#### BEFORE THE HEARING EXAMINER CITY OF SEATTLE

In the Matter of the Appeal of:

## Hearing Examiner File: S-15-001 and S-15-002

FOSS MARITIME COMPANY

from an interpretation by the Director, Department of Planning and Development. DEPARTMENT OF PLANNING AND DEVELOPMENT'S REPLY ON MOTION TO DISMISS

This Reply is organized by topic, identifying Appellants' Issues within each one. The Port's repeated contention that DPD's Motion purports to address only jurisdictional issues is wrong: the first, the last page and page 4 expressly state DPD seeks to dismiss both jurisdictional and other types of issues. The topics set out are procedural, jurisdiction, SMP provisions and lastly Port issue 11, the Comprehensive Plan. With some modification, as noted, DPD seeks dismissal of all Issues raised in its motion.

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#### I. ABILITY TO DISMISS ISSUES

The Port's contention that the Hearing Examiner lacks authority to dismiss issues or parts of issues is wrong, and the Port cites no authority to support it. An "issue" is a required part of a petition:

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(3) A brief statement of the appellant's issues on appeal, noting appellant's specific objections to the decision or action being appealed;<sup>1</sup>

It is indisputable that HE 3.02 authorizes dismissing issues over which the Hearing Examiner lacks jurisdiction, whether they are issues or parts of issues. The Hearing Examiner has authority to consider dispositive motions on other grounds, as well.<sup>2</sup> A motion on the grounds that an issue "lacks merit on its face" is the same as one that the Hearing Examiner can resolve as a matter of the law where there are no disputed facts, which the Port acknowledges as a CR 12(b)(6) motion. This would include an issue asserting a Seattle Municipal Code section that is inapplicable as a matter of law to the subject appealed or compliance with the Comprehensive Plan. These are the matters DPD seeks to dismiss. Of course, the Hearing Examiner could not grant DPD's motion on issues where the facts are in dispute, but on these issues, they are not.

#### II. JURISDICITON CONTROLS ISSUES

The Hearing Examiner should reject Appellants' arguments to hear issues outside the jurisdiction conferred by the City Council in SMC 23.88.020 – the interpretation of Title 23. These arguments are not supported by the authority Appellants cite, as explained in Sections A and B below. The Hearing Examiner should consider solely whether jurisdiction exists to hear these issues and dismiss them on that ground, as set out in Section C.

#### No legal requirement to hear claims outside the Examiner's jurisdiction

The Port asserts that if the Hearing Examiner lacks jurisdiction over issues and cannot decide them, Appellants must be allowed to make their case on them, regardless.<sup>3</sup> The Port's

<sup>1</sup> HE Rule 3.01(d)(3).
 <sup>2</sup> See, HE Rule 2.16(e).
 <sup>3</sup> Port Opp. P. 2, lines 22-26.

A.

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case law authority<sup>4</sup> is inapposite because it addresses a situation where the state agency did have 1 2 jurisdiction. In *Harrington*, the plaintiff filed a petition under the Land Use Petition Act and RCW 64.60, a statute allowing damages for certain arbitrary land use actions. The county said 3 Harrington lacked standing because he failed to appeal to the shoreline hearing board to exhaust 4 his administrative remedies. Harrington claimed exhaustion was not required because the board 5 lacked jurisdiction to hear his claims. The court concluded the shoreline hearing board had 6 jurisdiction, the principle of exhaustion applied, and in that context the court made the statement 7 the Port quotes: "Administrative review is, therefore, required to develop the facts necessary to 8 adjudicate this 'as applied' constitutional challenge." This has no applicability when the Hearing 9 Examiner lacks jurisdiction. 10

Similarly, the Port's cursory citation to RCW 36.70C.120(1) is incomplete and when stated in full is contrary to the Port's position. That subsection states that under the Land Use Petition Act judicial review is "confined to the record created by the quasi-judicial body or officer except as provided in subsections (2) and (4) of this section." Subsection (2)(c), not cited by the Port, creates an exception for "Matters that were outside the jurisdiction of the body or officer that made the land use decision."<sup>5</sup> This statute does not require the Hearing Examiner to take testimony on issues outside the Examiner's jurisdiction.

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# B. Neither statutory construction nor case law on deference compel consideration of issues outside the Examiner's jurisdiction.

Foss contends that notwithstanding lack of jurisdiction, which Foss neither concedes nor refutes, the Hearing Examiner should not dismiss Foss Issues 3, 7, 9, 16 and 17<sup>6</sup> because they are necessary for the Hearing Examiner to correctly apply the canons of statutory construction and

<sup>4</sup>Harrington v. Spokane County, 128 Wn. App. 202, 210, 114 P.3d 1233 (2005).

<sup>5</sup> <u>http://app.leg.wa.gov/rcw/default.aspx?cite=36.70C.120</u>.

<sup>6</sup> Historical use, prior permit decisions or enforcement, arbitrary or political motivation.

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recognized authority and proposes constraints on deference that are foreign to the Hearing 3 Examiner's authority from the City Council. 4 1. **Statutory construction** 5 The Hearing Examiner follows customary rules of statutory construction as set out in 6 7 numerous Hearing Examiner decisions: In interpreting a statute, or code, the primary objective is to 8 ascertain and carry out the intent of the legislative body that adopted it. Fraternal Order of Eagles, Tenino Aerie No. 564 v. 9 Grand Aerie of Fraternal Order of Eagles, 148Wn.2d 224, 239, 59 P.3d 655 (2002) (citations omitted). One looks first to the 10 language of the code to determine legislative intent, and if the code is unambiguous, the meaning is derived from the plain language of the code alone. Id. Definitions provided in code are controlling, but if undefined, a term should be given its "plain and ordinary 12 meaning by reference to a standard dictionary." Id. The words of a statute should not be read in isolation, Markham Advertising Co. 13 v. State, 73 Wn.2d 405, 439 P.2d 248 (1968), and a code section should be construed so that each part is given effect with every 14 other part. City of Tacoma v. Cavanaugh, 45 Wn.2d 500, 275 P.2d 933 (1954).<sup>7</sup> 15 The Hearing Examiner appropriately looks uniquely to the legislation itself, for it is well 16 established law that "the intention of the Legislature is to be deduced from what it said.<sup>8</sup> 17 Foss cites Dep't. of Ecology v. Campbell & Gwinn, LLC,<sup>9</sup> which concludes that "plain 18 meaning" should be "derived from what the Legislature has said in its enactments, but that 19 meaning is discerned from all that the Legislature has said in the statute and related statutes 20 21 22 In the Matter of the Appeal of Phinney Ridge Community Council, et al., Hearing Examiner File: MUP-07-022(W)/W-06-003, October 29, 2007, Analysis, paragraph 3. 23 <sup>8</sup> In Re Sanborn, 159 Wash. 112, 118, 922 Pac. 259 (1930). <sup>9</sup> 146 Wn.2d.1, 43 P.2d 4 (2002). Peter S. Holmes DEPARTMENT OF PLANNING AND DEVELOPMENT'S Seattle City Attorney **REPLY ON MOTION TO DISMISS - 4** 701 Fifth Ave., Suite 2050 Seattle, WA 98104-7097 (206) 684-8200

because they affect the deference the Hearing Examiner gives DPD's Interpretations. Both

contentions are incorrect. Foss's argument creates new rules of statutory construction beyond

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which disclose legislative intent about the provision in question.<sup>10</sup> The Court continues, if the legislation remains ambiguous the court would then resort to "aids of construction including legislative history."<sup>11</sup> Legislative history is the record created by the legislature (including its staff and public testimony) during the adoption of legislation.<sup>12</sup>

Foss paraphrases that last passage and changes "legislative history" to "historic practices," a fundamental alteration both in the actor - from legislative (City Council) to administrative (DPD) – and in the action – from contemporaneous legislative history to post-adoption actions.<sup>13</sup> Having made that unsupported change, Foss then argues this case means that "DPD's historic practices" are a "key element in determining the scope of the Code and the SMP."<sup>14</sup> The case does not say that, and the Examiner should reject this unsupported argument.

Plus, Hearing Examiner decisions reject such arguments in construing the meaning of a Code section in a formal interpretation. One appellant argued that other piers violate the code, so this should not be found to exceed the size limits; the Examiner rejected this stating:

5. That there may be other piers that do not comply with the Code limitations, does not eliminate the possibility that the subject pier extends beyond the Code-permitted maximum. <u>The basis for the Interpretation is the applicable language of the Code, not the presence or absence of other piers that exceed Code limitations.<sup>15</sup></u>

17 The Hearing Examiner has also rejected past DPD permit approvals and unappealed formal 18 interpretations as support for construing code provisions in interpretation appeals.<sup>16</sup> These

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10 Id. at 11-12. 11 Id.

<sup>12</sup> Tobin v. Dep't of Labor & Indus., 169 Wn.2d 396, 415, 239 P.3d 544, 553-54 (2010). <sup>13</sup> Foss Opp. P. 7, lines 8-13. <sup>14</sup> Id

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<sup>15</sup> In the Matter of the Appeal of Don Kennedy from Interpretation 95-006, Hearing Examiner File: S-97-005, June 11, 1997, Conclusions 4 and 5 (emphasis added).

<sup>16</sup> In the Matter of the Appeals of United Indians of All Tribes Foundation Seattle Community Council Fed. et al. Regarding an Interpretation by the Director, Department of Design, Construction and Land Use, Hearing Examiner

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Hearing Examiner decisions are consistent with the Court's rulings in *Buechel v. Dep't. of Ecology*,<sup>17</sup> *Dykstra v. Skagit County*<sup>18</sup> and Mercer Island v. Steinman.<sup>19</sup> While Foss decries this as "enshrining arbitrary action" and irresponsible inconsistency, well-established law in these cases holds that prior inconsistent actions will not defeat a correct interpretation of the law. As a result, other permits or other instances of enforcement are not relevant to the Hearing Examiner's task of construing the meaning of cargo terminal and accessory use under the SMP. The Hearing Examiner should reject Foss's new "historic practices rule" for legislative construction.

Foss then creates another new, unsupported, "rule" of construction: that just as the legislature is presumed to know of judicial construction of statutes and consent to them by not amending statutes, so the City Council is presumed to know of DPD's "interpretation" of the Code, and consent to it by not amending the Code.<sup>20</sup> Foss cites no authority for its novel proposition, other than cases citing the rule as it applies to court decisions and the legislature. While it could be reasonable to apply this concept to City Council acquiescence following court decisions or Hearing Examiner decisions, no authority exists or can be imagined to support such a conclusion from what Foss styles "interpretations" – permit decisions or failure to enforce. As established above, the Hearing Examiner should not accept such unsupported extrapolations.

Therefore, the Hearing Examiner should dismiss Issues outside her jurisdiction because they are not necessary for proper statutory construction of the definitions at issue in this appeal.

File: S-99-001, S-99-002, September 14, 1999, Conclusion 7 (unappealed formal interpretations) and Conclusion 9 (other discretionary permit approvals). <sup>17</sup> 125 Wn.2d 196, 211, 884 P. 2d 910 (1994).

<sup>18</sup> 97 Wn. App. 670, 677, 985 P.2d 424 (1999).
 <sup>19</sup> 9 Wn. App. 479, 483, 513 P.2d 80 (1973).

<sup>20</sup> Foss Opp. p. 7 lines 13-26.

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#### Deference is not conditional under 23.88.020

Foss also argues that the Hearing Examiner should consider issues for which she has no jurisdiction because they affect whether DPD's interpretation is entitled to deference by the Hearing Examiner. This argument has no merit because it is based on different standards for review and because the law it applies is inapposite to formal interpretations under SMC 23.88.020.

First, the Hearing Examiner's authority is based solely on the Council's delegation in the
Code.<sup>21</sup> The City Council directed, "The interpretation of the Director shall be given substantial
weight, and the burden of establishing the contrary shall be on the appellant."<sup>22</sup> The Hearing
Examiner construes this to mean:

To overcome the substantial weight accorded the interpretation, the Appellant has the burden of showing that it is "clearly erroneous." *Brown v. Tacoma*, 30 Wn. App. 762, 637 P.2d 1005 (1981). Under this standard of review, the interpretation may be reversed only if the Examiner is left with the definite and firm conviction that a mistake has been made. *Cougar Mt. Assoc. v. King Cy.*, 111 Wn.2d 742, 747, 765 P.2d 264 (1988).<sup>23</sup>

The case law Foss cites use a different standard. Under the Land Use Petition Act the standard for judicial deference is "The land use decision is an erroneous interpretation of the law, after allowing for <u>such deference as is due</u> the construction of a law by a local jurisdiction with expertise."<sup>24</sup> The Court construes this phrase to mean, "<u>Thus</u>, deference is not always due – in fact even a local entity's interpretation of an ambiguous ordinance may be rejected."<sup>25</sup> The City Council did not put such a caveat on the Hearing Examiner's duty, nor can case law for guiding

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<sup>&</sup>lt;sup>21</sup> Chausee, 38 Wn. App. 630 at 636.

<sup>&</sup>lt;sup>22</sup> SMC 23.88.020.G.5.

<sup>&</sup>lt;sup>23</sup> In the Matter of the Appeal of Clear Channel Outdoor from an Interpretation issued by the Director, Department of Planning and Development, Hearing Examiner File: S-07-001, May 1, 2006.

<sup>&</sup>lt;sup>24</sup> RCW 36.70C.130(1)(b) (emphasis added).

<sup>&</sup>lt;sup>25</sup> Ellensburg Cement Producs., Inc. v. Kittitas Cnty., 179 Wn.2d 737, 753, 317 P.3d 1037 (2014) (emphasis added).

courts or for applying state statutes change the scope of the Council's direction. Case law may guide the Hearing Examiner in construing Code language, such as "substantial weight," but case law cannot alter the Code.

Second, the cases cited by Foss, *Sleasman* and *Ellensburg*, are not apposite guides for limiting the scope of the Hearing Examiner' authority to give DPD deference in an interpretation appeal under SMC 23.88.020. In both cases the "interpretations" the courts rejected were made by the local government as it applied local codes in enforcement or permitting decisions, not in a formal interpretation process by a local government, as here. This formal process is required by the state statute for local project review, Chapter 36.70B RCW, set out in RCW 36.70B.110(11).<sup>26</sup>

If a history of prior DPD permit or enforcement actions were required as the basis for giving deference to formal DPD interpretations, then few if any interpretations would receive deference, and the Council's directive would be a nullity. The point of issuing formal 13 interpretations is to resolve statutory construction and application questions at a higher level, 14 15 creating a record of DPD's statutory construction distinct from the daily administrative task of applying the code. An interpretation process is also required by the Washington Department of 16 Ecology as part of shoreline master programs.<sup>27</sup> And in fact, the Council has made interpretations an administrative remedy for certain permitting decisions where an administrative decision is questioned.<sup>28</sup> Thus, formal interpretations are clearly distinguishable from the types

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<sup>&</sup>lt;sup>26</sup> "Each local government planning under RCW <u>36.70A.040</u> shall adopt procedures for administrative interpretation of its development regulations."

<sup>&</sup>lt;sup>27</sup> WAC 173-26-140.

<sup>&</sup>lt;sup>28</sup> SMC 23.88.020A, penultimate sentence: "A request for an interpretation, and subsequent appeal to the Hearing Examiner if available, are administrative remedies that must be exhausted before judicial review of a decision subject to an interpretation may be sought."

of less formal code applications at issue in *Sleasman* and *Ellensburg*, and the need to demonstrate prior consistency is inapplicable.

Third, the requirements Foss seeks to impose are *dicta* in both *Sleasman* and *Ellensburg*. In both cases the Court found the code unambiguous,<sup>29</sup> and stated no deference should be conferred on that ground. The Court then proceeded to state it wouldn't give deference any way because the local government failed to show prior consistent applications. This is *dicta* and not binding. Certainly, it has no application to the formal interpretation process at issue in this appeal.

Foss's newly created statutory construction principles and the court cases Foss cites to deny deference to agency interpretations do not provide a basis for hearing issues otherwise outside the Hearing Examiner's authority.

C. Specific jurisdictional issues

Appellants oppose DPD's Motion to Dismiss specific jurisdictional issues on additional specific grounds addressed below. These issues should be dismissed.

## 1. Foss Issue 3 - past inconsistent interpretation and enforcement of cargo terminal definition

Foss's sole argument against dismissing Issue 3 is the one set out and addressed in Section B above and is meritless.

#### 2. Foss Issue 7 - Nykreim

Foss claims DPD's Interpretation cannot assert the definition of "cargo terminal" is different from the definition DPD used in approving earlier permits, particularly the "bollard permit" issued in February. Foss makes 2 arguments: first, the Examiner's statutory construction

<sup>29</sup> Sleasman, 159 Wn.2d 639 at 646; Ellensburg, 171 Wash. App. 691, 706, 287 P.3d 718 (2012); on appeal the Washington Supreme Court upheld this determination. Ellensburg 179 Wn.2d 737 at 755.

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task and the deference due DPD,<sup>30</sup> addressed in Subsection B above. This is meritless. Second, Foss notes *Nykreim* is not based on estoppel, but on a statute of limitations set out in LUPA as applied by the court in *Nykreim*. That characterization, however, does not bring this issue within the Hearing Examiner's jurisdiction. The Examiner would still have to determine the scope and meaning of a DPD decision that is not the subject of this appeal and apply a statute outside Title 23 to determine whether DPD was barred by law from issuing the interpretation. Foss admits this is the gravamen of this issue and views it as "determinative of this case."<sup>31</sup> The Hearing Examiner's jurisdiction is limited to determining the meaning and application of Title 23, not of Ch. 36.70C RCW and case law applying it. This issue should be dismissed for lack of jurisdiction.<sup>32</sup>

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## 3. Foss Issue 8 – activity is a preexisting nonconforming use

The Hearing Examiner hears cases concerning uses established for the record when a party has applied to DPD for a determination, DPD has issued one, and that determination is appealed to the Hearing Examiner.<sup>33</sup> Foss offers no argument why the Hearing Examiner has jurisdiction to make a determination on this issue before Foss or the Port have even applied to DPD for a permit to establish the use for the record, much less before DPD has issued a determination on it, except to say that DPD's Interpretation is "effectively precluding" the Port's ability to do so. Foss bases this conclusion on the fact that the Interpretation says a new permit is needed to moor the oil rig and its assisting vessels at Terminal 5. This fails to establish

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<sup>&</sup>lt;sup>30</sup> Foss Opp., p. 11, last paragraph.

<sup>&</sup>lt;sup>31</sup> Foss Opp., p. 11, lines 17-19 and p. 12 lines 3-5.

 $<sup>^{32}</sup>$  And the deposition of Ben Perkowski should be quashed.

 <sup>&</sup>lt;sup>33</sup> See, e.g., In the Matter of the Appeals of Friends of Haller Lake Neighborhoods and Bill Johns and Seattle School District from an Interpretation issued by the Director, Department of Planning and Development, Hearing Examiner File: S-03-002; S-03-003, November 24, 2003.

jurisdiction to consider this question – the new permit could be one to establish the use for the record.

Plus this argument is incorrect procedurally. No one disputes the current established use of Terminal 5 is a cargo terminal. The Interpretation determines the SMP defined terms "cargo terminal" and "accessory use" do not allow the oil rig and assisting vessels to moor there. Whether this is correct is the subject of this appeal. The Interpretation does not determine whether another pre-SMP use could be established for the record. The Interpretation does not preclude Foss or the Port (even now while this matter is on appeal) from taking additional steps, including applying for a permit to establish the use for the record. The Hearing Examiner lacks jurisdiction to consider this matter prior to DPD. Issue 8 should be dismissed.

#### 4. Foss Issue 9 - Right to proceed with vested projects

DPD's Motion argued this issue should be dismissed on the same grounds as Issue 7. Foss's Nykreim issue. Foss's Opposition agrees this issue presents the same contentions as Issue 7, and again cites the same arguments. For the same reasons as discussed in subsection C.4 above (Nyreim) and section B, the Hearing Examiner should dismiss this issue: the Hearing Examiner lacks jurisdiction over Nykriem claims, which is not overcome by Foss's novel statutory interpretation arguments and its inapposite deference arguments.

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#### 5. Foss Issue 11 – Compliance with interpretation procedures

Foss's Opposition agrees the issue should be dismissed.

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#### 6. Foss Issues 12, 13, and 14 – DPD actions outside the Interpretation

DPD's Motion asked the Hearing Examiner to Dismiss these issues because they address DPD actions or potential actions that are not part of the Interpretation itself (noting part of Issue 12 on how DPD will apply the Interpretation in the future, Foss Appeal, p. 7, lines 19-22 and

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Issue 14, as well as Foss Issue 13 -whether the DPD Director had changed the Interpretation after it was issued); therefore, these issues are not within the Hearing Examiner's jurisdiction under SMC 23.88.020.G.5 and A for reviewing the meaning and application of the Code as set out in the Interpretation. Foss's Opposition states that Issue 12 means the facts set out in the Interpretation are not consistent with the facts describing the Foss's "Operations" and therefore the Interpretation does not apply to the Operations. To the extent Foss wants to present different facts to the Hearing Examiner, that is preserved in Foss Issue 2, to which DPD has no objection, and which is different from the matters in these issues. Foss states that the issues raised are "key considerations" for the Hearing Examiner, but fails to explain why. Foss then states that "the history and potential application of the Interpretation" are relevant under Foss's expanded statutory interpretation arguments and court- based deference argument, but again Foss fails to explain how the history of the Interpretation (not the code text) and future, post-Interpretation, actions have anything to do with statutory interpretation or deference in this appeal. The matters set out in Issues 12, 13, and 14 (except for the presentation of relevant facts about Foss's proposed activities on the oil rig) are outside the scope of this Interpretation appeal and should be dismissed.

## 7. Foss Issue 16 – Arbitrary action - selective enforcement and inconsistent interpretation

DPD's Motion seeks to dismiss this claim because these matters are outside the scope of matters considered by the Hearing Examiner under SMC 23.88.0020. The standard applied by the Hearing Examiner is "clearly erroneous, not "arbitrary and capricious;" Foss asserts in footnote 4 that "obviously review for arbitrary action lies squarely within the role of the Hearing

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Examiner in this case," but the two standards are different.<sup>34</sup> Foss reliance on *Maranantha Mining* describing arbitrary and capricious actions is misplaced, because that case was not decided under the clearly erroneous standard. As discussed in the Motion and in Section B, above the Examiner does not consider other enforcement actions or permit applications. Foss's Opposition again contends these are issues relevant to statutory construction and deference to DPD. However, as explained above in Section B, these arguments are meritless under applicable rules of statutory construction and the applicable standards for review by the Hearing Examiner.

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### 8. Foss Issue 17 – Political Motivation

DPD's Motion seeks to dismiss political motivation because it is outside the scope of the Hearing Examiner's review under the standards set out in SMC 23.88.020. Foss's arguments that alleged political motivation should affect the deference accorded by the Hearing Examiner is not based on the Code standards and relies on inapposite case law, as described in Section B above.

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## 9. Foss Issue 19 – State law and constitution

See discussion in Subsections 11 and 12.

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#### 10. Port Issue 1 (part) and Port Issue 14 – Nonconforming use

DPD's Motion seeks to dismiss claims that the Port has a pre-existing use on the site that is consistent with Foss's proposed use, because this is outside the Hearing Examiner's jurisdiction, as explained in response to Foss Issue 8.

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The Port contends it is not asking the Hearing Examiner to determine the Port's rights, it just wants the Hearing Examiner to "consider" that Foss's use is consistent with the historic

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<sup>34</sup> An action might be politically motivated; suggesting arbitrary action, but the result might not be clearly erroneous.

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use.<sup>35</sup> To do this, the Hearing Examiner would have to determine (1) what that historic use was; (2) where it was located; (3) whether it was lawful at the time; (4) whether it was abandoned (5) whether the use was terminated by other uses established by later permits; and then (6) (under Port Issue 14) whether the City intended to preserve that unlawful or lawful use. The substance of making this determination is the process of establishing the use for the record, which is not within the jurisdiction of the Hearing Examiner on this appeal.<sup>36</sup> The Port can file such a request with DPD at any time.

While the Port contends there is no basis for ruling on the relevance of evidence that has not been offered,<sup>37</sup> the jurisdiction of the Hearing Examiner in this case is to determine the meaning of the terms "cargo terminal" and "accessory use" as defined in the SMP and then apply that to the activities of mooring an oil rig and assisting vessels. Making the determinations requested by the Port is not within the scope of this interpretation appeal, and hence outside of the Hearing Examiner's jurisdiction to resolve this appeal. It is a different question all together.

The Port claims Issue 14 concerns the intent of the SMP. DPD does not dispute this is relevant to interpreting code sections within the SMP. However, DPD does not concede the relevance of the contention in Issue 14, because it is based on matters that are outside the scope of this appeal. Port Issues 1 (part) and 14 should be dismissed.

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## 11. Port Issues 2, 3, 9, 13 - State law claims and Issue 15

DPD seeks to dismiss claims that seek relief based on state law because the Hearing Examiner lacks jurisdiction to address these issues under SMC 23.88.020.<sup>38</sup> Hearing Examiner

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<sup>35</sup> Port Opposition, p. 7,

 $^{36}$  Such issues are considered under separate interpretations; *see* FN 33.

<sup>37</sup> Pot Opp., p. 7.

<sup>38</sup> Chausee v. Snohomish County Council, 38 Wn. App. 630, 636, 689 P.2d 1084 (1984).

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decisions recognize the lack of authority to review federal or state law questions.<sup>39</sup>

The Port contends DPD's argument means DPD erroneously believes the Hearing Examiner's decision is "not subject to state law,"<sup>40</sup> citing *Wilson v. Seattle.*<sup>41</sup> This is not DPD's argument, and *Wilson* is inapposite. In that case the issue was whether the Tort Claims Act, which requires filing a claim with the city before filing an action in tort also requires filing a claim under Chapter 64.40 RCW. The case has nothing to do with Hearing Examiner jurisdiction to rule on matters of state law. The Port makes no other argument to contradict DPD's Motion that the Hearing Examiner lacks jurisdiction over state claims on Issues 9 and 13. These claims should be dismissed.

DPD and the Port agree Issues 2 and 3 are *Nykreim* claims based on 36.70C RCW. For the reasons set out in Foss Issue 7 and *Wilson* above, these claims should be dismissed.

The Port includes Issue 15 in this part of its Opposition; it claims that DPD failed to comply with SEPA in issuing the Interpretation, which DPD moved to dismiss based on City code provisions. The Port does not dispute DPD's argument; therefore Issue 15 should be dismissed.

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### 12. Port Issues 6, 12 and Foss Issue 19 - Issues under the state constitution

Appellants ask the Hearing Examiner to overturn the Interpretation for alleged violations of the state constitution because the Interpretation is arbitrary and capricious (Port Issue 6), because it fails to preserve tidelands for wharves, docks and other structures for the Port's intended uses (Port Issue 12), and because it is inconsistent with "state law and the Washington

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<sup>&</sup>lt;sup>39</sup> In the Matter of the Appeal of Evelyn Balko, Hearing Examiner File S-92-006, September 4, 1992, Conclusion 5, declining to consider whether federal and states statutes requiring accommodation of handicapped persons override the SMC.

<sup>&</sup>lt;sup>40</sup> Port Opposition, p. 5, line 4-5. <sup>41</sup> 122 Wn.2d 814, 863 P.2d 1336 (1993).

State Constitution (Foss issue19). DPD's Motion asserts the Hearing Examiner lacks jurisdiction because constitutional claims are not within the review authority set out in Seattle Municipal Code (SMC) subsections 23.88.020.A and G, as required under *Chausee*.<sup>42</sup>

In opposition the Port<sup>43</sup> cites Hearing Examiner cases that are readily distinguishable. In Duffy,<sup>44</sup> which is not an interpretation appeal, the Hearing Examiner's standards for review expressly include consideration of state and federal law: Findings of Fact 19<sup>45</sup> and 29, identifying the authority in SMC 23.41.014.F.3.d to modify the Design Review Board's recommendation if it "conflicts with the requirements of state or federal law." In *Squire Park Committee*<sup>46</sup> the issue was whether the proposed accessory use of a homeless shelter in a church was "customarily incidental" under SMC 23.42.020A. The Port quotes (but not emphasize) this part of Conclusion 5: "Considerable argument was proffered by parties as to the nature and extent of the City's authority or lack of same to regulate the shelter with regard to its being a constitutionally protected element of religious activity/expression for the parishioners. This is not an issue to be decided here." This is distinguishable from the part of Conclusion 5 the Port emphasizes - determining whether the activity was "customarily incidental." Even in that discussion, the Hearing Examiner specifically notes that the interpretation is predicated on that factor, not constitutional ones.

The Appellants have failed to show the Examiner has jurisdiction to hear such contentions,<sup>47</sup> and the Examiner should dismiss Port Issues 6 and 12 and Foss Issue 19.

- <sup>42</sup> Chausee v. Snohomish County Council, 38 Wn. App. 630, 636, 689 P.2d 1084 (1984).
- <sup>43</sup> Foss relies on the arguments of the Port on this issue. Foss Opp., p. 16.
- <sup>44</sup> Hearing Examiner File MUP-04-027(DR), Dec. 22, 2004.

- <sup>46</sup> Hearing Examiner File S-93-003 August 13, 1993, Conclusions 5 and 6.
- <sup>47</sup> The Port refers to *Johnson v. City of Seattle*, 184 Wn. App. 8, 335 P.3d. 1027 (2015) (Port Opp., pp. 3 and 4). That decision found the City violated the plaintiff's rights by not allowing him to assert a newly acquired use-for-

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<sup>&</sup>lt;sup>45</sup> 19. The Hearing Examiner has jurisdiction to "entertain issues cited in the appeal which relate to compliance with . . . the substantive criteria" of Chapter 23.76 SMC.

### III. APPLYING SMP PROVISIONS

Several of Appellants' issues rely on inappropriate provisions outside the Shoreline Management Program or misconstrue provisions of the SMP. Applying the appropriate code section and applying it correctly affects the scope of the evidence presented at the Hearing. The Hearing Examiner can rule on these issues as a matter of law.

#### A. Foss Issue 1

The City agrees the definitions of "cargo terminal" in 23.84 A and the SMP are substantially similar; however, any argument on the meaning of the term in the SMP should be based on the definition in SMC 23.60.038.

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#### Foss Issue 5

Foss claims the Hearing Examiner should consider the definition of "accessory use" in SMC 23.84, as well as the definition in 23.60.940. Foss characterizes the definitions as "not identical" when in fact they are fundamentally different, and that difference is a basis for the Interpretation. The SMP definition in SMC 23.60.940 (23.60A.940) says an accessory use must be "incidental <u>and intrinsic</u>" to the principle use (emphasis added), while SMC 23.84A.040 omits "and intrinsic." The SMP definition must be used as required by SMC 23.60.900 (23.60A.900).<sup>48</sup>

Issue 5 also contends SMC 23.42.020 applies. This section is a process for allowing
accessory uses in the underlying zone that contains standards for applying the definition of
"accessory use" in 23.84A.040:

A. Any accessory use not permitted by Title 23, either expressly or by the Director, shall be prohibited. The Director shall determine whether any accessory use on the lot is incidental to the principal use on the same lot, and shall also determine whether uses not

the-record permit as a defense to payment of past fines. That case has nothing to do with whether the Hearing Examiner has jurisdiction over statutory and constitutional claims. <sup>48</sup> This difference is identified in the Interpretation, p. 3, Finding 11 and p. 5, Conclusion 11.

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listed as accessory uses are customarily incidental to a principal use.

Unless Title 23 expressly permits an accessory use as a principal use, a use permitted only as an accessory use shall not be permitted as a principal use.

Under this standard if a use that is "incidental" is not listed as an accessory use in the zone,<sup>49</sup> it must not only be "incidental," but also "customarily incidental, i.e., a stricter standard. It is undisputed Terminal 5 is in an industrial zone; there all permitted uses are allowed as principal and accessory uses. SMC 23.50.012.A. Cargo terminals and boat moorage are permitted uses in Table A for 23.50.012. Therefore, the test for accessory use in the underlying zone is the same as the definition – is the use "incidental" - and the provisions requiring the heightened "customarily incidental" standard in SMC 23.42.020.A is not at issue.

In this appeal the use must be accessory under the standards of both the underlying zone and the SMP because it is in the Shoreline District. SMC 23.60.014A. Under the SMP accessory use definition, the use must be "incidental and intrinsic," a different standard from 23.84A and 23.42.020.A. Therefore, the controlling definition is SMC 23.60.940 (23.60A.940), and SMC 23.42.020 does not apply.

Foss argues that "tellingly" the Hearing Examiner applied SMC 23.84A.040 and 23.42.020 in a shoreline case, rather than the definitions in SMC Ch.23.60. In that case the Examiner found the activity was not incidental. Since the use must be allowed under the standards of both the underlying zone and the SMP, failing the standards of the underlying zone meant the shoreline test was not needed to resolve the appeal. The decision has no precedential value here. This issue should be dismissed.

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<sup>49</sup> See e.g., SMC 23.44.040 et seq. listing accessory uses in the Residential, Single Family zone.

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#### С. Foss Issue 15

This issue states in its entirety:

The Interpretation erroneously determines that the Director does not have authority to interpret or define unlisted principal and accessory uses under the Shoreline Master Program.

The Interpretation addresses unlisted principal uses in Conclusion 8 and concludes the Director cannot apply SMC 23.42.010, allowing unlisted uses if the Director determines they are substantially similar to listed uses, because that section states it does not apply to overlay districts, as explained in both DPD's motion to dismiss and the Interpretation itself. This is a question of law, the Hearing Examiner can decide.

Foss's Opposition argues this issue is about whether the Director can determine a proposed use is consistent with the SMP. This is a completely different issue, and while not raised, DPD would agree that the Director has this authority and duty.<sup>50</sup> Authority to construe the SMP is within Issue 1, and Issue 15 should be dismissed.

D.

#### **Port Issue 4**

The Port contends that because no Shoreline Substantial Development Permit is needed no additional permit is needed at all, because moorage is a permitted use. The Port's Opposition claims this would resolve this appeal because DPD cannot require a permit. This is incorrect as a matter of law and the Hearing Examiner should dismiss this issue.

DPD's Motion agrees that no SSDP is needed to change a use, if there is no new "development" at that time. DPD also agrees a SSDP is the only permit the Shoreline Management Act (SMA) requires – it is a permit filed with the Department of Ecology. That does not end the matter. A SSDP is an additional permit to the regular permits issued by DPD.

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<sup>50</sup> Foss's citations to the SMP are a mystery – these sections do not exist.

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The SMP requires all uses be consistent with the SMA.<sup>51</sup> All permits must comply with the SMP, whether a shoreline permit is required or not. Such compliance is determined when DPD reviews the required "use permit" under its regular permit process.

The Port's Opposition argues the use permit applies only to structures, buildings or premises. It is undisputed that the oil rig and its assisting vessels were moored at existing structures – the piers at Terminal 5 – and that the oil rig and assisting vessels were using both the land premises of Terminal 5 for obtaining their provisions and the water premises of Terminal 5 for moorage. The requirement for a permit applies.

9 The Port makes no argument in opposition to DPD's demonstration that being listed as a
10 "permitted" use does not mean no permit is needed.

Lastly, the Port makes the bald claim that the SMA preempts requiring permits other than the SSDP. Raising this new issue is an untimely attempt to amend the Port's Appeal. HE Rule 3.05. The Port cites no authority to support its preemption claim, and it is outside the Hearing Examiner's jurisdiction to determine whether a state statute, even the SMA, preempts application of City codes.

The Port's Issue 4 that no permit is required as a matter of law should be dismissed.

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E. Port Issue 7 (part)

As part of this issue the Port contends that the Interpretation is erroneous because it does not adequately discuss one of the two criteria for being an accessory use as defined in the SMP: the use must be incidental and intrinsic. Failing to discuss the "incidental" component sufficiently to satisfy the Port is not a ground to overturn the Interpretation. Conceding for the

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<sup>51</sup> DPD's Motion cites authority that will not be repeated here.

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sake of this argument that oil rig mooring would be incidental, such mooring must still be "intrinsic," and that standard cannot be read out of the definition.

The Port's Opposition claims this issue raises a factual question. Certainly, whether the oil rig mooring is "incidental and intrinsic" to the cargo terminal use is a factual question to be resolved at the hearing as part of Port Issue 1. DPD's Motion is directed to the Port's proffered construction of the definition set out in Issue 7. This should be dismissed as a matter of law.

#### F. Port Issue 8

This issue argues that SMC 23.60A.090 obviates the need to apply the definition of "accessory use" in the SMP. This can be resolved on this Motion as a matter of law. The Port's Opposition tries to step around this, contending that this is a factual determination that requires deciding that certain types of vessels are not an accessory use. This is not DPD's contention or the gravamen of Issue 8.

As DPD's Motion sets out, to apply the provisions of SMC 23.60A.090 a use first must meet the definition of "accessory use." Then SMC 23.60A.090 sets out the rule for processing the accessory use permit – by special use permit or a conditional use permit if the use falls into those categories. But even if the use is permitted, it still must meet the definition of accessory to be allowed. The Port's Opposition offers no analysis or argument on this legal issue. It should be dismissed.

#### G. Port Issue 10

The Port offers no opposition the DPD's Motion on this issue and it should be dismissed.

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#### H. Port Issue 5 and Foss Issue 18 - SMP 23.60.018 – Operation of Vessels

Both issues contend that the Interpretation violates the SMP prohibition on regulating the "operation of vessel" found in SMC 23.60.018, because the Interpretation allegedly focuses on the use of the oil rig and assisting vessels at sea. Whether SMC 23.60.018 applies is a question of law. That provision means the City cannot place requirements in the SMP or on permits directing a vessel how to carry out its operations – how to operate its engines, whether it must have assistance tugs while at sea, for example. No such restriction is created in this Interpretation. DPD's Motion showed that moorage provisions are based on the function of a vessel while moored and do not affect the vessel's operation.

Foss's Opposition states DPD "may not consider the activity of the vessel at sea" under this provision.<sup>52</sup> That is not what SMC 23.60.018 addresses – it says the City's regulations do not <u>apply</u> to operations at sea. This issue should be dismissed as a matter of law.

The Port's Opposition makes no argument at all on how the Interpretation is a regulation that "applies to operations at sea;" instead, the Port argues the SMP regulates the use of "uplands" and says the facts will show the uplands use is consistent with the cargo terminal use. This has nothing whatsoever to do with SMC 23.60.018. Clearly, the hearing will consider both activities on waterfront lots as well as uplands, as raised in Port Issue 1. Port Issue 5 should be dismissed.

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#### IV. PORT ISSUE 11

This issue raises consistency with the Comprehensive Plan. DPD agrees the Hearing Examiner has jurisdiction to consider it - SMC 23.60.004 (23.60A.004) require considering the Plan in making interpretations. DPD's Motion demonstrated that the conclusion reached in the

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<sup>&</sup>lt;sup>52</sup> Foss Opp. p. 15, lines24-27 (emphasis added).

1	Interpretation is not inconsistent with the Plan policies cited by the Port. The Port offers no		
2	response except to say this is a matter of fact to be addressed at the hearing. DPD does not		
3	agree, and urges the Examiner to dismiss this issue based on the reasoning in DPD's Motion.		
4	V. CONCLUSION		
5	For the foregoing reasons the Hearing Examiner should grant DPD's Motion to Dismiss.		
6	DATED this 2 <sup>nd</sup> day of July, 2015.		
<sup>°</sup> 7	PETER S. HOLMES Seattle City Attorney		
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1	CERTIFICATE OF SERVICE		
2	I certify that on this date, I electronically filed a copy of the Department of Planning and		
3	Development's Reply on Motion to Dismiss with the Seattle Hearing Examiner using its e-filing		
4	system.		
5	I also certify that on this date,	a copy of the same document was sent to the following	
6	parties listed below in the manner indicated:		
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