

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

June 7, 2022, at 6:00 p.m.

Hybrid Meeting - By Remote Participation via Zoom & in Person at The Mill Building

CALL TO ORDER: 6:00 p.m. by Mayor Brett Gailey

ELECTED OFFICIALS PRESENT: Mayor Brett Gailey, Councilmembers Kim Daughtry, Gary Petershagen, Shawn Frederick, Mary Dickinson, Marcus Tageant and Steve Ewing.

ELECTED OFFICIALS ABSENT: Councilmember Anji Jorstad

Call to Order

The Mayor called the meeting to order at 6:00 p.m.

Pledge of Allegiance

The Mayor led the Pledge of Allegiance.

Roll Call

All Councilmembers were present except Councilmember Jorstad.

MOTION. Councilmember Tageant made a motion, seconded by Councilmember Daughtry, to excuse Councilmember Jorstad. The motion passed 6-0-0-0.

Approval of Agenda

MOTION. Councilmember Ewing made a motion, seconded by Councilmember Daughtry, to approve the agenda without the Data Transfer Solutions Contract (Item 7.b.). The motion passed 6-0-0-0.

Citizen Comments

Brad, Lake Stevens.

Brad stated that he is in support of short-term rentals.

Magda Hopt, Lake Stevens.

Ms. Hopt spoke in favor of short-term rentals.

John Spencer, Lake Stevens.

Mr. Spencer spoke in favor of the Planning Commission's recommendation on short-term rentals.

City Clerk Chelin entered four additional citizen comments, received by email for the record, relating to short-term rentals. These comments were from Kristen Haugen, Magda Hopt, Nikki Odegaard and Rick Trout.

City Department Report

Public Works - Teams Task/Planner Update

2021 Impact Fee Report

Lake Stevens Industrial Center Infrastructure and Market Analysis

Youth Recreation Amenities

Action Items

Wireless Microphone System for The Mill

Director Stevens explained that the current microphone solution for The Mill takes an average of 45 minutes for set up and 45 minutes for tear down at each meeting. This includes cable management, securing trip hazards, and storage for the existing system. There is an increasing demand with boards & commissions also using this space. With the June 1, 2022, update to the OPMA the City is now required to host council, board and commission meetings on site, so each meeting will involve this complex set up and take down process. These meetings include but are not limited to Planning Commission, Library Board, Park Board, Veteran's Commission and 4 Council meetings per month. As needed, Civil Service and Salary Commission meet as well.

A wireless microphone system for this space will significantly reduce the staff time and complexity to set up and tear down for the meeting space. It will also reduce trip hazards that currently exist with our multi-corded system. The surge protectors, 4-pronged wall cords and individual mic cords being out in the open is a significant risk management concern.

MOTION. Councilmember Daughtry made a motion, seconded by Councilmember Dickinson, to approve to approve the wireless microphones for the Mill. The motion passed 6-0-0-0.

Discussion Items

Briefing on Short Term Rentals

Assistant Planner Needham and Planning Manager Levitan explained that on May 3, the City Council held a work session to review the Planning Commission's recommendation on a proposed land use code amendment to the city's supplementary use regulations for tourist homes (LSMC 14.44.064). The existing regulations for what are now more commonly known as short-term rentals (STRs) – rentals of 30 days or less - have been in place since 1998 and have remained unchanged even as their popularity has increased exponentially through websites such as airbnb and VRBO. The Planning Commission's recommendation was based on several work sessions, where they reviewed existing regulations in several other cities, a best practices manual on regulating STRs, and public comments received from several city residents.

A review of airbnb and VRBO shows about 25 active short-term rental listings in Lake Stevens, with many likely unaware that current city regulations for STRs require a Type II Administrative Conditional Use Permit (ACUP) and for the property owner to live on the site (what is commonly known as a "hosted" rental) and that they cannot be rented

for more than 10 consecutive days or 30 total days in a calendar year. The city has approved only one tourist home since the existing code language was adopted, and code enforcement of non-compliant rentals has generally been on a complaint basis. However, Council has directed staff to work to bring existing rentals into compliance, which means that existing STRs would either need to comply with the existing code language (if applying before the effective date of a new ordinance) or with the new regulations adopted by Council.

Councilmembers raised a number of issues and concerns at their May 3 meeting about the proposed code language. Much of the discussion focused on whether a hosted environment (where the property owner or designee is required to be on site for the duration of the rental) should be required or if unhosted rentals should be allowed, as well as questions about the recommended parking, business license, maximum party size and public noticing requirements. Councilmembers also asked staff to reach out to current STR operators to solicit input on the proposed code language, as none of the public comments received to date had come from owners of existing STR listings. On May 13, staff sent out a letter asking for feedback on the proposed regulations to property owners for 22 listings that it was able to identify from existing listings, with five letters returned as undeliverable.

The majority of comments received from those not operating STRs – both via email and at the Planning Commission's April 20 public hearing - have expressed support for regulations that continue to require that STRs be hosted. This is often based on negative experiences that they have had with neighbors' properties that are currently operating as STRs and their belief that a hosted environment would provide more oversight and better management of issues such as noise. The emails received from current STR operators have expressed concerns that requiring a hosted environment is economically and operationally unfeasible and infringes on their property rights.

In response to the Council's comments, staff has prepared a spreadsheet of issues raised about the proposed code amendment during the May 3 meeting, as well as the existing code requirements in LSMC 14.44.064 and different options for potential changes to code language based on a review of other cities' STR regulations (or lack thereof). Staff would like councilmembers to review and discuss these options and provide general direction to staff so that it can incorporate any desired changes into revised code language that would be brought back for an additional Council work session before moving on to the Council's required public hearing.

Council and staff engaged in a discussion.

Mayor Gailey suggested that the Council form a subcommittee of three Councilmembers to review the information and bring back a recommendation to the Council. He asked if any Councilmembers were interested to contact President Ewing who will select the members.

Capital Projects Update

Director Halvorson explained that the Planning and Community Development, Public Works and Finance have been coordinating the discussion related to capital projects. He briefed the Council on current projects as identified in the city's Comprehensive Plan and Capital Facilities Plan, with an emphasis on active projects.

He discussed a proposed methodology to help rank and prioritize capital projects, specifically focusing on roads and sidewalks. Based on this methodology, staff will present a revised project inventory that will be further discussed as part of the 2022 Comprehensive Plan and 2023 budget allocation processes.

A suggested TIB project list was also presented based on the scoring matrix. Council and staff discussed funding sources including grants, impact fees and other local revenue options.

Executive Session

The meeting recessed to executive session at 7:40 p.m. to discuss Collective Bargaining for approximately 10 minutes. There will be no action.

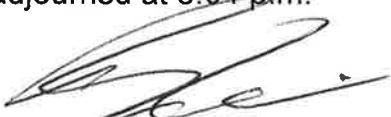
At 7:50 p.m., the executive session was continued for 10 minutes.

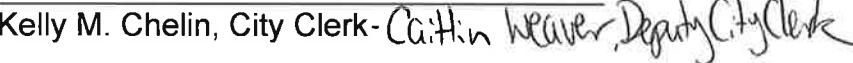
Reconvene to Regular Session

The meeting reconvened to regular session at 8:00 p.m.

Adjournment:

MOTION. Councilmember Daughtry made a motion, seconded by Councilmember Petershagen, to adjourn the meeting. The motion passed 6-0-0-0. The meeting adjourned at 8:04 p.m.


Brett Gailey, Mayor


Kelly M. Chelin, City Clerk- *Caitlin Weaver, Deputy City Clerk*