

**CITY OF LAKE STEVENS
CITY COUNCIL WORKSHOP MEETING**

Tuesday, November 19, 2019

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

Tuesday, November 19, 2019 – 7:00 p.m.

CALL TO ORDER: 7:01 p.m. by Mayor John Spencer

ELECTED OFFICIALS PRESENT: Councilmembers Kim Daughtry, Gary Petershagen, Brett Gailey and Todd Welch

ELECTED OFFICIALS ABSENT: Councilmembers Kurt Hilt, Rauchel McDaniel and Marcus Tageant

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director Barb Stevens, Community Development Director Russ Wright, Public Works Director Eric Durpos, Interim Human Resources Director/Risk Manager Julie Good, Police Commander Jeff Beazizo, City Clerk Kathy Pugh, Capital Projects Coordinator Aaron Halverson, Parks Coordinator Jill Meis, Planner Dillon Roth, Associate Planner Sabrina Gassaway

OTHERS:

Mayor Spencer called the meeting to order at 7:01 p.m. and turned the meeting over to Council President Petershagen. Councilmember President Petershagen announced an executive session to begin at 8:00 p.m. He added there will also be a brief discussion regarding appointing a councilmember to represent the city at Community Transit board meetings and an update on the interlocal agreement with Everett regarding the waterline.

Arts Commission/Parks Board Updated Mission Statements: Parks Coordinator Jill Meis said she was asked to review the Lake Stevens Municipal Codes (charters) for both the Arts Commission and Boards Board. She shared a handout and reviewed LSMC 2.29.050 Arts Commission. Coordinator Meis suggested that rather than limiting the Arts Commission's reporting, recommendations and communications only to the Mayor, the code be amended to provide that communications by the Arts Commission be made to the Mayor, staff and/or Council. Turning to LSMC 2.56.060, Coordinator Meis said she has reviewed this code section with the Parks Board and there are recommendations to update the code to (1) provide consistence with the Growth Management Act, remove obsolete sections regarding special events and remove duties that are now carried out by city and/or professional staff. The Park Board also requested the addition of language providing that the Parks Board provides input on the prioritization of parks projects and recreation programming, and that it assists with the scope and visioning of park development.

There was general consensus that these changes are appropriate, and Director Wright said staff will bring back an ordinance reflecting these changes.

Capital Improvement Projects/Transportation Improvements Projects Update: Capital Projects Coordinator Aaron Halverson distributed a handout and reviewed capital projects that are currently in the construction phase including the South Lake Stevens Path, North Cove Park Improvements, the Frontier Village Access Road and Cavalero Park. He next updated on projects currently in the design phase including the Police Station and Evidence Facility project and the Decant Facility, and responded to Councilmembers' questions. Regarding the Decant Facility the design is at about 60% and the city is working to partner with Lake Stevens Sewer District and PUD; the goal is to design a facility that will meet all three agencies' needs. Coordinator Halverson said the Public Works Shop remodel has been put on hold while other projects are completed. Coordinator Halverson then briefly updated on the 20th Street SE – Phase II, Segment I project and the 20th Street SE Trestle/BAT Lane project, both of which are overseen by Senior Engineer Grace Kane.

Responding to Councilmember Petershagen's question, Director Durpos commented city staff met with the Transportation Improvement Board (TIB) and there is money already earmarked and available for this project. The goal is to trade federal funds with City of Lynnwood who has a huge federal project going in exchange for Lynnwood's TIB grant, dollar-for-dollar, which would defederalize the 20th Street SE project. The hope is to go to bid at the beginning of the year; Puget Sound Regional Council is expected to approve the funding swap at their December 6th meeting. If the swap is approved this provides funding sooner than 2021 when the federal funds are available.

Councilmember Daughtry updated on his meeting with SCCIT and commented the governor is looking at pulling back TIB dollars for projects.

Councilmember Gailey believes it is critical that the 20th Street SE project move forward next summer in light of upcoming development projects.

Coordinator Halverson noted the Trestle BAT lane, which is a state mobility grant project.

Councilmember Daughtry commented at this point the regional mobility grant funds are not touched by I-976, but this could change.

Responding to Councilmember Welch's question, Coordinator Halvorsen said the hope is to complete both the BAT lane and the 20th Street SE Phase II construction next summer at roughly the same time.

Turning to Frontier Heights Park, Coordinator Halverson reviewed the first phase elements including paved paths, restoring turf and basketball court, and regrading. A playground may be included in this phase or in a future phase. The city is looking for outside funding on this project. Responding to Councilmember Daughtry's question, Coordinator Halverson said that civic groups can help with funding, and Director Wright said the city is requesting state funding in their capital request for 2020.

Coordinator Halverson updated on the 20th Street SE Playfield which is generally open for use, and added there is a long list of projects on the list, all of which are in the planning stages and do not yet have funding.

Employee Handbook: Interim Human Resources Director Good said the entire draft Handbook is before Council this evening. In April Councilmembers had questions and

requested changes and these are addressed in the material before Council this evening. Interim Director Good explained the cash out policy for compensatory time and said this decision is made by the City Administrator. She next reviewed how the Tuition Reimbursement program will work, saying it would allow for retraining, but a new position would not be created. She added this program also requires commitment from the employee to stay with the city a certain number of years and there is a \$2500 per calendar year cap on the reimbursement. Interim Director Good reviewed how the cashout of sick and vacation time for separating employees will be administered. There was Council consensus to bring this forward for approval on the consent agenda at the next meeting.

2019 Budget Amendment: Director Stevens reviewed the 2019 budget amendments. These include changes related to the new Police Department, the Decant Facility and the South Lake Stevens Path, and moving funds for city's electronic content management system from IT to the City Clerk budget where they more correctly belong to provide for training and implementation assistance with this software. Director Stevens said this will be brought forward next week on the consent agenda unless there are questions or concerns, and there were none.

Director Stevens next reviewed that the Fees Resolution needs to be amended to update for stormwater fees, based on the 2018 rate study that was completed. The amendment will include rate increases through 2024 and will be easily visible to customers. Director Stevens reviewed the rate increases in response to Councilmember Daughtry's questions. Director Stevens said this will be brought forward on the consent agenda next week.

Councilmember Daughtry said he is concerned with staffing levels in the Planning Department and requested positions be added to the 2020 budget including at least one senior planner and hiring of a building official. Mayor Spencer said an analysis will be brought back to the Council for consideration and suggested Council will need to adjust its comfort level to add a position. Director Stevens clarified there is already a building official budgeted but the city has not been able to fill it. Director Wright suggested perhaps the concerns could be addressed by hiring temporary staff. Councilmember Daughtry is concerned about staff burn out under the anticipated workload with the development of 20th Street SE.

Changes to Upcoming Council Meeting Schedule and Veterans Commission

Reappointments: City Clerk Pugh reviewed proposed changes to the upcoming Council schedule including holding a joint meeting with the Arts Commission and Parks Board beginning at 6 p.m. on December 10th and moving the start of the Council meeting that evening to 7:30 to allow for a brief reception for the outgoing Mayor and Councilmembers, changing the December 17th Council workshop meeting to a Special Meeting and cancelling the December 24th Council meeting. There was no objection to the proposed changes and this will be on the Consent Agenda for the November 26th meeting.

Clerk Pugh then reviewed reappointments to the Veterans Commission for terms beginning January 1, 2020. She noted three of the commissioners are scheduled to be reappointed to positions they already hold and asked that Council move forward with reappointing those positions. She added that concerns with reappointments to positions currently held by councilmembers could be revisited in January. Responding to Councilmember Daughtry's question, Clerk Pugh said the three councilmember appointments end December 31, 2020. There was brief discussion and consensus to move forward with the three appointments to the three non-councilmember positions at the November 26th meeting.

Wyatt Park Agreement with Snohomish County: Director Wright reviewed the history of working with Snohomish County to turn Wyatt Park over to the City. He said there is substantial agreement between the County and City as to the terms of the interlocal agreement and that the ILA includes the boat launch facility. Passholders for Snohomish County Parks will be allowed to use their park passes for parking, and the city will collect day use fees under the ILA. The hope is to complete this agreement before the end of the year so the property transfers at the beginning of 2020. Director Wright added Sunset Beach Park is not included in this ILA as it is outside of the current city limits and that the County will be more amenable to a transfer after the area is annexed. Responding to Councilmember Gailey's question, Director Wright said the city is not aware of any structural concerns that might arise in the next five years and Director Durpos added this has been looked at and reviewed with the Snohomish County maintenance department.

Everett Waterline: Director Wright said there are two separate interlocal agreements with Everett regarding the waterline. The first is a joint agreement regarding the waterline crossing at 91st and the other is a more regional agreement. Regarding the first agreement Everett and Lake Stevens are very close to agreement on language. This will allow the City to do the construction necessary to replace aged waterlines with Everett paying a proportionate share.

City Administrator Brazel did not have comments on the Everett Waterline agreement but said the city did receive WSDOT comments on the ILA for the roundabout at 24th and SR 9, and WSDOT is in agreement with project. Administrator Brazel did request language from the City Attorney to provide an exit plan if the bids are above the city's ability to pay its proportionate share of the project.

Council President Petershagen announced an executive session for 10 minutes beginning at 8:01 p.m. to discuss property acquisition, with no action to follow. Director Wright announced at 8:11 p.m. that the executive session was extended 5 minutes. The Workshop meeting reconvened at 8:18 p.m.

Land Use Update: Planner Dillon Roth provided an overview of the upcoming land use updates. He noted the update is quite large and will be brought forward in sections. The first update will be restructuring of the subdivision regulations, into one subdivision chapter. He reviewed the process and said this will go to the Planning Commission for public hearing on December 4 and to the City Council for public hearing on December 17. Planner Roth said a Land Use Advisory committee was formed to inform the process and provide input, and the Planning Commission has been included in the process. He also noted the city received a Department of Commerce grant for \$40,000 to assist with the cost in staff time of this amendment. Planner Rother then provided additional detail on the proposed subdivision code amendments, including an update to the density designations. Planner Roth and Director Wright provided clarifications on lot width in response to Councilmembers' questions.

Associate Planner Sabrina Gassaway reviewed the proposal to create new parameters for infill housing on vacant or under-utilized parcels within existing urban areas that are largely developed. This will provide flexibility and a variety of housing types. She shared photos of housing types that might accomplish this.

Responding to Councilmember Petershagen's question, Director Wright said that density will not affect the shoreline if current code standards are still maintained. Councilmember Petershagen encouraged that this potential development only be allowed on "road-divided" property.

Councilmember Daughtry asked if there is an indication from the market that this type of housing is desirable. Ms. Gassaway said a market analysis has not been done. Director Wright added that the City currently has an application that reflects this and there is a demand for this type of housing; he anticipated this demand will be growing. Ms. Gassaway added this type of housing will allow for aging in place and provide affordable housing.

Responding to Mayor Spencer's question, Associate Planner Gassaway explained that to qualify for infill building, the maximum buildable area on a parcel would be one acre and this takes into account that there are a number of areas encumbered by critical areas.

Costco Development Agreement: Director Wright said tonight's briefing is the second briefing on a potential Development Agreement with Costco. The first briefing was general and tonight's briefing is a review of the most current draft which includes financing. Director Wright commented that most of the agreement has not changed, and it includes provisions for if bids come in too high, timing, and mitigations. It also provides for a traffic mitigation process, SEPA vesting rights, general language as to amendments and contractual legal agreements. A public hearing is scheduled for November 26 and there will also be a description of the entire project and procedural elements. Director Wright said staff is available to answer questions.

At 9:00 p.m. Mayor Spencer reminded of the Council Rule to end meetings at 9:00 p.m. and there was consensus to continue the meeting to no later than 9:30 p.m.

In response to Councilmember Petershagen's question Director Wright said the drafting of the Development Agreement has been a cooperative effort between the City Attorney, Costco legal counsel and city staff.

Mayor Spencer said the Development Agreement once approved allows Costco to proceed with more certainty. He noted it provides for cost sharing and that cost sharing on transportation agreements are on public through roads which are in the City's plan for development. The agreement also provides for sewer latecomer fees and stormwater fees. Mayor Spencer commented that Costco intends to use innovative roofing and provide low impact parking as it relates to water retention and contamination/pollutant protections. This will be brought forward at the public hearing. Mayor Spencer added that a lot of the mitigation will occur on site and/or in the area as opposed to paying into a mitigation bank investment account. The City has worked with the Tulalip tribes to identify improvements and they are primarily on fish passages that have blockages on private property, including the Costco site; the City is extremely hopeful in working with the County that this project will result in a complete stream reach from the Snohomish River all the way up to the Costco project. Mayor Spencer believes the development will serve this growing area.

Councilmember Petershagen asked if the 2012 or 2014 Storm Water Manual will be used, and Director Wright confirmed it will be the 2014 Storm Water Manual and that the City is in compliance with the most recent storm drainage manual.

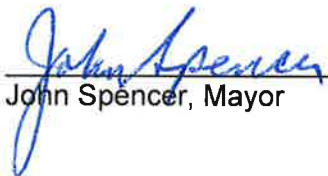
In response to Councilmember Petershagen's question, City Administrator Brazel clarified that the reference to an "off ramp" provides an opportunity for rebidding or redesign if costs come in too high on the 24th Street roundabout, and the plan provides an opportunity for all parties to come together to discuss how to move forward.

Councilmember Petershagen confirmed there is state funding available for this intersection, and Mayor Spencer commented the city's state legislators are on board to help this community be successful.

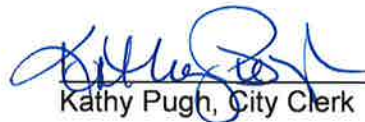
Director Wright said staff has been reviewing the 300-plus comments and put together a matrix of these comments and with city responses. He noted that all applications submitted by Costco will be presented on November 26th and that the public hearing will be on the development agreement. Council could hold over a decision on the Development Agreement based on comments and information that are brought forward that evening.

Community Transit Nomination: Councilmember Daughtry explained that cities appoint representatives to Community Transit and that small, medium and large sized cities then nominate from amongst their members representatives to sit on the Community Transit Board. Community Transit requires that cities provide the names of their representatives by January 8th, which is prior to the Council's first meeting in 2020. He requested to be nominated as the Lake Stevens representative and has been on the Community Transit Board for a number of years. There was agreement to bring this forward on the November 26th consent agenda.

There being no further business the meeting was adjourned at 9:14 p.m.



John Spencer, Mayor



Kathy Pugh, City Clerk