Special Meeting

At 5:02 p.m. Mayor Laurie Gere called to order the advertised special meeting of the Anacortes City Council for the purpose of conducting a site visit regarding 48 North Preliminary Plat & PUD (PUD-2015-0003). Council convened on the south side of Oakes Avenue between Allen Court and Eagle View Court in Anacortes. Councilmembers Eric Johnson, Erica Pickett, Brad Adams, John Archibald and Matt Miller were present. No testimony was received and no action was taken. At approximately 5:20 p.m. the special meeting adjourned.

Regular Meeting

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of March 21, 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.

Citizen Hearings

No one present wished to address the Council.

Mayor/Council Communication and Committee Reports

Proclamation of National Service Recognition Day: Mayor Gere read a statement proclaiming April 5, 2016 National Service Recognition Day in Anacortes. She encouraged residents to recognize the positive impact of national service in the community and to thank those who serve.

Mr. Walters reported from the Lodging Tax Advisory Committee which had recently agreed on three funding recommendations to bring back to Council for consideration and action. He also reported that the Strategic Planning Committee had developed a draft Tourism Strategic Plan which would be presented at the Tourism Strategic Plan Open House on Thursday, March 24 at 4:30 p.m. in the Council Chambers.

Mr. Walters reported from the Public Works Committee meeting earlier in the evening to discuss comprehensive plan language.

Mr. Walters announced a Ward 1 community meeting Tuesday, March 22, at 6:00 p.m. at the library.

Ms. Lovelett reported that she met with Senior Center staff earlier in the week. She also reported that she, Mayor Gere and Ms. Pickett attended the Population Health Trust presentation which would be made available on the website.

Consent Agenda

Mr. Walters removed Item G from the Consent Agenda. Ms. Pickett removed Item C from the Consent Agenda. Mr. Johnson moved, seconded by Mr. Adams, to approve the following Consent Agenda items. Vote: Ayes – Walters, Pickett, Adams, Lovelett, Archibald, Miller and Johnson. Motion carried.

a. Minutes of March 7, 2016 and March 14, 2016
b. Approval of Claims in the amount of: $628,968.39
d. **Ordinance 2969**: Martin Vacation
e. **Resolution 1950**: Updating Unified Fee Schedule - Contractual Customer Water Rates
f. **Resolution 1951**: Emergency Declaration - 36" Water Main Break at 10859 Drawbridge Ln

The following vouchers/checks were approved for payment:
Voucher (check) numbers: 79738 through 79889, total $528,151.74
EFT numbers: 201901 through 202020, total $438.45
Payroll for March 18, 2016 in the total amount of $835,216.84
Check Numbers 41204 through 41225 in the total amount of $17,399.36
Direct Deposit Numbers from 62957 through 63174 in the total amount of $547,361.23
EFT Numbers from 1935 through 1940 in the total amount of $270,456.25

c. Interlocal Agreement with Skagit County for Community Services at Senior Center

Ms. Pickett asked how these funds would be spent. Ms. Lovelett reported that the County funds were used for services provided at the Senior Center and expanded on the topic of space use at the facility. Mr. Walters disclosed that as a fixed salary employee of Skagit County, the contracting party, under RCW 42.23.040 he had a remote interest in the agreement and for the city to enter into the agreement his vote could not be counted. Ms. Lovelett moved, seconded by Mr. Miller, to approve the interlocal agreement with Skagit County for community services at the Senior Center. Vote: Ayes – Pickett, Adams, Lovelett, Archibald, Miller and Johnson. Abstain – Walters. Motion carried.

g. Ordinance 2973: Establishing a Biennial Budget Process

Mr. Walters asked City Attorney Darcy Swetnam if the ordinance would be codified. Ms. Swetnam replied that the ordinance would be codified and that her office would oversee that process. Mr. Walters and Mr. Archibald requested a plan for the biennial budgeting process. Mr. Hoglund advised that his office would be preparing that plan within the next month. Mr. Walters moved, seconded by Mr. Archibald, to adopt **Ordinance 2973** establishing a biennial budget process. Vote: Ayes – Adams, Lovelett, Archibald, Miller, Johnson, Walters and Pickett. Motion carried.

UNFINISHED BUSINESS

Ordinance 2971: Adoption of Utility Lien Process

City Attorney Darcy Swetnam recapped the presentation on this topic from the February 8, 2016 City Council meeting. She explained the tools available to the City to collect on delinquent utility accounts including collections and liens and outlined the situations in which each tool could be used and its ramifications. Ms. Swetnam described recorded liens and priority of payment provisions which would be added to the Anacortes Municipal Code by Ordinance 2971.

Ms. Lovelett asked if the income level to qualify for the city's 20% utility discount should be examined and possibly adjusted. Mr. Walters asked if the City intended to foreclose on liens for unoccupied properties. Ms. Swetnam said there were currently approximately thirty properties that were sufficiently delinquent to warrant recording a lien and consider pursuing foreclosure. Mayor Gere advised that staff do refer needy customers to social service resource agencies. Mr. Miller suggested notifying customers of the changes prior to the effective date. Ms. Lovelett stressed that the lien and collection processes needed to be applied equitably to all customers.

Mayor Gere invited members of the audience to comment on this agenda item.

Cynthia Richardson, 315 V Avenue, asked how billing staff handles rental properties for which the owner fails to pay the bill causing the tenant to be deprived of service. Mr. Hoglund indicated that the property owner was ultimately responsible for payment of the utility bill and that the city could not interfere in agreements between landlords and tenants. He added that the reverse of the situation described by Ms. Richardson was far more common.

Mr. Archibald moved, seconded by Ms. Pickett, to adopt **Ordinance 2971** amending Anacortes Municipal Code Sections 13.08.070, 13.08.110, and 8.04.400 regarding utility billing and liens. Vote: Ayes – Archibald, Miller, Johnson, Walters, Pickett and Adams. Nays – Lovelett. Motion carried.

Ms. Lovelett asked to discuss future adjustments to the low income discount qualification level with Ms. Swetnam and Mr. Hoglund.

NEW BUSINESS

Closed Record Hearing: 48 North Preliminary Plat & PUD, PUD-2015-0003

Planning Director Don Measamer presented application PUD-2015-0003 for a Preliminary Plat, Planned Unit Development, code modifications, right-of-way dedication and SEPA environmental review to create

30 lots and one community park on 7.48 gross acres zoned R2. Mr. Measamer reviewed a slide presentation summarizing the requested code modifications, the project location, existing land use, surrounding zoning and land uses, the tree assessment and preservation plan, the traffic study, wetlands, review, priority habitat and species review, cultural resources, geological hazard assessment, application processing chronology, noticing, SEPA environmental review, public comments, department and agency comments, staff's recommendation for approval subject to staff suggested conditions, and the Planning Commission open record public hearing and recommendation for approval which was not appealed. Mr. Measamer pointed out highlights of the site plan.

Engineering Technician Steve Lange reviewed a slide presentation summarizing the Public Works Department review of water, sewer and storm utilities for the proposed project, roadway and pedestrian circulation and connectivity, water quality management, and the department's findings and recommendations. Mr. Lange discussed with councilmembers the idea of approaching WSDOT to change the speed limit on approximately 1.3 miles of Oakes Avenue from 40 mph to 30 mph.

Mr. Measamer called Council's attention to the language change in Staff Report page 13, Item H, Condition #21. Regarding the speed limit on Oakes Avenue, Mr. Measamer suggested a future study session on this topic and potentially a Council resolution recommending a speed limit change to WSDOT but clarified that the subject project should not be conditioned on a speed limit change. Mr. Measamer also noted the proposed right of way dedication for the entranceway and the internal street.

Mr. Walters asked if Condition X required construction of the turn lane. Mr. Measamer said yes. Councilmembers questioned Mr. Measamer about changes to the width of Oakes Avenue at the project location. Mr. Measamer deferred to the applicant on that subject.

Nels Strandberg, 408 2nd Street, representing applicant 48 North on Fidalgo Island, LLC, explained the project's intention to widen Oakes Avenue on the south side due to the right of way width there. Mr. Strandberg expressed support for lowering the Oakes Avenue speed limit to 30 mph and explained that the speed limit did directly affect the project design because turn lane dimensions differ depending on the speed limit. He reported that local WSDOT staff were supportive of the speed change and would move a request forward for approval if City Council presented it. Mr. Strandberg and Mr. Measamer confirmed that WSDOT agreed to the current roadway alignment and to construction of the turn lane even though it was not strictly required given the traffic study. Mr. Strandberg responded to councilmember questions about sidewalks, parking, LID features of the project, Fire Department acceptance of the grades and street width, and the community park.

Mr. Miller moved, seconded by Mr. Adams, to approve PUD-2015-0003 with code modifications and right of way dedication, subject to staff's suggested conditions of approval. Vote: Ayes – Archibald, Miller, Johnson, Pickett and Adams. Nays – Walters and Lovelett. Motion carried.

Storvik Park Cooperative Purchasing Agreement and Project Update
Parks and Recreation Director Gary Robinson introduced Recreation Manager Nicole Johnston who shared a slide presentation reporting the progress on the spray pad and restroom project at Storvik Park. Ms. Johnston presented the most recent design for the spray pad and photographs of the pre-fabricated restroom building to be purchased on the state contract from CXT. She reported on the success to date on the fundraising efforts for the project.

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

Mr. Johnson moved, seconded by Ms. Pickett, to authorize the mayor to sign the proposed intergovernmental cooperative purchasing agreement with National Purchasing Partners. Mr. Adams asked if paving the Storvik Park parking lot was part of the project. Mr. Robinson advised that the parking lot paving was a separate project that would be completed in 2016. Vote: Ayes – Miller, Johnson, Walters, Pickett, Adams Lovelett and Archibald. Motion carried.

Contract Award: 2016 Overlay Infrastructure Improvement Project
Mr. Lange requested Council approval to award a contract to Scimitar Construction in the amount of $296,085.20 for the Overlay Infrastructure Improvement Project in preparation for the overlay project later in the year. He said the project included infrastructure within the Right-of-Way of D Avenue, A Avenue, 37th Street and 32nd Street, including but not limited to sanitary sewer replacement, storm drainage conveyance, roadway excavation and hauling, cement traffic curb and gutter, cement concrete sidewalk, cement concrete curb ramps, and detectable warnings with miscellaneous asphalt patching. He elaborated on the utility work incorporated in the project. He responded to councilmember questions about sidewalks along D Avenue. Mr. Lange reported on the three bids received and recommended awarding the contract to low bidder Scimitar Construction.

Mr. Walters moved, seconded by Mr. Johnson, to approve award of a contract to Scimitar Construction in the amount of $296,085.20 for the Overlay Infrastructure Improvement Project. Vote: Ayes – Johnson, Walters, Pickett, Adams, Lovelett, Archibald and Miller. Motion carried.

At approximately 8:13 p.m. Mayor Gere called a seven minute recess. At 8:20 p.m. the mayor called the meeting back to order. She suggested allowing discussion of the next agenda item run as late as 9:30 and then pursing additional discussion at the next City Council meeting if appropriate.

2016 Comprehensive Plan Update - Intro, Land Use, Housing
Planning Manager Libby Grage initiated Council's review of the draft 2016 Comprehensive Plan forwarded from the Planning Commission. Ms. Grage reviewed a slide presentation summarizing the Planning Commission process to date. Planning Commission Chair Marty Laumbattus thanked the many people who had worked hundreds of hours over the prior two years to draft the plan. He offered the Commission's input and assistance as Council considered the plan. Ms. Grage explained that the Proposed Land Use Designations Map would be included in the background information of the Land Use element of the plan whereas the Future Land Use Map would be included in the Land Use Goals and Policies section of the plan. She summarized the steps to implement the land use map following adoption of the Comprehensive Plan.

Ms. Grage reviewed a slide illustrating forecast population growth and estimated population capacity, under current zoning as compared to zoning with recommended changes to the future land use map. Councilmembers discussed the relationship between housing density and housing cost.

Ms. Grage then opened a review of the Planning Commission recommended changes to the land use designation map. Councilmembers discussed the recommendation regarding the Old Town Overlay, the potential for other neighborhoods to absorb growth while providing more different types of housing, the potential for ADUs to increase density in Old Town, and the role of design standards to preserve neighborhood character. Councilmembers then discussed the Planning Commission's recommendation to rezone the Ship Harbor CM zone to R2 and the interaction of public uses with residential uses. Ms. Pickett proposed a new R2 Shoreline zone for this and several other locations. Councilmembers discussed the appropriate level of specificity in the Comprehensive Plan compared to the Development Regulations. Staff provided several suggestions for language changes to Table LU-1 to respond to councilmember concerns. Councilmembers discussed the Planning Commission recommendation to rezone the 1.5 blocks adjacent to Trident but reached no consensus. Mayor Gere suggested revisiting the topic at the next meeting. Councilmembers discussed the Planning Commission recommendation for the LM1 zone west of Sharpe's Corner Business Park but reached no consensus.

At approximately 9:30 p.m. the Anacortes City Council meeting of March 21, 2016 was adjourned.