

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

Tuesday, November 26, 2019

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

**CALL TO ORDER:** 7:00 p.m. by Mayor Pro Tem Gary Petershagen

**ELECTED OFFICIALS PRESENT:** Councilmembers Kim Daughtry, Gary Petershagen, Kurt Hilt, Todd Welch, Rauchel McDaniel, Brett Galley and Marcus Tageant

**ELECTED OFFICIALS ABSENT:** Mayor John Spencer

**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, Commander Ron Brooks, Interim Human Resources Director/Risk Manager Julie Good, City Clerk Kathy Pugh, City Attorney Greg Rubstello, Police Sgt. Bob Summers, Corporal Brandon Fiske, Officers Adam Bryant, Judah Marshall and Alex Michael, and Explorer River Skinner, Surface Water Management Coordinator Leah Everett and Stormwater Engineer Technician Jon Stevens

**OTHERS:**

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Mayor Pro Tem Gary Petershagen called the meeting to order at 7:00 p.m. and requested a moment of silence for Terri Spencer, Mayor Spencer's wife who passed away yesterday.

**Pledge of Allegiance:** Councilmember Welch led the Pledge of Allegiance.

**Roll Call:** All present.

**Approval of Agenda:**

Councilmember Petershagen requested Item D, Reappointment of Veterans Commissioners, on the Consent Agenda be moved ahead of administering the Oaths of Office to Board and Commission members. He also requested the public hearing for the Costco Development Agreement be heard first, followed by the 2020 Budget and Comprehensive Plan Updates. He then said the Executive Session scheduled for this evening is being removed from the agenda.

Moved by Councilmember Daughtry, seconded by Councilmember Tageant, to approve the agenda with the noted changes. On vote the motion carried (7-0-0-0).

**Citizen Comments:**

Sandra Bloomquist 12703 16<sup>th</sup> Street NE, Lake Stevens asked about the building being constructed at North Cove Park. City Administrator Brazel responded it is the new Pavilion building that is part of the Downtown Plan and will be a community and meeting space.

Jackie Longley, 2116 – 131<sup>st</sup> Avenue NE, Lake Stevens, said her road is not on the master plan for sidewalk additions and expressed concern that road widening work has removed the shoulder forcing walkers to walk on the street. She requested sidewalks for 131<sup>st</sup> Avenue NE be added to the master project list as a high priority. She added the street sign is missing.

Melissa Burns, 2110 – 131<sup>st</sup> Avenue NE, Lake Stevens, shares Ms. Longley's concerns and requested sidewalks for her street.

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**Reappointments to Veterans Commission:** Moved by Councilmember Daughtry, seconded by Councilmember Tageant, to reappoint Veterans Commission members Dennis Ives, Karen Boe and Vern Rasmussen to four-year terms beginning January 1, 2020 and ending December 31, 2023. On vote the motion carried (7-0-0-0).

**Board and Commission Oaths of Office:** Mayor Pro Tem Petershagen administered the oath of office to Vern Rasmussen and Dennis Ives, who is reappointed to the Veterans Commission, Linda Hoult who is reappointed to the Planning Commission, and to newly appointed Library Board members Teresa Bannon, Jason Colby, Melissa Maffeo and Emily Stainbrook.

**Council Business:** Waived by Councilmembers.

**City Department Report:** Waived Department heads.

**Lake Condition Update:** Surface Water Management Coordinator Leah Everett and Stormwater Engineer Technician Jon Stevens provided a PowerPoint presentation on the state of the lake, noting that lake conditions have improved greatly and water quality is good. Phosphorus levels were reviewed and are steadily decreasing, and algae and milfoil are under control.

**Consent Agenda:**

**MOTION:** Moved by Councilmember Kurt, seconded by Councilmember Gailey, to approve the consent agenda as amended:

- A. 2019 Vouchers [Payroll Direct Deposits of \$218,961.34, Payroll Check Nos. 49060-49062 totaling \$4,137.81, Electronic Funds Transfers (ACH) of \$284,207.72, Claims Check Nos. 49063-49169 totaling \$957,958.19, Void Check No. 48930 in the amount of \$159.16, Total Vouchers Approved \$1,465,105.90;]
- B. City Council Regular Minutes of November 12, 2019;
- C. Changes to Council Meeting Schedule;
- D. [Removed];
- E. Resolution 2019-16 Setting Rates, Fees and Deposits;
- F. Ordinance No. 1077 Amending LSMC 3.44 re Cashier's Change Funds;
- G. 2020 Legislative Priorities;
- H. Appointment of Representative to Community Transit Board;
- I. Authorize Mayor and City Staff to Begin Search to Fill Vacant Council Position.

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

**Public Hearing:**

**Resolution 2019-17 re Costco Development Agreement:** Mayor Pro Tem Petershagen said this is a public hearing on the Development Agreement and reviewed the steps of the public hearing. He then opened the public hearing.

City Attorney Rubstello reviewed the process for moving a Development Agreement forward including that a public hearing is required. He then explained that a Development Agreement is a voluntary contract between a prospective developer/property owner and the city that specifies the standards that will govern the development of a particular property over a particular period of time. It sets forth the terms and conditions for development but does not authorize the actual development. The development agreement provides assurance to the developer that the rules and regulations in place at the time of the agreement will be in place over the term of the development project, and this provides assurance in financing. On the city's side it provides assurances that the developer will move forward with a project that will benefit the city. Development agreements also set out mitigations that will alleviate impacts of a project and timing of mitigations. Attorney Rubstello requested comments tonight be specific to the Development Agreement.

Councilmember Tageant recused himself from this hearing and left the room at 7:35 p.m.

Senior Planner Melissa Place provided a brief background on the project, including that the project is located at the southwest corner of SR 9 and 20<sup>th</sup> Street SE, and the proposal is for construction of an approximately 160,000 square foot warehouse with 809 parking spaces and 30 fueling stations. She commented the properties were annexed in 2009 as part of the Southwest annexation and were zoned Commercial as part of the city's 2012 20<sup>th</sup> Street SE subarea plan, which identified the area as a major employment center with expanding retail, business park and retail nodes. The proposed development area was identified specifically as a site for a large retailer. She commented briefly on the proposed access to the property.

Planner Place reviewed the five elements of the project which are the binding site plan, design review, Planned Action, SEPA and the Development Agreement. The binding site plan, design review and binding site plan will be consolidated for administrative decision as is allowed by the Lake Stevens Municipal Code. The Development Agreement is a legislative action requiring Council approval. Planner Place next commented on the SEPA review which includes both on- and off-site review. She noted an Environmental Impact Statement was completed for the site and briefly reviewed those results

Turning to public comments Planner Place said the city has received numerous public comments. She reviewed the city held a public meeting in July where numerous public comments were received. During that time the public had an opportunity to meet with and pose questions and concerns to Costco representatives. Comments received to date include environmental including critical areas, traffic and roadway, storm water and drainage, procedural, groundwater, utilities and infrastructure, convenience, economy, and noise, air quality and light. Planner Place said the city has provided a summary response by general topic to the comments received as of November 19, both online and mailed to parties of interest.

Planner Place said the next step in the land use permitting process is to complete the consolidated administrative review of the site plan, binding site plan, design review. This will take place once the city determines the project meets the adopted standards or can be conditioned to meet those adopted standards. Additional permits related to construction will follow.

Planner Place reminded this project is constantly evolving and that many of the reports and analyses that have been submitted and reviewed are preliminary at this point and that final reports will be reviewed in conjunction with the construction plan application.

Director Wright reviewed the tenets of the Development Agreement, noting this is a contract setting the legal terms for the project. Director Wright said the Development Agreement describes the project and regulations that the project will need to be follow as well as the various physical improvements that will be built or designed in partnership between the city and Costco. Director Wright reviewed that this property was annexed in 2009 and the city subsequently considered a growth strategy looking at where growth would be appropriate in this area, and the idea of an economic strategy based on neighborhood plans. This led to the adoption of the 20<sup>th</sup> Street SE subarea plan, including traffic analysis and infrastructure improvements for roads, stormwater and sewer infrastructure, all of which are described in the Development Agreement.

Director Wright said the Development Agreement alleviates some of the traffic concerns by providing a separate, distinct traffic corridor that parallels 20<sup>th</sup> Street SE, as well as development of other roadways that will take traffic off SR 9. Director Wright added the funding agreement portion calls out who designs and who pays for various parts of the infrastructure improvements. In addition to the city and Costco, contributors include Snohomish County, Washington State Department of Transportation, Lake Stevens Sewer District and the Tulalip Tribes. In closing, Director Wright noted the particular location in question was previously identified as suitable for a large retailer and this is in line with the vision that was developed earlier.

Costco representative Brian Whelan introduced himself and said he manages site selection for Costco. Mr. Whelan said the entire Costco development team is here this evening and they have been working on this development for over a year. The Costco team includes traffic, wetland and stream consultants as well as land use attorneys.

Mr. Whelan then commented that Lake Stevens residents are currently traveling to the Woodinville, Everett and Marysville Costco stores; after reviewing growth trends and projections for the Lake Stevens community Costco determined there is enough population in the Lake Stevens community to support a Costco. He noted there are currently 40,000 member households in the trade area identified as Lake Stevens and Costco's experience is that existing members in identified trade areas transfer to the new facility. Mr. Whelan said Costco anticipates that approximately 300 new employees will be hired for this facility and they will make a living wage, currently \$15.50 per hour plus benefits for both full and part-time employees. Additionally, the city will benefit because an estimated \$125 million in retail leakage will be stopped with the construction of a Costco retail store.

Mr. Whelan next briefly reviewed the project consisting of a 159,000 square foot building, 809 parking stalls and gas station with 24 fueling stations.

Mr. Whelan said to undertake a development such as this there is a need for a public/private partnership as the project cost is prohibitive without that partnership, partially due to the unique property characteristics of this site. He noted the site identified for this facility is already zoned commercial and there is an already-existing planned action for the property that was previously put in place by the City.

Mr. Whelan said that Costco approached the city about developing at the identified location and that collaboration between the parties and other agencies has been moving forward for more

than a year. At this point having a development agreement in place is necessary for the project to continue to move forward.

In closing Mr. Whelan complimented the Mayor for his leadership and direction in moving this project forward and city staff for their hard work and professionalism, saying that Costco has never had the kind of support and professionalism in moving forward with a project as Lake Stevens has demonstrated.

Mayor Pro Tem Petershagen invited questions of Council.

Responding to Councilmember Welch's question regarding the wetlands mitigation and the property to the south of the site, Director Wright responded this question arises from a comment that was received and that this issue could be removed from the Development Agreement. The city and Costco could continue to work with affected property owners to resolve the concern and then bring the mitigation forward for Council consideration at a later date.

Councilmember Hilt asked about the removal of the six fish culverts and if they are being removed due to the legal requirement. Director Wright said the culverts in question were not identified as part of the state program. Director Wright added that moving the culvert at Highway 9 where the roundabout will be built is necessary; the others are additional mitigation measures that were identified in working with the Tribes and the Army Corps of Engineers. Further responding to Councilmember Hilt, Director Wright said there have been lots of meetings with the Tulalip Tribes regarding alternative analyses, and the Tribes have provided direction but have not provided formal comments on the mitigation plan as it sits today.

Mayor Pro Tem Petershagen then opened the public comment portion of the hearing and asked that if there are groups represented by a single person or a designated spokesperson that they identify themselves. Spokespersons will be allowed more time to testify on behalf of a group, otherwise comments will be limited to three minutes. Additionally the City will continue to accept written comments and testimony.

Doug Turner, 3201 South Lake Stevens Road, Lake Stevens, owner of Turner Grocery, commented the city appears to have bent over backwards to accommodate Costco and that monetary figures show the city will fund 60% of an unknown total project cost. He is concerned that a proper SEPA has not been implemented and that the city has failed to comply with many of its own laws and ordinances. He added that critical wetlands need to remain protected for future generations. Mr. Turner referenced the July meeting as the only other public meeting on this project. Mr. Turner submitted 210 signatures against the project with nearly 400 more on line.

Tom Wiles, 4503 – 147<sup>th</sup> Avenue NE, Lake Stevens, a longtime resident of the city, encouraged the Council to approve the Development Agreement and thanked Brian Whelan and Russ Wright for their efforts.

Blanch Hopkins Kosche, Post Office Box 1074, Lake Stevens, said her roots go deep in the community. She commented since 1940 she has crossed the Trestle to do her shopping and she still drives across the Trestle to do her shopping. A Costco in Lake Stevens will eliminate trips across the Trestle.

Joyce Copley, 9513 – 28<sup>th</sup> Street NE, Lake Stevens, is excited about Costco. She said she has watched the area around the Smokey Point Costco thrive since Costco opened and she wants

that for Lake Stevens. She also supports the Costco because the sales tax revenues will provide for the needed sidewalks and road improvements.

Earl Gray, 2505 Meadow Drive, Lake Stevens, drives to the Everett Costco. He commented growth happens and noted the area was zoned for this type of development in 2012. He added that under the GMA growth cannot be stopped and property taxes on homes do not provide enough taxes to build infrastructure such as sidewalks, but sales tax will. Mr. Gray does support a strong mitigation plan. He closed by saying he believes Costco is a pretty good partner.

David Clay, 9307 – 45<sup>th</sup> Place SE, Lake Stevens, in the unincorporated area between Lake Stevens and Snohomish, is concerned about the proposed location and increased traffic at the intersection of SR 9 and 24<sup>th</sup> SE. Mr. Clay does not believe traffic mitigation will be effective and asked about the mitigation for Moser Creek, a salmon bearing stream. He is also concerned about the lack of noise and light mitigations. Mr. Clay is concerned his quality of life will be negatively impacted and does not support Costco at this location.

Agnes O'Connor, 2023 South Machias Road, Snohomish, lives at the eastern most point of 20<sup>th</sup> Street SE and is also concerned about traffic and people using Machias and Bunk Foss Roads as work arounds to increased traffic. She is also concerned about impacts to wetlands and salmon spawning areas. Ms. O'Connor is surprised by the location of the 30 gas pumps at the northeast corner of the site, which abuts right of way and the City of Everett water pipeline. Ms. O'Connor hopes this is assessed and incorporated into any final design. Ms. O'Connor requested information on traffic assessments.

Carol McDonal, 7709 – 28<sup>th</sup> Street SE, Lake Stevens, commented on the irregular UGA boundaries south of 20<sup>th</sup> Street SE. She believes all of the commercial along 20<sup>th</sup> Street SE, including the Costco are incompatible with the requirements of the GMA and requirements to leave natural boundaries. Ms. McDonal is also concerned the entire area has not been adequately studied, and said the entire area is interspersed with woodlands, wetlands and streams, that can be impacted by all commercial plans along 20<sup>th</sup> Street SE. She is also concerned about light pollution.

Marilyn Webber, 2725 South Lake Stevens Road, Lake Stevens, read the city's mission and vision statements for the record. She said the proposed Costco will have a huge imprint in an inappropriate location with increased traffic, noise and congestion, and negative impacts to fish streams. Ms. Webber is concerned about the loss of her ability to enjoy her home and yard, increased demands for public safety and negative impacts to City of Everett's water line and a tax burden of 60% of the development cost. Ms. Webber said there are too many negative impacts and this project does not follow the city's mission and vision statements and ignores the negative impacts of growth.

Brian Johnson, 2417 – 107<sup>th</sup> Drive NE, Lake Stevens, is a business agent for the Ironworkers Local 86. Mr. Johnson said the Ironworkers support this project and said that Costco is an excellent employer and will create jobs for residents of the city and a reduced commute. Residents will be able to shop locally and sales tax revenue will help to support infrastructure improvements.

Doug Crawford, 10007 – 38<sup>th</sup> Place SE, Lake Stevens, does not think Costco is a good fit. He is concerned the roundabout will not help traffic congestion, and added a Costco will negatively

affect small businesses in the area. Mr. Crawford commented growth and change are expected but how this happens is under the city's control.

Logan Mattingly, 11312 – 34<sup>th</sup> Street NE, Lake Stevens, believes Costco will be a great fit and will benefit younger people in the community by providing local employment opportunities. Mr. Mattingly also commented it will be safer to travel to work locally than commuting to Everett or Marysville, and that having sustainable job opportunities will be great.

Dan Meyers, 3313 – 127<sup>th</sup> Avenue NE, Lake Stevens, commented Costco represents a good change in his life. He is a working professional with three young children at home. He would stay in town if he did not need to travel to shop. Mr. Meyers commented big employers like Amazon and Microsoft are bringing people into Lake Stevens and there needs to be places to shop.

Sally Jo Sebring, 1023 – 99<sup>th</sup> Avenue SE, Lake Stevens, commented the letter submitted by Attorney Whipple covers a lot of her concerns. She believes the budget impact on the staff report of N/A seems inapplicable. Ms. Sebring asked if this project is a consolidated permitting process, and referenced the Lake Stevens Municipal Code. She provided copies of the pertinent code sections.

Anna Densmore, 11914 – 33<sup>rd</sup> Place NE, Lake Stevens, appreciated the comments on quality of life, but said it is very appealing to be able to shop where you live. She added that sometimes we are caught up in the past but we need to look to the future and the future is different.

At 8:54 p.m. Mayor Pro Tem Petershagen requested a motion to continue the meeting beyond 9:00 p.m.

**MOTION:** Moved by Councilmember Daughtry, seconded by Councilmember Hilt, to extend the meeting to 10:00 p.m. On vote the motion carried (6-0-1-0), Councilmember Tageant having previously excused himself and left the room.

Mary Berg, 9631 – 9<sup>th</sup> Street NE, Lake Stevens, appreciated tonight's meeting. She commented she would like to see the small-town life maintained in Lake Stevens because it attracts people and creates a nice environment and nice neighborhoods. Ms. Berg said if the area was zoned commercially at 20<sup>th</sup> Street SE and SR 9, SR 9 needs to be a 4-lane highway. Ms. Berg said she would like to see more green spaces in that area as well as green buildings and the use of permeable concrete.

Michele Hampton, Post Office 596, Lake Stevens, said she is not clear as to everything that is being committed to and the whys. Ms. Hampton requested a chart be created identifying the category, item, cost, and who pays how much of each cost. Ms. Hampton wants to understand what the city/taxpayers will be responsible for in terms of dollars and requested a vote on this development agreement be deferred until this information is provided.

Lily O'Brien, O'Brien, 2328 – 77<sup>th</sup> Avenue NE, Lake Stevens, has lived in the Lake City area of Seattle, with a multiplicity of stores both large and small. Ms. O'Brien believes having a Costco in a centralized location will be good for this area.

Randolph Slate, 11603 – 19<sup>th</sup> Street NE, Lake Stevens, has reviewed the Development Agreement and noted it provides for 809 vehicle parking stalls with an ability to expand the parking area to accommodate approximately 900 parking stalls in the future. He assumes this

is an additional 90 parking spots and asked where those additional parking spots will go, and what the environmental impact of those additional parking spots will be. He requested Council limit the parking to 809 parking stalls as proposed. Mr. Slate is also concerned about the off-site mitigation and he agrees that perhaps this mitigation should not be included in the development agreement until it is fully agreed to. Referencing Exhibit E1, he noted the city is committing to 100% payback on a regional drainage facility, and he believes the city should only be responsible for 24<sup>th</sup> Avenue improvements and only those portions as they relate directly to the city.

Kevin Colombana, 9904 Vernon Road, Lake Stevens, said that of all the retailers that could locate at this site Costco is his choice, and he does not see an issue with the morning commute as Costco does not open to the public until 10:00 a.m.

JoAnne Van Leuven, 1105 Springbrook Road, Lake Stevens, said that Costco is a wonderful neighbor and recognized that development is going to happen. Ms. Van Leuven said the Smokey Point Costco has been a good neighbor to her business located nearby to it. She would rather spend her money in this community.

Shawn Fitzpatrick, 708 – 87<sup>th</sup> Avenue SE, Lake Stevens, asked that the roads be done right the first time so they do not have to be rebuilt.

Al Lansing, 10610 – 20<sup>th</sup> Street SE, Lake Stevens, said it is now impossible to leave his driveway. He does not believe the roundabout on SR 9 is an improvement and that it will slow traffic down. Mr. Lansing commented SR 9 is the only north-south road in this area besides I-5, and he believes SR 9 needs to be widened to four lanes. Mr. Lansing is also concerned that Costco will negatively impact Safeway and Haggen's, and is concerned that the properties to the south of Costco are not wetlands, but are ponds. Finally Mr. Lansing commented the location is not practical because it will impede SR 9 and 20<sup>th</sup> Street SE.

Grant Perkins, 1809 – 88<sup>th</sup> Drive SE, Lake Stevens requested elaboration on why Councilmember Tageant excused himself from the hearing.

City Attorney Rubstello responded the public hearing tonight relates only to the Development Agreement.

Mayor Pro Tem Petershagen closed the public comment portion of the public hearing. He then invited further comments from staff and the City Attorney.

Director Wright reviewed the decision criteria. He noted the staff report outlines compliance of the development agreement to the municipal standards adopted by Council. He invited questions of Council and said staff is available to provide clarification.

Mayor Pro Tem Petershagen then invited additional comments and questions of Council and there were none. Mayor Pro Tem Petershagen suggested Council take some time to absorb both the written comments and oral testimony that has been received so far as it relates to the Development Agreement.

Councilmember Welch requested clarification as to why percentages instead of numbers were used for project costs.

Director Wright responded the development agreement is a contractual agreement being negotiated and neither Costco nor the city wants to artificially inflate numbers when the project actually goes out to bid for construction. Director Durpos added there is a total estimate for the project cost, and agreed with Director Wright's comments that the city does not typically put out the cost estimates so as to not artificially inflate the bids.

Councilmember Gailey asked about the gas station being located near the waterline and whether this mitigation has been considered. Director Wright said Costco may be able to respond to the question, but this is something that would be addressed in the overall protection. ~~City Attorney Rubstello reminded that City of Everett is aware of the plans and the city is negotiating with Everett for conditions to cross the waterline and there will be improvements, including new pipe and other improvements, along with a number of restrictions being required by City of Everett.~~

Mayor Pro Tem Petershagen suggested keeping the public hearing open to the December 10 meeting and that Council take the opportunity to digest the information that has been presented.

City Attorney Rubstello said the recommendation of staff is to keep the public hearing open to the December 10<sup>th</sup> meeting which allows time for staff and Council to consider public comment that has been offered and that additional written comments could be submitted through December 10<sup>th</sup>.

**MOTION:** Moved by Councilmember Gailey, seconded by Councilmember McDaniel, to keep the public hearing on the Costco Development Agreement open and further the discussion on December 10. On vote the motion carried (6-0-1-0) with Councilmember Tageant absent from the room having earlier recused himself.

Mayor Pro Tem Petershagen thanked everyone for attending and briefly recessed the meeting at 9:20 p.m.

Mayor Pro Tem Petershagen reconvened the regular meeting of the City Council at 9:27 p.m. with Councilmember Tageant present.

**Ordinance No. 1071 Adopting 2020 Budget:** Mayor Pro Tem Petershagen opened the public hearing.

Director Stevens presented the staff report and said this is the second and final hearing for the proposed 2020 budget. She said the first public hearing was November 12, 2019 and she reviewed the changes requested from the first hearing, including changes to the beginning balance and some expenditure decreases, and reclassifying the planning manager to a senior planner. She added there is additional funding for consultants.

Director Stevens next reviewed changes with additional staffing in the Planning Department as requested by Councilmember Daughtry at the November 19<sup>th</sup> workshop meeting. She noted there are three vacant positions budgeted for 2020 including the Planning Manager, the Building Official and the Permit Coordinator Lead, as well as the Events Specialist. Following the November 19<sup>th</sup> meeting staff has reviewed this request and recommends reclassifying the Planning Manager to a Senior Planner Lead. Both this budget and the optional budget contain this recommendation which is a small cost savings. Also under this plan, the remaining vacancies would be filled.

Under the optional budget, Director Stevens has included a Building Inspector. This position would be primarily be funded through permit fees. The vacant Planning Manager position would still be reclassified to a Senior Planner Lead and the vacant Building Official and Permit Coordinator positions would be filled. Decreases under this option have to do with how consultants are utilized. Director Stevens commented one of the biggest challenges is the lack of available work space at City Hall for any additional staff.

Director Stevens said staff's recommendation is to move forward with the recommended proposed budget but she has prepared an alternative budget ordinance if Council's direction is to add the additional positions. She then invited questions from Council.

Responding to Councilmember Daughtry's question regarding space considerations, Director Wright said there is some potential to shift some employees to another location, as well as an option to bring in another modular building, but staff does not yet have cost estimates. Councilmember Daughtry said he still believes it is necessary to add additional Planning staff. He believes it is important to move forward to meet additional staffing needs now rather than overworking current staff.

Councilmember Welch agreed with Councilmember Daughtry's comments, noting there is more work than there is staff.

Director Wright also advised that Planner Roth resigned for a career advancement opportunity, and staff is already working to fill this upcoming vacancy as a Senior Planner. He recommended if Council wants to fill an additional planner spot that it be filled as an Associate Planner who does mid-range planning.

Councilmember Daughtry said he leaves it to directors to know what staffing they need, but that it is important to make sure we have staff to do the work.

Mayor Pro Tem Petershagen clarified when the budget would be impacted, and Director Wright anticipated filling positions in the February-March time frame.

Discussion ensued as to the costs of filling various planning positions, and Director Stevens said there will need to be additional analysis to add another planner.

Director Stevens said she has an alternate ordinance prepared that adds the optional additional position.

Mayor Pro Tem Petershagen opened the public comment portion of the hearing and there was none. He then closed the public comment portion of the hearing and invited additional discussion by Council, and there was none.

Mayor Pro Tem Petershagen then closed the public hearing.

**MOTION:** Moved by Councilmember Daughtry, seconded by Councilmember Welch, to approve Ordinance No. 1071, Option 2 (alternative ordinance), adopting the 2020 Budget. On vote the motion carried (7-0-0-0).

**Comprehensive Plan Update:** Mayor Pro Tem Petershagen opened the public hearing.

Director Wright presented the staff report and said various elements of the 2019 Comprehensive Docket and the Planning Commission's recommendation were presented to the City Council on November 12, 2019; he then reviewed the changes made as requested by the City Council at the November 12, 2019 public hearing. He said this is the second and final hearing and includes Comprehensive Plan Amendments, updated Zoning Map and updated planned action for the 20<sup>th</sup> Street Subarea. He added that additional mailings were sent out to affected property owners as requested by Council and no responses were received. He then invited questions from Council and there were none.

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There was consensus to review and take public comment separately as to each ordinance.

Ordinance 1073 amending the Lake Stevens Comprehensive Plan including map and text amendments along with addenda to the Lake Stevens Center and 20<sup>th</sup> Street SE Subareas: Mayor Pro Tem Petershagen invited questions of Council and there were none.

Mayor Pro Tem Petershagen then opened the public comment portion of the public hearing as it relates to Ordinance 1073.

Tracy Trout, 1706 – 123<sup>rd</sup> Drive NE, Lake Stevens, requested clarification on the Capital Facilities budget for transportation. Ms. Trout commented on 123<sup>rd</sup> Avenue NE between 20<sup>th</sup> NE and North Lakeshore Drive, saying she is concerned about the increase in price in this year's budget as compared to the price in 2018. Ms. Trout requested clarification as to whether the road will be closed as part of a proposed development and said if it is closed it will significantly affect traffic volumes on Main Street. Ms. Trout also wondered if the road will go through the park.

Director Durpos said the road is not planned to through the park, but the plan is to redo sidewalks up to the school as part of the sidewalk plan. Director Wright added this roadway is a remnant from the downtown framework plan. He said the increase in cost reflected in the transportation plan is an error.

Responding to Councilmember McDaniel's question on the road valuation, Director Wright clarified that was for a different project that is no longer viable, and that right of way is a different process.

**MOTION:** At 9:50 p.m., moved by Councilmember Hilt, seconded by Councilmember Gailey, to extend the meeting as long as necessary to complete business. On vote the motion carried (7-0-0-0).

Libby Osnes Erie, 2120 – 87<sup>th</sup> Avenue SE, Lake Stevens, commented on Ordinance 1073 regarding the zoning map. She opposes the portion of the commercial rezone that includes 87<sup>th</sup> Avenue SE and her residence, and commented that all of the properties on 87<sup>th</sup> Avenue SE are residences.

Charles Whipple, 10325 Sandy Beach Drive, Lake Stevens, commented on Ordinance 1073 saying he does not support multi-family units on the lakeshore. He believes this would negatively affect fish spawning areas in the lake, and is also concerned there is no traffic mitigation in place to support such multi-family housing.

David Toyer, 3705 Colby Avenue, Suite 1, Everett, said in reference to Ordinance 1073 that he appreciates all of the thought that went into the updated comprehensive plan including looking

at different types of housing and mixed housing that could be available, as well as the changes along the 20<sup>th</sup> Street SE corridor.

Dylan Sluder, with the Master Builders Association of King and Snohomish Counties, also appreciated the work on the Comprehensive Plan updates in Ordinance 1073 and supports the added flexibility in the water zone and the removal of the gross density language. He added that expediting of the zoning code updates would be appreciated.

Sally Jo Sebring, 1023 – 99<sup>th</sup> Avenue SE, Lake Stevens commented on Ordinances 1073 and 1074, saying she is concerned that parcels were added as commercial parcels along 20<sup>th</sup> Street SE and she has not seen signage in the area indicating proposed zoning changes. She is concerned that people did not receive notice of the proposed changes and this seems rushed.

There being no further public comment, Mayor Pro Tem Petershagen closed the public comment portion of the public hearing regarding Ordinance 1073 and invited additional questions and comments of Council.

Mayor Pro Tem Petershagen requested an amendment to the Land Use Element under the section "Waterfront Residential" and limited multi-family in waterfront parcels as follows:

**MOTION:** Moved by Councilmember Petershagen to amend Chapter 2, Land Use Element, under Waterfront Residential, to add a last sentence, "this reference of limited multi-family (4 or more units) would only be allowed in areas adjacent to the shoreline that are road divided properties."

Councilmember Petershagen explained the reason for this proposed amendment is that the lake is the most critical area in the city's UGA and he does not understand the reason for wanting to encourage multi-family near the shoreline. He is looking for balance but does not want to allow multi-family adjacent to the shoreline.

Councilmember Welch does not favor the amendment and believes the code is written to allow people to live closer to the lake without the high cost of purchasing a single-family residence.

Councilmember McDaniel commented that housing costs for lakefront properties are unattainable for most people and agrees the language should stay as proposed.

Councilmember Daughtry supports the amendment, saying limiting multi-family housing to road-divided properties provides a little separation and that dock construction will still fall under the Shoreline Master Program.

Councilmember Tageant does not support the amendment and believes condo development is not a bad thing and that more access to the lake is better. He added there are not many spots along the shoreline that will accommodate this type of development.

The motion to amend failed for lack of a second.

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember Daughtry to approve Ordinance 1073 amending the Lake Stevens Comprehensive Plan, including map and text amendments along with addenda to the Lake Stevens Center and 20<sup>th</sup> Street SE Subareas. On vote the motion carried (7-0-0-0).

Ordinance 1074 amending the Official Zoning Map as a concurrent land use action with the 2019 Comprehensive Plan Update: Director Wright introduced Ordinance 1074 and said the changes to the Zoning Map reflect the updates in the Comprehensive Plan and provide consistency.

Mayor Pro Tem Petershagen opened the public comment portion of the public hearing on Ordinance 1074.

Scott Erie, 2120 – 87<sup>th</sup> Avenue SE, supported the comments made by Libby Osnes Erie and said they did not receive notice of the proposed zoning changes. He has questions on how rezoning these properties to commercial affects existing residences on the property and property owners' ability to make improvements to their properties. He asked what the timeline is for the zoning change.

Director Wright commented he is happy to answer questions outside of this forum. He added the request for the zoning change came as the result of a city-requested market analysis that identified that some zones were not functioning as required. The zoning change is intended to improve marketability of properties. Director Wright added the Council wants to cast the widest net, but that does not mean that redevelopment is imminent, and it still remains up to individual property owners to make decisions regarding their property.

Mayor Pro Tem Petershagen invited additional public comment and there was none. He then closed the public comment portion of the public hearing and invited additional questions and comments of Council.

Councilmember Daughtry asked if the David Toyer rezone request is included in Ordinance 1074. Director Wright responded that it can be if Council wants to add that change. Councilmembers Welch and Gailey agreed that it would be appropriate to include the Toyer rezone request with Ordinance 1074.

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember Gailey to approve Ordinance 1074 amending the official Zoning Map as a concurrent land use action with the 2019 Comprehensive Plan update, including the rezone of property on 20<sup>th</sup> Street NE adjacent to Ashley Point, as requested by David Toyer. On vote the motion carried (6-0-1-0) with Councilmember Tageant abstaining due to a conflict of interest.

Ordinance 1075 revising the Planned Action Ordinance for the 20<sup>th</sup> Street SE corridor: Director Wright said this is brought forward based on the market analysis and is an update to reflect new land use thresholds moving away from office development to additional retail.

Mayor Pro Tem Petershagen invited questions and comments from Council and there were none. He then opened the public comment portion of the hearing on Ordinance 1075.

Patrick McCourt with Land Pro Group, 10515 20<sup>th</sup> Street SE, Lake Stevens, commended the staff on putting together the subarea plan. He commented on the difficulty of doing this along the 20<sup>th</sup> Street SE corridor because of the location of the Everett waterline in the right of way, and hopes that there will be flexibility in where the placement of buildings will be allowed along this corridor.

Mayor Pro Tem Petershagen invited additional public comment and there was none; he then closed the public comment portion of the public hearing.

Mayor Pro Tem Petershagen invited additional questions and comments of Council and there were none. He then closed the public hearing.

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember Daughtry to approve Ordinance 1075 revising the Planned Action Ordinance for the 20<sup>th</sup> Street SE corridor. On vote the motion carried (7-0-0-0).

**Action Items:**

**Resolution 2019-19 Amending Resolution 2019-11 Surplusing Properties Known as Ridgeline:**

**Ridgeline:** Director Wright presented the staff report and said the City acquired the property commonly known as the Ridgeline property through a property trade in May 2017. On June 11, 2019 the City Council approved Resolution 2019-11 surplusing a portion of the property along the 20<sup>th</sup> Street SE Corridor. He explained Resolution 2019-19 will supersede and replace Resolution 2019-11 to surplus the entirety of the property. He then invited questions from Council and there were none.

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember Hilt, to approve Resolution 2019-19, a resolution authorizing the City Council to surplus real property and authorizing the Mayor or designee to convey or sell real property pursuant to Chapter 2.98 LSMC; this resolution supersedes Resolution 2019-11. On vote the motion carried (7-0-0-0).

**Discussion Items:** None.

**Executive Session:** None.

**Adjourn:**

Moved by Councilmember Welch, seconded by Hilt, to adjourn the meeting at 10:30 p.m. On vote the motion carried (7-0-0-0).

  
John Spencer, Mayor

  
Kathy Pugh, City Clerk