

**DRAFT**

## **CITY OF SHORELINE**

### **SHORELINE CITY COUNCIL**

#### **SUMMARY MINUTES OF JOINT DINNER MEETING WITH THE SHORELINE SCHOOL BOARD AND SHORELINE WATER DISTRICT**

Monday, November 28, 2005  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

**PRESENT:** Mayor Hansen, Deputy Mayor Jepsen, Councilmembers Chang, Fimia, Grace, Gustafson, and Ransom

**ABSENT:** none

**STAFF:** Steve Burkett, City Manager; Bob Olander, Deputy City Manager; Julie Modrzejewski, Assistant City Manager; Dick Deal, Parks, Recreation and Cultural Services Director; Scott Passey, City Clerk; and Joyce Nichols, Communications and Intergovernmental Relations Director

**GUESTS:** Jim Welsh, Superintendent, Shoreline Public Schools; Mike Jacobs, Shoreline School Board; Jim Leigh, Shoreline Schools Board; Patti Gibboney, Shoreline Schools Board; Dan Mann, Shoreline Schools Board; Charlotte Haines, Shoreline Water District; Stu Turner, Shoreline Water District.

Mayor Hansen convened the meeting at 6:17 p.m. with introductions around the table. He then introduced David Wilson and Debi Ehrlichman, newly-elected members of the Shoreline School Board, and Keith McGlashan, Cindy Ryu, and Janet Way, newly-elected members of the Shoreline City Council.

Mr. Welsh reported on the status of the purchase of three acres of the Southwoods parcel by the City from the School District.

Mr. Burkett noted that the City Council has authorized him to sign a purchase and sale agreement for three acres.

Councilmember Ransom commented that many people have expressed the need to keep the property in public ownership for educational and environmental uses. He asked why the School District has chosen not to retain its portion of the property and why the City should become a co-owner.

Mr. Welsh explained that the property was purchased when the District was growing and there was a need for expansion, but this is no longer the case. He said the mission of the School District has changed and the funds need to return to the public.

Mr. Turner explained that the Shoreline Water District originally purchased the property for intensive uses, including a water treatment/reservoir facility, materials/equipment storage, and administrative offices. He said the Water District may still develop the property for District uses. He added, if the City purchased the property, the Water District would put no constraints on it.

Ms. Haines noted that the property is not large enough for the uses they envisioned. They still need to build new facilities and expansion would be needed if they acquire the Seattle Public Utilities (SPU) water system.

Mr. Welsh said the School District has searched but has not found a record stating a District commitment to using the property for environmental education or for other non-profit groups' use. He said the property was funded with a capital bond, so the proceeds from the sale must be used for capital purposes.

Councilmember Fimia felt it would be more productive to consider what could be done in the present and future rather than rehashing the "whys" and past decisions. She said the important point is to keep the property whole and not divide it up into pieces. She emphasized the need to explore ways to keep the property whole while also meeting the needs of all three entities.

Ms. Haines pointed out that 30% of the Water District's ratepayers live in Lake Forest Park, so their needs should also be considered.

Mr. Leigh commented that keeping the property whole would benefit the constituents of all the jurisdictions.

Councilmember Chang asked about the School District's plans for the balance of property it owns.

Ms. Haines said the Water District has not yet discussed this option; however the City has until May 2006 to purchase the property.

Councilmember Chang said the ultimate goal is to keep all the property in public ownership, and the first step is with the purchase of three acres. He asked if the Water District would consider selling the City its property at a reduced rate.

Mr. Turner said legal counsel advised that a reduced price may not be possible because the District needs to get the highest and best value for the property. He said the District is looking for other properties, so it has to get the maximum value in order to purchase an alternate site.

Mr. Mann arrived at 6:40 p.m.

Deputy Mayor Jepsen asked about the status of the School District's disposition of its interest in the property.

Mr. Welsh replied that the School District has agreed to sell three acres to the City. He said the School District owns a lot of property in Shoreline and Lake Forest Park; because of this it essentially represents two cities. He asked what the City would like to do with the land.

Councilmember Gustafson said the City would like to preserve as much open space as possible. He inquired about the possibility of creating a partnership between the City and School District to achieve this objective. He felt preserving the property has a potential educational benefit for all School District students. He wondered about the possibility of issuing an advisory ballot to ask voters if the property should be retained for educational purposes.

Mr. Welsh noted that environmental education classes have not been offered at Shorecrest High School for several years.

Mr. Jacobs asked if the Cascade Land Conservancy (CLC) has returned with any proposals to preserve the property in public ownership.

Mr. Burkett responded that CLC has not returned with a proposal, but it did suggest developing a section of the property and keeping the remaining parcel whole for environmental and recreational purposes. He noted that this process began one year ago when the two districts announced they were considering disposition of the property. He reminded the Council that the City is also trying to purchase the SPU property adjacent to Hamlin Park. The City has acquired \$1 million from a King County Conservation Futures grant to pursue acquisition of the SPU and Southwoods properties. He asked if the School District would be willing to sell the remaining 4.795 acres to the City at some reduced rate.

Councilmember Grace agreed that the property should be preserved in the public domain for education and recreation uses in a joint use arrangement. However, purchasing all the property would exceed the recommendation of the Bond Advisory Committee (BAC).

It was noted that the BAC recommended \$2 million out of a \$15 million bond total for acquisition of the Southwoods property. There is a total of \$3.4 million recommended for acquisition of the SPU property at Hamlin Park.

Mr. Welsh said the Water District and School District have to work within strict parameters regarding the sale of public property. He reiterated that the School District has agreed to sell three acres at a loss. He asked if the City would consider purchasing more property at fair market value.

Deputy Mayor Jepsen asked about the impact of the proposed School District levy on district taxpayers. He also wondered how an additional City-proposed levy would impact taxpayers.

Mr. Welsh said the School District would not make any decisions until the outcome of the City's bond election is known. The proposed School District bond/operating levy totals \$149 million, or \$2.66 per \$1,000 assessed property valuation.

Mr. Turner commented on the significance of new development and redevelopment. He said developers are coming in every week asking the Water District to expand service. He stated that the Water District is willing to partner with developers to help increase the economic viability of 15<sup>th</sup> Avenue NE.

Responding to Councilmember Fimia, Mr. Turner affirmed that the Water District needs capital to invest in new development. Councilmember Fimia restated the importance of considering everyone's needs while trying to preserve the property as open space. She reflected on whether everyone's needs could be met through property trades or other options. She felt there should be a community discussion on this topic in a town hall setting, noting that the Home Waters group would be interested in a pilot education project on the Southwoods property.

Responding to Councilmember Fimia, Mr. Welsh said the School District has not received any offers on the property.

Ms. Haines asked if the City has considered asking Lake Forest Park to share the expense of acquiring the property. She said regardless of how the property is used, the Water District is legally constrained by the fair market value requirement and must consider the best interest of its ratepayers.

Mr. Welsh said the School District has very specific capital needs, so it does not have the ability to dedicate resources in this way.

Mayor Hansen outlined the next steps and summarized Council consensus to direct staff to coordinate with the two districts and see whether or not the City of Lake Forest Park would like to discuss mutual interests of the property.

Mayor Hansen declared the meeting adjourned at 7:25 p.m.

---

Joyce Nichols, Communications and Intergovernmental Relations Director