the Commissioners should take issues like this into consideration during rezone deliberations. They must consider whether the transportation network, both motorized and non-motorized, can handle the future growth and development of the City. The applicant has built a strong relationship with his neighbors, which is something the City should encourage.

Commissioner Phisuthikul said his concerns regarding ingress and egress has been answered by Mr. Cohn. The office use would not create any worse situation than the current residential use. However, if the property is ever redeveloped, the City should take the opportunity to address this safety situation.

Commissioner Wagner pointed out that there were some dissenting opinions submitted regarding the proposal. The biggest concern was that people were opposed to change in the area. She concurred that change is going to happen in the area and that the character and nature of the proposed action is consistent with the neighborhood. The concerns raised by the opponents would not be allayed by stopping this one particular rezone.

Commissioner Broili added that the impacts associated with the office use would likely be less than the impacts associated with the current single-family residential use. The proposed business use would have no evening activity from the property.

THE MOTION CARRIED UNANIMOUSLY.

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CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adopting Ordinance No. 441 creating Section 5.05 of the Shoreline Municipal Code regarding business licenses and Adopting Ordinance No. 444 creating Section 3.01.080 of the Shoreline Municipal Code establishing a fee for business licenses.
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

The Council's 2005-2006 work plan includes the implementation of an active economic improvement plan. One of the milestones included in this goal is the implementation of a City business license/registration program. In accordance with Council direction, Ordinance No. 441 will create Section 5.05 of the Shoreline Municipal Code (SMC) regarding business licenses. Ordinance No. 444 will amend Section 3.01 of the SMC establishing a \$50 fee for a 12 month business license.

FINANCIAL IMPACT:

The 2007 proposed budget includes \$90,000 in business license revenue. At \$50 per license, the City would need to issue 1,800 business licenses to raise this level of revenue. At this time staff does not have a complete list of all businesses that will be required to license, but based on our sales tax records a minimum of 1,400 businesses should register, and we anticipate that the actual number of licenses issued will exceed this number.

At this time staff has not included additional staffing to implement the business license program. We have discussed the staffing impacts of administering the business license program with other cities that are partnering with the State of Washington Master Licensing Service and found that each City is different. Sammamish felt that they had very minimal staffing impact once the initial business letters were distributed. Bellevue and Tumwater, on the other hand, have additional staff to assist with the business license program, but it appears that much of the work done by staff is a result of the business and occupation tax that these cities also levy. Although staff is not recommending additional staffing at this time, Council should be aware that as we implement this program we will continue to monitor and may have to request additional staffing support if the workload becomes too burdensome for existing staff.

RECOMMENDATION

Staff recommends that the City Council adopt Ordinance No. 441 creating Section 5.05 of the Shoreline Municipal Code regarding business licenses and Ordinance No. 444 creating Section 3.01.080 of the Shoreline Municipal Code establishing a fee for business licenses.

Approved By: City Manager  City Attorney _____

INTRODUCTION

The Council's 2005-2006 work plan includes the implementation of an active economic improvement plan. One of the milestones included in this goal is the implementation of a City business license/registration program. In accordance with Council direction, Ordinance No. 441 will create Section 5.05 - Business Licenses of the Shoreline Municipal Code (SMC). Ordinance No. 444 will amend Section 3.01 – Fees of the SMC to establish a \$50 fee for a 12 month license.

BACKGROUND

Business Licenses

The City Council has given staff direction to develop a business license program for regulatory purposes.

Purposes for implementing a regulatory business license for all businesses include:

- Provide the City with a record of the owners and other contact information;
- Provide a master list of businesses and types of businesses that conduct business within Shoreline;
- Help ensure compliance with City ordinances (for example, zoning, fire and life safety, etc.); and,
- Provide a listing of businesses that can be used to audit against sales tax receipts to ensure that the City is receiving sales tax from all applicable businesses.

Regulatory business license fees are set at a flat rate per license in an amount designed to recover both the direct and indirect costs of registering the businesses and the issuing the licenses, maintaining the files, and inspecting businesses to make certain that all have a license.

State of Washington Master License Services (MLS)

The City Council agreed with staff's recommendation to pursue a business license partnership with MLS.

The MLS is a program within the state Department of Licensing that provides a centralized "one-stop" combined-licensing service to state and local agencies and the business community. The combined-licensing allows MLS to provide a single, centralized process on behalf of many different licensing agencies. Businesses indicate the licenses they need on a Master Application form that addresses the questions common to most applications, along with some specific information required of individual agencies. Applicants complete the single application and pay all required fees for the various agencies with a single check. A separate application must be filed for each physical business location, a common requirement of city business license programs. The application is processed at MLS, where the appropriate fees and information are then distributed through an automated process to each licensing agency affected by that application.

MLS is supported through the processing fees it charges applicants and licensees directly for the combined licensing services provided. These processing fees are currently \$15 to file a Master Application, regardless how many licenses are

requested on the application; and \$9 to file a renewal, again regardless of the number of licenses being renewed. For Shoreline businesses that are already obtaining a license through the Department of Licensing, the business is already paying this processing fee when they file their master license application.

Process

Currently staff is working with both MLS and the Department of Revenue (DOR) to get a listing of the businesses that have reported doing business within the City of Shoreline so that the City can begin notifying businesses that they must obtain a City of Shoreline business license.

At the City Council meeting on October 2, 2006, the Council asked staff to look at a revised implementation schedule based on the completion of the Aurora 145th-165th project. Staff has worked with MLS to develop the following proposed schedule:

To be completed by January 15, 2007:

1. The Department of Revenue is currently compiling a list of all businesses, that have registered with them, that have a physical location within the City of Shoreline, or businesses that have reported sales tax activity to the City of Shoreline, but that may not be physically located within Shoreline. This information should be made available soon.
2. The City will review this list and add any businesses that can be identified as existing in Shoreline. The City will use this list to develop an initial mailing list.
3. The City sends a "free application" letter to all the businesses on the mailing list. At this time businesses are not required to pay any fee as the information returned by the businesses will be used to establish the initial business license database and used by MLS to match against any businesses that already have a MLS account. The "free" period will expire on April 30, 2007.

To be completed by March 16, 2007:

1. MLS processes incoming letters into the MLS system (performs a "match conversion") using an assumed 4/30/07 expiration date.

March 19, 2007:

1. MLS will send renewals for the City businesses, based on the 4/30/07 assumed expiration for the accounts. As businesses complete these renewals they will pay their first City of Shoreline business license fee. Businesses that currently have an account with MLS, because they are required to obtain other State licenses, will pay a pro-rated fee that corresponds with the remaining timeframe that their existing State licenses are valid. Businesses that do not have an account with MLS will pay for and receive a City license that lasts a full calendar year. MLS staff will process renewals filed by the City licensees.

To be completed after May 10, 2007:

1. Any accounts not renewed by May 10, 2007 will be sent a delinquency notice (mailed automatically by the MLS system, and any returned will be processed by MLS).

2. After this initial conversion/proration/renewal process, the City's accounts will be on the regular MLS annual renewal cycle, based on their specific common expiration date.
3. The City will continue to monitor sales tax information, applications for permits, and business listings to ensure that all businesses obtain the required business license.

Business License Regulations

Ordinance No. 441 will create Section 5.05 of the SMC establishing business license policies and regulations. The primary regulations contained within the ordinance include:

Exemptions to the business license requirement

All businesses doing business within the City will be required to obtain a City business license with the following exceptions:

- Government agencies
- Sales by farmers or gardeners of their own farm products raised and grown exclusively upon lands owned or occupied by them.
- Casual and isolated sales, such as garage sales conducted at a residence, provided, that not more than four such sales are made during the calendar year.
- Delivery of goods by a vehicle to a customer by a business where the sale occurred on a business premises outside of the city and only event occurring within the City is a delivery.
- Minors engaged in baby-sitting, delivery of newspapers, lawn mowing, car washing, and similar activities.

During the Council meeting on October 9, Council asked about exempting businesses from the business license program if they had annual gross receipts less than \$12,000. As staff responded that evening, Council can use a gross receipts threshold as an exemption and MLS has confirmed that this is a policy decision of the Council. Although this is the case, it is staff's recommendation that we do not establish an exemption for businesses that generate less than \$12,000 in annual gross receipts. The primary reasons for this include:

- Many businesses that have annual gross receipts less than \$12,000 must still register for various State licenses or registration with MLS. MLS handles the registration for a number of State agencies including Department of Revenue, Employment Security and Labor & Industries. Many of these businesses would still be registering and/or obtaining licenses for State purposes through MLS even if the City exempted them from obtaining a City business license.
- As businesses are exempted from having to obtain a business license the City's ability to capture a full inventory of businesses that do within business in Shoreline is diminished.
- Relatively few cities use a gross receipts threshold to establish a business license exemption.

Fee

All businesses applying for a business license will pay the same flat fee except nonprofit organizations. MLS will verify with the Secretary of State that a business that claims to be exempt from the license fee has received this designation.

Staff has clarified with MLS whether it is just 501(c) nonprofits or all non-profits that would be exempt. Really this is a policy decision for the Council, as either can be done. If the City only wants to exempt 501(c) nonprofits then these organizations will be required to submit their 501(c) certificates with their business license application. MLS will manually verify this. On the other hand, if the Council wishes to allow all nonprofits to be exempt from the license fee, then MLS can automate the process and verify against the Secretary of State's non-profit registration that a business is registered as a non-profit. MLS is willing to do either, but most cities have chosen to exempt all non-profits and have MLS automate the process. Staff recommends that the City's ordinance allow all non-profits to be exempt from the license fee. This businesses will still be required to obtain a license, but will be exempt from paying the fee.

Expiration Dates

The City license expiration date will be coordinated with the expiration date of all other licenses or permits required by the State for each business.

Requirement for licenses for individual businesses

- Businesses that are required to obtain a specialty business license from the City will still be required to do so.
- A separate business license is required for each individual location within the City.
- Businesses that conduct business within the City, but do not have a physical location within the City, will be required to obtain a City license.
- A separate license is required for each business operated on a single premises. (i.e, Starbucks and Fred Meyer)
- A business license will not be transferable

Appealing a denial

A business that is denied a business license may appeal this decision with the City's hearing examiner.

Fees

Business License Fee: Council will amend Chapter 3 of the Shoreline Municipal Code (SMC), by adopting Ordinance No. 444, to adopt the business license fee. In February staff recommended that a twelve month license cost \$65. At that time, there was Council consensus to charge \$50 for a business license. Ordinance No. 444 establishes a \$50 fee for a twelve month license. Fees collected by MLS will be remitted to the City on a regular basis.

At this time there are no City delinquent fees proposed as MLS has its own delinquent fees and will handle that paperwork for the City as well. Delinquent fees are usually 50% of the original fee.

MLS Processing Fee: An existing business that is adding a City of Shoreline license to their account after the initial conversion process will pay the \$15 fee and file a Master Application and City Addendum. After that, new businesses that do not have an account with MLS will pay a \$15 processing fee the first time they obtain any required State and/or a City of Shoreline business license. A single handling fee is assessed for all the required licenses for each physical location.

The processing fee is not a new fee for any businesses which already obtain State or other city licenses through MLS. MLS retains all processing fees. Processing fees are in addition to the City's business license fee.

SUMMARY

The recommended policies of the City's business license program align closely with the requirements of many other cities. The City's business license program will enable the City to monitor the number and types of businesses doing business in the City, provide an additional method to assure that the City is receiving sales tax from appropriate businesses and information to ensure that businesses are in compliance with City regulations. The partnership between the City and MLS will allow the City to implement the business license program with a lower administrative cost than if the City were to implement this program independently.

RECOMMENDATION

Staff recommends that the City Council adopt Ordinance No. 441 creating Section 5.05 of the Shoreline Municipal Code regarding business licenses and Ordinance No. 444 creating Section 3.01.080 of the Shoreline Municipal Code establishing a fee for business licenses.

ATTACHMENTS

Attachment A – Ordinance No. 441 Adopting Section 5.05 of the Shoreline Municipal Code regarding business licenses.

Attachment B – Ordinance No. 444 Adopting Section 3.08.010 of the Shoreline Municipal Code establishing a fee for business licenses.

Attachment C – Staff Report from February 21, 2006 on Business License Program

ORDINANCE NO. 441

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON ESTABLISHING A BUSINESS LICENSE FOR THE REGISTRATION OF BUSINESSES OPERATING WITHIN SHORELINE, AND ADDING CHAPTER 5.05 TO THE SHORELINE MUNICIPAL CODE

WHEREAS, implementing a business license program is considered to be a sound management practice to protect the City and its citizens; and

WHEREAS, the City desires to have all businesses register with the City in order to have a record of the business owners and to help ensure that businesses are in compliance with City ordinances; and

WHEREAS, the registration of all businesses will assist the City in the audit of sales tax receipts; and

WHEREAS, the State of Washington's Department of Licensing Master Licensing Service program provides the opportunity for the City of Shoreline to partner with the Department of Licensing to provide a centralized, "one-stop" combined-licensing service between the City, the State, and the business community ;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. New Chapter. A new Chapter 5.05 "Business Licenses" is added to the Shoreline Municipal Code as follows:

Section 5.05 BUSINESS LICENSES

Section 5.05.010	Chapter and purpose
Section 5.05.020	Definitions—general
Section 5.05.030	License required—notice
Section 5.05.040	Application and renewal
Section 5.05.050	License term or expiration
Section 5.05.060	Fee
Section 5.05.070	Exception—applicability of provisions
Section 5.05.080	Penalty for late renewal
Section 5.05.090	Violation—Penalty
Section 5.05.100	License—suspension, denial or revocation
Section 5.05.110	Additional enforcement

5.05.010 Chapter and purpose. In order for the City to responsibly carry out the duties and authorities delegated to it by the Washington State Constitution and the laws of the State of Washington as a noncharter code city, maintenance of current information

with respect to business, trade, service, commercial and professional activities carried on within the City is necessary and essential to the public health, safety and welfare. Such information can best be accumulated and maintained on a current basis through the establishment of a program for the licensing and registration of such activities. The licensing and registration program established is established to protect the public and not intended to benefit any individual or class.

5.05.020 Definitions—general

For the purposes of this chapter, the following terms, phrases, words and their derivations shall have the meaning given in this section.

- A. “Business”, “occupation” or “pursuit” means and includes all home occupations, wholesalers, retailers, service providers, towing operators, peddlers, canvassers, solicitors, for-hire vehicles, limousine services, pawnbrokers, secondhand dealers and junk dealers engaged in with the object of economic gain, benefit or advantage to the person, firm or corporation, or to another person or class, directly or indirectly, whether part-time or full-time, whether resident or nonresident.
- B. “City” means the City of Shoreline, Washington.
- C. “Clerk” means such city employees or agents as the city manager shall designate to administer this chapter, or any designee thereof.
- D. “Engage in business” means commence, conduct, or continue in business, and also the exercise of corporate or franchise powers as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.
- E. “Person,” “firm,” or “corporation,” used interchangeably in this chapter, means any individual, receiver, assignee, trustee in bankruptcy, trust, estate, firm, co-partnership, joint venture, club, company, joint stock company, business trust, corporation, association, canvasser, peddler, solicitor, society, or any group of individuals acting as a unit, whether mutual cooperative, fraternal, nonprofit or otherwise, and includes the United States or any instrumentality thereof.

5.05.030 Business License required—Notices

It is unlawful for any person, firm or corporation to engage in any business, occupation or pursuit as defined in Section 5.05.020, in the city without first having obtained a business license therefore as provided in this chapter, except those businesses or activities for which a regulatory business licenses or franchise is required by any other chapter or section of the Shoreline Municipal Code as now or hereafter enacted or amended. The business license provided for in this chapter shall be posted in a conspicuous location at the place of the business. Such business license is nontransferable.

5.05.040 Application and renewal.

- A. Application for a business license shall be made by filing a Master Application through the State Department of Licensing’s Master License Service, in coordination with the City Clerk, giving such information as is deemed reasonably necessary to enable the enforcement of this chapter.

Persons applying for a license must pay a fee as established by the city council by ordinance, and the Master License Service's handling fee.

- B. A business license must be approved by the city before a business commences operation within the City. If business is transacted by one person at two or more separate locations within the City a separate application must be filed for each business location and a separate license shall be obtained and displayed in each location.
- C. The Clerk may refer applications to the Planning and Development Services Department, the Police Department, or other governmental agencies for their review. Compliance with building, zoning and other laws is the business owner's responsibility and issuance of a business license is not a guarantee of compliance or a waiver of future enforcement by the City or other agency with jurisdiction.
- D. If more than one business is conducted or operated on a single premises, a separate license shall be required for each business. Each business owner must make a separate application for license.
- E. The filing of an application for a license, or the renewal thereof, or the payment of any application or renewal fee, shall not authorize a person to engage in or conduct a business until such license has been granted or renewed.
- F. A business license is not nontransferable. No licensee shall allow another person to operate a business under, or display the license issued to their business, nor shall another person operate under or display the license issued to another business. A person who acquires an existing business must make application for a city business license before commencing business within the city with that business. A licensee must report a change of location of the business to the Master License Service, in coordination with the City Clerk. A change of the location of a business requires approval by the city before business may commence at the new location, and may require submitting a new Master Application and payment of fees.
- G. License renewals are handled by the Master License Service in coordination with the City. Renewal of the city license requires payment of fees including handling fees.

5.05.050 License term or expiration.

Each city license issued shall be issued for one year with an expiration date as determined by the Master License Service, in coordination with the City. The City license may be prorated to coordinate with the expiration date assigned by the Master License Service.

5.05.060 Fee.

- A. The fee for the business license required by this chapter shall be established by ordinance of the City Council. The fee may be pro-rated as necessary to conform to Section 5.05.050.
- B. The license fee shall be in addition to any license fee or tax imposed or levied under any law or other ordinance of the City except as otherwise expressly provided.

- C. If conducting business within the city, businesses registered with the Washington Secretary of State as a nonprofit corporation must obtain a city business license, but are exempt from paying the city's business license fee.

5.05.070 Exception – applicability of provisions.

This chapter shall not be applicable to:

- A. The performance of governmental or proprietary functions by any instrumentality of the United States, the State of Washington, or any political subdivision thereof.
- B. Sales by farmers or gardeners of their own farm products raised and grown exclusively upon lands owned or occupied by them;
- C. Casual and isolated sales, including garage sales conducted on residential premises in compliance with land use ordinances; provided, that not more than four such sales are made during the calendar year;
- D. The delivery of goods by vehicle to a customer or client by a business where the sale occurred on a business premises outside of the City and the only event occurring within the City is a delivery;
- E. Minors engaged in baby-sitting, delivery of newspapers, lawn mowing, car washing, and similar activities.

5.05.080 Penalty for late renewal. Licenses must be renewed annually on or before the expiration date, or expiration of any prorated period. Failure to renew a business license by the license expiration date may result in the assessment of a late renewal penalty, and may lead to the revocation of the city license. Notwithstanding 5.05.100.C., revocation of a license due to non-renewal may require reapplication for the city license, and approval by the city before the revoked business may continue operation within the city.

5.05.090 Violation—penalty. Any violation of this chapter shall constitute a misdemeanor and the punishment shall be as provided by the laws of the State of Washington.

5.05.100 License – Suspension, denial or revocation.

- A. A business license may be denied, suspended or revoked by the clerk whenever the licensee or any of its officers, directors, agents, owners or employees fails or have failed:
 - 1. To maintain the licensed premises or business activity in compliance with applicable health, building, fire and safety laws, ordinances or regulations;
 - 2. To comply with the requirements of this chapter; or
 - 3. To renew a business license within 120 days after the expiration date of the license.
- B. The clerk shall, by certified mail, give written notice to the applicant of denial of a license or to the licensee of suspension or revocation of a license, including a summary of the complaints, objections and information considered by the clerk

and the reason(s) for the action. Notice mailed to the mailing address on the application or most recent renewal shall be deemed received three days after mailing. The clerk's decision may be appealed to the City hearing examiner upon payment of the appropriate appeal fee.

C. Any suspension or revocation shall remain in effect until the conditions causing the suspension or revocation are cured and reasonable measures are taken to ensure that those conditions will not recur.

D. Appeals of any license suspension, revocation or denial shall be heard by the Shoreline Hearing Examiner. An Appeal Statement must be filed with the City Clerk within fourteen (14) days of the decision being appealed.

5.05.110 Additional enforcement. Notwithstanding the existence or use of any other remedy, the city attorney may seek legal or equitable relief to enjoin any acts or practices, which constitute or will constitute a violation of any business license ordinance or other regulations herein adopted.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date and Publication. A summary of this ordinance consisting of the title shall be published in the official newspaper and the ordinance shall take effect 30 days after publication.

PASSED BY THE CITY COUNCIL ON OCTOBER 23, 2006.

Mayor Robert L. Ransom

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:

Effective Date:

ORDINANCE NO. 444

**AN ORDINANCE OF THE CITY OF SHORELINE,
WASHINGTON ESTABLISHING A \$50 BUSINESS LICENSE FEE
AND ADDING SECTION 3.01.080 OF THE SHORELINE
MUNICIPAL CODE**

WHEREAS, implementing a business license program is considered to be a sound management practice to protect the City and its citizens; and

WHEREAS, the City desires to have all businesses register with the City in order to have a record of the business owners and to help ensure that businesses are in compliance with City ordinances; and

WHEREAS, the registration of all businesses will assist the City in the audit of sales tax receipts; and

WHEREAS, the City desires to charge a flat rate for all businesses that are required to obtain a license;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF
SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. New Section. A new Section 3.01.080 "Business License Fees" is added to the Shoreline Municipal Code as follows:

Section 3.01.080 BUSINESS LICENSE FEES

- A. The fee for a twelve month business license required by Chapter 5.05 of the Shoreline Municipal Code shall be \$50. The fee may be pro-rated as necessary to conform to Section 5.05.070 of the Shoreline Municipal Code.
- B. The license fee shall be in addition to any license fee or tax imposed or levied under any law or other ordinance of the City except as otherwise expressly provided.
- C. The following shall be exempt from payment of fee:
 - 1. Nonprofit and not-for-profit activities and fundraising sales carried on by religious, charitable, educational, benevolent, fraternal or social organizations which have been determined by the Internal Revenue Service (IRS) of the United States to be exempt from the payment of income tax and whose charitable contributions would be deemed tax deductible and listed as such with the Washington Secretary of State.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date and Publication. A summary of this ordinance consisting of the title shall be published in the official newspaper and the ordinance shall take effect 30 days after publication.

PASSED BY THE CITY COUNCIL ON OCTOBER 23, 2006.

Mayor Robert L. Ransom

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:
Effective Date:

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Business License/Registration Program
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

The Council's 2005-2006 work plan includes the implementation of an active economic improvement plan. One of the milestones included in this goal is the implementation of a City business license/registration program. This staff report provides some options available to the Council in implementing such a program.

Although the City Council has had some preliminary discussions regarding a business license program and has indicated an interest in implementing such a program, this will be the first time in which the Council has a specific discussion on the policy direction that should be established for the business license program.

Specifically staff would like to have Council determine their policy direction on the following items:

- Regulatory or Revenue-Generating Business License Program
 - If Council desires a revenue-generating program, should revenues in excess of the cost of the business license program be allocated for a specific purpose such as economic development.
- Specific Exemptions or Thresholds
 - Are there exemptions other than non-profit agencies that the City Council would like considered?
 - Does the Council desire a minimum sales threshold before businesses are required to obtain a license or pay a license fee?
- One-time vs. On-going registration
 - Staff would recommend that the City require businesses to register annually. If Council has a different policy recommendation then it would be helpful to make staff aware of this at this time.

FINANCIAL IMPACT:

The 2006 adopted budget estimates annual business license program revenue at \$95,000.

RECOMMENDATION

Staff recommends that the Council provide direction on the policy questions presented in this staff report. Based on the Council direction, staff will proceed with the following:

- Develop an ordinance to implement the business license program

- Determine whether a partnership with the State Master License Services (MLS) can be used to implement the City's business license program or whether the City should independently implement a business license program
- Develop a business outreach program to provide information regarding the City's business license program to businesses.

If Council consensus on policy issues is reached on February 21, staff anticipates that they could return in April with a recommended ordinance to implement the business license program. It is staff's intent to implement the business license program during 2006. The timing of the program implementation may vary depending whether the City can partner with MLS or if we must establish an independent program.

Approved By: City Manager ____ City Attorney ____

INTRODUCTION

The Council's 2005-2006 work plan includes the implementation of an active economic improvement plan. One of the milestones included in this goal is the implementation of a City business license/registration program. This staff report provides some options available to the Council in implementing such a program.

BACKGROUND

The Revised Code of Washington (RCW) Chapter 35A.82.020 authorizes code cities to exercise the authority authorized by general law for any class of city to license and revoke the same for cause, to regulate, make inspections and to impose excises for regulation or revenue in regard to all places and kinds of business, production, commerce, entertainment, exhibition, and upon all occupations, trades and professions and other lawful activity.

Based on this authorization the City of Shoreline is authorized to assess business taxes and licenses in three forms:

1. Excise (percentage) taxes levied on different classes of business to raise revenue. These are commonly called general business and occupation taxes.
2. Licenses for the purposes of regulation only.
3. Licenses to regulate and raise revenue.

As the economic improvement plan includes consideration of a City business license/registration program, this staff report will focus on business licenses.

Regulatory License Fees

Regulatory license fees fall into two categories: 1) professional and occupational licenses and 2) business license fees. The City already assesses occupational license fees for some specialty businesses such as massage businesses, pawnbrokers, secondhand dealers, and solicitors. Other businesses are not currently required to obtain a license from the City of Shoreline.

Purposes for implementing a regulatory business license for all businesses include:

- Provide the City with a record of the owners and other contact information;
- Provide a master list of businesses and types of businesses that conduct business within Shoreline;
- Help ensure compliance with City ordinances (for example, zoning, fire and life safety, etc.); and,
- Provide a listing of businesses that can be used to audit against sales tax receipts to ensure that the City is receiving sales tax from all applicable businesses.

Regulatory business license fees are set at a flat rate per license in an amount designed to recover the costs of registering the businesses and the issuing the licenses, maintaining the files, and inspecting businesses to make certain that all have a license.

The fees charged should be fair and bear a reasonable relation to costs, including both direct and indirect costs.

Revenue-Generating Regulatory Licenses

Revenue generating business licenses are usually issued for all the same reasons as regulatory businesses, but the fee structure is established to generate revenue for City operations beyond the cost of implementing the business license program. Rather than charge a single flat fee to license all businesses, cities that license to generate revenue use a variety of criteria to separate businesses into different classes and then charge unique flat fees on each class. Some of the most common class differences include classifying businesses based on the number people they employ, fees based solely on the type of business, the square footage of the establishment, or a combination of these. The law allows for a good deal of creativity in designing these license fees. However, classes of the businesses must be clearly defined, with each firm within each class being charged the same fee.

Other Cities

According to the Association of Washington Cities 2004 Tax and User Fee Survey, 186 cities responded that they charged either a regulatory or revenue generating business license fee. Attachment A provides a list of 19 cities that are either in close proximity to Shoreline and/or are cities used as comparables to Shoreline. All of these cities require a business license. Of those 19, 11 of them charge a flat fee business license which would indicate that they are charging a business license for regulation purposes. Of those 11 cities charging a regulatory business license fee, five of the cities also charge a business and occupation tax. This would include Seattle, Bellevue, Everett, Lake Forest Park and Olympia. Bellevue and Everett only require that businesses obtain a license one-time and have no requirement for an annual renewal, although businesses must pay the business and occupation tax on an on-going basis. Of the seven cities charging a revenue generating business license fee, only one city, Burien, charges a business and occupation tax.

Although most cities put any revenue generated from business license fees in their general fund to cover the cost of implementing a business license program and other general government costs, the cities of Redmond and Renton, which have revenue generating business license programs, have chosen to allocate any proceeds from business license fees in excess of the cost of implementing their business license program towards economic development or capital improvements. The City of Redmond bases their business license fee on number of employees and charges a rate of \$83.25 per employee. This fee is composed of \$28.25 per employee as a base fee, and then an additional \$55 per employee as a surcharge. The surcharge is specifically allocated to funding for transportation infrastructure improvements. This generates nearly \$2 million of revenue annually for the City's transportation capital funding related to economic development.

State of Washington Master License Services (MLS)

The MLS is a program within the state Department of Licensing that provides a centralized "one-stop" combined-licensing service to state and local agencies and the business community. The combined-licensing allows MLS to provide a single, centralized process on behalf of many different licensing agencies. Businesses indicate

the licenses they need on a Master Application form that addresses the questions common to most applications, along with some specific information required of individual agencies. Applicants complete the single application and pay all required fees for the various agencies with a single check. A separate application must be filed for each physical business location, a common requirement of city business license programs. The application is processed at MLS, where the appropriate fees and information are then distributed through an automated process to each licensing agency affected by that application.

MLS then issues a single "Registrations and Licenses" document, commonly referred to as the 'Master License.' The license document is specific to a particular business location. Each of the licenses that have been granted to the business owner at that physical location appears as a line item "endorsement" on the Master License. Licensing agencies retain full regulatory control over their own license and continue to approve or deny the applicant as appropriate; the individual license endorsement is not printed on the 'Master License' until all of the regulating office's requirements are met. The 'Master License' includes a single, common expiration date for all licenses with a renewal requirement held by the licensee. This allows MLS to issue a single, annual renewal notice.

MLS allows cities to partner with them to issue their business licenses through this single common method and in fact they have developed a grants program to assist in meeting the cost of the partnership process. The grants program is to be available in 2006. To date five cities have partnered with MLS to issue their city business licenses: Bellevue, Richland, Sammamish, Tumwater, and Spokane Valley. City staff has already visited the City of Sammamish and Bellevue to discuss and review the process they use to issue licenses in conjunction with MLS.

In discussing with MLS staff their process and recommendations if the City of Shoreline desired to partner with them to issue City business licenses, they advise that in general the more simple the City's licensing requirements the more likely that the City's process will fit with MLS. Although MLS would try to accommodate more complex processes or requirements, the project may need to be postponed to a future date, or until after additional MLS enhancements have been developed. Complex requirements may include using a more complex fee schedule, such as per employee or square footage; a variety of exemptions; or a difficult classification of businesses.

Basic requirements that MLS would encourage to make the partnership between them and the City work better would include:

- Capability for establishing electronic data communication with MLS.
- Local government application questions that are easy for the applicants to complete, using a standard, shared addendum form along with the Master Application.
- Flat-rate license fee
- Little, or no information required to be collected at renewal time
- Ability to use the 9-digit Unified Business Identifier (UBI) number, plus a the 7-digit MLS extension to identify and track business records.
- Establishing a UBI Field Office at the City's own licensing office.

- Being able to accommodate expiration dates staggered throughout the year. (Many of cities have their business license cover a calendar year, and as such all of their business licenses expire annually on December 31. MLS works with a rolling twelve month license so expiration dates coincide with the anniversary date of when a business first obtained their license.)
- Focusing only on business licenses. MLS would normally expect that the City continue our internal process for the issuance of occupational type licenses (Adult Entertainment, Home Occupation permits, Pawnbroker Licenses, etc.)

Since the City is just in the formation stages of its business license program, we would be able to accommodate many of these requirements, if they were in line with the Council's policy direction in establishing a business license program.

As far as establishing a UBI Field Office, staff believes that we could accommodate this requirement. Basically, 'Master Applications' filed on paper must either be submitted at a public counter or mailed directly to MLS. The statewide UBI program allows business persons to submit a Master Application and receive a UBI number issuance at the counters of any of the regional service centers (field offices) of the State departments of Revenue, Labor & Industries, or Employment Security, and the main counters in Olympia of the Corporations Division of Secretary of State, and the Master License Service (Department of Licensing) – these five state agencies represent the UBI program managing board as well as being MLS partners. In addition, each participating city also accepts Master Application forms at its public counter.

Each of the field offices is responsible for maintaining a supply of the basic application forms, receipting the application filings submitted there, issuing the applicant a UBI number, and forwarding the application filings to MLS for further processing. Each field office is capable of connecting to the Department of Revenue computer system to issue UBI numbers, as well as the to the MLS computer system for account research. MLS does allow for on-line registrations, and therefore applicants are encouraged to pursue on-line registration.

MLS is supported through the handling fees it charges applicants and licensees directly for the combined licensing services provided. These handling fees are currently \$15 to a file a Master Application, regardless how many licenses are requested on the application; and \$9 to file a renewal, again regardless of the number of licenses being renewed. For Shoreline businesses that are already obtaining a license through the Department of Licensing, the business is already paying this handling fee when they file their master license application. This handling fee is in addition to the City's business license fee.

Based on staff's discussion with Bellevue and Sammamish, MLS does perform some of the business license enforcement actions, such as following up with businesses who have failed to obtain or renew required licenses.

Independent City Program

Many cities offer a business license program independent of the MLS and the City of Shoreline could decide to do this also. It is likely we would use the City's Hansen

software system to issue and track license transactions and information. Currently we would estimate that it would take at least a .5 FTE to be dedicated to the business license program, dependent on the number of enforcement actions and amount of time needed to follow-up on business license related inquiries after the program is implemented. The City would issue its own licenses and be responsible to process all payment transactions.

There are advantages and disadvantages with either operating a business license program through MLS or independently through the City. Basically operating a business license program directly allows the City to make the program as simple or complex as desired regarding fee structure, exemptions, renewals, enforcement, and process. Businesses would be required to obtain State licenses separately. Partnering with MLS may require that the City develop a more simplistic system in order to work easily with the State's system, but would provide for a "one-stop" licensing system for both the City's business license and state licenses for Shoreline businesses and less personnel impact to the City as the MLS is responsible for issuing licenses and collecting fees.

Policy Issues

Decisions on various policy issues will determine whether the City should further explore the ability to work with MLS or should develop a business license program independently. These policy decisions include the following:

1. *Regulatory or Revenue Generating Business License Program:* The City's fee structure will depend on the focus of the business license program. If the Council desires to have a business license program that focuses on regulation (identifying businesses that operate in the City, conformance with zoning regulations, etc.) then the fee structure will be a flat fee for all businesses with the revenue generated from the program approximating the cost of the business license program (both direct and indirect costs).

If the Council desires not only to use the business license program for regulatory purposes, but also to generate revenue for providing services or dedicating the revenue for a specific purpose, then the City can implement a revenue generating business license program. In this case, the City would need to determine classifications for businesses and apply a fee structure that meets those classifications. The most common classifications are number of employees employed by the business, square footage of business, or types of businesses.

Estimating that there will be a minimum of 1,400 business licenses issued by the City, the revenue generated by a regulatory business license at \$25 per license would be \$40,000, \$50 per license would be \$70,000, or at \$75 would be \$105,000. It is likely that there may be more than 1,400 businesses that would register in the City once the program is implemented. This estimate is based on the number of businesses that currently pay more than \$100 in annual sales tax to the City or does \$12,000 in annual sales. This does not mean that the City must exempt businesses that have \$12,000 in annual gross receipts or less, but this is the threshold that is used by the Department of Revenue for requiring

businesses to register in the State. Revenue generated by revenue generating business license program could be much greater depending on the basis used for assessing the business license fee. The fee for an individual business will vary based on either the number of employees employed by the business or the size of facility used to operate the business. If number of employees were used to determine the business license program under a revenue generating business license program, those businesses with a larger number of employees would most likely pay a much higher license fee than those with only a few employees. The 2006 adopted budget estimates that the City will collect \$95,000 in business license revenue annually.

Whether the City implements a regulatory or revenue generating business license program, may determine the City's ability to develop a partnership with the State of Washington MLS.

2. Specific Exemptions or Inclusions

Most cities provide that all businesses doing business within the City's boundaries be required to obtain a business license unless specifically exempted. Most cities exempt or provide for a minimum license fee for non-profit businesses that are registered with the office of the Secretary of State or have an IRS 501(c) certificate. Some exempt businesses that are below a specific sales threshold or exempt specific types of businesses. This information is included for comparable cities on Attachment A.

3. Renewal or One-Time Business License Fee

Most other cities require that businesses register annually and that a business license fee be charged annually. As you will see from Attachment A, two of the comparable cities charge a one-time fee, Everett and Bellevue. These cities also charge an on-going business and occupation tax on the business's gross receipts.

STAKEHOLDERS

Businesses

Once staff has received feedback from the City Council on the three policy areas, staff will engage in an outreach effort to the business community on the proposed business license program. The Economic Development Task Force has had several discussions regarding a business license program and in fact they have recommended that the City implement such a program. Their recommendation has not focused on a specific fee structure, but they have indicated that revenue generated should be used to pay for any costs of the business license program and then allocated towards economic development programs designed to benefit the business community.

After the Council determines if they desire to implement a regulatory or revenue generating program, staff will develop a recommended fee structure. A flat fee structure will result in all businesses paying the same fee. Small businesses may feel that they should not have to pay the same fee as large businesses. At the same time if a revenue-generating business license program is implemented and a graduated fee is developed, businesses with a large number of employees or larger facilities may pay a

much higher fee than businesses with few employees or small facilities. In either case this will be a new business expense for all businesses.

It is staff's desire to develop a program that is simple for businesses to comply with while meeting the policy direction of Council. Staff will work with businesses to identify how we can have the least impact to them while meeting the needs of the City.

Other Agencies

The Shoreline Fire District is very interested in the City implementing a business license program. We have included a representative from the District in staff discussions about a business license program. We will continue to work with them to identify how a program can provide mutual benefits to both of our governments. Even though this is the case, there may be times in which we may not be able to meet all the needs of the District.

SUMMARY

Although the City Council has had some preliminary discussions regarding a business license program and has indicated an interest in implementing such a program, this will be the first time in which the Council has a specific discussion on the policy direction that should be established for the business license program.

Specifically staff would like to have Council determine their policy direction on the following items:

- Regulatory or Revenue-Generating Business License Program
 - If Council desires a revenue-generating program, should revenues in excess of the cost of the business license program be allocated for a specific purpose such as economic development.
- Specific Exemptions or Thresholds
 - Are there exemptions other than non-profit agencies that the City Council would like considered?
 - Does the Council desire a minimum sales threshold before businesses are required to obtain a license or pay a license fee?
- One-time vs. On-going registration
 - Staff would recommend that the City require businesses to register annually. If Council has a different policy recommendation then it would be helpful to make staff aware of this at this time.

RECOMMENDATION

Staff recommends that the Council provide direction on the policy questions presented in this staff report. Based on the Council direction, staff will proceed with the following:

- Develop an ordinance to implement the business license program
- Determine whether a partnership with the State Master License Services (MLS) can be used to implement the City's business license program or whether the City should independently implement a business license program
- Develop a business outreach program to provide information regarding the City's business license program to businesses.

If Council consensus on policy issues is reached on February 21, staff anticipates that they could return in April with a recommended ordinance to implement the business license program. It is staff's intent to implement the business license program during 2006. The timing of the program implementation may vary depending whether the City can partner with MLS or if we must establish an independent program.

ATTACHMENTS

Attachment A – Comparable Cities Matrix

ATTACHMENT A

City	Regulation Only or Revenue Generating	Fee	Fee Base	One-Time or Annual	Threshold Amount/ Exemptions	B&O Tax
Auburn	Regulation	\$25	Flat Amount	Annual	None	N/A
Bellevue	Regulation	\$26	Flat Amount	One-Time	Farmers	0.1496%
Bothell	Revenue Generating	\$19-\$516+	Combination - # of employees, square feet, business type	Annual	\$1,000/month	N/A
Burien	Revenue Generating	\$30-\$150	# of employees	Annual	Non-Profit Farmers Govt. Agencies Minors	0.5%
Edmonds	Regulation	\$65	Flat Amount	Annual (\$25 Renewal)	Non-Profit Leasing a single rental unit or one private residence	N/A
Everett	Regulation	\$10	Flat Amount	One-Time	\$12,000/year	0.1%
Federal Way	Regulation	\$50	Flat Amount	Annual	Non-Profit	N/A
Kent	Regulation	\$75	Flat Amount	Annual	Non-Profit	N/A
Kirkland	Revenue Generating	\$100 -\$2,600	Combination - # of employees and gross receipts	Annual	\$2,000<Annual Gross Receipts Non Profit, Govt. Agencies, Religious Organizations (\$25 Fee)	N/A
Lake Forest Park	Regulation	\$20	Flat Amount	Annual	Non-Profit, Farmers, Taxi, limousine, airporter, Sellers operating outside the City an the only event occurring within the city is receipt of such services	0.2%
Lakewood	Regulation	\$35	Flat Amount	Annual	Farmers, Minors doing babysitting and delivery	N/A

ATTACHMENT A

City	Regulation Only or Revenue Generating	Fee	Fee Base	One-Time or Annual	Threshold Amount/ Exemptions	B&O Tax
					of newspapers, Non-profit	
Lynnwood	Revenue Generating	\$88+\$14 (Resident Business) \$142 +14 (Non-Resident) \$26+ \$14 (Home Occupation) \$105 One-Time First Time License	Flat Amount + per employee	Annual	Non-Profit	N/A
Mountlake Terrace	Revenue Generating	\$93-\$654	# of employees	Annual	Non-Profit	N/A
Olympia	Regulatory	\$80 First time \$30 Renewal	Flat Amount	Annual	<\$900 per quarter in gross receipts	Services – 0.2% Others – 0.1%
Redmond	Revenue Generating	\$83.25 per employee (\$28.25 per employee base + \$55 per employee surcharge for transportation infrastructure)	# of employees	Annual	\$15 for businesses < \$1,500 per year Govt. Entities; Farmers; Non-Profit; Residential Rental or Leasing of 4< Units; Under 18 Years of Age; Daycares < 13 Children	N/A
Renton	Revenue Generating	\$55 per employee	# of employees	Annual	Certain translators and attorneys that are providing services to clients but have a license in another City and do not have a physical location within Renton	N/A
Sea-Tac	Regulation	\$35	Flat Amount	Annual	<=4 sales transactions per year	N/A

ATTACHMENT A

City	Regulation Only or Revenue Generating	Fee	Fee Base	One-Time or Annual	Threshold Amount/ Exemptions	B&O Tax
Seattle	Regulation	\$80	Flat Amount	Annual	\$50,000/year license only	Services – 0.415% Others – 0.215%
University Place	Revenue Generating	\$50 \$25 – Home Occupation	Type of business + Square Footage	Annual	<\$12,000 per year in gross receipts; Minors; Govt. Entities; Non-Profit	N/A

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	2007 Proposed Budget Department Presentations
DEPARTMENT:	City Manager
PRESENTED BY:	Robert Olander, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager presented the 2007 Proposed Budget to the City Council on October 16, 2006. Tonight's agenda includes an opportunity for department directors to review their budget proposals with the City Council. The focus of the departmental presentations will be on any significant changes between the department's 2006 budget and the 2007 proposed budget.

The proposed 2007 budget has been made available to the public and is available at the City Hall, Shoreline Police Station, Neighborhood Police Centers, Shoreline Library and Richmond Beach Library. In addition the October issue of the Currents is a special 2007 Budget issue that has been sent to all residents within the City.

The department presentations will focus on those departments with significant budget and/or service level changes. This will serve to expedite the budget review process and make the best use of the Council Meeting time. Although this is the case, all Department Directors will be available to answer questions. Those departments with planned presentations include:

<u>October 23</u>	<u>November 6</u>	<u>November 13</u>
Finance & Information Services	Criminal Justice (Jail)	Public Works
Police	Parks & Recreation	
	Planning & Development Services	
	Economic Development	

Tonight we plan to complete department review through the Police Department. Future budget workshops are planned for November 6, November 13, and November 20. Attachment A to this staff report is a suggested schedule for topics that will be covered at each of these workshops. Public hearings on the budget will be held on November 6th and 13th. The hearing on November 13th will have special emphasis on revenue sources and the 2007 property tax levy. The budget is scheduled for adoption on November 27.

FINANCIAL IMPACT: The 2007 Proposed Budget totals \$68,206,170.

RECOMMENDATION

No action is required by the City Council. The public hearing is an opportunity for public comment on the budget. Department presentations will be for informational purposes and provide an opportunity for Council to ask specific questions regarding proposed department budgets.

Approved By: City Manager  City Attorney _____

ATTACHMENTS:

Attachment A: Proposed Budget Review Schedule

INTRODUCTION

The presentation for the public hearing will provide a broad overview of the proposed 2007 budget. Department presentations will focus on any substantial changes from 2006 to 2007.

DISCUSSION

The 2007 proposed budget is the overall plan for allocating City resources to the programs necessary to keep the community safe, enhance the quality of life, and maintain and develop the City's infrastructure. The proposed budget totals \$68,206,170.

The most significant changes from 2006 included in the 2007 proposed budget include:

- *Property Tax*: The projected 2007 property tax levy rate is \$1.14 per \$1,000 assessed valuation. This is a 2.6% reduction from the 2006 tax rate. The budgeted property tax levy, 99% of the projected levy, is \$7,066,510, a 1.9% increase compared to 2006.
- *Human Service Funding*: The 2006 budget included an \$83,000 increase in the base General Fund budget for human service agencies. The 2007 budget includes an additional \$10,000 increase in General Fund allocation.
- *Salary & Benefit Changes of Existing Positions*:
 - Market salary adjustments and step increases are budgeted as provided for in the City's compensation policy. The budget includes an overall 3.78% market adjustment for all regular personnel classifications (\$341,830) and anticipated step increases for eligible employees (\$147,642). The market adjustment is estimated at 90% of the June Seattle-Tacoma CPI-W. This CPI was 4.2%. The August CPI was 4.9%. Increases in the employer contribution to the City's Social Security program, Washington State Retirement System and Medicare, for existing positions, will increase by \$58,710 as a result of the recommended market adjustment and anticipated salary step increases.
 - Health benefit costs are projected to increase by \$124,000, 8.8%.
 - The Washington State Public Employees Retirement System (PERS) employer contribution rate will go from 3.69% to 5.46% effective January 1, 2007. A second rate increase will occur on July 1, 2007, with the rate increasing either to 6.01% or 6.64% depending on the State Legislature's decision whether to adjust the rate to include the PERS 1 and 3 gain-sharing provisions and the unfunded PERS 1 liability. The 2007 Proposed budget used the 6.01% contribution rate for determining projected 2007 PERS costs. As stated earlier in this letter, the 2007 budget has some monies in contingency if the rate is set at 6.64%. Based on the increase to 5.46% on January 1st and the second increase to 6.01% on July 1st, the 2007 budget reflects increased retirement contribution costs \$252,326, a 96% increase when compared to the 2006 budget. It is projected that the contribution rate will continue to increase over the next several years.
 - The City's compensation policy establishes salary ranges that are set at the median of the City's comparable organizations. As was approved in

2005, the City reviews one-third of the City's classifications annually, ensuring that all classifications are reviewed once every three years. In 2006 the City reviewed classifications 1 through 45. Based on the findings of this survey, the 2007 proposed budget includes \$30,000 in contingency to cover the anticipated salary schedule changes.

- *New Staff Positions:* The 2006 proposed recommends an increase to the City's regular employee full-time equivalents (FTE's) by a net 1.25 FTEs. The addition of these positions puts the City's employee to each 1,000 residents ratio at 2.64. This is still significantly lower than most of the City's comparable cities. The proposed position changes include:
 - Increasing the Finance Technician in the Purchasing Services program from a 0.625 FTE to a 0.75 FTE (\$6,667)
 - Increasing the Finance Technician in the Financial Planning and Accounting Services program from a 0.50 FTE to a 0.625FTE (\$7,281)
 - The addition of a Parks Maintenance Worker II for the Athletic Field Maintenance and Operations programs (\$57,115). On July 24, 2006, the City Council accepted the 2007-2009 landscaping bid that contracts for all ground care basic services at twenty-six park sites. This care includes mowing, line trimming, aeration, fertilization, over-seeding and shrub bed maintenance. At the same time Council accepted the staff proposal to bring the daily athletic field maintenance at nine park sites in-house. Staff proposed that an additional maintenance worker and additional extra-help hours could accomplish this task at a lower cost than the proposed bids. In addition to the athletic field maintenance support, the maintenance worker will be able to provide additional maintenance support services that were not included in the bid, such as care of the new synthetic turf fields, repair of athletic fencing and nets, painting of goals posts, cleaning of dugouts and increased frequency of power washing of tennis courts and bleachers.
 - All of these changes were off-set by expenditure reductions
- *Police Contract:* Overall, the City's cost for police services is projected to increase by \$445,510 (5.5%) when comparing the estimated 2007 cost to the City's 2006 budget. This is primarily a result of increased personnel costs within the King County contract , an increase in the City's share of activity based cost allocations such as the 911 Communications Center, increases related to the operational costs of the County's wireless computer program, and the final \$25,000 annual COPS grant credit received in 2006.
- *Jail:* The City's 2007 jail costs are expected to increase substantially, approximately \$386,217 or 46%, over the 2006 budget, but only \$25,217 over the projected 2006 expenditure level. This is primarily related to an increase in the number of jail bed days being used at all facilities.
- *Use of Operating Reserves:* The 2007 operating budget includes \$266,500 in one-time resource allocations. \$120,000 of one-time expenditures is included in the City Street Fund. Of this amount \$90,000 is allocated for the purchase of a street sweeper and \$30,000 for contract street sweeping costs, as it is anticipated that it will take 3 to 4 months to receive the street sweeper. An additional \$60,000 is budgeted in the Surface Water Utility Fund for the purchase of the street sweeper, as the total expected purchase cost is \$150,000.

Acquisition of the City's street sweeper, is estimated to save an estimated \$42,000 annually, making the repayment period of the street sweeper approximately 4 years. The street sweeper is anticipated to have a minimum life of 8 years. In addition to the budget savings the City will have improved environmental quality with type of sweeper the City will acquire.

The City's General Fund includes \$146,500 in one-time expenditures. These funds will be allocated for the development of the Town Center Plan, Natural Resources Management Strategy, and a truck for the new parks maintenance worker position.

- **Fee Changes:** The 2007 budget reflects the policy adopted by the City Council in 2000 to adjust development and recreation fees by the CPI-U for Seattle which is estimated at 4.2%. The 2007 fee schedule also includes a proposed \$9 annual increase in the City's surface water utility rate, bringing the annual residential rate to \$120. This rate adjustment was included in the surface water master plan adopted by the City Council in 2005. In 2007 the City will conduct a rate review process to identify any rate adjustments that will be needed over the next few years.

In addition to the major changes identified above, the City Council will have an opportunity to review each of the City's department budgets. Formal presentations will not be made by all departments as the department presentations will focus on those departments with significant budget and/or service level changes. This will serve to expedite the budget review process and make the best use of the Council Meeting time. Although this is the case, all Department Directors will be available to answer questions. Those departments with planned presentations include:

<u>October 23</u>	<u>November 6</u>	<u>November 13</u>
Finance & Information Services	Criminal Justice (Jail)	Public Works
Police	Parks & Recreation	
	Planning & Development Services	
	Economic Development	

SUMMARY

The 2007 proposed budget is balanced and totals \$68.2 million. The City Council will have four workshops to review the proposed budget. The public will have an opportunity to speak to the Council about the budget at each of the Council meetings as part of either public comment or during the two formal budget public hearings held on November 6 and November 13.

RECOMMENDATION

No action is required by the City Council. The public hearing is an opportunity for public comment on the budget. Department presentations will be for informational purposes and provide an opportunity for Council to ask specific questions regarding proposed department budgets.

ATTACHMENT A

2007 Proposed Budget Review Schedule

October 23	November 6	November 13
City Council City Manager City Clerk Human Services City Attorney Finance Human Resources Customer Response Team Police Criminal Justice	Comm & Intergovt Relations Parks & Recreation Planning & Development Services Economic Development	Public Works City Reserves 2007 Salary Schedule 2007 Fee Schedule