

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, March 31, 2008 6:30 p.m.
Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Ryu, Deputy Mayor Scott, Councilmember Eggen, Councilmember Hansen, Councilmember McConnell, Councilmember McGlashan, and Councilmember Way.

ABSENT: None.

1. CALL TO ORDER

At 6:31 p.m., the meeting was called to order by Mayor Ryu, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Ryu led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present, with the exception of Councilmembers Hansen and McGlashan. Mr. Olander noted that both Councilmembers are expected to arrive shortly. Councilmember McGlashan arrived at 6:34 p.m.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Bob Olander, City Manager, provided reports and updates on various City meetings, projects, and events. He announced that the Interurban Trail was awarded the Washington Recreation and Parks Association (WRPA) "Best Municipal Trail for 2008 Award." He also announced that the Dayton Avenue project is completed. He noted that there is a public hearing of the Planning Commission (PC) on April 3 concerning the code amendments to replace the moratorium on interim regulations in the CB, RB, & I zones.

4. COUNCIL REPORTS

Mayor Ryu communicated that she attended an event with Councilmember Way at the Everett Naval Base in honor of Women's Month.

Councilmember Eggen said he attended the Suburban Cities Association's "Engaging the Youth of our Communities" event with Councilmember Way.

Mayor Ryu said she attended the 32nd District Republican caucus, and this week the Democrats will hold theirs.

5. GENERAL PUBLIC COMMENT

a) Ken Wallace, Shoreline, commented that the City's Neighborhood Traffic Safety Program (NTSP) is a good program, but it is moving too slow. He said it has been difficult to contact City staff, and when he has contacted staff they have not been very responsive. He noted there was a traffic count done on his street (30th Avenue NE and 147th Street NE) and the neighbors feel the street is not safe, as there is more traffic coming from Bothell Way.

b) Les Nelson, Shoreline, noted that the Planning Commission meeting wasn't well attended and the recorded message didn't state the date or the time of the meeting. He also stated that tonight's public hearing was in the Times on the 20th but wasn't notified in the Enterprise on the 21st. He said there was inaccuracy in the newspaper ads. He suggested posting the actual newspaper ads at the Council and Planning Commission meetings. Lastly, he commented that certain properties are not being addressed in the transition areas code amendments.

c) Dennis Lee, Shoreline, talked about the Southeast Shoreline Neighborhood Subarea Plan process. He stated that he has been asking for a meeting in late April in a different format than what was used in the first meeting. He also asked that the application due date for the citizen advisory committee be moved to May 4. He stated that the meeting needs to be chaired and run by the leadership of the Briarcrest and Ridgecrest Neighborhood Associations; however, the agenda needs to be approved by the City staff.

d) Bill Bear, Shoreline, Briarcrest Neighborhood Association Director, thanked the City for the food for the Briarcrest Neighborhood Association Anniversary party. He also thanked the Council of Neighborhoods for the financial support. He commented that having places like Third Place Books are very crucial to the City. He asked the Council to make opportunities for Shoreline residents to interact with each other and help create a sense of community.

Mr. Olander responded that he will look into Mr. Wallace's concerns, and clarified that the hearing tonight is about the property tax exemption. He said he spoke to Dennis Lee and he has no reservations about his proposal, but revising the schedule is a Council decision.

Mayor Ryu commented that she attended the Briarcrest event and discussed Mr. Lee's proposal with him. She also said it makes sense to look at the proposal.

6. APPROVAL OF THE AGENDA

Councilmember Scott moved approval of the agenda. Councilmember Way seconded the motion, which carried 6-0 and the agenda was approved.

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

(a) Ordinance No. 492 Approving Planned Area 2 Legislative Rezone for the Ridgecrest Commercial Area

Joe Tovar, Planning and Development Services Director, Steve Cohn, Senior Planner, and Steve Szafran, Planner, provided a brief staff report on the proposed changes to Ordinance No. 492.

Mr. Cohn stated that he and Mr. Szafran prepared responses to Council questions and worked on an acceptable proposal for the Council to adopt.

Mr. Olander suggested that after public comment and Council questions there should be a motion to adopt the ordinance; then the City staff makes their recommended amendments before the Council discussion and further amendments. He discussed the staff amendments concerning a unit cap as proposed by Deputy Mayor Scott. He also suggested having additional ground floor space by wrapping the commercial and ground floor space around the corner, maybe capturing the corner of 165th Street. He noted that the next recommendation would direct staff to take certain related actions such as the Ridgecrest Theater preservation intersection improvements and other amenities in the parking plan.

Councilmember Hansen arrived at 7:04 p.m.

Mayor Ryu called for public comment.

a) Wendy DiPeso, Shoreline, appreciated the Council's due diligence in getting an objective evaluation on the economic feasibility of the project. She commented that the recommendation, which includes six stories with amenities, appears to be acceptable. However, she said there still may be angst in the community, but the current zoning only leaves opportunity for townhouses with no public amenities to strengthen the retail base and solidify the community.

b) Les Nelson, Shoreline, commented that the parking plan won't work because the owner of the property won't willingly agree to additional parking. He added that the value of the property is still unknown.

Mr. Olander commented that the proposal before the Council states that the developer is required to provide 80% of the dedicated parking stalls on-site, with 10% within one block and the remaining 10% within two blocks of the site.

Responding to Deputy Mayor Scott, Mr. Cohn explained that 10% of the parking stalls need to be within one block, and that it is in perpetuity. He added that the owner will have to decide where to put the parking stalls, but if they fall below the threshold, parking enforcement will be triggered and he won't be able to rent a certain percentage of the property.

Councilmember Way moved to adopt Ordinance No. 492, approving Planned Area 2 Legislative Rezone for the Ridgecrest Commercial Area. Councilmember Hansen seconded the motion.

Councilmember Eggen moved to amend Ordinance No. 492 to add a maximum density to Planned Area 2a to allow for six stories, if public amenities are provided, and zoned the

equivalent of R-110. Planned Areas 2b, 2c, and 2d will be limited to R-24 zoning. Councilmember Way seconded the motion.

Deputy Mayor Scott clarified with Mr. Olander that the purpose of this amendment is to get a sense of what the number of units would be.

Mayor Ryu commented that raising the zoning to R-110 is more than four times the amount of the current R-24. She confirmed with Mr. Cohn that the maximum floor area ratio, maximum density, and maximum height have been incorporated.

Councilmember Eggen calculated that a building with these conditions would have an average unit size of 1,485 square feet without hallways, and asked how it would translate.

Mr. Cohn responded that the average unit size will be about 700 square feet, which means 1 and 2 bedroom units would be 600 and 800 square feet. He felt that the four "S's" (singles, single-parent, seniors, and starters) would be served in a unit with these measurements.

Mr. Olander highlighted that renting these units is up to the market because the owner and the rental/leasing agents are the experts.

Mayor Ryu commented that the school district is experiencing a decline in enrollments and felt that more options for families with children should be developed. She communicated that these developments aren't conducive to school-aged children. Even though 2 or more bedroom units are rentable to the market, she pointed out that families won't work in them.

Mr. Olander communicated that 60% of households are made up of two people or less. He added that one complex should supply the whole range of housing choices in the community. He noted that there is other housing stock available and this shouldn't dictate what goes inside that complex. He felt the City shouldn't dictate within any complex or business what goes in it as far as the mix of units because it seriously interferes with owner's ability to market the structures and meet market demands.

Mayor Ryu stated that the City doesn't have many newer rental apartments, especially ones with property tax exemptions applied. She commented that Arabella II will not have 2 bedroom units. She concluded that she didn't want all the units to be studios.

Councilmember Eggen stated that the market should be the primary determinant, but certain demographics are not being served. He encouraged that the density and unit size requirements be included.

Councilmember McGlashan said the student population in Shoreline schools is down to just over 9,000 students, which is about half of what their highest total used to be. He opposed putting restrictions on developers in the hope that families with children will move in and that more children will attend Shoreline schools. He said it is not up to the Council to dictate what type of units they are.

Councilmember Way felt that the cost of housing in Shoreline has something to do with the number of children in town. She added that she is not opposed to determining the type and number of units that will be in a development, but without handicapping the developer.

Mr. Olander said the key question is whether the City can do it. He said he isn't sure it can be tied to the property tax exemption program. He also stated that this condition was not factored into the feasibility study.

Mr. Sievers commented that this condition cannot be tied to the property tax exemption program. He clarified that the amendment is an attempt to set up ratios of unit size to ensure there are 2 bedroom units.

Mayor Ryu commented that the feasibility study made some assumptions concerning the size of the units and they were larger than 600 square feet each. Additionally, it was stated in public comment that the speakers hoped this would create more housing options.

Councilmember McConnell cautioned the Council not to delve too deeply into the development specifics. She added that developers want to make their project successful. She said there are studios and 1- 2 bedroom units in this plan, and she is concerned with adding too many restrictions already.

Councilmember Hansen felt the Council should not try to determine what the market is or create demographics in any direction. He said concentrating families with children in a development means you are protecting other properties in Shoreline with this proposal.

Deputy Mayor Scott felt R-110 zoning is appropriate and that he does not object to stating that 40% of the units should be reserved for larger families.

Deputy Mayor Scott stated that 60% of residents are 1 to 2 person households, which leaves 40% that are larger, so this is a rationale for building developments for starter families.

Mr. Olander highlighted page 8 of the feasibility study which assumed that 35% of the units would be studio, 40% would be 1-bedroom, and 25% would be 2-bedroom. However, he felt the City shouldn't dictate terms and conditions to the developer, but if the Council must do so he urged utilizing the percentages in the feasibility study.

Mayor Ryu felt the feasibility study percentages would be acceptable. She commented that this is a unique market and since the Council is doing some social encouragement here in tax incentives she felt the Council should have some voice in unit sizes.

Mr. Olander suggested a motion to amend the amendment that 25% of the units are required to be 2-bedroom units.

Councilmember Eggen moved to amend the motion on the table to require that 25% of the units be 2-bedroom units. Mayor Ryu seconded the motion.

Deputy Mayor Scott clarified that a minimum of 25% of the total units in the development would be 2 bedroom units. He asked if there were any examples of this elsewhere.

Mr. Cohn didn't know of any examples of any city putting requirements on developers like this.

Mr. Tovar also said this would be a first for him, but he has seen an analysis done in the past concerning the number of units as it relates to traffic impacts and parking.

Mayor Ryu asked if this condition is legal. Mr. Tovar responded that the property tax exemption cannot be conditioned on this, only the zoning. He said it may or may not be compliant under the Growth Management Act depending on the ruling of the board or the court. He noted that you have to give the public an opportunity to review and comment on it.

Mr. Olander said there must be a nexus with the law to be adopted, so they must be related. He stated there needs to be a legitimate need and public purpose.

Mr. Sievers commented that there have been some cases where that's been a condition of redevelopment, but it has been ruled as an illegal condition because it asks the developer to solve a perceived social problem. Therefore, the nexus may be lost with that. Additionally, it was stated that this cannot be attached to the property tax exemption program, and there has been a strong argument that if this reduction of taxes is given then the developer needs to give things back for that relief. He said this is considering a citywide problem within the context of trying to fix it in one development. He added that the developer shouldn't be penalized for a citywide problem. He also noted that Mr. Tovar discussed whether or not the public was notified of this in the original notices for the Planning Commission hearing, and the notices would have to be studied again. He said the expectation under the old zoning communicated to the developer that he could create large units.

Councilmember Way asked if an argument could be made that the City is negatively impacting the community and the schools by not providing a mechanism for a certain number of family-size units. Mr. Sievers responded that supporting the school system is not the property owner's problem.

Councilmember Eggen stated that his children have no real choice to live in Shoreline because the housing is too expensive. He suggested the City pursue this with reviewing the policies in the Comprehensive Plan rather than impose legislation on this one area.

Deputy Mayor Scott asked if it changes the approach to the argument by stating that this legislation is requiring that 25% of the units be 2-bedrooms, not stating that they be allocated for families. Mayor Ryu added that she cannot support the R-110 zoning if the 25% language cannot be added.

Mr. Sievers responded that this would be asking a lot of the developer and the City cannot negotiate who uses them anyway. He said the City has no negotiations with the developer and this is only a rezone. He submitted that the property may sit there with nothing on it because of the restrictions.

Mr. Olander pointed out that the proposed amendment doesn't designate who the 2-bedroom units would be for.

Councilmember McGlashan commented that this is unprecedented and will open the City to a lawsuit challenge and some risk.

Mr. Sievers was concerned that the developer would consider this to be so detailed and not equal protection compared to other properties. He felt this is too restrictive and increases risk for the City.

Councilmember McConnell called for the question, seconded by Councilmember Hansen. A vote was taken on the motion to call for the question which carried 6-0, with Mayor Ryu abstaining.

A vote was taken on the motion requiring that 25% of the units be 2-bedroom units, which failed 3-4, with Mayor Ryu, Deputy Mayor Scott, and Councilmember Way voting in the affirmative.

Councilmember Hansen called for the previous question, seconded by Councilmember McGlashan. The motion carried 5-1, with Mayor Ryu dissenting and Councilmember Eggen abstaining. A vote was taken on the motion to amend Ordinance No. 492 to add a maximum density to Planned Area 2a equivalent to a zone R-110, which carried 7-0.

Mr. Cohn passed out an illustration concerning the next amendment for this item. He explained that this amendment makes sure the sum of the commercial space wraps around NE 165th Street. Therefore, the amendment states that 20% of the street frontage within 100 feet of the intersection of 5th Avenue NE and NE 165th Street will be commercial.

Councilmember Hansen moved to amend Ordinance No. 492 to designate 20% of the street frontage within 100 feet of the intersection of 5th Avenue NE and NE 165th Street as commercial. Councilmember Way seconded the motion.

Councilmember Hansen was concerned because the amount of commercial space in that area can always be expanded. He was uneasy about requiring it to be commercial on the corner because it may rule out a public amenity. He felt the developer may be able to do a better project if he has freedom to do so.

Councilmember Way highlighted that the corner area facing the Crest Theater has great potential as a commercial unit. Deputy Mayor Scott agreed that commercial space is crucial on that particular corner.

Councilmember McGlashan expressed concern that this wasn't amended to have the corner cut and have some public amenity there. He said no one knows where access to the units is going to be, so how can the City require the developer to wrap business around the corner.

Mr. Cohn responded that the amendment states that 50% of frontage on 5th Avenue NE and 20% of the frontage has to be commercial. Mr. Olander did not consider the amendment to be unduly restrictive.

Councilmember Way read page 10 under "Entry Courtyard" and page 13, item F, discussing the building corner treatment. She felt both of these explanations don't state what the use will be in the building, however, they describe what the courtyard will be and the amendment provides for the possibility that the developer can have businesses in that vicinity.

Councilmember Eggen called for the question, seconded by Councilmember McGlashan. A vote was taken on the motion, which failed 3-3, with Mayor Ryu, Deputy Mayor Scott, and Councilmember Way dissenting and Councilmember Hansen abstaining.

Mayor Ryu expressed support for the amendment. She said some space can be used for public amenities but expressed concern that the Council isn't allocating specific square footage for spaces. She noted that her concerns are about the size of the commercial space units.

Mr. Olander pointed out that this is valuable space and it would be to the owner's benefit to lease it out for commercial activities. He noted that it is more difficult and time-consuming to lease smaller space. He concluded that the developer needs the flexibility to size the commercial space because they know the market.

Councilmember Hansen stated if he developed the lot he would maintain space for commercial and wouldn't convert it to parking. He added that it is a mistake to guess what the builder will design. He said if he was developing the site he would put the parking underground. Mayor Ryu said she hasn't heard anything about underground parking. Mr. Cohn stated that a survey was taken at the site recently that revealed underground parking is going to be difficult there.

A vote was taken on the motion to designate 20% of the street frontage within 100 feet of the intersection of 5th Avenue NE and NE 165th Street as commercial, which carried 6-0, with Councilmember McConnell abstaining.

Mr. Olander stated that the next item would be a motion directing staff as crafted by Councilmember Way.

Councilmember Way moved to direct the City Manager to work with the Ridgecrest neighborhood on the development of the area to include the preservation of the Crest Theater and explore parking management concepts in Ridgecrest. Councilmember Hansen seconded the motion.

Deputy Mayor Scott stated that parking is such a large issue that he would hesitate to include parking in the motion.

Councilmember Way accepted the removal of the parking portion as a friendly amendment. She said the intent is to provide a means and ask staff to work on a plan to improve the right-of-way

at that intersection. She added that the City should encourage other modes of travel and create incentives to preserve and enhance the Crest Theater.

Councilmember Hansen said he has no problem with Councilmember Way's suggestions, but he felt they have no relationship to Ordinance No. 492. He felt the City Manager can do all the things she stated without putting it in an ordinance. Councilmember McGlashan concurred.

Mr. Olander commented that this goes back to the original neighborhood dialogues and work with the student groups. He said the neighborhood desire was to look into enhancing the streetscapes and the amenities in the area. He commented that it makes sense for him to look at all four corners.

Mr. Tovar commented that the Planning Commission recommendation was for zoning and they also made a separate companion recommendation that dealt with these types of things. He noted that this action for Ridgecrest could begin without directing the City staff to do this. He clarified that simply asking the City Manager to figure out how this can be accomplished would suffice.

Councilmember Eggen felt there is a connection and recommended the Council move to a vote.

A vote was taken on the motion to direct the City Manager to work with Ridgecrest neighborhood on the development of the area to include the preservation of the Crest Theater, which carried 5-2, with Councilmember Hansen and Councilmember McGlashan dissenting.

Mr. Cohn made some parking management plan comments.

Councilmember Way stated her amendment is a secondary parking management approach in addition to the developer's plan to extend protections into the neighborhood. She asked about enforcement.

Mr. Olander commented that it would require extensive cooperation with the neighborhood to balance the various interests and access points. He noted that there could be a need to rely on the police and the traffic enforcement division.

Councilmember Eggen pointed out that the Council has a lot of amendments to discuss concerning Ordinance No. 492 and many of them can be deferred to another meeting. He suggested the Council defer some of the items to another meeting. He added that he has a number of issues in a memorandum that he needs to discuss.

Mr. Olander asked if this concerns a question about the legality of embedding the cost of parking in rents.

Councilmember Eggen said participation in the group parking for the development would be required. He explained that what the tenants would be paying for parking wouldn't be considered rent.

Mr. Sievers responded that something could be imposed and it would be better to separate the charge to keep the spaces filled. He added that it is legal to do.

Councilmember Eggen believed that every resident will have a car. He noted that parking was part of the rental fee when he was growing up. He added that instituting parking time limitations will require enforcement.

Mr. Sievers responded that he was relying on the market structure and said the owner can lower the prices so he can have all of the spots filled in the garage.

Councilmember Eggen commented that some Arabella residents opted out of paying for garage parking and park in the neighborhood to save money.

Mayor Ryu suggested revising the language under SMC 20.91.070, Item J concerning the participation in a paid parking program.

Mr. Sievers noted that the proposed language is addressed to the tenant, not the property owner. He also said to enforce the language the rental agreements and license plates would need to be checked.

Deputy Mayor Scott commented that the Council is trying to ensure parking for this development meets demand without overflow into the neighborhood, and this has to be done right. He asked if there is any precedence for tying parking to rent as part of a development and not allowing tenants to opt out.

Mr. Sievers felt that the Council can require that the tenants use the designated parking spaces on or off-site, if available. This, he added, leaves some flexibility for the owner to use them up on a priority basis and for him to rent the units.

Councilmember Way moved to add the following language to SMC 20.91.070, Item J, "All residents of Ridgecrest Planned Area 2 shall be offered parking to be included with the apartment unit cost on-site or in designated locations." Councilmember Eggen seconded the motion.

Councilmember Hansen questioned why amendments like this aren't worked out prior to the Council meetings. He said he isn't sure what the Ordinance will look like with all of the revisions. Deputy Mayor Scott responded that the Council cannot come to a consensus prior to the meeting, so it has to be done in an open session. He added that the community doesn't want parking in the neighborhood.

Councilmember Hansen felt that the Council is not prepared to write technical ordinances and that it is the job of the City staff. He said the Council is supposed to give the City staff policy direction and have them write the ordinances. He added that he has no confidence that this language is going to be legal or do what it's intended to do.

Mayor Ryu suggested adding the term condominium to the proposed motion.

Councilmember McGlashan said he is conflicted on this because it will increase the cost of these apartments.

Mr. Olander commented that this is a difficult one because other places don't require this and it may require added enforcement. However, he felt the language was acceptable.

Councilmember McConnell stated she didn't understand how this is different from the parking requirements that are in the proposed code language.

Councilmember Eggen communicated that the current requirement is for built parking; in other words, how much parking would be developed. The amendment relates to whether the resident doesn't want to use built parking and instead park in the neighborhood.

Councilmember McConnell clarified that people will want to park off-site because it is free. She noted that the intent is to have it a built-in cost for residents.

Mr. Olander highlighted that the current language, prior to this motion, doesn't have a provision for a built-in cost for parking.

Deputy Mayor Scott added that some residents will park on the street if it's free. Mayor Ryu added that the Council is trying to mitigate the impacts on neighbors.

Councilmember McConnell said the Council hasn't dealt with the enforcement issue and she has some grave concerns.

Councilmember Eggen said there are two options; 1) have enforcement in the neighborhood, and 2) require a paid parking scheme where no enforcement would be necessary because it's part of the cost of living.

A vote was taken on the motion to add the following language to SMC 20.91.070, Item J, "All residents of Ridgecrest Planned Area 2 shall be offered parking to be included with the apartment unit cost on-site or in designated locations," which carried 4-0, with Councilmember McConnell, Councilmember McGlashan, and Councilmember Hansen abstaining.

Councilmember Way moved to direct the City Manager to explore concepts for a parking management program in Ridgecrest neighborhood to maximize economic vitality for business safety and convenience for customers, residents and to minimize the impacts of on-street parking on nearby residential streets. Mayor Ryu seconded the motion. Councilmember Way added that whatever the City staff works out with the neighborhood and the police is fine. A vote was taken on the motion, which carried 5-1, with Councilmember Hansen dissenting and Councilmember McGlashan abstaining.

Deputy Mayor Scott discussed the 80% on-site, 10% within one block, and 10% within two block parking requirement.

Mr. Cohn explained the requirement and said a certain number of parking spaces will have to be provided and the developer will have to show the City staff that he has them as dedicated spaces.

Deputy Mayor Scott pointed out that there are residential homes within two blocks of that area, so he wondered where the extra parking spaces will be.

Mr. Cohn said there are a couple of churches and one of them is being utilized for a Metro Park-n-Ride. He added that the churches have suggested that there is some capacity to accept extra cars.

Councilmember Eggen commented that the church needs to have their parking available every Sunday morning and he doesn't see any areas where you could rent 20 to 40 parking spots in that neighborhood. Mr. Cohn replied that if the ratio is 10% there would need to be 25-30 spaces.

Mayor Ryu suggested the inclusion of bike racks/lockers for bicyclists.

Councilmember Way moved to add SMC 20.91.070, Item K, Bike racks/lockers and/or secured parking areas for bicycles shall be provided. Some secured spaces for bicycle parking shall be in an area accessible only to residents of the building. Additionally, some spaces for bicycles shall be provided at the street level. Mayor Ryu seconded the motion, which carried 7-0.

RECESS

At 9:20, Mayor Ryu called for a five minute recess. Mayor Ryu reconvened the meeting at 9:28 p.m.

Councilmember Hansen brought up some procedural issues with the amendments that were passed. Mr. Olander explained that the proper procedure would have been to take Councilmember Way's amendments after Ordinance No. 492 was voted on. He added that they weren't intended to be a part of the Ordinance, they are separate directions to the City Manager as they related to implementation of Ordinance No. 492. Councilmember McGlashan said he assumed all of the amendments that were discussed and voted on were a part of Ordinance No. 492. Councilmember Hansen also said he thought that was the case.

City Clerk Scott Passey questioned if the Council understood what is on the table because technically there can only be one motion on the table at a time, which was Ordinance No. 492.

Deputy Mayor Scott pointed out that when the discussion was going on it was stated that these amendments were separate from Ordinance No. 492. He wondered what the issue was if each item was discussed and voted on individually.

Councilmember Hansen commented that he thought all of the amendments were adopted as a part of Ordinance No. 492. He said he would like to address and vote on Ordinance No. 492 before any other topics are discussed.

Councilmember Eggen concurred and suggested the Council leave things as is and focus on Ordinance No. 492.

Councilmember Eggen moved to amend Table 20.91.030(b), Dimensional Standards and utilize a maximum floor area ratio (FAR) of 4.75% for six stories, 3.875% for five stories, and 3.0% for four story buildings. Councilmember Way seconded the motion, which carried 5-1, with Councilmember McGlashan dissenting and Councilmember Hansen abstaining.

Mayor Ryu noted the staff recommended strikeout on page 3 that was included in the March 26, 2008 memorandum draft.

Councilmember Eggen clarified the memorandum and comments by Mr. Cohn and stated that there will be no Community Business (CB) developments on any other corners in that area. Councilmember Way attempted to determine whether this applied to the Crest Theater space. Councilmember Eggen replied that he was referring to the property where the 7-Eleven store currently sits.

Mayor Ryu commented that the City staff language doesn't preclude the Council from making revisions later to the northeast corner by the 7-Eleven. She commented that if the Council eliminated that possibility, then a developer can come in and develop the property in the future.

Mr. Cohn said the City Attorney stated that the way the City wrote the Ordinance makes this a legislative rezone because it covers the entire area, but various pieces of the area have different regulations.

Mr. Olander concluded that this amendment is not needed. Councilmember Eggen added that this one and some of the others that were passed are not needed.

Councilmember Way commented that she received a SEPA checklist in the mail that is related to some Comprehensive Plan (CP) amendments. She said they apply to Crista, Fircrest, Shoreline Community College, and the Ridgecrest Planned Area and since the City is guided by the Comprehensive Plan it should be mentioned on the record.

Mr. Tovar commented that during the City Council joint meeting with the Planning Commission on April 7th there will be a zone map amendment, including Planned Area 2.

Councilmember Eggen wanted to discuss the recycling areas inside the building. He asked if recycling was covered by King County code. Mr. Cohn responded that recycling is a requirement in the future, as a way of achieving sustainability.

Councilmember Eggen moved to amend SMC 20.91.050(B)(2)(h)(vi), Services Area and Mechanical Equipment to include an appropriately sized recycling area be built consistent with a standard to be adopted by the City to be approved by the Director. Mayor Ryu seconded the motion.

Councilmember Way called for the previous question. Mayor Ryu seconded the motion, which carried 6-1, with Councilmember McGlashan dissenting.

A vote was taken on the motion to amend SMC 20.91.050(B)(2)(h)(vi), Services Area and Mechanical Equipment to include an appropriately sized recycling area be built consistent with a standard to be adopted by the City to be approved by the Director, which carried 6-1, with Councilmember McGlashan dissenting.

Councilmember Eggen moved to amend the language in SMC 20.91.050(B)(2)(j)(ii) from “plumbed and built” to “plumbed, wired, and built.” Mayor Ryu seconded the motion.

Mr. Olander confirmed with Mr. Tovar that any commercial designation has to conform to all commercial codes.

Councilmember Hansen commented that this is already in the code, so it is redundant to add it to this one property. This sets a precedent that he felt isn't a good idea.

Mayor Ryu commented that it makes sense to be consistent.

A vote was taken on the motion to add the term “wired,” which carried 4-3, with Councilmember Hansen, Councilmember McConnell, and Councilmember McGlashan dissenting.

Councilmember Hansen called for the previous question on Ordinance No. 492 as amended. Councilmember McGlashan seconded the motion, which carried 6-0, with Mayor Ryu abstaining.

MEETING EXTENSION

At 10:00 p.m., Councilmember Eggen moved to extend the meeting until 10:30 p.m. Councilmember Way seconded the motion, which carried 6-0, with Councilmember Hansen abstaining.

Mr. Passey restated the amendments attached to Ordinance No. 492.

A vote was taken on the main motion to adopt Ordinance No. 492, approving the Planned Area 2 Legislative Rezone for the Ridgecrest Commercial Area as amended, which carried 7-0.

8. ACTION ITEM: PUBLIC HEARING

(a) Public Hearing on Ordinance No. 496, Expanding the Property Tax Exemption Program to the Ridgecrest Commercial Area

Mayor Ryu opened the public hearing.

Mr. Olander explained that this ordinance adds the Ridgecrest commercial area back into the property tax exemption program.

a) Jim Potter, Seattle, supported the property tax exemption extension for the Ridgecrest commercial area. He felt that it is a tool for getting projects completed and it is hard to do them without some City assistance.

b) Michael Pollowitz, Shoreline, supported the incentives for affordable housing but felt this program won't help. He calculated that it only provides \$56,600 over a twelve-year period, which equates to a monthly incentive of \$1.57 because there are 250 units. He was concerned that the developer will be given the funding to build the units and then the incentive is diluted if you add the additional four years to the program.

Councilmember Eggen questioned if the comment from Mr. Pollowitz was correct in that the program is structured so that the total affordable housing incentive is to go from eight years to twelve years.

Mr. Pollowitz stated that the way it is written is that the developer will get \$106,400 over an eight year period for just building the development, without affordable housing. He said if the developer wants he can extend the tax exemption, with some affordable housing provisions, for four additional years and the developer will receive an additional \$56,600.

Councilmember Eggen said if this is true then the City is giving the developer \$106,400 up front and then he can choose not to do anything with affordable housing.

Mr. Pollowitz commented that giving a developer an incentive to build in an area that needs development is good, but in this case the City is choosing to provide additional incentive if they choose to do affordable housing. He noted that there should be more funding for affordable housing efforts in the City.

c) Les Nelson, Shoreline, opposed the tax break because he felt the City isn't getting anything out of this. He stated that the law states that this has to be for truly affordable housing. He is confused by the whole process because there is no development plan being done. He questioned if this is what the community wants.

Councilmember Hansen moved to close the public hearing. Councilmember Eggen seconded the motion, which carried 7-0.

Mr. Olander noted that the tax exemption is much greater than \$106,000 and the other taxing jurisdictions have to be accounted for when calculating this. He noted that the City is only accepting full twelve year low-income projects and explained the full tax exemption scheme. He noted that the feasibility study concluded that the property tax exemption program was critical to make the entire project work.

Councilmember Hansen moved to adopt Ordinance No. 496, Expanding the Property Tax Exemption Program to the Ridgcrest Commercial Area. Councilmember Eggen seconded the motion.

Councilmember Hansen wanted clarification that there was an amendment to drop the 100% income requirement to 90%. Mr. Sievers read the new language as referenced on page 27 of the Council packet.

Councilmember Hansen moved to adopt Ordinance No. 496, Section 4(B), Exemption-Duration, as amended. Councilmember Eggen seconded the motion.

Mayor Ryu discussed page 6 of the feasibility study. She asked about increasing the AMI figures. Mr. Cohn responded that the model ignores what the market is and it would exceed the hurdle at 90%.

Mayor Ryu stated that the market, rather, rents in Shoreline only has tenants at about 70% of the AMI. She felt the developer should get above the 75% level when rents eventually go up and the value of this development will be higher.

Deputy Mayor Scott supported the amendment. He provided the median income figures for Shoreline residents and questioned who could afford these rental rates. He said he isn't sure 90% would be able to afford the rates. He said he would like to capture those 20% of people so they have a choice. He said things get lost when you utilize percentages and restated he would like the rental rates affordable for first time school teachers and people who work in retail in the Shoreline community. He added that they would not be helped if the AMI was 90%.

Mr. Olander replied that they would be helped because they would qualify for the program. He clarified that qualifying for the program translates to providing a limitation on the amount of rent a person would be obligated to pay.

Mr. Cohn responded that there would be a limit to the amount of rent a person would have to pay. He noted that there is a part of the population that wouldn't benefit from this. However, it is difficult for a single person to get to the 90% figure, too. He said this is an attempt by the City to begin helping some people. Mr. Olander concurred.

MEETING EXTENSION

At 10:30 p.m., Councilmember Eggen moved to extend the meeting until 10:45 p.m. Councilmember Way seconded the motion, which carried 6-0, with Councilmember Hansen abstaining.

Mayor Ryu discussed some income figures based on the different percentages. She said she would like to see the percentage decreased to 80% to give lower income residents a chance to qualify and compete for the affordable units.

Mr. Cohn pointed out that if income is limited, the potential market is limited. He explained that because less than 100% of the median means half of the households cannot qualify. He stated that 90% was derived because it cuts into the market somewhat, but that seemed to be the right number.

Councilmember Way said this seems to be delicate balancing act with the feasibility. She felt that reducing the rate to 90% is good and is reluctant to tinker with it any further.

Deputy Mayor Scott commented that retail workers and teachers will not be able to afford living there. He added that 20% affordable will take on a different meaning because schoolteachers and retail workers won't be able to afford to live there.

Councilmember Eggen said the rate would have to be brought down to 70% for the teacher to top the eligibility list.

Mayor Ryu said she would appreciate looking at a figure lower than 90%.

Councilmember McConnell call the previous question. Councilmember Hansen seconded the motion, which failed 4-3, with Mayor Ryu, Deputy Mayor Scott, and Councilmember Eggen dissenting (a 2/3 vote is required for passage of a motion to close debate).

Councilmember Eggen questioned how 350 units penciled out. Mr. Cohn responded that the exemption is on total units within the entire Ridgecrest area and are split up between developers. He clarified that there could be a partial exemption if the number of units built exceeded the remaining number of property tax exemption units available.

A vote was taken on the motion to adopt Ordinance No. 496, Section 4(B), Exemption-Duration as amended, which carried 5-0, with Mayor Ryu and Deputy Mayor Scott abstaining.

A vote was taken on the motion to adopt Ordinance No. 496, Expanding the Property Tax Exemption Program to the Ridgecrest Commercial Area as amended, which carried 5-0, with Mayor Ryu and Deputy Mayor Scott abstaining.

9. ADJOURNMENT

At 10:44 p.m., Mayor Ryu declared the meeting adjourned.

Scott Passey, City Clerk

This page intentionally left blank.