

City Council Study Session Minutes – April 11, 2016

Mayor Pro Tem Ryan Walters called to order the regularly scheduled Anacortes City Council study session of April 11, 2016 at 6:00 p.m. Councilmembers Eric Johnson, Ryan Walters, Erica Pickett, Brad Adams, Liz Lovelett, John Archibald and Matt Miller were present. Mayor Gere was attending a Sister City visit to Japan.

Mr. Walters recognized the passing of citizens Don Coughlin, Hershel Janz and John Tursi. Councilmembers honored the departed citizens by sharing memories of their contributions to the community.

Mr. Walters proposed reordering the agenda items to accommodate guest speakers. No one objected.

AutoMagic Award Presentation

Ms. Pickett summarized the annual contest to encourage reducing single occupant vehicle trips and the city's carbon footprint. She presented the 2015 awards to Linda Oppe, representing Secret Harbor, winner in the commuter category, and Eric Shen, representing Transition Fidalgo & Friends, winner in the non-commuter category. Ms. Oppe advised that Secret Harbor would direct its prize to the Kids R Best Fest in July. Mr. Shen advised that Transition Fidalgo & Friends would direct its prize to public bike racks in front of local businesses.

KT Analysis Update

Planning Director Don Measamer thanked volunteer Kirk Kennedy and the City Council Planning Committee for their months of work on the retail KT analysis. Mr. Kennedy reviewed the slide presentation included in the evening's packet materials that summarized the analysis process and the resulting recommendations. He noted the divergence of opinions among participants and the community generally and cautioned that consensus is not always achievable. Councilmember discussion of the recommendations reflected that range of preferences. Mr. Adams and Mr. Johnson reminded that a significant portion of the community had expressed a desire for mid-scale retail that was not recommended by the analysis. Several councilmembers agreed with Mr. Kennedy that not all the recommendations might be realizable but the body generally expressed support of attempting to implement them. All councilmembers thanked Mr. Kennedy for his extensive effort on the project.

Mr. Walters called Council's attention to page 13 of the April 6, 2016 draft *Anacortes Retail KT Analysis Report* included in the evening's packet materials. He noted the recommendation for three new comprehensive plan policies and additional strategic plan objectives. Mr. Measamer suggested that based on councilmember response at the current meeting, the Planning Committee could finalize the report and Council could then reference that report in Goal ED-2 of the Economic Development element of the comprehensive plan. Mr. Measamer offered to have staff develop the recommendations on page 13 of the KT Analysis into goals and policies that would be reviewed in the draft comprehensive plan presented for public hearing and asked for Council direction. Councilmembers engaged in extended discussion to that end and considered a number of potential revisions and additions.

Mr. Johnson asked for a policy to incorporate strategic plan suggestion #1 regarding establishment of a Community and Business Development Office. He noted Policy ED-8.2 called for an economic development commission. Mr. Archibald also expressed support for incorporating that language.

Ms. Lovelett suggested that if Council wanted to review strategic plan suggestion #3 regarding limiting non-retail uses in the CBD, that should be explicitly addressed in the comprehensive plan. Mr. Walters agreed and asked staff to draft that language and present it for Council review before public hearing. Mr. Johnson asked for more information about the Mercer Island example. Mr. Miller and Ms. Pickett also expressed concerns about the concept. Mr. Measamer observed that the suggestion only called for exploration of the concept, not necessarily implementation. Councilmembers generally agreed to have staff draft language for consideration.

Mr. Walters confirmed with Mr. Measamer that strategic plan suggestion #4 regarding incentivizing residential and hotel development in the CBD was already in the Economic Development goals and policies.

Mr. Archibald proposed an additional goal or policy of explicitly promoting Anacortes as a “small business friendly community.” He distinguished between local businesses and small businesses. Councilmembers were generally amenable.

Mr. Johnson suggested that strategic plan suggestion #8 regarding a parking garage in the CBD should be addressed in the comprehensive plan. Mr. Miller urged expanding that policy to consider other increased parking opportunities besides just a parking garage.

Mr. Walters suggested including the last two general recommendations on page 13 of the April 6, 2016 draft *Anacortes Retail KT Analysis Report* as narrative in the Economic Development Element. No one objected.

2016 Comprehensive Plan Update Discussion - Economic Development

Councilmembers turned to consideration of the Economic Development goals and policies in the draft comprehensive plan. Mr. Walters asked councilmembers to offer any revisions they wished to see in the draft document.

Ms. Lovelett asked for elaboration in Policy ED-1.2 on how diversification would be pursued.

Mr. Measamer proposed rewording Policy ED-2.3 to read, “Encourage new businesses that provide goods not currently available within community, ~~at affordable prices~~ *consistent with the KT Analysis.*”

Ms. Lovelett requested additional language calling for the city to explore its role to provide space for incubator retail.

Mr. Archibald requested language calling for active efforts to encourage the public to gather in the CBD. Mr. Measamer observed that Goal ED-3 addressed attracting visitors year round.

Ms. Pickett requested that the language regarding housing on side streets in the CBD explicitly allow for home-based businesses on the first floor. Mr. Measamer said that the language as drafted would not prohibit that. Ms. Pickett asked that the language explicitly encourage such arrangements, to incubate small businesses affordably.

Ms. Lovelett distinguished this from her request that the city explore actually providing incubator space. Mr. Miller agreed with Ms. Lovelett and suggested the word “microenterprise”. He observed that the Port of Anacortes rents retail space at below market rates to encourage economic development.

Mr. Archibald requested that Policy ED-3.2 remove the explicit reference to the Chamber of Commerce. Councilmembers discussed this request at some length. All eventually agreed not to name any specific cooperating partners.

Ms. Lovelett requested that Policy ED-3.2 allow for multiple brand strategies or approaches to attracting tourists. Mr. Adams advised that the Tourism Promotion Strategic Planning Committee might have suggestions on that.

Mr. Archibald questioned the separate areas named in Policy ED-3.10. He preferred “Encourage tourism in downtown Anacortes.” Mr. Johnson supported that notion. After additional discussion about the appropriate degree of specificity and whether south Commercial Avenue should be included, councilmembers agreed to let staff rework that policy. Mr. Walters questioned capitalizing Downtown.

Mr. Johnson observed that Policy ED-1.5 does not specify what types of new businesses should be encouraged. Ms. Pickett spoke in support of encouraging incumbent businesses. Mr. Johnson clarified

that his request was only to address what types of new businesses would be encouraged, while still supporting existing business. Mr. Walters suggested that ED-1.5 might be broken into two policies or otherwise reworded to reflect parallel support for new and existing business.

Mr. Johnson requested that Policy ED-1.11 mention both local businesses and resources outside the region. No one objected.

Mr. Johnson noted Policy ED-2.5's focus on the CBD and encouraged addressing neighborhood businesses as well. Ms. Lovelett said work from home opportunities are addressed in Goal ED-5. Mr. Johnson said he was referring to neighborhood retail markets. Mr. Archibald urged referring to the Downtown Business District to include the CBD, south Commercial Avenue and the MJB property in ED-2.5. Mr. Walters asked staff to devise a term for that collective area. Returning to Mr. Johnson's request, Ms. Lovelett suggested, "Explore opportunities for neighborhood retail as appropriate." Ms. Pickett urged that any such retail should have access to an arterial. Mr. Walters asked staff to draft language for that.

Regarding Policy ED-3.8, Mr. Johnson suggested also calling for a small convention center and hotel. Mr. Walters agreed, preferring the term "conference center". No one objected.

Ms. Lovelett requested adding a policy to Goal ED-3 to call for exploring a city run culture and tourism office, to encourage more events. Mr. Walters wondered if that might be better addressed in the Tourism Strategic Plan. Mr. Archibald preferred including it in the comprehensive plan. Mr. Walters asked staff to add that. No one objected.

Ms. Lovelett suggested that Policy ED-3.7 reference the Transportation Element and call for a shuttle or other means of connecting ferry travelers to visit town. Mr. Walter suggested ED-3.13 might be an appropriate location.

Ms. Lovelett asked for language to address a better website in support of tourism. Councilmembers discussed the potential roles of a tourism and culture office, of a city communication specialist, and of the Chamber of Commerce. Mr. Walters suggested addressing that through the Tourism Strategic Planning exercise.

Regarding Goal ED-4, Mr. Adams urged taking a more aggressive approach to recruit job generating businesses in the LM zone on SR20. Mr. Measamer said that would fit well into an economic development strategic plan for the area.

Ms. Lovelett requested adding a policy to Goal ED-5 to state that the city would like to attract home based businesses and possibly makers spaces and artist in residency programs. Mr. Measamer asked if Policy ED-4.6 addressed that. Ms. Lovelett said that location was acceptable but asked to reference makers spaces by name. Mr. Walters said he was hesitant about home based businesses that could impact neighboring residences. He asked for more definition. Ms. Lovelett suggested tying these to transition neighborhoods. Mr. Miller said ED-4.6 was sufficient. Ms. Lovelett distinguished between home based businesses and live work spaces.

Regarding Policy ED-6.2, Mr. Walters asked if "Rosario" meant the Walla Walla College facility and suggested that be clarified.

Councilmembers had no comments on Goal ED-7.

Regarding Policy ED-8.2, Mr. Johnson asked if the "economic development commission" was intended to be a city department or appointed volunteers. Mr. Measamer explained. Mr. Johnson suggested adding definition to the policy. Mr. Walters supported a staffed city office but expressed concern that a commission of community members might be too self-interested; he asked for examples from other jurisdictions. Mr. Johnson asked if the comprehensive plan should call for a Community and Business Development Office within the city government structure. Mr. Measamer suggested borrowing some language from the KT Analysis.

At approximately 8:02 Mayor Pro-Tem Walters called a five minute break. At 8:08 p.m. Mr. Walters called the meeting back to order.

2016 Comprehensive Plan Update Discussion - Transportation (Continued)

City Engineer Eric Shjarback recalled that the goals and policies from the Transportation Element had been largely reviewed at the April 4, 2016 meeting.

Mr. Miller said he had feedback on the Air section that he would discuss with staff.

Councilmembers discussed Policy T-3.11 regarding float plane landing and received additional information from staff on currently available facilities. Ms. Lovelett said she would prefer “explore options for” instead of “encourage development of.” After some discussion, four of the seven councilmembers agreed. Mr. Walter suggested removing the reference to Cap Sante Marina, leaving “in Fidalgo Bay”.

Mr. Miller said that Policy T-3.16 supporting the Port’s strategic plan Goal #5 was too specific. He urged something broader. Mr. Walters agreed.

Councilmembers then turned to consideration of proposed transportation impact fees. Mr. Shjarback recapped Mr. Salemann’s presentation from the April 4, 2016 meeting, referencing the slides included in the packet from that meeting. He explained the proposed transportation impact fees to support capital facilities projects required to achieve existing and proposed level of service standards. Council engaged in extensive discussion of the proposed level of service (LOS) and capital projects anticipated to meet that LOS by the end of the planning horizon at projected growth.

Public Works Director Fred Buckenmeyer framed a series of decisions for Council. He asked that Council first indicate if it concurred with the proposed LOS, which was unchanged since 2004 but updated for new growth projections. Second, he asked if Council wanted to include the D Avenue and Oakes Avenue pedestrian improvements in the LOS. Finally, he asked Council to indicate what share of the capital costs to accomplish the projects required by the population projections should be covered by impact fees. Mr. Buckenmeyer reported that the Planning Commission recommended that impact fees cover the entire cost.

Councilmembers discussed alternatives to the proposed pedestrian improvements and adjusting impact fees to encourage desired uses and discourage others. Several councilmembers asked how impact fees could be adjusted so as not to discourage affordable housing. Mr. Buckenmeyer and Mr. Measamer explained that impact fees can be lower for specified projects but then have to be subsidized from other funding sources. Mr. Johnson pointed out the discussion of housing affordability on page 24 of Volume 2 of the draft comprehensive plan.

Mr. Walters observed that if impact fees were not set at a level to fund all projects required by growth, existing residents would be subsidizing new residents. Mr. Measamer acknowledged that substantial increases in impact fees would likely affect businesses and construction initially but would bring Anacortes rates more commensurate with neighboring jurisdictions. After additional discussion, councilmembers generally concurred that impact fees should be set to cover 100% of the cost of the transportation capital improvements required to maintain the existing LOS as population increased.

Mr. Walters asked staff to provide an alternative LOS option for the pedestrian improvements, perhaps sidewalks on only one side of D Avenue. Mr. Buckenmeyer added that Council could also opt to fund only the vehicle projects but not the pedestrian projects.

Medical Marijuana Stakeholder Meeting Agenda Discussion

City Attorney Darcy Swetnam requested Council feedback on the upcoming stakeholder meeting regarding medical marijuana. Referring to her slide presentation included in the evening’s packet materials, Ms. Swetnam recapped the work plan and schedule adopted by Council in February. She summarized the three primary policy questions to be addressed: whether medical marijuana cooperatives

should be prohibited in all or parts of the city, if the current 1000 foot buffers should be reduced, and if current zoning restrictions should be amended to provide better patient access to medical marijuana. Ms. Swetnam reported how neighboring jurisdictions have thus far addressed cooperatives, elaborated on questions to consider, and listed the alternative options for patients to procure medical marijuana other than through cooperatives. She illustrated the effect of 1000 vs. 500 foot buffers and discussed buffer options with councilmembers. Ms. Swetnam concluded with a discussion of considerations on improving access for patients, noting that several Planning Commissioners were concerned about ensuring adequate patient access.

Police Chief Bonnie Bowers next provided an update on marijuana in Anacortes. The Chief reported that retail and medical establishments were working well. She reported some problems with the collective gardens that were allowed prior to changes in state law, primarily code violations in neighborhoods. Chief Bowers expressed concern that because cooperatives have to be located in dwellings, they could cause negative impacts to neighbors. Chief Bowers also provided a brief report on marijuana crimes to date since the new marijuana laws went into effect. She responded to councilmember questions regarding expected changes when collective gardens are disbanded on July 1. Mr. Archibald asked if the city could limit the number of plants a cooperative could grow; Ms. Swetnam advised that the limit per patient was set by the state.

Mr. Walters suggested that the stakeholder meeting seek input on prohibiting cooperatives outright, which was his preference. Mr. Archibald disagreed. Mr. Miller agreed with Mr. Walters. Mr. Adams said he did not favor cooperatives and noted the other options now available to patients.

There being no further business, at approximately 9:35 p.m. the Anacortes City Council study session of April 11, 2016 was adjourned.