

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

Tuesday, February 13, 2018

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

CALL TO ORDER: 7:10 p.m. by Mayor John Spencer

ELECTED OFFICIALS PRESENT: Councilmembers Kim Daughtry, Gary Petershagen, Kurt Hilt, Rauchel McDaniel, Brett Gailey and Marcus Tageant

ELECTED OFFICIALS ABSENT: Todd Welch

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director Barb Stevens, Community Development Director Russ Wright, Public Works Director Eric Durpos, Police Chief John Dyer, Human Resources Director Teri Smith, City Clerk Kathy Pugh, City Attorney Grant Weed, Economic Development Coordinator Jeanie Ashe, Senior Planner Josh Machen, Commander Ron Brooks

OTHERS:

Pledge of Allegiance: Mayor Spencer led the Pledge of Allegiance.

Roll Call: Moved by Councilmember McDaniel, seconded by Councilmember Hilt, to excuse Councilmember Welch from the meeting. On vote the motion carried (6-0-0-1).

Approval of Agenda: Council President Tageant said he has a request to remove Item (F), Approve Resolution 2018-08 Adopting Updated City Council Procedures and Item (G), Approve Amendment No. 1 to Professional Services Agreement with Abe Martinez dba North Sound Productions, to Action Items.

MOTION: Moved by Councilmember Hilt, seconded by Councilmember Daughtry, to approve the agenda with the noted changes. On vote the motion carried (6-0-0-1).

Council President Tageant requested a motion to add the Parks Capital Budget and Lundein Park to the agenda as an action item, pursuant to staff request.

MOTION: Moved by Councilmember Petershagen, seconded by Councilmember Gailey, to add the Parks Capital Budget and Lundein Park to the agenda as an action item. On vote the motion carried (6-0-0-1).

Citizen Comments:

Michelle Kuhrau, 1521 107th Avenue SE, Lake Stevens, is concerned about the rezoning aspect of the Pellerin Annexation and wants to keep medium density; she is concerned about high density residential impacts in the area, and particularly on schools.

Council Business:

- Councilmember Daughtry: Community Transit Board, was voted in as Vice Chair of this board.
- Councilmember Hilt: Snohomish Health District

Mayor's Business: Mayor Spencer said he has been working with Representative Harmsworth for additional capital funding for Lake Stevens, to be used in combination with previous grants to construct the Food Bank/Community Center/Veterans Center. The next step is to focus on land acquisition and establish, in conjunction with those organizations, a management level of authority to ensure longevity.

Mayor Spencer also said that the Veterans Commission discussed their priorities at their last meeting and identified several including (1) adopting as a mission to establish a Veterans Center that would be a resource to veterans in the community, and (2) engaging veterans to be more involved in the community, and to leverage veteran talents.

Councilmember Hilt commented that he has received word from Representative DelBene's office that they want to discuss the possibility of Veterans Administration funding for the community center.

Recognition of Steven Apodaca: Mayor Spencer recognized Steve Apodaca for his contributions and services to the community bringing art, music and other activities to city.

City Department Report. None.

Consent Agenda:

MOTION: Moved by Councilmember Hilt, seconded by Councilmember Daughtry, to approve (A) 2017 Vouchers [Electronic Funds Transfers (ACH) of \$8,635.15, and Claims Check Nos. 44402-44405 totaling \$32,808.25, Total Vouchers Approved: \$41,443.40], (B) Approve 2018 Vouchers [Payroll Direct Deposits of \$205,701.37, Payroll Checks 44420-44422 totaling \$6,666.65, Tax Deposits of \$75,364.53, Electronic Funds Transfers (ACH) of \$264,075.19, Claims Check Nos. 44406-44419, 44423-44567 totaling \$603,255.26, Void Check Nos. 44418 and 42875 totaling \$100,500.00, Total Vouchers Approved: \$1,054,563.00], (C) December 12, 2018 City Council Regular Meeting Minutes, (D) January 9, 2018 City Council Regular Meeting Minutes, (E) January 22, 2018 City Council Special Meeting Minutes, (F) Removed, (G) Removed, (H) Accept as Final the Project and Work Performed by KCDA for the Temporary City Hall Project, (I) Appoint Sewer Utility Transition Oversight Committee Representatives, (J) Appoint Councilmembers to Participate in Boards and Commissions Interviews, and (K) Approve Resolution 2018-07 re 20th Street SE Surplus Property.

MOTION: Moved by Councilmember Hilt, seconded by Councilmember Daughtry, to approve the Consent Agenda as amended

Councilmember Gailey said that consideration of Item (J) is premature since consideration of the Council Rules of Procedure was removed to the Action Items, and requested that Item (J) also be removed to the Action Items.

MOTION: Councilmember Gailey moved, seconded by Councilmember Daughtry, to amend the main motion to move consideration of Item (J) to the Action Items. On vote the motion carried (6-0-0-1).

VOTE: On vote the motion carried, and with the additional amendment to remove Item (J) to Action Items carried (6-0-0-1).

Public Hearing:

Approve Resolution 2018-05 re Pellerin Annexation: Mayor Spencer opened the Public Hearing and requested a motion to move Michelle Kuhrau Citizen comments to the Public Comments section of the Public Hearing.

MOTION: Moved by Councilmember McDaniel, seconded by Councilmember Gailey to move Michelle Kuhrau's comments to the Public Comments portion of the Public Hearing. On vote the motion carried (6-0-0-1).

Senior Planner Josh Machen provided the history and background of the Pellerin Annexation, noting that Council approved a 10% petition by resolution in December in 2017. A 60% petition has now been submitted to the City. The petition has been certified and validated by the Snohomish County Assessor's office. Tonight's hearing is to discuss the 60% annexation petition, and to specifically discuss the proposed zoning and comprehensive plan designations for this proposed annexation. Planner Machen said that if Council approves the Resolution, which is a Notice of Intent to Annex, it would be forwarded to the Boundary Review Board (BRB) for consideration. Once the BRB decision is finalized, the City Council can then pass an ordinance adopting the zoning and comprehensive plan designations and accepting the annexation, if it so chooses.

Mayor Spencer invited Council's questions and there were none. He then opened the Public Comment portion of the hearing.

Ford, Postan, 1520 – 107th Avenue SE, Lake Stevens, is not opposed to annexation, but is concerned about zoning changes from medium density to high density. He is concerned about the impacts of higher density to schools and to traffic on South Lake Stevens Road. He would like the fabric of the existing neighborhood and community maintained.

Sally Jo Sebring, 1023 – 99th Avenue SE, Lake Stevens, is concerned about the lack of infrastructure in the annexation area and does not believe it will support High Urban Residential zoning.

David Toyer, 3705 Colby Avenue, Suite 1, Everett, represents the petitioners. He reviewed the process that has been followed and noted that in the City's 2016 annexation vision Medium Density Residential zoning was applied to this area. Mr. Toyer commented that whether the property is in the City or the County growth and development will occur and there are processes that will need to be addressed in either jurisdiction. Right now, the only request is to annex into the City. Mr. Toyer said that citizens in the proposed annexation area believe the City will provide more local control of taxes and development fees. He closed by saying the area is in the City's Urban Growth Area and annexation is part of the vision.

Responding to Councilmember Petershagen's question, Director Wright said that the process is underway for annexation of this property into the Sewer District.

Laura Turner, 10701 – 15th Street SE, Lake Stevens, is concerned about increased traffic volume and safety on South Lake Stevens Road, and also on 20th Street SE to US 2. She also commented that schools are at capacity and increased density will decrease the quality of the schools, and that rental prices will incentivize maximizing capacity in rental units.

Clayton Kuhrau, 1521 – 107th Avenue SE, Lake Stevens, is concerned about high density zoning, and said the infrastructure does not support more population.

Mayor Spencer invited additional public comment and there was none. Mayor Spencer then closed the Public Comment portion of the hearing.

Director Wright reviewed the annexation process and said that tonight's action is to determine if the Council wants to initiate this annexation. He added that if Council determines to move forward with annexation, the annexation petition will go to the BRB for review, and then be returned to Council for final action and adoption by ordinance.

Attorney Weed clarified that BRB review is required by statute, and that if there is no action by the BRB within 45 days, the petition is deemed approved by the BRB. Alternatively, the BRB can schedule its own public hearing, and it can also make changes to the boundaries of a proposed annexation. He added that the zoning designation and assumption of bonded indebtedness was included in the 60% petition that was circulated; zoning can be changed after annexation.

Councilmember Hurt asked about the impacts of HUR zoning. Director Wright said this can be brought back, and clarified that a single-family zone designation is currently in place.

Responding to Councilmember Gailey's question, Director Wright said that the school district has a six-year capital facilities plan that is reviewed annually, and they do plan for their 20-year growth. Because of the way the school district is funded it has to be at capacity before a new facility can be built.

Director Wright clarified, in response to Councilmember Tageant's question, that the school district receives development impact fees regardless of if the development occurs in the County or the City. Regarding traffic impact fees, if development occurs in the County, traffic impact fees can be utilized anywhere in the County, but if development occurs in the City traffic impact fees are utilized in the City.

Councilmember McDaniel added that Police funding is based on population, and our Police now respond to that location, and are then outside the City boundary.

Responding to Councilmember Petershagen's question regarding zoning, and lot size in the City vs. in the County, and including street widths, Director Wright said that street widths and parking requirements are very similar. Regarding lot sizes, City lot sizes could be as small as 3600 square feet, however he understands the developer wants to do lot sizes more in the 4,000 square foot range, with some larger lots. Planner Machen said the County has a lot range of 7200-9600 square feet. The Snohomish County zoning code does have some tools that would

allow for reduced lot sizes, similar to what the City's zoning is. The City would require traffic, park and school impact fees from each residence.

Mayor Spencer reminded of the process that Council went through with the Nourse development to ensure there was adequate parking and parks while protecting critical areas, and also regulating traffic flow into adjacent neighborhoods.

Mayor Spencer invited additional questions of staff and there were none; he then closed the Public Hearing.

MOTION: Moved by Councilmember Hilt, seconded by Councilmember Petershagen, to approve Resolution 2018-005 to (1) accept the 60 percent Pellerin Annexation petition, give notice of intent to annex and (2) require upon annexation the simultaneous adoption of land use and zoning designations and require the assumption of all existing City indebtedness. On vote the motion carried (6-0-0-1).

Approve Ordinance No. 1017 re Soper Hill Revised Right-of-Way Vacation: Mayor Spencer opened the public hearing.

Director Wright presented the staff report and provided a history of the Soper Hill right-of-vacation. Approval of this ordinance will repeal the earlier ordinance and establish the terms of the current dedication and vacation for rights of way that will ultimately enable the Soper Hill / Highway 9 intersection to function properly. He added that the exchange is a positive exchange to the City, the action does meet the public benefit, and there are no negatives to moving forward with this dedication.

Councilmember McDaniel clarified that the developer will be installing a storm detention vault. Director Wright also said the storm detention vault would become the responsibility of the City.

Councilmember Tageant asked if the proposed associated roundabout would improve traffic flow for all residents, and Director Wright responded that it should.

Mayor Spencer invited public comment and there was none; he then closed the Public Hearing.

MOTION: Moved by Councilmember McDaniel, seconded by Councilmember Tageant, to approve the proposed revised Right-of-Way Vacation and accept the proposed revised Right-of-Way Dedication by adoption of Ordinance No. 1017. On vote the motion carried (6-0-0-1).

Action Items:

Preferred Alternative for Downtown Plan: Director Wright presented the staff report and reviewed the history and public process of establishing a preferred alternative for the Downtown Subarea Plan. Adoption of a preferred alternative this evening is a recommendation that will allow the City to move forward with preparation of final documents for the subarea plan, including the Final Environmental Impact Statement, Final Subarea Plan and development regulations. Council discussed the proposed growth assumptions, the role of parking and ensuring consistency with the Shoreline Master Program at the workshop on February 6, 2018. At that time, Council was generally supportive of the high Growth Alternative as a preferred alternative to revitalize development, support commercial growth and create a vibrant downtown.

Responding to Councilmember Daughtry's question regarding parking and how it relates to the Environmental Impact Statement (EIS), Director Wright said that the parking number does not necessarily reflect parking that will be required of commercial and residential developments. It is public parking, and the City can incorporate a public parking threshold as part of the EIS, that could in the future, require additional action either through the EIS or an additional SEPA.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Tageant, to direct staff to prepare final documents for a preferred land use alternative for the Downtown Lake Stevens Subarea. On vote the motion carried (6-0-0-1).

Accept the Daysala Subdivision and Associated Right-of-Way Dedication: Director Wright presented the staff report and provided a history of this subdivision. He noted that Final Plats are quasi-judicial decisions and are required under the City's Municipal Code to be accepted at a public meeting. Council is also requested to accept the associated right-of-way dedication. Director Wright then invited Council's questions and there were none.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember McDaniel to accept the Daysala (Tyler) subdivision and associated right-of-way dedication (LUA2018-0005). On vote the motion carried (6-0-0-1).

Approve Contract Extension with Real Estate Broker re 20th Street SE Properties:

Economic Development Coordinator Ashe presented the staff report and provided a history of the decision to surplus city-owned properties on 20th Street SE. Coordinator Ashe reviewed the marketing activities of NAI Puget Sound Properties under the existing contract and requested the new contract be approved. She added that the City Attorney identified one property where City title is not clear, and Coordinator Ashe is amending the request to ask that Council authorize the execution of a 2018 Commercial Services Agreement with NAI Puget Sound Properties, and that it be subject to review of Snohomish County Ordinance No. 801, confirming that the City does have the right to sell one particular parcel.

Councilmember Tageant would like to see what other listing agencies can offer. He is concerned that there have been no updates to Council, the marketing has not been effective and that the rate could be more competitive. Councilmember McDaniel agreed with Councilmember Tageant's comments.

Coordinator Ashe said she did receive updates from the broker which were shared with leadership, but unfortunately were not shared with Council. Coordinator Ashe said that NAI did address reasons for why properties were not selling. She added that this is a long-term game plan and she is very pleased with the marketing efforts and retailers who have toured the community.

Councilmember McDaniel asked about dialogue with the neighboring communities. Coordinator Ashe responded there is a lot of misinformation in the community right now about what is happening with the 20th Street SE corridor, and that once there is a large end user there will be more of an appetite for people to buy properties. Coordinator Ashe has been receiving lots of inquiries on the properties, including from other brokers.

Councilmember Petershagen asked about the reference to listing prices. Coordinator Ashe responded that NAI has been asking for appraisals of the properties, and the next item on

tonight's agenda is a request to have all of the properties appraised. Further responding to Councilmember Petershagen's question, Coordinator Ashe said the cumulative listing price for the ten properties is \$3 million.

Councilmember Tageant asked if a market analysis was provided, and Coordinator Ashe responded that when NAI made their first proposal it included an extensive market analysis, about Lake Stevens, but not for each one of the properties.

Responding to Councilmember Petershagen's question, Coordinator Ashe said that part of the City's process requires that the properties be appraised.

Mayor Spencer summarized that based on Council's comments this will be referred back to staff for additional work.

Approve Professional Services Agreement with Valbridge Property Advisors re 20th Street SE Properties: Because no action was taken with the previous agenda item, Mayor Spencer requested this be referred back to staff and brought forward to Council at a later date.

Attorney Weed commented the Auditor requires that the City is required to show that it is receiving fair market value for properties it sells. This can be done through a good fair market analysis, or by appraisal.

Mayor Spencer confirmed that Council is looking for commercial pricing of the properties.

Approve Resolution 2018-06 Supporting Funding for a New Countywide 911 Emergency Radio System: Police Chief Dyer presented the staff report, and noted that Ralph Krusey previously presented to Council regarding the need for a new emergency radio system and the proposed funding mechanisms. Chief Dyer provided a brief overview of the proposal and said if Council approves Resolution 2018-06, Council would be asking the County to approve the resources for an equitable funding system for a new Countywide 911 Emergency Radio system. Chief Dyer said that SERS is dedicated to changing its governance model by the end of this year, or merging with Snohomish County 911, and under either method of moving forward Lake Stevens will have representation on the board.

Councilmember Hilt said he is confident Lake Stevens will have representation on the board, but that he is concerned that largely unelected officials will be running Snohomish County 911.

MOTION: Moved by Councilmember Hilt, second by Councilmember Gailey, to approve Resolution 2018-06 supporting an equitable funding system for a new Countywide 911 Emergency Radio System. On vote the motion carried (6-0-0-1).

Approve New Human Resources Generalist/Executive Assistant Position: Director Smith provided an updated staff report and revised position description following input from the City Council Workshop. She said the proposed position will provide support to Human Resources 30 hours a week, and to the Mayor, City Administrator and Council ten hours per week. She reviewed the goal for the position is to provide regular communication and support to the Mayor and City Administrator, and also keep City Council apprised of events and happenings in the City, as well as monitoring social media and making sure the City is represented in a positive way to the community. This position would also monitor the web site.

Councilmember McDaniel requested it be clear in the job description that one of the duties will be to assist with scheduling of meetings for Councilmembers.

Councilmember Gailey requested a specific percentage of time, 10%, be set out in the job description as providing support to City Council. Discussion ensued and Councilmember Gailey clarified that it is important the person who is hired for this position is clear that the position provides support to City Council.

Director Smith commented if there is too much detail regarding how time will be spent the job description will appear "choppy" and there will be less interest in the position. The thought behind the 25% was to be collaborative with the Mayor/City Administrator/Council and other staff because there is a lot of cross over between the groups.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember McDaniel, to approve a new Human Resources Generalist/Executive Assistant and draft a job description consistent with the discussed revisions. On vote the motion carried (6-0-0-1).

Approve Resolution 2018-08 Adopting Updated Council Rules of Procedure:

Councilmember Petershagen asked if the comments in the redline version by the City Attorney had been incorporated, and for clarification as to how City Council Retreats would be recorded since the section on Travel containing that information was removed.

City Clerk Pugh said minutes are being prepared for the Retreat, and minutes have been prepared in this manner in previous years.

Attorney Weed said that his comments were made quite some time ago, and he believes his comments were considered. He added that there are changes in the law that make it important to review the procedures at least every two years, and that this is a fluid document.

Councilmember Gailey reminded at the retreat Council requested that Section 19.4.2 regarding appointments to board and commissions be corrected to show that candidates will be interviewed by a panel that includes three Councilmembers, and as previously discussed two of those Councilmembers would be appointed in January of each year.

Councilmember Gailey also requested the rules in Section 19 be changed to say that the interview board nominates the candidate for a position.

Attorney Weed said that the rules need to be consistent with City code and that they may provide that the Mayor makes the appointment, with confirmation by Council.

Councilmember McDaniel requested advance notice of who the candidates are and who the appointee is prior to appointment.

Councilmember McDaniel requested in Section 2, that the end meeting time be changed from 9:00 p.m. to 10:00 p.m. Discussion ensued and there was consensus to provide language saying that at 8:00 p.m. the Presiding Officer will ask Council for a motion to extend the meeting if necessary.

Appoint Councilmembers to Participate in Boards and Commissions Interviews: This item was deferred until the updated Council Rules of Procedure are approved.

Approve Professional Services Agreement with Abe Martinez dba North Sound

Productions: Administrator Brazel presented the staff report and said the City previously entered into an agreement for the production of the video about the Trestle that was recently presented in Olympia. The City is now looking to create a website not only to showcase the video, but to share additional information, such as tonnage of rock loads carried across the Trestle, industries using the Trestle, the impacts to homeowners, etc. There would also be an opportunity for people to share their experiences with the Trestle. The idea is to keep this information out in the community as a priority. This relates to communication.

MOTION: Moved by Councilmember Petershagen, seconded by Councilmember Daughtry, to approve Amendment No. 1 to the Professional Services Agreement with Abe Martinez, a Sole Proprietor, d/b/a North Sound Productions. On vote the motion carried (6-0-0-1).

Parks Capital Budget: Director Wright referenced the handout shared earlier, and said that staff is asking Council to help prioritize budgeting for Lundein Park. He said the estimates for the park improvements came in approximately \$250,000 above budget. When considering changes to this budget it is important to keep in mind the North Cove Park costs.

Director Durpos supports completing Lundein Park now rather than breaking it into a phased project, and said this is a more efficient way to move forward. He added that Public Works is looking to do as much of the work in-house as possible.

Discussion ensued and there was consensus of Council to complete all of the Lundein Park improvements at this time.

Director Stevens said the increased cost will come back to Council as a budget amendment.

MOTION: Moved by Councilmember Hilt, seconded by Councilmember McDaniel, to extend the meeting 15 minutes. On vote the motion carried (6-0-0-1).

Discussion Items:

Study Session: None.

Executive Session: Mayor Spencer announced an executive session beginning at 9:02 p.m. and lasting 10 minutes for the purpose of two real estate matters, with action to follow.

The regular meeting of the City Council reconvened at 9:14 p.m.

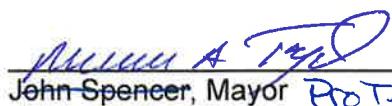
MOTION: Moved by Councilmember Hilt, seconded by Councilmember Daughtry to authorize the Mayor to enter into a purchase of the Tuengel property as described in executive session. On vote the motion carried (6-0-0-1).

MOTION: Moved by Councilmember McDaniel, seconded by Councilmember Petershagen, to authorize the Mayor to release the appraisals for the property in question that Costco is considering purchasing from the City as well as the property that Costco is a potential purchaser

of, that would be utilized as a stormwater pond. On vote the motion carried (5-0-1-1) with Councilmember Tageant abstaining.

Adjourn:

Moved by Councilmember Daughtry, seconded by Gailey to adjourn the meeting at 9:16 p.m. On vote the motion carried (6-0-0-1).


John Spence, Mayor
Marcus Tageant
Pro Tem


Kathy Pugh, City Clerk