

**CITY OF LAKE STEVENS
REGULAR CITY COUNCIL MEETING MINUTES**

Tuesday, May 10, 2016

Lake Stevens School District Educational Service Center (Admin. Bldg.)
12309 22nd Street N.E. Lake Stevens

CALL TO ORDER: 7:00 p.m. by Mayor John Spencer

ELECTED OFFICIALS PRESENT: Mayor John Spencer, Councilmembers Kim Daughtry, Sam Low, Kurt Hilt, Todd Welch, Rauchel McDaniel, Kathy Holder, Marcus Tageant

ABSENT: None

STAFF MEMBERS PRESENT: Finance Director/City Clerk Barb Stevens, Interim Planning and Community Development Director Russ Wright, Public Works Director Mick Monken, Interim Police Chief Ralph Krusey, Human Resources Director Steve Edin, Senior Planner Stacie Pratschner, Deputy City Clerk Kathy Pugh and City Attorney Cheryl Beyer

OTHERS: Kiwanis Club Members Karen Wolfe, Gary Wolfe, Sandy Racz, Rob Racz, Ron McEntire, Ray Mitchell, Wilma Daniels and Kathy Fox; Nick Holz and Girl Scouts Daisy Troop No. 42379

Pledge of Allegiance: Council President Low introduced members of the Lake Stevens Kiwanis, who led the Pledge of Allegiance. Council President Low appreciated the volunteer services that the Kiwanis organization provides to the community.

Roll Call. All present.

Approval of Agenda:

Council President Low announced the Action Items on the Agenda would be considered ahead of the two Closed Record Hearings and the Public Hearing.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Hilt, to approve the agenda with the noted change. On vote the motion carried (7-0-0-0).

Community Recognition:

Mayor Spencer recognized the members of Girl Scouts Daisy Troop 42379 and commended them for donating cookies to the Hungry Hearts Foundation so that children who receive meals from the foundation would have cookies to take home with them each day. The troop donated 135 boxes of cookies during the annual cookie drive.-

Mayor Spencer recognized outgoing Arts Commissioner Nicholas Holz and thanked him for his contributions to the City.

Guest Business. Jessica Stafford and Abby Hill introduced themselves. Ms. Hill said they are 8th grade students at Cavelero Mid-High. They are both in the leadership class and are doing a community service project for that class. Their project is called Poopie Doggie Baggies. Their idea is to place stands holding plastic bags in various locations along the Centennial running trail so that people can pick up their dogs' waste.

Councilmember Daughtry said he would assist with installation of the stands. He asked how the stands would be stocked with bags. Ms. Stafford said they were thinking that they could check the stands weekly or that people could just donate plastic bags to the stands.

Council Business:

Kim Daughtry: Public Works subcommittee and Planning & Community Development meeting, Family Center; Sam Low: Granite Falls Boys & Girls Club, Executive Staff meeting, City Cleanup at Lundeen Park, Ribbon Cutting for new business, Cavalero Park Cleanup; Kurt Hilt: Community Transit, Snohomish Health District; Raichel McDaniel: Planning Commission, Fire Commission; Marcus Tageant: Planning Commission, Chamber, Planning Director Interviews

Mayor's Business:

Mayor Spencer reported Snohomish County Tomorrow approved a budget and submitted it to Snohomish County.

Mayor Spencer also commented the City would like to install a monument sign at the Visitor Information Center. He referred to a handout depicting a proposed sign design and invited Councilmembers to contact him with their comments and input.

City Department Report.

Consent Agenda.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Welch, to approve (A) 2016 Vouchers [Payroll Direct Deposits of \$149,823.82, Payroll Check No. 40310 in the amount of \$2,620.48, Tax Deposits of \$60,760.96, Electronic Funds Transfers (ACH) of \$197,017.29, Claims Check Nos. 40307-40309 and 40311-40370 totaling \$157,724.56, Void Check Nos. 40050, 40167 totaling \$9,400.40, Total Vouchers Approved: \$558,546.71]; (B) April 26, 2016 City Council Regular Meeting Minutes; (C) Amendment to Interlocal Agreement with Snohomish County regarding Internet Technology Services; and (D) Master Fencing Public Works Contract with Discount Fencing.

Council President Low requested a correction to the minutes to show that Senator Hobbs led the flag salute, and not "Representative" Hobbs.

VOTE: On vote the motion to approve the minutes with the noted correction carried (7-0-0-0).

Action Items:**Second and Final Reading Approving Ordinance 958 regarding Marijuana Regulations in Retail Locations and Repealing Ordinance 941:**

Director Wright presented the staff report and reviewed that at the first reading of this ordinance Council requested staff return with additional information. He noted a handout regarding Marijuana impacts prepared by Police Chief Krusey. With regard to co-location Director Wright explained that if this prohibition is removed more than one grower or processor or retailer would be allowed to be in the same building. The overall building would be a shell, but within the building they would be separate businesses and each business would be required to meet all building and land use codes for that separate operation. Certain construction, such as a mezzanine might be allowed under this framework that would allow different operations to condense under a smaller footprint.

Regarding the tiers under the State guidelines, Director Wright clarified that a Tier 1 allows up to 2,000 square feet of canopy growth. This measurement is the actual plant coverage for the marijuana plants, and not necessarily reflective of the physical dimension of the building. Tier 2 would allow up to 10,000 square feet and a Tier 3 allows up to 30,000 square feet. These are maximums set by the state. The City allows up to Tier 2 or 10,000 square feet per business that wants to grow marijuana. Currently there is about 75,000 square feet that is being utilized for processing, production and storage. This excludes areas such as offices, hallways and restrooms.

Director Wright reviewed the retail and grow operations located near the City. He referenced two maps, one depicting retail operations and one depicting grow operations in the area surrounding the City. He noted there are several retail facilities within both a three-mile and six-mile radius. The second map depicts production facilities. Director Wright said there are at least 18 grow operations north of the City, and multiple grow operations in the more rural part of the County and also growers located to the south of Lake Stevens.

Regarding Medical Marijuana, Director Wright explained that per the Liquor and Cannabis Board, a grower can grow some Medical Marijuana within an operation, but it is not a separate calculation and does not go above the tier allocation that was granted by the state.

Director Wright reviewed the options before Council this evening in approving this ordinance. It is his understanding that there is consensus amongst Council to keep the retail allocation at one, and there is general support to remove the co-location prohibition. Staff has provided two options: (1) lower the cap from 100,000 square feet to 75,000 square feet, or (2) limit the amount of space allotted for state-licensed marijuana production down to 70,000 square feet. Under option (2) the business would be allowed to carry out the other parts of its business as allowed under City code. Option (2) is the preferred option.

Director Wright then responded to Council's questions.

MOTION: Councilmember Welch moved, Councilmember Hilt seconded, to approve the second reading and adoption of Ordinance 958, including maintaining one retail location, limiting the amount of space allotted for production to 70,000 square feet and removing the co-location prohibition, Repeal Ordinance 941 and accept the remainder of the Planning Commission's recommendations. On vote the motion carried (7-0-0-0).

2016 Aquafest Request to Serve Beer and Wine in VIP Booth Saturday, July 30, 2016:

Director Wright presented the staff report and said that LSMC 10.03.150 requires Council approval to permit the sale and consumption of alcoholic beverages within certain confined areas pursuant to an event permit. In previous years, Aquafest has requested and received Council approval to serve beer and wine in the VIP tent located in North Cove Park.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Tageant, to allow the Aquafest Committee to serve beer and wine in the VIP booth located in North Cove Park on July 30, 2016. On vote the motion carried (7-0-0-0).

Approve Professional Services Agreement with Universal Field Services to Facilitate the Transfer of Frontier Heights Park from Frontier Heights Homeowners' Association to

City: Director Wright presented the staff report and said that approval of this professional services agreement will allow Universal Field Services to assist the City with the negotiations and coordination of conveying the ownership of Frontier Heights Park from a private homeowners' association to the City. The City is using park mitigation funds to pay for this professional services agreement.

MOTION: Councilmember Holder moved, Councilmember Hilt seconded, to authorize the Mayor to execute a Professional Services Agreement with Universal Field Services to facilitate the acquisition of Frontier Heights Park. On vote the motion carried (7-0-0-0).

Adopt Policies and Procedures for the Use of Body Cameras by Law Enforcement:

Interim Police Chief Ralph Krusey presented the staff report and reminded that under the legislation adopted during the 2016 Legislative Session, the Legislature added language making the new regulations applicable to all law enforcement agencies with policies and procedures for use of body cameras, and at least a pilot program by the effective date of the legislation, which is June 9, 2016. The Department is in the process of applying for a grant for body cameras. Chief Krusey then responded to Councilmembers' questions.

In response to Councilmember's Low's question, Chief Krusey said there is an opt-out option regarding the body camera purchase. The pilot program needs to be started by June 9, 2016 per the new legislation, which also provides certain protections related to public records requests for programs that are already in place on the effective date.

MOTION: Councilmember Low moved, Councilmember Tageant seconded, to adopt Policies and Procedures for the Use of Body Cameras by Law Enforcement. On vote the motion carried (7-0-0-0).

Approve Professional Services Agreement with FCS Group to Provide Strategic Financial Planning Assistance and Analysis to the City:

Finance Director Stevens reviewed the qualifications of FCS Group and said that the services they will provide will be task based with approval of each task by the budget subcommittee. This consultant is very experienced in this area. Director Stevens reviewed the tasks and said the tasks were vetted with the Finance subcommittee. Director Stevens then responded to Councilmembers' questions.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember McDaniel, to approve the Professional Services Agreement with FCS Group to provide financial consultant services to the City on Strategic Financial Planning, Annexation Analysis and Stormwater Rate Study. On vote the motion carried (7-0-0-0).

Approve Professional Services Agreement with DAH Corporation d/b/a ISOutsorce for a Business Technology Assessment Plan for the City of Lake Stevens and the Lake Stevens Fire Department:

Human Resources Director Steve Edin presented the staff report and said that the City and Lake Stevens Fire are working together to evaluate their IT services to ensure that the systems are up-to-date, efficient, effective and fiscally responsible for municipal and emergency services. ISOutsorce has the expertise to assist with this evaluation. Mayor Spencer and Director Edin responded to Councilmembers' questions.

MOTION: Moved by Councilmember Welch, seconded by Councilmember Holder, to approve the Professional Services Agreement with DAH Corporation dba ISOutsorce for consultation services related to the City's IT program. On vote the motion carried (7-0-0-0).

Closed Record Hearings: Deputy City Clerk Kathy Pugh opened the closed record hearings and read the rules of procedure for the record.

McKay Site-Specific Rezone Closed Record Hearing:

Senior Planner Stacie Pratschner presented the staff report and explained that since this is a quasi-judicial matter only one public hearing is held, before the City's Hearing Examiner. She said before Council this evening is to either approve, approve with modifications, deny or remand to the Hearing Examiner the requested rezone. Senior Planner Pratschner reviewed the request and the process before the Hearing Examiner, and said that the entire record is included in Council's packet. Senior Planner Pratschner said the City has met all public notice requirements. She said the Hearing Examiner recommends approval of the request for site-specific rezone. Senior Planner Pratschner then responded to Councilmembers' questions.

MOTION: Councilmember Hilt moved, Councilmember Holder seconded, to close the closed record hearing. On vote the motion carried (7-0-0-0).

MOTION: Councilmember Daughtry moved, Councilmember Welch seconded, to approve Ordinance 960, an ordinance of the City of Lake Stevens amending the Zoning for 5.64 acres as part of the McKay Rezone located at 7508 10th Street SE, Lake Stevens, WA 98258 and changing the zoning on two parcels of the project currently zoned Suburban Residential to Urban Residential. On vote the motion carried (7-0-0-0).

Silverstone Site-Specific Rezone Closed Record Hearing:

Council President Low noted for the record that Councilmembers received several emails and said Council is not able to consider or respond to the emails because of the quasi-judicial nature of this matter.

Senior Planner Stacie Pratschner presented the staff report and said this request is also a quasi-judicial matter and that only one public hearing is held before the City's Hearing Examiner. This evening Council is requested to either approve, approve with modifications, deny or remand to the Hearing Examiner the applicant's request for rezone. Senior Planner Pratschner reviewed the history of the application and proceedings before the Hearing Examiner. She noted that the entire record is contained in Council's packet, including a record of the public comments received, both written and oral. Concerns raised related to loss of green space and wildlife habitat. She noted there will be additional opportunities for public comment

and input as the applicant moves through the application process, and also that the applicant will have to comply with all codes and regulations. The City has met all public notice requirements. Senior Planner Pratschner said the Hearing Examiner recommended approval of the requested rezone with the noted conditions. She then responded to Councilmembers' questions, including what subsequent applications might be and that a public process, including public comment, is required for Type III land use applications.

MOTION: Councilmember Daughtry moved, Councilmember Tageant seconded, to close the closed record hearing. On vote the motion carried (7-0-0-0).

MOTION: Councilmember Welch moved, Councilmember McDaniel seconded, to approve Ordinance 961, an ordinance of the City of Lake Stevens amending the zoning for a 9.95 acre parcel as part of the Silverstone Rezone located at 1317 71st Avenue SE, Lake Stevens, WA 98258 and changing the zoning on the subject parcel from Suburban Residential to Urban Residential. On vote the motion carried (7-0-0-0).

Public Hearing: Deputy Clerk Pugh opened the public hearing and read the rules of procedure for the record.

Public Hearing regarding Designating Area to Provide for a Property Tax Exemption for Industrial/Manufacturing Industries and Adopt Ordinance 962 Making Certain Lands Zoned for Industrial/Manufacturing Uses Eligible for Ad Valorem Tax Relief:

Director Russ Wright presented the staff report and said that adoption of this ordinance will provide a ten-year tax exemption for the construction of new industrial and manufacturing uses in the targeted areas in the City which are the Hartford area and the Business District zoning district located in the 20th Street SE Corridor. This is an incentive to encourage new business development that provides a minimum of 25 new, living wage jobs. Director Wright then responded to Councilmembers' questions.

Councilmember Tageant abstained from this matter due to a perceived conflict of interest.

Mayor Spencer invited public comment and there was none.

MOTION: Councilmember Welch moved, Councilmember Low, seconded, to close the public comment portion of the public hearing. On vote the motion carried (6-0-1-0).

MOTION: Councilmember Low moved, Councilmember Welch seconded, to close the public hearing. On vote the motion carried (6-0-1-0).

MOTION: Councilmember Low moved, Councilmember Welch seconded, to adopt Ordinance 962, making certain underdeveloped or underutilized lands zoned for industrial/manufacturing uses eligible for ad valorem tax relief and adopting a process regarding such relief by establishing Chapter 3.070 LSMC Tax Exemption for Industrial/Manufacturing Industries. On vote the motion carried (6-0-1-0).

Executive Session: None.

Study Session:

First Quarter Financial Update: Finance Director Barb Stevens provided a financial review and update of the first quarter and responded to Councilmembers' questions. Discussion ensued regarding sidewalks and staffing levels, including summer hires and police.

Adjourn:

Moved by Councilmember Tageant, seconded by Councilmember Welch, to adjourn the meeting at 8:49 p.m. On vote the motion carried (7-0-0-0).



John Spencer, Mayor



Kathy Pugh, Deputy City Clerk