

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, June 11, 2007 - 7:30 PM
Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, Councilmember Gustafson,
Councilmember Hansen, Councilmember McGlashan, Councilmember Ryu,
and Councilmember Way.

ABSENT: None.

1. CALL TO ORDER

At 7:52 p.m., the meeting was called to order 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.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Bob Olander, City Manager, announced that the Aurora Corridor ribbon-cutting ceremony will be held Saturday, June 16, at 12:30 p.m. He also reported on the Special Olympics Torch Run, which was held June 1st and involved Shoreline Police officers and City staff. He noted that the next Citizen Advisory Committee meeting will be held June 12, and a community meeting on the Aurora Corridor Project, N. 165 - N. 205, will be held June 20 at Meridian Park Elementary.

4. REPORTS OF BOARDS AND COMMISSIONS

Councilmember Hansen noted there was a second meeting regarding the King County Flood Control Zone District.

Deputy Mayor Fimia noted that several members attended the Shoreline Live performance, and a brief video clip of the show will be shown next week. She also said there are four arterial speed study public meetings scheduled and asked Mr. Olander to clarify the dates. Mr. Olander said he will announce the dates later in the meeting, and the information will be posted on the City web site.

Mayor Ransom noted that the Medic One issue has become controversial because the King County Council is now pushing for levy lid lift instead of a 30-cent levy. A levy lid lift only takes a 50% majority +1 to pass; many cities oppose this approach, considering that the fire chiefs worked on the 30-cent levy campaign for the past 18 months. He noted that King County can circumvent the cities, and they intend to take a vote this week. He added that some members of the City Council will be attending the Association of Washington Cities this week.

5. GENERAL PUBLIC COMMENT

(a) Charlotte Haines, Shoreline, said after watching the Council's June 4th discussion on the YMCA funding request, she is amazed to see the gambling tax item on this week's agenda. She said the City cannot justify further tax relief for the casinos because it will cause an even greater drain on the City's financial resources. She said campaign promises and donations seem to be influencing the process.

(b) Virginia Paulsen, Shoreline, spoke in support of civility in public discourse. She said Shoreline used to be an affordable place to live, but it is now characterized by transition, conflict, contention surrounding development, partisan views, ad hominem attacks, and defamatory words and deeds. She noted that Shoreline is not homogenous, but economically diverse, and income largely determines life chances and choices. She said Shoreline should aim for development of "community."

(c) Bob Lohmeyer, Shoreline-Lake Forest Park Senior Center Director, discussed the Senior Center's anticipated budget deficit of 13-20% this year due to reduced funding resources. He said despite continued fundraising efforts, costs are outpacing revenues, and the unsustainable deficit will force a cut in staff hours unless a solution is found. He noted that increased leasing costs and further reductions in UW and United Way funding are contributing to the problem. He urged the Council to consider assisting the Senior Center in the amount of \$18,000, which would cover costs for 2007.

(d) Joanne Krueger, Shoreline Senior Center, hoped that a solution could be found to the Senior Center's budget deficit. She noted that many citizens are disappointed and frustrated upon hearing the potential cuts to hours and programs.

(e) Chris Eggen, Shoreline, announced that the 4th Annual Shoreline Solar Fair will be held July 20-21 at the Shoreline Conference Center and Meridian Park Elementary. He described the various displays and vendors that would be participating, and invited the community to attend and learn more about renewable energy and conservation.

Mr. Olander added that the City is contributing to this effort and is sponsoring Alan Durning as a guest speaker.

(f) Judy Allen, Shoreline, said the City's response to her prior inquiry indicates that Shoreline has thus far spent \$109,000 on the public defense of the Open Public Meetings Act lawsuit. She asked why Councilmember Ryu felt entitled to be included in Council business and offer

her opinion in the fall of 2005 when another Councilmember-elect was not. She asked for an answer to her May 21st question regarding the author of the press release written in December 2005, noting that secrecy benefits no one and breeds distrust of elected officials.

(g) Elaine Phelps, Shoreline, said that the public comment forum should not be used for "political campaign smear attacks" but to raise issues of public concern. She said the previous speaker endorsed certain political candidates, and while she did too, this is not the place to cast innuendos and personal attacks. She said people can write letters to the editor or take out newspaper ads for this purpose, but this forum is for public issues.

Mr. Olander said the Senior Center request has been added to the June 18 agenda, and an arterial speed study meeting is scheduled for June 22 at Meridian Park Elementary.

Responding to Deputy Mayor Fimia, Mr. Olander clarified the process for adding items to future agendas. Items may be added by majority vote or consensus of the Council; by any two Councilmembers, in writing or with phone confirmation, with signatures by fax allowed for confirmation of support, no later than 12:00 (noon) five days prior to the meeting; by the City Manager; and by the Mayor or Deputy Mayor when acting in the absence of the Mayor.

6. APPROVAL OF THE AGENDA

Councilmember McGlashan suggested moving item 8(a) to the Consent Calendar, but there was not unanimous consent to do so.

Councilmember Ryu wished to add the Senior Center funding request as item 9(a). There was Council discussion about whether to put it on tonight's agenda or defer it until June 18. It was noted that deferring it until the 18th would give staff a chance to analyze the issues and bring back information. Since the 18th is also the date the Council will be considering the YMCA funding request, and because a budget ordinance might be required, Mr. Olander felt that next week would be the appropriate time to address this item.

Mayor Ransom wished to remove item 8(c), Ordinance No. 474 relating to the Gambling Tax Rate, from tonight's agenda.

Councilmember Gustafson moved approval of the agenda, removing item 8(c). Councilmember McGlashan seconded the motion, which carried 7-0, and the agenda was approved as amended.

7. CONSENT CALENDAR

Deputy Mayor Fimia moved approval of the Consent Calendar.

Councilmember McGlashan seconded the motion, which carried 7-0, and the following Consent Calendar items were approved:

(a) Minutes of Special Meeting (Civic Center) of April 30, 2007

Minutes of Special Meeting of April 30, 2007

Minutes of Special Meeting of May 7, 2007

(b) Approval of expenses and payroll as of May 30, 2007 in the amount of \$2,085,816.92

(c) Motion to Authorize the City Manager to Execute a Construction Management Contract with W & H Pacific for the Dayton Ave. N Project, 15th Ave./150th Signal Project and 2007 Priority Sidewalk Project

(d) Motion to Authorize the City Manager to Amend the Existing Contract in the amount of \$132,260 for Preparation of Construction Documents for the Saltwater Park Phase 1 Improvements Project

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

(a) Resolution No. 260 Endorsing the Principles of the Cascade Agenda

Joe Tovar, Planning and Development Services Director, noted that the Cascade Land Conservancy spoke to the Council previously regarding this proposal, and that staff has nothing to add to the staff report.

Mayor Ransom called for public comment. There was no one in the audience wishing to provide comments on this item.

Councilmember Gustafson moved approval of Resolution No. 260, endorsing the principles of the Cascade Agenda. Councilmember Way seconded the motion.

Deputy Mayor Fimia moved to amend Resolution No. 260 insert in the list of Council Goals "Goal 8, Develop a Fircrest Master Plan in partnership with the State." Councilmember Ryu seconded the motion.

Deputy Mayor Fimia thanked staff for their work on the resolution, adding that the Fircrest Master Plan is entirely consistent with the goals of the Cascade Agenda.

Councilmember Way concurred that Fircrest should be included because it is a unique opportunity to work with the neighborhood to come up with some sustainability proposals.

Councilmember Ryu agreed, noting that Fircrest, an 80-acre campus adjacent to Hamlin Park and a "huge area of green," is appropriate to include in this resolution.

A vote was taken on the amendment, which carried 6-0-1, with Councilmember Hansen abstaining.

A vote was taken on Resolution No. 260 as amended, which carried 7-0.

(b) Ordinance No. 469 amending the Municipal Code Title 20, including 20.20.016 D Definitions; 20.20.054 W Definitions; Table 20.30.040; 20.30.220 Filing Administrative Appeals; 20.30.560 Categorical Exemptions; 20.30.760 Junk Vehicles as Public Nuisance; 20.30.770 Notice and Orders; 20.40.320 Daycare Facilities; 20.50.020(2) Density and Dimensions; 20.50.040 Setbacks; 20.50.260 Lighting Standards; 20.50.410(a) Parking Design Standards; 20.50.420 Vehicle Access and Circulation Standards; 20.70.030(c)(3)(a) Required Improvements; 20.80.330 Required Buffer Areas; and 20.90.110 Lighting.

Councilmember McGlashan recused himself from this item due to a potential conflict of interest. He left the Council chamber at 8: 45 p.m.

Joe Tovar, Planning and Development Services Director, provided a brief introduction of the development code amendments and Steve Szafran, Planner, outlined the various amendments as included in the Council packet.

Councilmember Gustafson moved the Planning Commission's recommended amendments as reflected in Ordinance No. 469. Councilmember Hansen seconded the motion.

Responding to Mayor Ransom, Mr. Tovar explained the changes to SMC 20.30.560 as included on page 45 of the Council meeting packet. It is proposed to increase the thresholds for categorical exemptions under minor new construction. He noted that projects are subject to all other city codes, so it is not necessary to regulate these under the State Environmental Protection Act provisions.

Councilmember Way asked what inspired the need to increase the thresholds in this section, and whether the Director has discretion to require SEPA in some circumstances.

Mr. Tovar replied that these changes would not give the Director discretion to require SEPA. He explained that the changes were proposed to streamline the process and to make the regulations timely, fair and predictable.

Councilmember Way asked if the Director could invoke SEPA if a citizen brought forth relevant facts or conditions about a particular proposal. Mr. Tovar responded that SEPA could not be invoked in that situation.

Councilmember Way expressed concern about the increasing the thresholds, noting that the Director should retain some discretion in the circumstances outlined in section 20.30.560.

Mr. Tovar reiterated that the City's critical areas regulations still apply to every permit application, and the process includes the necessary protections. He said it is really a question of how much regulation and protection is needed.

Mr. Olander added that there is a whole layer of permits that applicants have to go through, and those really control what happens on the site.

Mayor Ransom referred to SMC 20.30.760, junk vehicles, and asked if people are adequately notified when enforcement action is taken against them. He noted that many classic cars are in the process of being restored, but they can be visible from the neighbors' homes.

Mr. Tovar said the first enforcement step is inspecting the site, making sure the property owner has a copy of the city code. The next step would be to give them notice in writing, and no enforcement action is taken until the City receives a response. He noted that the time frame for requesting a hearing has been increased from 10 to 14 days.

Referring to SMC 20.30.560, Councilmember Ryu inquired about the statement "lands covered by water," and if that definition would include water-covered land that was drained.

Mr. Tovar noted that standing water on site is probably a critical area, and attempts to drain it would violate the critical areas regulations.

Councilmember Ryu wished to ensure that these changes do not diminish the environmental protections built into the system.

Staff responded to Deputy Mayor Fimia that additional amendments not addressed in this group would require a hearing in the Planning Commission.

Deputy Mayor Fimia expressed interest in removing some amendments from consideration. She expressed concern about the categorical exemptions in SMC 20.30.530 (Amendment #5) as well as the new language proposed for SMC 20.50.020(2) (Amendment #9) on page 50 of the Council packet. She felt this amendment should not be considered before the Council addresses the issue of the South Aurora Triangle (SAT) and form-based codes.

Mr. Tovar pointed out that form-based code focuses on factors such as size, bulk, and orientation, rather than on the usage and number of dwelling units.

Deputy Mayor Fimia moved to strike the following from Table 20.50.020(2) in the proposed list of amendments: "Exceptions to Table 20.50.020(2): (1) For all parcels zoned CB within 1300 feet of Aurora Avenue or Ballinger Way, there is no residential density limit. Development is subject to all other requirements of the Shoreline Development Code." Councilmember Way seconded the motion.

Councilmember Gustafson noted that almost every vote in the Planning Commission was unanimous, with the exception of Amendment #9, which was a 7-1 vote. He asked for Mr. Tovar's perspective on why one Commissioner voted against this amendment.

Mr. Tovar said the concern was if the code is amended in a way that some would construe to be a rezone (or a change to the zoning map), then there should be quasi-judicial notice provided. He said it was a process issue for the member rather than a concern about the

concept.

Councilmember Gustafson said he will vote against Deputy Mayor Fimia's amendment, noting that the Planning Commission and staff recommended approval.

Councilmember Ryu wished to consider Amendment #9 at a later time and not approve it with this grouping. She advised proceeding with caution, noting that some people were not aware of this amendment.

Mayor Ransom read the proposed language of section 20.50.020(2) and explained that the Council has discussed the issue of density limits before. He said even though there would be no residential density limits in CB zones within 1300 feet of Aurora Avenue and Ballinger Way, they are still subject to the requirements of the Development Code. He said if the public was fully aware of this issue, they would be supportive of the amendment. He felt the Council should retain the recommended language.

Councilmember Hansen opposed Deputy Mayor Fimia's amendment, since development would still be subject to all other development regulations. He said he has great faith in the Planning Commission and staff on this issue.

Councilmember Way said she appreciates staff's work, but many parts of the community are sufficiently concerned about this issue; therefore, she feels it needs additional work. She said this amendment goes to the heart of issues people are expressing concern about; namely, the fear of large development in neighborhoods.

Responding to Mayor Ransom, Mr. Tovar clarified that the 1300-foot distance (the distance one could reasonably expect pedestrians to walk to transit) is the first attempt to codify what is a fairly standard practice in urban design.

Councilmember Hansen moved the previous question. Councilmember Gustafson seconded the motion, which failed 2-4, with Councilmembers Hansen and Gustafson voting in the affirmative.

Staff confirmed for Councilmember Ryu that 1300 feet is roughly 2 city blocks; at N 185th Street it would go from Aurora Avenue N to slightly beyond Linden Avenue on the west, and to Stone Avenue on the east. Mr. Szafran noted that most of the CB zone designation is located on Ballinger Way.

Deputy Mayor Fimia felt this amendment should require more public review since it proposes a major change.

A vote was taken on the motion to strike the following from Table 20.50.020(2): "Exceptions to Table 20.50.020(2): (1) For all parcels zoned CB within 1300 feet of Aurora Avenue or Ballinger Way, there is no residential density limit. Development is subject to all other requirements of the Shoreline Development Code." The motion failed 3-3, with Mayor Ransom and Councilmembers Gustafson and Hansen dissenting.

Councilmember Way expressed concern about Amendment #5 relating to categorical exemptions for minor new construction. She was in favor of not passing this amendment at this time to allow the Council more time to review.

Councilmember Way moved to strike Amendment #5, changes to SMC 20.30.560, from the list of amendments for consideration. Councilmember Ryu seconded the motion, which failed 3-3, with Mayor Ransom and Councilmember Gustafson and Hansen dissenting.

Councilmember Ryu moved to lower the recommended threshold limits included in SMC 20.30.560, Categorical exemptions - Minor new construction, as follows: "The following types of construction shall be exempt, except: 1) when undertaken wholly or partly on lands covered by water; 2) the proposal would alter the existing conditions within a critical area or buffer; or 3) a rezone or any license governing emissions to the air or discharges to water is required. A. The construction or location of any residential structures of ~~four up to 20~~ 12 dwelling units. B. The construction of an office, school, commercial, recreational, service or storage building with ~~4,000 up to 12,000~~ 8,000 square feet of gross floor area, and with associated parking facilities designed for ~~20 up to 40~~ 30 automobiles. C. The construction of a parking lot designed for ~~20 up to 40~~ 30 automobiles. D. Any landfill or excavation of 500 cubic yards throughout the total lifetime of the fill or excavation; any fill or excavation classified as a Class I, II, or III forest practice under RCW 76.09.050 or regulations thereunder. (Ord. 324 § 1, 2003; Ord. 299 § 1, 2002; Ord. 238 Ch. III § 9(h), 2000)." Councilmember Way seconded the motion.

Mr. Tovar noted that these changes are a move in the right direction, although the Planning Commission was comfortable with the numbers it proposed.

Mr. Olander said this is a policy issue of striking a balance between streamlining the process and excessive regulation. He felt the changes as recommended by the Planning Commission reduce staff time and assist economic development. He reiterated that the critical areas ordinance provides the adequate environmental protections.

Councilmember Hansen noted that all these issues have been argued extensively in a public process before the Planning Commission, which moved them forward for approval. He said he is in favor of adopting all of them or none of them, so he is against the change. He said this issue is about whether the Council trusts the Commission and staff.

Councilmember Gustafson concurred, noting that without the knowledge and background of the Planning Commission and staff, the changes are arbitrary.

Councilmember Way asked if staff analyzed the surface water impacts of allowing larger building footprints and parking areas.

Mr. Tovar said the premise is that any work done on a site will be subject to City review for

stormwater control. He clarified that there are more systematic ways to ensure surface water control than through SEPA. Mr. Olander added that these changes do not increase building lot sizes; they just change the threshold in which SEPA review is required. He said the Surface Water Master Plan still applies regardless of parking lot size.

Councilmember Way said she appreciates the intent of Amendment #12, but it would be preferable to see a compensation for pervious surface, because increasing the footprint will increase detention and retention needs.

Mr. Olander reiterated that this does not increase size of lots. He said as we move to low-impact development standards, we get into different designs for stormwater detention and retention, which are dictated through the development regulations, not SEPA.

Mr. Tovar noted that SEPA is a useful tool for larger projects. However, SEPA is a 40-year-old regulatory scheme that over time has become less useful for reviewing smaller projects, especially since our critical areas regulations have become more rigorous and sophisticated.

Mayor Ransom asked the Council to seriously consider the suggested change, since it represents a compromise and an improvement over the current regulations.

Deputy Mayor Fimia moved to substitute for the prior amendment a motion to strike Amendments #5, #9, and #14 from consideration this evening and to have staff bring them back for review at a future meeting. Councilmember Ryu seconded the motion.

Deputy Mayor Fimia noted that Councilmembers were elected to do "fine tuning," and if there are Councilmembers who have concerns about the proposed changes, their concerns should be considered. She noted that people are not closely following the Planning Commission, and it would be appropriate to wait a few weeks to address the other amendments.

Councilmember Gustafson pointed out that the Planning Commission recommended denial on Amendment #14.

Councilmember Ryu spoke in favor of the substitute motion.

Councilmember Hansen noted that Councilmember McGlashan chose to recuse himself from the discussion on the grounds of potential conflict of interest, but another Councilmember in a similar situation did not.

Deputy Mayor Fimia said the substitute amendment simply asks for more time to consider Amendment #9, which represents large areas in the City of Shoreline.

Mayor Ransom recommended that the amendment be approved so the Council can approve the remaining items and move on to the other agenda items.

Upon motion by Councilmember Gustafson, seconded by Councilmember Ryu and carried 6-0, debate was closed.

A vote was taken on the motion to strike Amendments #5, #9, and #14 from consideration, which carried 4-2, with Councilmembers Gustafson and Hansen dissenting.

A vote was taken on the motion to adopt Ordinance No. 469, with the exception of Amendments #5, #9, and #14, which carried 5-1, with Councilmember Gustafson dissenting.

RECESS

At 9:43 p.m., Mayor Ransom called for a five minute recess. At 9:52 p.m., the meeting reconvened.

9. NEW BUSINESS

(a) Ridgecrest Final Report and Next Steps

Tom Boydell, Economic Development Manager, explained that the Ridgecrest Neighborhood Commercial Center project is the first project of the sustainable neighborhoods initiative of the Economic Development program. The project has potential for mixed use, public spaces, pedestrian improvements, and includes economic and social dimensions. He summarized the process to date and noted that as a first-tier suburb, Shoreline must rethink its housing options and consider social, environmental, and economic sustainability as integral parts of the housing and development scheme. He introduced Professor Luanne Smith, of the University of Washington.

Professor Smith thanked the City for the opportunity to participate in this project. As an instructor in the Department of Landscape Architecture housed in the College of Architecture and Urban Planning, she and her students worked for a 10-week period, had two community meetings, and created four alternatives focusing on sustainability. She described the wide variety of participants and the public input process and described the site, which is located at the intersection of NE 165th Street and 5th Avenue NE (the "Bingo" site and the "7-11" site).

MEETING EXTENSION

At 10:00 p.m. Deputy Mayor Fimia moved to extend the meeting until 10:45 p.m. Councilmember Ryu seconded the motion, which carried 5-2, with Councilmembers Hansen and McGlashan dissenting.

Continuing, Professor Smith outlined the features of the site and the methodology used to create the four development alternatives. She discussed the site analysis process, precedent studies, the interactive stations for community input, neighborhood meetings, and the design synthesis. She noted that the synthesis phase resulted in four different designs that demonstrated a balanced approach to integrating the components of sustainability: economic, social, environmental, and creative.

She then outlined the following development schemes as included in the Ridgecrest Sustainable Neighborhood Development Visioning Workshop report: 1) Reuse/Infill; 2) Neighborhood Business Zoning Plan; 3) Community Business Comp Plan; and 4) Sub-Area Neighborhood Plan. Each of these plans represents different levels of residential and commercial development and range from the most modest to the highest possible density permitted. For example, the Neighborhood Business Zoning Plan would accommodate approximately 107 residential units, whereas the Community Business Comp Plan envisions 400 residential units. She concluded her presentation by commenting on the positive neighborhood feedback on the project and thanking the City for the opportunity to work with a "real client." She noted that this report represents an honest assessment of the development possibilities for the site.

Mr. Boydell listed potential ideas staff have identified for a next phase discussion with citizens and City leadership, including: 1) zoning revisions, 2) local property tax exemption program, 3) adding Ridgecrest to the Capital Improvement Plan as a project placeholder, and 4) exploring federal and state grant funds.

Mayor Ransom called for public comment.

(a) Dennis Lee, Shoreline, said this plan sounds like something he has been interested in for a long time -- a neighborhood subarea plan with a sustainability component. He said the next steps may not have to be very expensive, but community involvement in land use is crucial in achieving successful development. He said he is excited to see something like this happening.

(g) Gretchen Atkinson, Shoreline, said this is the fourth charrette she has been involved in, and it's exciting to see the variety of possibilities. She said this is an opportunity to go a step further and make the Ridgecrest Vision even better than the North City project through artwork, pedestrian trails, and community areas. She commented favorably on the mixed use development schemes, noting that it provides the needed commercial uses that support higher residential densities. She said it is outstanding that the UW students had visions of the type of businesses and amenities that would be appropriate for this area.

(c) Patty Hale, Shoreline, said although the plan is exciting as a whole, she is concerned about the huge influx of potential parking spaces, and the competition for those spaces. She noted that a 20-story building would be imposing in the subject area, and while the project should strive to be better than North City, it should not be bigger. She commented favorably on the citizen interaction and dialogue and on the street-friendly amenities of the development schemes. She wondered how exempting properties from taxation would benefit the City. She thanked Professor Smith and Mr. Boydell for showing what the future of Ridgecrest could be.

Mr. Olander assured the Council that staff is very sensitive to scale and neighborhood issues, and will bring back recommendations for the Council to consider. Mr. Boydell clarified that the current property tax exemption is only a partial exemption.

Councilmember Way said she thoroughly enjoyed the process, as did many others. She asked if hard-bound copies are available to the public, to which staff responded that the study is available at the Shoreline library as well as the City web site. Councilmember Way asked if the study considered the impact of overflow parking resulting from special events.

Professor Smith noted that the realistic scheme would include underground parking, since there is currently insufficient parking for the Crest Theater. Councilmember Way suggested that public parking could be considered as one possibility to absorb the theater parking problem. Mr. Boydell said he asked the UW students to explore the parking question, although most developers are not interested in providing public parking.

Councilmember Ryu spoke favorably of the study and described it as a "springboard" for further activities. She urged the staff to be sensitive to traffic flow impacts, especially as they relate to single-family neighborhoods.

Deputy Mayor Fimia asked for a description of the public feedback on the four development options identified. She wondered if one development type was preferred over others.

Mr. Boydell said that the lowest-intensity development (Reuse/Infill) and the highest-intensity development (Sub-Area Neighborhood Plan) were the most controversial. Based on this feedback, it was his impression that the preferred alternative will be somewhere in between. He added that the public loved the concept of residential dwellings built above commercial units.

Deputy Mayor Fimia said she is hearing that the community wants to give input, they want to see good quality development, and that they're open to additional development within reason. She expressed concern that even though the City is building a new expectation and public process, the City will continue to get the same type of development its had in the past.

Professor Smith clarified that the community did not necessarily respond to the mass of the buildings, but that they appreciated the social and environmental aspects that developments #2 and #3 offered.

Responding to Deputy Mayor Fimia, Mr. Tovar said it will be important to communicate with potential property owners, and possibly pursue zoning changes, in order to get the desired development. Mr. Boydell added that property tax incentives could be part of the equation as well. Mr. Olander said staff has been verbally communicating with current and potential owners, and that potential buyers are very engaged and open about the development prospects. He concurred that putting something in writing would go a long way in attracting the desired development.

Mayor Ransom pointed out that one of the reasons the bingo hall closed was due to lack of traffic; the current 5,000 vehicles per day is not sufficient to support local business. However, if traffic volumes are increased, it will likely increase the number of traffic-related complaints. He asked how these issues will be addressed by future development. Staff

replied that businesses will be supported by the foot-traffic created by higher-density residential development.

MEETING EXTENSION

At 10:45 p.m., Councilmember Way moved to extend the meeting until 11:15 p.m. Councilmember Ryu seconded the motion, which carried 6-0 (Councilmember McGlashan temporarily stepped away from the Council table).

Councilmember Gustafson noted that he will be submitting these materials to the National League of Cities (NLC) First Tier Suburbs Committee, and they are excited about the possibilities in terms of the partnerships, the process, and the outcomes. He said they might use them in their conference sessions this fall.

(c) Civic Center Project Informational Update

Jesus Sanchez, Public Works Operations Manager and Civic Center Project Manager, provided a brief status report on the Civic Center project. He noted that staff recently completed a major review of the development proposals, and OPUS Northwest was selected as the recommended development firm.

Bill Angle, consultant to the Civic Center Project, spoke favorably of OPUS Northwest, noting that they gave the City an affirmative commitment and declaration, and the estimated budget was significantly less in terms of the "soft costs." He said the next step is to meet with OPUS representatives and finalize a pre-development agreement, which will provide a scope of work to get us to a final set of agreements. He noted that the City will own the work product resulting from the pre-development agreement.

Mr. Sanchez said OPUS has a strong design team and they understand the City's environmental and sustainability issues as well as the public process. He added he is excited to bring them to the public forum.

Mr. Angle added that OPUS is a very impressive, fully-integrated real estate development company that aggressively pursued this project. He outlined their experience in other public projects and added that OPUS provided the most innovative ideas on how the City's project can meet its potential.

Mr. Olander clarified that the pre-development agreement and the development agreement are already drafted as part of the RFP process. The predevelopment agreement will get the City started, providing 30% design. At that time the project costs will be guaranteed, and the risk will be transferred to the private sector. Mr. Olander added that the City has been fortunate in the RFQ process, considering that some projects costing \$200 million haven't attracted as much attention as the City's project.

Mayor Ransom called for public comment. There was no one in the audience wishing to provide public comment.

(b) Presentation of the 2008-2013 Capital Improvement Plan

Mr. Olander and Patti Rader, Budget Analyst, presented the proposed 2008-2013 Capital Improvement Plan (CIP) and adoption schedule. They outlined that the CIP is a long-term policy and management tool, and does not include precise cost estimates or detailed project schedules. The CIP includes 51 projects totaling \$172 million over a six-year period, with Aurora Corridor Phase 2 comprising the largest portion of the funds.

Ms. Rader provided a PowerPoint presentation showing the breakdown of CIP revenue sources, including grants, savings, and real estate excise tax (REET). She also outlined the various categories of CIP projects. She emphasized that staff tried to focus on the Council goals in developing the CIP. The CIP is divided into three major categories: General Capital (17 projects totaling \$32.9 million); Surface Water Capital (19 projects totaling \$18.3 million); and Roads Capital (12 projects totaling \$120.4 million).

Mr. Olander summarized the significant changes to this year's CIP, noting that the City faces capital revenue shortages in the coming years. In addition to inflation and increasing project costs, the General Fund contribution to the Roads Capital fund is reduced due to the gambling tax reduction and reduced gambling receipts. He noted the City's intention to keep the City's portion of the Aurora Corridor project level, and to vigorously seek grant funding. It was noted that the State legislature passed enabling legislation which would allow jurisdictions to collect a vehicle license tab fee, if the City was so inclined.

Mayor Ransom called for public comment. There was no one in the audience wishing to comment on this agenda item.

Responding to Councilmember Hansen, Ms. Rader said it is estimated that a \$20 per vehicle license tax would produce \$638,000 in annual revenue.

Deputy Mayor Fimia asked for a brief summary of the gambling activity and the budget impact. Ms. Rader said the gambling industry has seen a 20% drop in gambling activity for variety of reasons. This has resulted in a revenue reduction of \$250,000 annually. Mayor Ransom pointed out that the casinos were paying nearly \$3.5 million annually, before the tax reductions went into effect.

10. ADJOURNMENT

At 11:21 p.m., Mayor Ransom declared the meeting adjourned.

Scott Passey, City Clerk