From: Randall Olsen

To: <u>City Council</u>; <u>Carolyn Wurdeman</u>

Cc: Michael Sherry (msherry@sherryadvisors.com)

Subject: FW: Letter to City of Shoreline Councilmembers

Date: Monday, August 08, 2016 3:47:37 PM

Attachments: Letter to City of Shoreline Councilmembers re Ordinance 754 (Temporary Moratorium of Self-Storage Facilities)

(8-8-16) (03158987).pdf

Please see attached letter to the City Council re Ord. 754 (Temporary Moratorium of Self-Storage Facilities) to be considered at tonight's council meeting.

Please confirm receipt.

Thank you,

CH& | Randall Olsen

Attorney

Cairncross & Hempelmann

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From: Rachel Wang

Sent: Monday, August 08, 2016 3:45 PM

To: Randall Olsen

Subject: Letter to City of Shoreline Councilmembers

CH& | Rachel Wang Legal Assistant Cairncross & Hempelmann 524 Second Avenue | Suite 500 | Seattle, WA 98104-2323 d:206-254-4485 | f:206-587-2308 A member of Mackrell International, a Global Network of Independent Law Firms.

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August 8, 2016

<u>VIA EMAIL</u>

City of Shoreline 17500 Midvale Avenue N Shoreline, WA 98133-4905 Email: council@shorelinewa.gov

Re: Ordinance 754 (Temporary Moratorium on Self-Storage Facilities)

Request for Council to adopt Staff Report Alternative 2

Dear Councilmembers:

This firm represents Michael Sherry and Sherry Development Company LLC with regard to Mr. Sherry's planned self-storage facility on the properties at 14553 Bothell Way NE. The existing site is comprised of five tax parcels (Parcel Nos. 1568100586, 1568100490, 1568100495, 1568100500 and 1568100485) ("Property"). The Property is zoned Community Business ("CB"). A site plan showing Mr. Sherry's proposed self-storage facility is attached.

At tonight's City Council meeting, the Council will consider whether to adopt Ordinance 754, which institutes an emergency moratorium requiring the City to deny all applications for self-storage facilities in all zones within the City of Shoreline. By this letter, Mr. Sherry asks the Council to adopt City Staff's proposed Alternative 2, which exempts from the moratorium those self-storage facility projects that the City already has stated in writing are approved uses.

The proposed emergency moratorium has come as a complete shock to Mr. Sherry and his team of advisors. Mr. Sherry's self-storage project has been under review and analysis for months. Earlier this year, Mr. Sherry hired an architecture firm (Jackson Main Architecture), partnered with a development manager (BNR Development), and engaged this law firm to evaluate and pursue approval of a self-storage facility on the Property.

Because the City's zoning code does not list self-storage facilities as permitted or prohibited uses in the CB zone, Mr. Sherry's advisors requested the Director of Planning and Community Development to confirm via an Unlisted Use Interpretation that the self-storage use is permitted. That request was made on July 26, 2016. One week later (August 2, 2016), Mr. Sherry's advisors participated in a pre-application meeting with City staff to discuss the project. At the meeting, the City responded positively to the project and indicated that a self-storage use is permitted at the Property. Staff recommended some changes to the project's design, and Mr. Sherry agreed to make

rolsen@cairncross.com Direct: (206) 254-4418 City of Shoreline August 8, 2016 Page 2

those changes. At no point during the meeting did staff indicate that an emergency moratorium was being considered that might be adopted within the week. Staff had indicated previously that a moratorium on self-storage uses might be considered at some point in the future, but that no action was likely to occur until December of 2016, which would have been well after Mr. Sherry's building permit would have been filed. Those communications with the City gave Mr. Sherry confidence to continue to seek approval for his project.

Three days after the pre-application meeting, in the afternoon of Friday, August 5, 2016, the Director confirmed in writing that Mr. Sherry's proposed self-storage facility was a permitted use on the Property. The email that transmitted the interpretation, however, also stated that on Monday, August 8, 2016 (i.e., the next business day), the Council would consider and likely adopt an emergency moratorium on all applications for self-storage facilities in all zones within the City. Needless to say, after all of the prior communications with the City, the notice of an emergency moratorium was a shock to Mr. Sherry and his advisors.

If the City wants to reevaluate its zoning code, then adopting a moratorium can be an effective way to provide prior notice to potential applicants that they would be wasting their time, money, and energy to prepare and submit an application for a self-storage use while the moratorium is in effect. But an emergency moratorium has a much different effect on existing applicants who already have spent time, money and energy seeking approval of such a use. There is a small group of projects (a grand total of 6 across the entire City including Mr. Sherry's project) that already have met with the City and received written interpretations from the City confirming that their proposed self-storage uses are allowed. The City should not pull the carpet out from under those projects by preventing them from submitting applications at this late stage.

Before taking action on the moratorium ordinance, the Council should consider whether its action would be fundamentally fair under the circumstances. The City also should consider what message it wants to send to potential investors in the City of Shoreline. Here, Mr. Sherry is attempting to develop property that currently serves primarily as a parking lot. He has made a good faith effort to improve the property and open a business in the City. To date, Mr. Sherry and his advisors have done all of the following:

- performed a survey on the several parcels making up the Property
- had a Phase One environmental study completed
- completed a soils study
- completed a market analysis for the project
- completed a site plan and initial architecture review and design
- performed various legal reviews of the property
- negotiated a purchase and sale agreement
- analyzed the zoning
- completed the new step of obtaining a Code Interpretation
- completed the pre-application process
- agreed to make the changes to the project as requested by the planners to improve the design to their requirements

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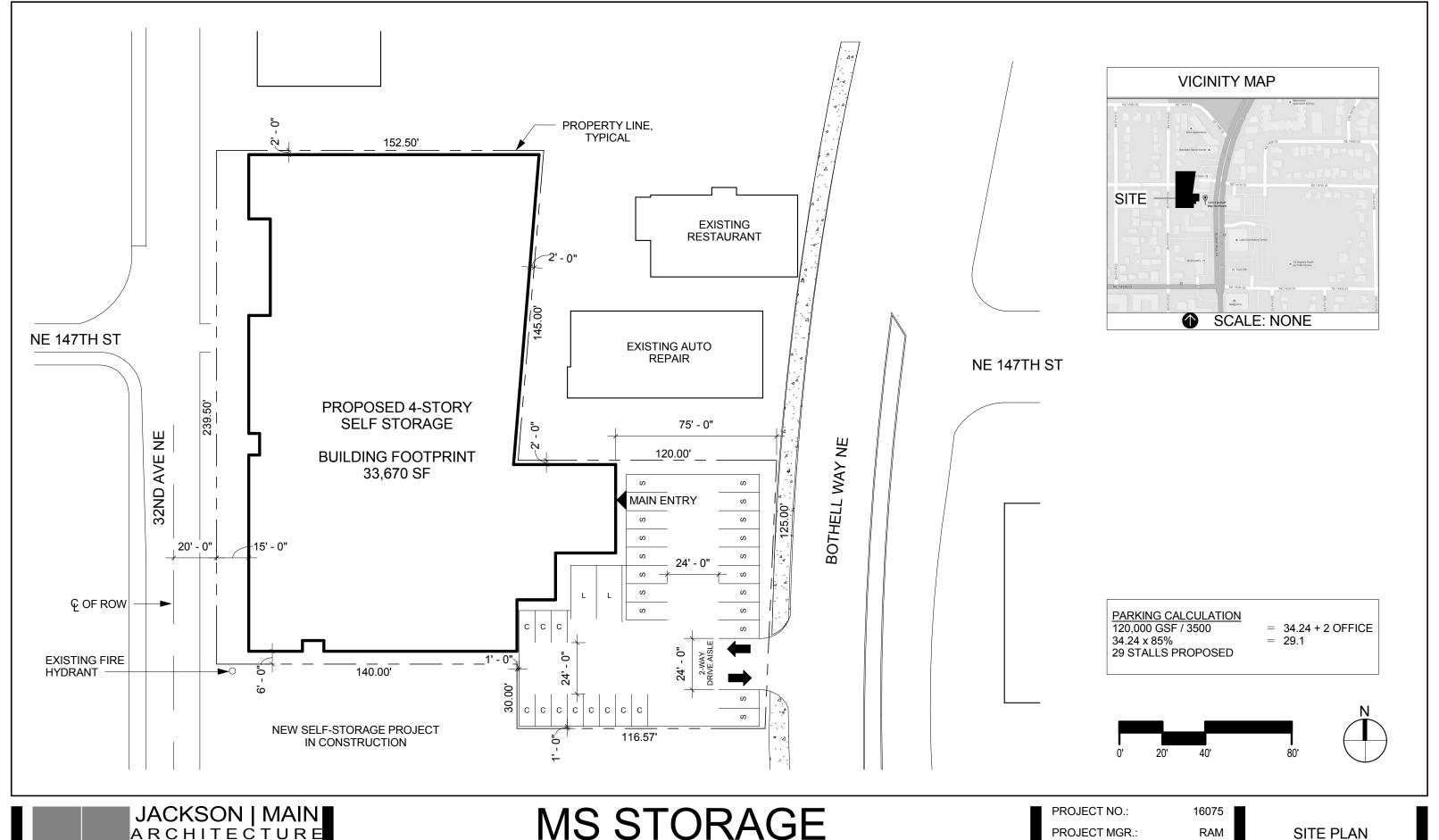
Mr. Sherry has spent over \$50,000 on the above efforts, which culminated in a formal confirmation from the City that his proposed self-storage project is permitted. If the Council adopts an emergency moratorium that includes Mr. Sherry's project, then Mr. Sherry's efforts and the money he has expended to pursue his project will have been wasted. The Council should avoid punishing people like Mr. Sherry who have made great efforts to try to establish new businesses in Shoreline.

We urge the Council to adopt Alternative 2, which is described in the Council's packet at page 8b-4. Alternative 2 would adopt the moratorium and prohibit any new applications for self-storage facilities, but it would allow the existing self-storage projects (including Mr. Sherry's) that have obtained a written confirmation from the City that they are permitted to move forward. Thank you for your attention to this important matter.

Very truly yours,

RMU P. One

Randall P. Olsen





MS STORAGE

14553 BOTHELL WAY NE SHORELINE, WA 98155

PROJECT MGR.: RAMDRAWN BY: STC CHECKED BY:

07/19/16

DWG DATE: