

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

Tuesday, February 28, 2017

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

CALL TO ORDER: 7:00 p.m. by Council President Hilt

ELECTED OFFICIALS PRESENT: Councilmembers Kim Daughtry, Gary Petershagen, Kurt Hilt, Todd Welch, Kathy Holder, Marcus Tageant

ELECTED OFFICIALS ABSENT: Mayor John Spencer, Councilmember Rauchel McDaniel

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director/City Clerk Barb Stevens, Community Development Director Russ Wright, Police Chief John Dyer, Human Resources Director Steve Edin, Deputy City Clerk Kathy Pugh, City Attorney Grant Weed, City Engineer Mick Monken and Senior Planner Stacie Pratschner

OTHERS: Mike Shindler of Operation Military Family

Pledge of Allegiance: Council President Hilt introduced the Lake Stevens Little Leaguers, who led the Pledge of Allegiance.

Roll Call: Councilmember Tageant moved to excuse Councilmember McDaniel, seconded by Councilmember Daughtry. On vote the motion carried (6-0-0-1).

Approval of Agenda: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to approve the agenda as presented.

Councilmember Petershagen requested on the Consent Agenda that Item (B) Approve City Council Special Meeting Minutes of January 20-21, 2017 be corrected to reflect that he attended the meeting and not former Councilmember Low.

VOTE: On vote the motion to approve the Agenda, with the noted correction to the Consent Agenda Item B, carried (6-0-0-1).

Guest Business:

Sally Jo Sebring, 10233 99th Avenue SE, Lake Stevens, expressed concern about the location of the Eagle Glen plat entrance and the sight distance for exiting the plat onto 99th Avenue SE. She added there does not seem to be a plan in place to address the speed issue on 99th Avenue SE.

Chris Nussbaum, 2515 123rd Avenue NE, Lake Stevens, said he built an unpermitted deck and is now, at the request of the City, trying to get the deck permitted; he has submitted the application and plans and is having difficulty receiving final approval of the deck. He wants to finalize the permitting process and have an approved deck.

Shawn Preder, 2523 85th Avenue NE, Lake Stevens, requests that Council consider allowing a second marijuana store in the City. He is very involved in the City with his children's sports activities and other boards, and he would like to open a store in Lake Stevens.

Philip Daudy, 1608 E. Republican Street, Seattle, is here representing Shawn Preder. He said Mr. Preder has completed the licensing requirements with the Washington State Liquor & Cannabis Board, is a member of the community, and he and Mr. Preder are requesting that consideration of allowing a second marijuana store in the City be remanded to the Planning Commission for further study and recommendation.

Dick Todd, 825 99th Avenue SE, Lake Stevens, has lost faith in the process of airing grievances and questions about procedure and follow through. He said that Council needs to be aware of Stitch Creek and that it extends across the back of his property and through Westlake Crossing I and II, and that it is perennial and fish bearing. He added that in December 2016 there were approximately 30 stormwater violations noted by Department of Ecology in the Westlake Crossing development.

Employee Recognition: Human Resources Director Steve Edin said this will be rescheduled to the next meeting.

Council Business:

- Kim Daughtry: AWC Conference, Snohomish County Committee for Improved Transportation (SCCIT) meeting, Sewer Utility meeting.
- Gary Petershagen: Fire District, Sewer District Board meeting.
- Kurt Hilt: Snohomish County Council is in Washington, DC lobbying for improvements to the U.S. 2 Trestle.
- Todd Welch: No report.
- Kathy Holder: No report.
- Marcus Tageant: Sewer District Utility meeting, Permit Center demolition.

Veterans Commission: Council President Hilt introduced Mike Shindler, who is with Operation Military Family. Mr. Shindler spoke in support of establishing a Veterans Commission and assisting Lake Stevens to become a veterans-supportive community. He commented the goal is to improve the message that Lake Stevens is a veteran-friendly community and also to leverage the skills, knowledge and talent that veterans can bring to the Lake Stevens community. He noted most counties have veterans commissions, but most cities do not. If Lake Stevens establishes a veterans commission it would be one of the first cities in the state to do so, and would be very progressive. Mr. Shindler reviewed how a Veterans Commission would interface with veterans and the City to accomplish identified goals.

In response to Councilmember Welch's question, Mr. Shindler said a Veterans Commission is not a bureaucratic stop, but rather sets direction and vision for veterans in the community.

Responding Councilmember Petershagen, Mr. Shindler did not know how many veterans are currently living in Lake Stevens.

Mayor's Business: None.

City Department Report.

- Administrator Brazel: Historical Society Board meeting.
- Community Development Director Wright: City campus activity including demolition, permitting process for new building, contractor for Parks program, downtown subarea meeting March 7, 2017 at 6 p.m.
- Chief Dyer: Police commander interviews.
- Director Edin: Communications/Administrative Assistant interviews rescheduled to March 10, 2017; currently recruiting for senior engineer, seasonal workers, and lateral police officer.
- Director Stevens: Moody's Investor Services upgraded the City's bond rating from A-1 to AA-3.

Consent Agenda:

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Holder, to approve (A) 2016 Vouchers [Payroll Direct Deposits of \$167,182.64, Payroll Check Nos. 41964-41965 totaling \$5,142.81, Tax Deposits of \$68,112.91, Electronic Funds Transfers (ACH) totaling \$8,515.67, Claims Check Nos. 41966-42067 totaling \$371,068.19, Void Check Nos. 41746, 41751, 41707, 41729, 41498, 41863 totaling \$2,920.34, Total Vouchers Approved: \$617,101.88]; (B) City Council Special Meeting Minutes of January 20-21, 2017, with earlier noted name correction in attendees, (C) City Council-Park Board Joint Meeting Minutes of January 24, 2017, (D) City Council Regular Meeting Minutes of January 24, 2017, (E) City Council Special Meeting Minutes of February 13, 2017, (F) Resolution 2017-04 Authorizing Purchase of Motorcycle and Related Equipment Under Special Market Conditions; (G) Grade Road Emergency Repair – Marshbank Construction – Final Project Acceptance, and (H) Grade Road Emergency Repair – Marshbank Construction – Contract Amendment No. 1. On vote the motion carried (6-0-0-1).

Public Hearing:

First Reading of Ordinance 984 re Critical Areas Updates: Council President Hilt opened the Public Hearing.

Community Development Director Wright presented the staff report and said tonight's requested action is to approve the first reading of Ordinance No. 984 adopting changes to the Critical Areas regulations of the Lake Stevens Municipal Code and continue the public hearing. Director Wright reviewed that at the previous public hearing Council requested information related to the recent lawsuit filed against Snohomish County over the adoption of revised critical areas regulations, effects of new buffers on remaining buildable land supply, and an overview of the local analysis conducted previously on the revised rating systems. Director Wright noted that staff worked with the City Attorney to identify the main elements of the Snohomish County ruling; he then reviewed how the City has responded to those concerns, as opposed to how Snohomish County proceeded. Director Wright reviewed the procedural history of bringing Ordinance No. 984 forward, and anticipated that Ordinance 984 will be brought to Council for a second reading and adoption at the March 28, 2017 meeting.

Director Wright responded to Councilmember Petershagen's questions regarding how the increased buffers will impact development, particularly along the 20th Street corridor, and expressed concern that adoption of the ordinance will result in a loss of affordable housing.

Councilmember Welch asked if these amendments have been looked at in terms of the upcoming annexations, and Director Wright said they have not.

Councilmember Tageant confirmed with Director Wright that the only way for Lake Stevens to not follow the recommended guidelines is to do its own study.

Council President Hilt invited public comment.

Rob Bennett, 406 101st Avenue NE, Lake Stevens, said he is representing Beverly Morris, the owner of a five-acre piece of property located on the corner on 99th & Chapel Hill Road. Mr. Bennett said if this ordinance is passed it makes his client's property unbuildable. He noted Mrs. Morris and her husband had been living here for fifty years and that they were saving this piece of property for their retirement. She has already experienced declines in property value that Mr. Bennett believes are related impacts created by surrounding development.

Beverly Morris, 25 - 99th Avenue SE, Lake Stevens, has lived here for 55 years. Mrs. Morris said there were no wetlands on the property when they moved in, and that surrounding development has created the wetlands that are now located on her property. These wetlands significantly decrease the value of her property. Mrs. Morris is asking that Council reconsider the new setbacks.

Danny Morris, 25 - 99th Avenue SE, Lake Stevens, said the critical areas ordinance directly affects his mother's property value and represents a 70% loss of property value for her property. Mr. Morris suggested his mother's property may be the exception to the rule.

Jim Hartford, 12001 "A" North Lakeshore Drive, Lake Stevens, said he has been heavily impacted by wetlands and their creation in his career in real estate. Mr. Hartford asked that Council consider themselves, the future, family and friends when adopting these critical areas regulations.

Patrick McCourt, 10515 - 20th Street SE, Lake Stevens, does not believe the City has had an appropriate amount of time to thoroughly review the proposed regulations and how they impact the City. He asked what monetary or Urban Growth Area expansion benefit is afforded to the City by the State Growth Management Act given what the City is asked to do to comply with state law. He asked how the City can meet its population growth targets, address commercial and retail needs, and comply with regulations that result in less buildable lands. Mr. McCourt concluded that the City look at the possibility of including language in the ordinance that would allow the City to return to its current regulations if, for some reason, there is a change in the federal regulations reverting to earlier less stringent regulations.

Angie Sievers, with the Master Builders of King and Snohomish County, reviewed the housing challenges in Snohomish County in terms of cost vs. median income, and that certain environmental challenges restrict the ability to build new homes and increase costs to the consumer. Ms. Sievers asked that the City take a hard look at the regulations before adopting them, and said that the Master Builders has resources that can assist so that whatever decision is made by the City, the decision is made it with "eyes wide open."

Sally Jo Sebring, 1023 - 99th Avenue SE, Lake Stevens, said that developers are not building for the community, they are building for the money.

Dick Todd, 825 - 99th Avenue SE, Lake Stevens, said that critical areas mean nothing if the City does not enforce the laws. There needs to be a system in place to evaluate, monitor and investigate what is going on with the critical areas.

Council President Hilt then closed the public comment portion of the public hearing and the public hearing.

Councilmember Welch asked if there is a timeline to act on this ordinance, and Director Wright said that Department of Ecology has not suggested there are any sanctions pending at this point. Director Wright added that it is part of the City's Growth Management Act responsibility to make sure that best available science is enforced so it becomes, at some point, a possibility that grant funding options could be impacted.

Responding to Councilmember Petershagen's question, Director Wright said that technically this is part of the 2015 Comprehensive Plan updates and technically is part of implementing that plan. However, there is no final date for adoption.

Council President Hilt reminded that one of the speakers pointed out that King County has not yet adopted these regulations.

Director Wright responded that historically King County has had the ability and resources to develop their own standards that are not necessarily the state's standards. Director Wright said that if the City adopts these regulations it would be one of the first Snohomish County cities adopting the new buffers.

There was consensus to continue the First Reading to a future Council meeting.

Action Items:

Confirmation of Planning Commission Appointment Recommendations: Council President Hilt introduced Karim Ali, and noted that Brett Gailey was not able to attend tonight's meeting. He said that following interviews conducted by Mayor Spencer, Councilmembers Hilt and McDaniel, Planning Commission Vice Chair Vicki Oslund and Director Wright, it is the Mayor's recommendation that Mr. Ali be appointed to fill a vacancy for a term that expires December 31, 2018, and that Mr. Gailey be appointed to fill a vacancy for a term that ends December 31, 2020.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Daughtry, to confirm the appointments to the Planning Commission of Karim Ali, for a term ending December 31, 2108 and Brett Gailey, for a term ending December 31, 2020, as recommended by Mayor Spencer. On vote the motion carried (6-0-0-1).

Confirmation of Design Review Board Appointment Recommendations: Council President Hilt introduced Sharon "Sammie" Thurber, and noted that Michael Lauer is not here this evening. Mr. Lauer has been serving as "member at large" on the Design Review Board; Ms. Thurber recently interviewed for the Planning Commission vacancies. Following Ms. Thurber's

interview she was asked if she would be interested in serving as "member at large" on the Design Review Board, and she is interested in serving in this capacity. Council President Hilt said that it is Mayor Spencer's recommendation that Mr. Lauer and Ms. Thurber be appointed to fill vacancies on the Design Review Board. Both Mr. Lauer's and Ms. Thurber's appointments would expire December 31, 2019.

MOTION: Moved by Councilmember Petershagen, seconded by Councilmember Holder, to confirm the appointments of Michael Lauer and Sharon "Sammie" Thurber to the Design Review Board for terms expiring December 31, 2019. On vote the motion carried (6-0-0-1).

Eagle Glen Plat Public Meeting – Final Plat Acceptance and Right-of-Way Acceptance:

Senior Planner Stacie Pratschner presented the staff report and said that Lake Stevens Municipal Code 14.18.035(a) requires that final plats and dedications of right-of-way be accepted at a public meeting. Planner Pratschner provided a brief history of the plat development. It is staff's recommendation that the final plat be accepted subject to the identified conditions, specifically the plat will not be recorded until all sewer improvements are inspected, accepted and approved by the Lake Stevens Sewer District. She then invited Councilmembers' questions.

Councilmember Petershagen asked what the timeframe is for the off-site sewer connection.

Project proponent Matt Recknagel, of Lennar Homes, 33455 - 6th Avenue S, Federal Way, responded they are projecting a construction start date of April 1 and they expect to have the sewer connections in place by that time.

MOTION: Moved by Councilmember Welch, seconded by Councilmember Tageant, to accept the final plat of Eagle Glen subdivision and the associated right-of-way dedication. On vote the motion carried (6-0-0-1).

Approve Ordinance No. 988 Amending 2017 Budget: Finance Director Barb Stevens presented the staff report and said that tonight's action is to hold a second reading of Ordinance 988 Amending the 2017 Budget. Director Stevens reviewed the amendments to the budget, including those made since the first hearing of Ordinance 988, and then responded to Councilmembers' questions.

MOTION: Moved by Councilmember Holder, seconded by Councilmember Welch, to approve Ordinance No. 988 Amending the 2017 Budget. On vote the motion carried (6-0-0-1).

Discussion Items:

2016 Year End Financial Update: Finance Director Stevens presented the 2016 Year End Financial Update, and said the City finished the year with revenues that were about 5% more than budgeted and about 2% less than estimated at the time the 2017 budget was being prepared. Expenditures were about 15% under budget. Director Stevens said that the estimations for 2016 yearend that were used in preparing the 2017 budget were very close to the 2016 yearend balances. Director Stevens reviewed the major revenue sources and expenditure. She then invited Councilmembers' questions and there were none.

Permit Extensions / Permit Expiration: Director Wright reviewed proposed amendments to the Lake Stevens Municipal Code related to permit extensions for subdivisions and other types

of land use approvals. Staff has reviewed codes of surrounding jurisdictions, and particularly those of Marysville and Snohomish County. Snohomish County code provides for up to 12 years of life for a subdivision, which is beyond what state law allows. A comparison is provided showing the differences between the codes reviewed and Lake Stevens; they all share the fact that state regulations that have specific requirements, depending on when the project was started and how long it vests for, are considered. The jurisdictions vary after that point. The City of Lake Stevens would request an extension after five years, and that extension can roll up to ten years, depending on when the project came on. Director Wright said that two formal subdivisions would be eligible for an extension if this is approved, and potentially a few short subdivisions.

Director Wright said that no matter what direction Council takes regarding permit extensions, it is worthwhile to review and simplify this portion of the code, and pointed to Snohomish County's code as a good model. He then responded to Councilmembers' questions. Director Wright said the Planning Commission will be considering at future meetings.

Discussion ensued and there was consensus that to accommodate the two pending plats, each will need to show substantial progress is being made on their project to be eligible.

Marijuana Regulations – Status: Director Wright provided an overview of marijuana facilities and regulations in Lake Stevens and the history of the City's adoption of Ordinance 985; he added there is interest from a citizen to change the City's marijuana regulations to allow an additional retail location. This is brought forward at this time for Council's information. He then responded to Councilmembers' questions.

Councilmember Welch commented he requested this be brought forward at this time and believes the City should have a second store to conform with state law. Council President Hilt agreed it is timely to revisit this topic, particularly in light of Snohomish County's recent actions.

There was consensus that the Planning Commission should review this and make a recommendation as to whether the City should allow another retail location.

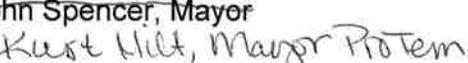
Executive Session: Council President Hilt announced an executive session beginning at 9:00 p.m. and lasting 15 minutes for the purpose of discussing a real property sale and acquisition, with no action to follow.

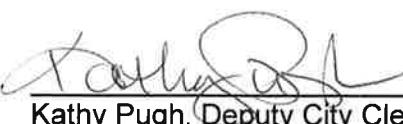
At 9:15 p.m. the regular meeting of the City Council was reconvened.

Adjourn:

Moved by Councilmember Daughtry, seconded by Councilmember Welch, to adjourn the meeting at 9:15 p.m. On vote the motion carried (6-0-0-1).


John Spencer, Mayor


Kurt Hilt, Mayor Pro Tem


Kathy Pugh, Deputy City Clerk