

City Council Minutes – June 20, 2016

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of June 20, 2016 at 6:00 p.m. Councilmembers Eric Johnson, Ryan Walters, Erica Pickett, Brad Adams, Liz Lovelett, John Archibald and Matt Miller were present. The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Appointment of Housing Authority Board Members: Mayor Gere announced her appointment of Patrick O'Hearn and Brian Gentry to the Anacortes Housing Authority Board. She introduced both of the appointees.

Tourism Promotion & Strategic Planning Committee Report: Mr. Walters reported that the committee had drafted the tourism promotion strategic plan and would present it to full Council at an upcoming meeting. He advised that the committee would be reviewing the LTAC application for potential revisions prior to the next grant cycle. He reminded that Lodging Tax Advisory Committee members needed to be appointed for the current year, including one member of the City Council or the mayor to replace Mr. Walters on that committee.

Public Works Committee Report: Mr. Johnson reported from the committee meeting earlier in the evening. He advised that storm utility rates would be discussed before Council in July, that the cheapest solution to the 3MG rehabilitation may be to build two 1.5MG tanks of steel based on lifecycle costs, that the Public Works department was preparing a FAQ on water quality, that extensive public outreach was underway for the slurry seal project coming up in Skyline, and that the committee recommended using \$500K from each of the water, sewer and general fund cash reserves in 2017/2018 towards a municipal broadband fiber optic network.

Public Comment

Stephanie Hamilton, 4412 Glasgow Way, Executive Director of the Anacortes Chamber of Commerce, announced the Anacortes in Bloom contest sponsored for the summer by the Chamber Beautification Committee. She said the winners would receive \$50 gift certificates to D Avenue Nursery or Ace Hardware.

Consent Agenda

Ms. Pickett removed Item 5b, Approval of Claims, from the Consent Agenda.

Mr. Johnson moved, seconded by Mr. Adams, to approve the following Consent Agenda items. The motion passed unanimously by voice vote.

- a. Minutes of June 13, 2016 and June 14, 2016
- c. Street Fair Applications: 4th of July Parade, Anacortes Arts Festival, Anacortes High School Homecoming Parade, Fueling Education Fun Run
- b. Approval of Claims in the amount of: \$308,189.60

Ms. Pickett asked about the \$11,550 expenditure for an actuarial valuation report. City Attorney Darcy Swetnam explained that an actuarial study is a State Auditor's Office requirement for the Firemen's Pension Fund. Ms. Pickett then moved, seconded by Mr. Miller, to approve agenda item 5b, Approval of Claims. The motion passed unanimously by voice vote.

The following vouchers/checks were approved for payment:

Voucher (check) numbers: 80873 through 80981, total \$257,818.76
EFT numbers: 204979 through 205153, total \$4,530.44

PUBLIC HEARINGS

Public Hearing: 2016 Comprehensive Plan Update

Planning Manager Libby Grage introduced the first of two public hearings on the final draft of the 2016 Comprehensive Plan. She summarized the recent history of revisions to the draft following over a year of public input and advised that a track changes version of the latest draft was available on the city website, along with the 228 public comments received to date. She advised that after the close of the public hearing on June 27, 2016 staff would prepare any last changes directed by Council, then bring forward an adopting ordinance for review and action.

At approximately 6:15 p.m. Mayor Gere opened the public hearing.

Vince Oliver, Island Hospital CEO, spoke to the hospital's request for a Medical Overlay from M Avenue to Commercial Avenue between 24th to 26th Streets in conformance with the IH2035 master plan. Mr. Oliver said by 2035 the hospital would need additional building space toward Commercial Avenue. He emphasized that the proposed overlay did not remove any currently allowed uses for the area, only added to those uses. He said the overlay would allow the hospital to purchase property in that area as it became available with confidence that it could be devoted to medical uses rather than retail. Mr. Oliver said medical facilities generate five times the number of jobs compared to traditional small businesses. He said the hospital would work collaboratively with the design development process to ensure future medical buildings would be offset with appropriate parking lots. Mr. Oliver encouraged Council to approve the draft comprehensive plan. Ms. Lovelett asked Mr. Oliver why the overlay needed to extend all the way to Commercial Avenue and could not stop at the alley west of Commercial Avenue. Mr. Oliver said the hospital needed more space than that and already owned two lots on Commercial Avenue. Mayor Gere asked what population projections drive the IH2035 plan. Mr. Oliver said the current facility would likely need to expand within ten years, particularly its outpatient services. He noted the need for more physicians to serve not just Anacortes but the larger hospital service area which includes Whidbey and the San Juan Islands. Ms. Pickett objected that land owned by the hospital district is exempt from property tax and that land on Commercial Avenue costs twice as much as land directly south of the hospital so taxpayers would pay much higher costs if the hospital campus expanded east rather than south. Mr. Oliver explained the hospital's strong desire to constrain its expansion to the campus between 24th and 26th Streets and the safety reasons for not bifurcating the campus with through streets. He acknowledged that new medical buildings have been built outside the proposed overlay area but said those are all privately owned and suggested that there will be fewer independent physicians in the future as more and more of them opt to locate on the hospital campus. In response to a question from Ms. Lovelett, Planning Director Don Measamer quoted the Medical Overlay language on page I-19 of the draft plan and said it could take six months to a year to work out the details as part of the development regulations after the comprehensive plan was adopted.

Stephanie Hamilton, Executive Director of the Anacortes Chamber of Commerce, reiterated written comments submitted by the Chamber's Economic and Community Development Division on June 17, 2016. She urged removing Policy U-8.8 regarding limits on water sales to water resellers. Regarding Policy ED-3.2, she questioned why the language regarding partnership with the Chamber had been removed and suggested adding back in "*Actively work with business and tourism associations as well as other local organizations to establish a brand for Anacortes as a recognizable tourist destination.*" Ms. Hamilton said proposed Policy ED-3.3 and ED-8.2 both call for expensive new city initiatives that would duplicate services already provided by other organizations. Ms. Hamilton objected to proposed Policy ED-4.7 regarding future desired uses at the March Point refineries and suggested new language about fostering a local business climate that supports the long-term economic competitiveness of the March Point refineries, acknowledging the critical role the refineries play in supporting the local economy. Finally, Ms. Hamilton suggested that proposed Goal LU-9.7 regarding industrial and manufacturing development should be consistent with both the Environment and Conservation *and* the Economic Development elements of the comprehensive plan.

Tom Hawkins, 5003 Dundee Drive, representing the Skyline Property Owners Association Architectural Committee, reiterated written comments submitted by the committee on February 8, 2016. Mr. Hawkins

observed that in the R2 zone, which encompasses all of Skyline, the proposed plan would increase density and allow duplexes by conditional use permit. Mr. Hawkins reported that the Skyline CCRs, uniformly, do not allow duplexes. He said that while CCRs can be more restrictive than city code, the code change could result in many new requests for duplexes which the committee would have to process and deny. Mr. Hawkins asked that this change not apply to Skyline. Mr. Measamer reassured Mr. Hawkins that page I-16 specifically called for exploring the option of 6,000 SF lots in the R2 zone *east of Anacopper Mine Road*. Mr. Hawkins discussed with councilmembers the current options for construction mother-in-law apartments in Skyline and the prohibition on renting them out.

Dr. Erika McPhee-Shaw, 2301 Oregon Avenue, Director of Shannon Point Marine Center of Western Washington University, mentioned her written comments submitted earlier in the day on behalf of the Center but said she now wished to address Council from her personal perspective as a citizen and committed resident of Anacortes. Dr. McPhee-Shaw praised the sense of place that permeates the draft plan, the work to balance growth, and the effort to create and protect the environment and public access to the forestlands and waterfront. She thanked Council for the emphasis on making Anacortes more pedestrian friendly and bicycle friendly. Dr. McPhee-Shaw said that since a medical condition has made her temporarily unable to drive she has discovered that Anacortes is a hard place to live without a car. She encourage making streets more accessible and safer for pedestrians and reported how difficult it is to cross south Commercial Avenue as a pedestrian. She also urged considering more emphasis on regional retail, noting it was difficult to meet basic retail needs without a car without resorting to internet purchases.

Bob Hogan, 3616 W 10th Street, referred councilmembers to written comments submitted by five of the six neighboring families in Cranberry Heights, expressing concern that the proposed reduction in lot size in the R2 zone would dramatically change the feel of their subdivision and decrease their property values. Mr. Hogan said the Planning Commission had previously rejected a developer's proposal to build smaller homes across the street from Cranberry Heights and he did not want the proposed changes in the 2016 Comprehensive Plan to reverse that decision.

Wilhelmus Houppermans, 3412 K Avenue, responded to earlier comments by Ms. Hamilton. He said he was not concerned about constraints on local brewery expansion; he said the city has a responsibility to use its large water right responsibly and praised inclusion of that topic in the comprehensive plan update. Mr. Houppermans also responded to comments about the long term profitability of the refineries. He said the future will have to use a lot less oil and that the city should look at how to make better use of land on March Point and how to achieve that transition reasonably and justly over the next 30 years.

No one else present wished to address the Council.

Mayor Gere invited additional public comment at the second evening of the advertised public hearing on June 27, 2016 and said Council would then consider adoption of the updated plan by ordinance.

OTHER BUSINESS

Ordinance 2981: Adoption of 2015 Building Codes

Planning Director Don Measamer introduced Ordinance 2981 to amend AMC Chapter 15.05 to adopt current International Building Codes. Mr. Measamer explained that the Washington State Building Code Council would implement the new codes effective July 1. He said the proposed ordinance would adopt two codes not previously adopted by Anacortes, the International Wildland - Urban Interface Code and the International Property Maintenance Code, and explained the rationale for those additions. He added that both Washington State and Anacortes would continue to exempt single family residential structures from fire sprinkler requirements. He recommended adoption of Ordinance 2981.

Mr. Walters established with Mr. Measamer that the International Code for the Abatement of Dangerous Buildings, AMC 15.05.050, could and should be replaced by the new International Property Maintenance Code. Mr. Measamer responded to councilmember questions about sprinkler requirements and the

potential for conflicts between the International Wildland - Urban Interface Code and current city code regarding Native Growth Protection Easements. Mr. Miller said he did not see a conflict in the latter case.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Mr. Walters moved, seconded by Mr. Archibald, to adopt Ordinance 2981 with one change from the version presented in the evening's packet materials: the deletion of AMC 15.05.050.

Mr. Johnson requested a version of the ordinance marked to show revisions from the current code and spoke in favor of postponing action for additional public input, reminding his colleagues that two readings of an ordinance were required by Council procedures. Mr. Walters endorsed the two read rule but noted the statutory requirement to adopt the new building codes by the end of June. Mr. Walters moved, seconded by Ms. Lovelett, to postpone consideration of the motion for one week. Vote: Ayes – Walters, Pickett, Adams, Lovelett and Johnson. Nays – Archibald and Miller. Motion carried.

There being no further business, at approximately 7:26 p.m. the Anacortes City Council meeting of June 20, 2016 was adjourned.