

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

Thursday, September 19, 2019

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: Councilmembers Gary Petershagen, Kim Daughtry, Kurt Hilt, Todd Welch, Rauchel McDaniel, Brett Gailey and Marcus Tageant

ELECTED OFFICIALS ABSENT: None

STAFF MEMBERS PRESENT: Finance Director Barb Stevens, Community Development Director Russ Wright, Public Works Director Eric Durpos, Police Chief John Dyer, Interim Human Resources Director/Risk Manager Julie Good, City Clerk Kathy Pugh, City Attorney Zach Lell

OTHERS:

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

Roll Call: All present.

Approval of Agenda:

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Welch, to approve the agenda. On vote the motion carried (7-0-0-0).

Guest Business: None.

Citizen Comments: James and Karla Barton, 2623 Cavalero Road, Lake Stevens, said they have property abutting to Lake Stevens where the new park and road are going in; they have questions about how Cavalero Park will affect their property and whether a sewer line will be installed. They next asked how the area and roadways at the Costco site will be improved. Also they would like their property included in the next annexation. Mayor Spencer said the Community Development Director will be in touch with them to answer their questions.

Council Business:

- Councilmember Petershagen: Sewer Utility Committee; Planning Commission.
- Councilmember Daughtry: Snohomish County Tomorrow annual meeting September 25.
- Councilmember Tageant: Sewer District.
- Councilmember Welch: Arts Commission.
- Councilmember Gailey: Attending National Parks & Recreation Association Conference.

Mayor's Business: Sewer District; had conversations with County Councilman Sam Low regarding some fish passage improvements to be made on the creek that runs through the Costco site and down to county property.

City Department Report:

- Community Development Director Russ Wright: City's responsive letter to Puget Sound Regional Council regarding Vision 2050 was distributed to Council; any additions can be incorporated. Councilmember Daughtry requested in the Transportation Funding portion that the Highway 2/Trestle be included, and he noted that Snohomish County Cities has already talked with Snohomish County Tomorrow and EASC and commented on how Seattle-centric the draft plan is. Councilmember Daughtry said it is important that Pierce, Snohomish and Kitsap counties be heard. Director Wright also provided an update on the number of permits filed to date this year.
- Finance Director Stevens: Bond issuance for Police Department building update; auditors begin on Tuesday, September 24 for 3 weeks; budget.
- Public Works Director Durpos: Pavilion update; Lakeview storm section update, bridge inspections completed and awaiting results; received North Cove Park permit for beach and Williams dock.
- Police Chief John Dyer: New Police Department building update; staffing update.

Consent Agenda:

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to approve:

- A. Professional Services Agreement with Outcomes by Levy,
- B. Addendum No. 1 to Purchase and Sale Agreement with Lake Stevens Fire,
- C. Utility Easement with Peterson.

On vote the motion carried (7-0-0-0).

Public Hearing Items: None.

Action Items: None.

Discussion Items:

Introduction to Comprehensive Plan and Land Use Updates:

Director Wright said this is the first briefing on the Land Use element of the Comprehensive Plan update as well as some proposed code amendments that are coming out of staff's work with the Land Advisory Group and Planning Commission. Director Wright said many of the changes to the Land Use element are perfunctory including updates to data tables and maps, and parks that have been expanded or acquired. Bigger proposed changes come out of the market analysis that was performed this year.

Director Wright referenced the findings of the Berk report including the regional and local trends. The report notes the demands for office commercial development in the county have slowed

significantly and the demand for retail has grown significantly. Director Wright said the report identifies that although Lake Stevens has a low retail base and tax ratio, the city also is one of the fastest growing communities for commercial and retail and is the fastest growing residential city in Snohomish County; Lake Stevens is identified as a good location to site retail for cities located further away. The report includes a retail leakage analysis which identifies the city is lacking in retail of commercial goods and restaurants and identifies the need for a car dealer. The city has low vacancy rates for office and commercial, and this is positive. Projecting to 2040, Lake Stevens can take on another one to 1.2 million square feet for commercial uses including retail, restaurants, office services and industrial-type uses. Staff will be looking at this with the two subarea plans and some of the remaining capacity in the industrial area. Also any needed adjustments to the Zoning Code will be made to implement potential changes in the Comprehensive Plan.

Director Wright commented there has been some significant retail growth in the Lake Stevens Center area, but looking down 20th Street SE, that area has not experienced as much retail growth. Director Wright anticipates this could change with the potential big projects that are in the pipeline.

Turning to Main Street and the idea to make it a more walkable community, this is not turning out to be feasible for this area, and Staff recommends doing away with the Main Street designation and replace it with a Commercial District which is the most flexible zoning designation.

Regarding 20th Street SE, Director Wright said the Berk report notes the limited commercial development. One of the concerns is the lack of sewer, however, sewer capacity is there now but there are additional sewer needs such as lateral force mains, and this is one of the objectives of the 91st Avenue SE/24th Street SE project. Another encumbrance is the Everett waterline and wetlands. These are considerations as the city explores potential new commercial areas. Director Wright commented briefly on a master interlocal agreement and a cost sharing agreement the city is working on with Everett to address concerns about the waterline.

Director Wright reviewed the Berk report general conclusions including that the city does have capacity but needs to look at land use designations to ensure they are correct for today's market trends, and that the city needs to make changes to its Zoning Code to implement any Land Use changes.

Turning to the maps and the Lake Stevens Center subarea, Director Wright said staff's proposal is to change Mixed Use to Commercial; the Planning Commission concurs with the more generalized land use and then implementing zoning designations. This would still allow some residential mixed use projects and a wider variety of commercial uses. Director Wright added there is a will to remodel existing structures here, but the land is not valuable enough yet to do tear downs and rebuilds. Also the new roundabout and highway improvements will not support increased pedestrian use.

Director Wright invited questions of council on this proposed land use change and there were none. Director Wright then reviewed the next steps for moving forward with this proposed change.

Moving to the 20th Street SE Corridor Subarea drawings, Director Wright said this is more complex and there is too much area designated for offices, but the Berk report does recommend keeping some areas as a business district. He presented two options staff has considered: (1) increase the Commercial designation in a block fashion or (2) take a more linear approach, similar to strip mall development, and have commercial frontage along 20th Street SE. The Planning Commissioners are still considering these options, but a couple of Planning Commissioners preferred the block development which might be able to be developed more as a small mall. The Business district could then be sited between the school and the park.

Director Wright said there was a proposal in 2016 to look at the properties on the east side of SR 9 between 20th Street SE and South Lake Stevens Road. At that time Council adopted a Neighborhood Business zoning along the periphery. Director Wright noted people are looking at properties in that area now, but there are constraints including a stream and a wetland. Director Wright asked if Council wants to reconsider looking at more commercial area on the other side of the highway, or does Council prefer looking at everything on the west side of Highway 9.

Director Wright said the transportation grid also needs to be looked at. He reminded of the 2012 capital facilities plan that included a lot of north-south roads and the 24th Street east-west connector. The first section of 24th is currently being built. Council could consider where other sections of 24th could be incrementally built and recommended looking from west to east.

Mayor Spencer said the issue is the Everett waterline and if there is a quality alternative to the affected properties it would make them more attractive for retail and commercial development. Mayor Spencer added he would like to see a U-turn at 83rd as one travels east on 20th Street SE from 79th. This would help some of the properties that will have a right in, right out access only which limits commercial development. He has seen this in other areas, and they are very effective at providing access to properties.

Councilmembers Gailey and Tageant would like to see the options on an overlay of useable lands, and Director Wright responded this will be provided once he has input from Council.

Councilmember Gailey commented the commercial strip would be easier, but he likes the block option. He is concerned that access and infrastructure will be a problem. Director Wright responded the Everett waterline is a big limitation to Option 1 (strip), and with Option 2 (block) a majority of the wetlands are located to the far south of the properties.

Mayor Spencer commented the biggest cost of putting 24th in are crossing the ravine, but if segments are done to open the properties for development there may be some opportunity for public-private development of 24th and future grant opportunities for a bridge. Mayor Spencer encouraged getting segments started might help in getting some development started.

Responding to Councilmember Petershagen's question as to why the 10-acre parcels adjacent to Cavelero Park were not included as Commercial, Director Wright said that is an option, but referring to the Berk report, they recommend planning some properties for warehousing, industrial and other office-type jobs. Councilmember Petershagen commented the report calls for 30,000 square feet of office space per year, but Lake Stevens has only built 11,000 square feet of office space in the last six years. Director Wright responded another option is to have it all be zoned Commercial. Councilmember Petershagen clarified that zoning these parcels as Commercial opens the door for other possibilities but still allows for office and requested these parcels be zoned Commercial.

Councilmember Tageant agreed with Councilmember Petershagen's comments and asked about changes to the north side of the road. Director Wright responded the north side is more built out, so no changes are proposed. Councilmember Tageant suggested there are some small areas on the north side that may be redevelopable, particularly along the roadway adjacent to 83rd, going east. He is looking for industrial and incubator space.

Councilmember Daughtry referenced the Berk report recommendation to develop a strategic plan to keep tabs on storage spaces. He is concerned that if there is more commercial district this is an allowed use and there will be more storage businesses. Director Wright reminded that Council passed an ordinance limiting mini storage exclusively in commercial zones. He said the ordinance could be broadened and retooled to the rest of the city; alternatively storage units could also be not allowed.

Councilmember Gailey suggested that as Cavelero Park develops out, properties adjacent to the park need to be zoned to allow for a hotel or motel. Director Wright said this would be allowed in the Commercial district.

Councilmember Daughtry said he is more partial to Option 2 (block). He understands the problems with the wetlands and bridge but believes the Mayor's suggestion is a good one. Councilmember Daughtry also agrees with Councilmember Petershagen that the Business district next to Cavelero Park should be zoned Commercial. He believes a Commercial district allows people to voice what they want to have built and Commercial allows this. If Council is careful in the zoning and permissible use requirements this will encourage more people to bring businesses to Lake Stevens. He commented there are issues on east 20th SE, east of SR 9, where there is Neighborhood business zoning and he believes this needs to be reviewed and changed. He also agrees with redesignation of lands between SR 9 and South Lake Stevens Road to Commercial district, but because of the wetlands does not know how viable this designation is. Councilmember Daughtry would also like an overlay of buildable lands.

Turning to the Land Use Committee and the Planning Commission, Director Wright said staff is working with these two groups on a major restructuring of the Land Use Code, Title 14. This is in response to a request from the Mayor to look hard at subdivisions and how they are built. A group of interested parties was assembled, and he shared the list of committee members. The group is intended to be representative and includes developers, home builders and both long term and new residents, and people who live in the unincorporated area. He reviewed the process, saying it began with a visual preference survey, and then dialed in to the greater detail and is now at the zoning recommendation level.

Director Wright reviewed the goals of this project including providing for the "missing middle" by having diverse neighborhoods in terms of economics, lot size, house size and how the lowest lot size can be brought up. One of the concerns identified by the group is the need for a feeling of separation between lots. Director Wright said a simple fix will be brought forward to address that concern.

During this process it occurred to staff that other things need to be addressed to make sure everything fits together. Staff will propose that all subdivision requirements be moved into one subdivision section instead of spread throughout the chapter. Director Wright added there is an attempt to provide flexibility in the standards.

Another recommendation will be to update the zoning code density references to terms that more accurately describe density under the Comprehensive Plan. These references will conform to today's standards and be more accurate.

The third part of this exercise is looking at an infill toolbox, i.e., what can the city do to help people develop these properties? Ideas include allowing some multi-family development in single family neighborhoods with a design requirement to integrate into the single-family neighborhood. Also under consideration are possible changes to the Cottage code.

Director Wright said this is a fairly large update and commented it has been brought forward to the Planning Commission in smaller pieces; these updates will also be brought forward to Council for input. He then invited questions from Councilmembers.

Responding to Councilmember Petershagen's question, Director Wright said changes to the Comprehensive Plan and updates of the Land Use Code are running parallel, but they don't necessarily have the same adoption dates. He added the Comprehensive Plan is more in the lead and there may be a lag time to adopt some of the Zoning code updates.

Councilmember Petershagen requested Council give direction to the Planning Commission to prioritize these updates. He heard reluctance from Planning Commissioners to get this done, which surprised him, and this reluctance is in part due to the upcoming election.

Councilmember Tageant agreed with Councilmember Petershagen's request.

Responding to Councilmember Gailey's question, Director Wright said the timeline for the Comprehensive Plan final action is November 26.

Mayor Spencer asked for an advisory motion.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Hilt, to recommend to staff to proceed toward a target date of no later than November 26, 2019 for adoption of an updated Comprehensive Plan. On vote the motion carried (7-0-0-0).

With regard to the Petersen Easement, approved earlier on tonight's consent agenda, Mayor Spencer requested it be on the record that the Council understands the Mayor has some ability to negotiate some elements to the fundamental easement agreement, specifically that the city does not know if the Petersens own that property. He further commented the city is paying for an easement on property that the Grantor may not own, and if it is discovered through the condemnation process that the Petersens do not own that property, he would like the ability to make changes to the easement agreement to reflect that.

City Attorney Zell said this can be done by consensus agreement. He noted Council has already approved the Mayor entering into the easement agreement, and consensus providing the Mayor with the requested flexibility is all that is necessary.

There was consensus opinion that the Mayor has flexibility in making changes to the easement agreement dependent upon the legal standing of Petersens to enter into the agreement.

Councilmember Daughtry asked about Chanel 21, and Finance Director Stevens said the City still has Channel 21. Councilmember Daughtry said there is a lot of talk lately on how Council communicates with constituents, and he wondered if this channel could be better utilized, or

perhaps a YouTube channel could be used so that Council meetings could be videotaped and made available to the public.

Mayor Spencer suggested this be included as part of the new meeting room in the Pavilion.

Councilmember Gailey said he emailed the City Administrator asking that funds be included in the budget for video recording of meetings. He believes the t.v. channel could be archaic.

Councilmember Daughtry commented there are a lot of senior citizens who do not use the internet and Channel 21 has some value. He encouraged both options need to be available.

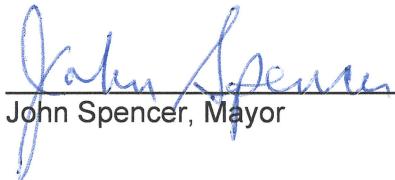
Discussion ensued and staff will research options that are available.

Executive Session: At 8:11 p.m. Mayor Spencer announced an executive session to last 7 minutes to discuss Real Property, with (no action to follow).

At 8:28 p.m. the regular meeting of the City Council reconvened.

Adjourn:

Moved by Councilmember Tageant, seconded by Councilmember Gailey, to adjourn the meeting at 8:28 p.m. On vote the motion carried (7-0-0-0).


John Spencer, Mayor



Kathy Pugh, City Clerk
Adri Crim, Deputy City Clerk