

City Council Minutes – August 26, 2019

Mayor Laurie Gere called to order the Anacortes City Council meeting of August 26, 2019 at 6:00 p.m. Councilmembers Anthony Young, Ryan Walters, Brad Adams, Carolyn Moulton and Matt Miller were present. Councilmembers Eric Johnson and Bruce McDougall were absent. The assembly joined in the Pledge of Allegiance.

Mr. Miller moved, seconded by Mr. Adams, to excuse the absence of Mr. Johnson who was ill. The motion carried unanimously by voice vote.

Announcements and Committee Reports

Planning Committee: Mr. Adams reported from the committee meeting earlier in the evening. He described the timeline for the Shoreline Master Program and Critical Areas Ordinance updates including public open houses for both projects expected in October 2019.

Ms. Moulton thanked the community for attending the 6th annual Open Streets event on Sunday and thanked City Staff for its support. She reported the highest attendance in the history of the event.

Ms. Moulton reported from a bike ride on the Guemes Channel Trail earlier in the day that she was impressed by the quality of the trail restoration there. She thanked staff for completing the repairs very economically and thanked the public for its patience while all required permits were obtained to perform the repairs.

Mayor Gere reported that she met with Skagit County Department of Emergency Management earlier in the day regarding tsunami warning systems being installed on both the east and west sides of Anacortes. She said weekly alarm tests would be conducted and that details of the test schedule would be forthcoming.

Public Comment

No one present wished to address the Council on any topic not already on the agenda.

Consent Agenda

Mr. Adams moved, seconded by Mr. Young, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of August 19, 2019
- b. Approval of Claims in the amount of: \$262,120.20
- c. Street Fair Application: Jingle Bell Dash
- d. Resolution 2055: Rejecting All Bids for the 2019 Asphalt Overlay Striping Project #19-004-TRN-004
- e. Contract Award: 2019 West 3rd Street Sanitary Sewer Rehabilitation #19-119-SEW-001

The following vouchers/checks were approved for payment:
EFT numbers: 94348 through 94391, total \$252,738.79
Check numbers: 94392 through 94420, total \$135,300.72
Wire transfer numbers: 254714 through 254942, total \$726.48

PUBLIC HEARINGS

Public Hearing: Ordinance 3047: Establishing a residential targeted area for the proposed Anacortes Municipal Code Chapter 3.69 Multifamily Tax Exemption Program

Planning Director Don Measamer introduced proposed Ordinance 3047. He welcomed Skagit County Assessor Dave Thomas and Annette Devoe from the Assessor's office to answer councilmember questions. Mr. Measamer summarized the requirements of the Multifamily Tax Exemption program, referring to his slide presentation which was added to the packet materials for the meeting. Mr. Measamer raised several options for Council to consider including the duration of the program (8 or 12 years), unit size, and inclusion of a sunset clause. He responded to councilmember questions about the appropriate percentage of projects that should be required to be permanent residential housing, status of properties after the term of the program expires, possible incentives for property owners to keep property in the program or disincentives to ceasing to participate, and appropriate size of units included.

Skagit County Assessor Dave Thomas offered to respond to councilmember questions. He confirmed that the program would not affect the city's property tax revenue, it would only shift the property tax burden to the remainder of the property owners, and said the tax impact would be small—for example, less than \$2/year for an average home if a \$2M project were built under the program. Ms. Devoe clarified that affected properties would be exempted from all taxing districts in which they were located. Mr. Thomas responded to councilmember questions about recouping taxes and potential penalties for properties that failed to remain in the program. Ms. Devoe reported that the program had been very successful in Bellingham but that Jefferson County did not yet have any exempted properties under the program. Mr. Measamer indicated he would contact Bellingham and Seattle for more information on the particulars of their program configuration and administration.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Closed Record Decision Hearing: Calwest Inc., Ferry Terminal Road Conditional Use Permit to permit construction of 9-duplexes & preliminary approval of 9-lot short plat

Senior Planner Kevin Cricchio presented an application from Calwest Inc. for Conditional Use Permit CUP-2018-0002 to permit the construction of 9-duplexes (18 dwelling-units total) on a project site off Ferry Terminal Road, South of Charlie's Restaurant, which is located in a portion of Section 22, Township 35 North, Range 01 East, Willamette Meridian. Mr. Cricchio summarized the project chronology, noticing, critical areas review, cultural resource assessment, geologically hazardous areas, tree assessment/preservation plan, traffic impact analysis, SEPA environmental review, public and agency comments received, and applicable zoning, referring to his slide presentation which was added to the packet materials for the meeting. Mr. Cricchio clarified that although the subject property was currently in the Marine Mixed Use Zoning District, the subject applications [CUP & 9-Lot Short Plat] were vested to the underlying zoning district (Commercial Marine (CM)) in effect at the time of application. He reported that the Planning Commission conducted a Pre-Decision Open Record Public Hearing at 5:00 p.m. on July 24, 2019 which was continued to 6:00 p.m. on August 14, 2019 and that following public testimony and deliberation, the Planning Commission voted 5-1 in favor of recommending approval to City Council regarding CUP-2018-0002 and the Preliminary 9-Lot Short Plat request subject to staff's suggested conditions of approval.

Mr. Cricchio and Mr. Measamer responded to councilmember question regarding the traffic impact analysis, the NGPE overlaying the 25-foot non-disturbance and building setback buffer, and surface water and engineering reports addressing same.

The applicant's Project Engineer John Semrau explained the stormwater analysis and responded to councilmember questions regarding same.

Mayor Gere invited parties of record to address the Council.

Wim Houppermans, 3412 K Avenue, board member of Evergreen Islands, called Council's attention to the letter in the record from Tom Glade of Evergreen Islands arguing that the traffic impact analysis was not adequate to permit the project. He also echoed Mr. Glade's comments about tree removal, noting that 51 trees would be cut and only bushes and shrubs would be replanted. Mr. Houppermans suggested that a tree preservation ordinance that would allow that has no meaning. He suggested asking for a plan that showed tree retention and a proper traffic impact study.

No other parties of record wished to address the Council.

Staff responded to councilmember questions about the traffic impact analysis, condominiumization of the short plat, stormwater management, limiting the amount of patio located in the NGPE, and adding language prohibiting any vegetation removal once the revegetation plan for the slope is established.

Mayor Gere again invited parties of record to address the Council.

Mr. Houppermans said that CUPs are usually granted based on some equivalent benefit to the community. He asked what benefit this project was offering to warrant violating city code.

Staff responded to councilmember questions about public access around and through the proposed development.

Mr. Walters moved, seconded by Mr. Miller, approval with inclusion of the additional conditions discussed: to clearly delineate the furthest extent of the encroachments into the NGPE on the final plat, describe in a plat note the activities that will be allowed within the buffer, and require a landscape plan for the NGPE indicating no additional future clearing of shrubs or trees within the NGPE. Mr. Walters added that staff would also correct the erroneous reference to AMC 17.46 that should be to 17.41. Vote: Ayes – Walters, Adams, Moulton, Miller and Young. Motion carried.

OTHER BUSINESS

Donation of Public Art: "New Eyes" by Peregrine O'Gormley

Parks & Recreation Director Jonn Lunsford requested Council acceptance of a donation of the bronze statue New Eyes for public display as described in the packet materials. Mr. Lunsford shared photos of the sculpture which were added to the packet materials for the meeting.

Mr. Walters moved, seconded by Mr. Young, to approve the donation. Vote: Ayes – Adams, Moulton, Miller, Young and Walters. Motion carried.

Resolution 2054: Declaring the intent of the City of Anacortes to adopt legislation to authorize a sales and use tax for affordable and supportive housing consistent with SHB 1406

Mr. Measamer recapped his presentation of Resolution 2054 at the August 19, 2019 City Council regular meeting, referring to his slide presentation which was added to the packet materials for the meeting. Mr. Measamer recommended adopting the resolution of intent, then subsequently exploring additional options available to the city under SHB 1406.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Mr. Measamer read into the record a letter from Anacortes Housing Authority Commissioner Susan Rooks in support of Resolution 2054. Ms. Rooks's letter was added to the packet materials for the meeting.

Ms. Moulton moved, seconded by Mr. Walters, to approve Resolution 2054 declaring the intent of the City of Anacortes to adopt legislation to authorize a sales tax for affordable and supportive housing consistent with substitute House Bill 1406.

Mr. Walters requested that staff present Council with information about potential local projects, when they would be shovel ready, how much funding they would need, whether Skagit County would contribute to the effort, what the sales tax rates would be for a qualifying local tax, and a proforma spreadsheet calculating the revenue generated by a range of tax rates ranging from .05% to .1%. Mr. Measamer said he and the Finance Director would address that request.

Vote: Ayes – Moulton, Miller, Young, Walters and Adams. Motion carried.

Contract Award: Skagit River 42" Water Line Project - Phase 2 #18-070-WTR-002

Contract Award: WTP Second Clearwell Tank Project - Design #19-137-WTR-001

Water System Manager Jeff Marrs requested City Council consent to award the referenced contracts as outlined in the packet materials for the meeting. Mr. Marrs described the design work to be performed under each contract and the need for both projects, referring to his slide presentation which was added to the packet materials for the meeting.

Mr. Walters moved, seconded by Mr. Miller, to approve both contracts as presented. Vote: Ayes – Miller, Young, Walters, Adams and Moulton. Motion carried.

There being no further business, at approximately 8:15 p.m. the Anacortes City Council meeting of August 26, 2019 was adjourned.