

Anacortes City Council Minutes - October 10, 2022

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of October 10, 2022 at 6:00 p.m. Councilmembers Jeremy Carter, Ryan Walters, Anthony Young, Christine Cleland-McGrath, and Bruce McDougall were present.

Councilmember Amanda Hubik participated in the meeting remotely via Zoom.

Councilmember Carolyn Moulton was absent.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Executive Session

Potential Real Estate Transaction per RCW 42.30.110(1) (15 minutes)

Mayor Miller announced that the City Council and the City Attorney would convene in Executive Session per RCW 42.30.110 (1) for approximately 15 minutes to discuss a potential real estate transaction. The mayor advised that the regular meeting would then adjourn with no final action having been taken. Councilmembers Jeremy Carter, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Bruce McDougall and Amanda Hubik attended the executive session.

Ryan Walters moved, seconded by Anthony Young, to amend the agenda to add item 4(b), Authorization for the Mayor to sign a Commercial Real Estate Purchase and Sale Agreement for the Purchase of Real Property Located at 9025 - 9029 Molly Lane in Anacortes. The motion carried unanimously by voice vote.

Authorization for the Mayor to Sign a Commercial Real Estate Purchase and Sale Agreement for the Purchase of Real Property Located at 9025 - 9029 Molly Lane in Anacortes

Ms. Swetnam introduced the proposed purchase and sale agreement for commercial property located at 9025-9029 Molly Lane that currently houses Fire Station 3.

RYAN WALTERS moved, seconded by JEREMY CARTER, to Authorize the Mayor to sign a purchase and sale agreement on Commercial Brokers Association forms in the amount of \$2.65 million with at least a 60-day no-risk feasibility contingency for the purpose of the City performing a phase 1 environmental site assessment, a competitive market analysis, and additional due diligence as the Council, Mayor or Fire Chief may determine is appropriate for the use of the building as a fire station. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, BRUCE MCDUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Mr. Walters declared that the intent is to review the feasibility analysis prior to the contingency expiration date in order to know what capital expenditures might be required in addition to the purchase price and property details regarding square footage and potential tenants and associated leases. He pointed out that the purchase of the property would be less expensive than building a new fire station, as there are major expenditures ahead, including fiber and several others. He mentioned that he would be reluctant to vote to fund a new fire station and incur significant debt based on estimates of \$10-\$12 million seen in public sources and considered during Finance Committee meetings.

Mayor Miller reminded the public that the City currently leases this property for Fire Station 3 and has invested tens of thousands of dollars to upgrade the facility to its current condition. He added that this opportunity comes before the Council while there are concurrently studies in progress to explore the construction of a new fire

station on separate City-owned property.

Mr. Walters added that it would be useful to engage a commercial real estate firm for the various commercial real estate transactions under consideration, including Sharpe's Corner. Mr. Young agreed that it is important that there is a commercial real estate expert working on the City's behalf to ensure the best deal is achieved, including ensuring that due diligence is accomplished. He added that Sharpe's Corner will need to be discussed in the future.

Announcements and Committee Reports

Mayor Miller provided a Tommy Thompson Trail Trestle fire update, reporting that the final Bureau of Alcohol, Tobacco, Firearms and Explosives report revealed that the fire was intentionally set, and that the Anacortes Police Department is leading the investigation. He encouraged the public to contact the tip line at 360-299-1985 with any information. Mayor Miller added that the trail is now open past Weavering Spit up to the trestle closure signs, and that staff are currently in the process of finalizing permits and ordering materials for the restoration. He concluded that once the permits are approved he would be able to provide a clearer timeline for repair completion.

Mayor's Budget Message

Mayor Miller delivered the 2023 Budget Message, the text of which is included in the packet materials for the meeting.

Public Safety Committee

Mr. Carter reported from the Public Safety Committee meeting held the previous week. The topics discussed related to the Police Department included first aid and CPR training, a recap of the successful Oyster Run event, cooperation with Homeland Security Investigations for a November 29th cyber security presentation at Anacortes High School, and recruitment for a part-time parking enforcement officer. Topics discussed related to the Fire Department included the onboarding of a new Assistant Fire Chief earlier this month and the impending arrival of a second Assistant Fire Chief in November, the delivery schedule for the new ladder truck being pushed back to December 2023, and the Association of Washington Cities grant program for initial funding for a mental health professional to the co-responder team.

Port / City Liaison Committee

Ms. Hubik reported from the Port / City Liaison Committee meeting held the previous Tuesday, October 4th. The City provided updates on riparian management zones, the Shoreline Master Program, and the outfall project. The Port provided updates on the R/V Park project near the marina, redevelopment of the west basin, planned re-design of T Dock, and property development near the airport that is zoned for light manufacturing.

Mr. Walters announced on Tuesday October 25th at 6:30pm in City Council Chambers there will be a forum led by the League of Women Voters to discuss housing for the whole community. Speakers for the event include the Housing Affordability and Community Services Committee, the Anacortes Family Center, Quantum Construction, Habitat for Humanity, and Skagit Community Action. The topics of discussion will include how the lack of affordable housing in the community distorts the local economy, how this affects the local community, what the City and non-profit organizations are doing to address the issues, and how the public can help. Visit skagitlwg.org for more information.

Public Comment

Mayor Miller invited the public to comment on any item not on the agenda.

Mary Ann Ryan of Anacortes, and a former educator, expressed concern regarding the homeless encampments near her residence and their potential negative influence on children who live nearby. She acknowledged that not all homeless people are addicts or mentally ill, though she cited information from a Washington state website that said that individuals who are homeless are more likely to become addicted. She feared local

adolescents being exposed to the homeless community and becoming addicted as a means to deal with their problems. She advocated making it very inhospitable for illicit drug transactions in the community, thereby preventing them from proliferating and adversely affecting our youth. She concluded by pointing out that the homeless individuals she sees in the community using drugs likely became addicted during their youth, emphasizing that the community needs to act to prevent our children from suffering a similar fate.

Nick Ricci of Ward 1 in Anacortes spoke about alleged drug houses in the community. He mentioned suspected daily drug activity of 15-25 visitors at a neighboring residence from 7am until 11pm every day of the year over the past decade, and the associated legislative limitations on law enforcement preventing them from adequately addressing his concerns. He recommended that law enforcement adopt creative approaches to prevent this activity, such as randomly placing a police vehicle in the vicinity of a suspected drug house, covert surveillance, and investigating suspected customers through publicly submitted photographs. He felt that the Police Department ignored these suggestions. He requested that the dwelling he mentioned be added to the list of suspected drug houses.

John Pinquoch of Similk Beach in Anacortes thanked those responsible for cleaning up Fidalgo Bay Road and mentioned that there are five homeless encampments in the area. He detailed conversations he had with individual campers, including asking them to put out a fire during a burn ban and requesting that they clean up their refuse. He then noted that over the past three years he had found more than twenty homeless camps throughout the City and that each site is beset with varying amounts of refuse. He proposed having a location where homeless people can live within City limits that offers sanitation services, mentioning three separate sites including a 5-acre plot on the north end of W Avenue owned by the Department of Natural Resources, a 4-acre site on March's Point Road owned by the City, and a 6-acre site on March's Point owned by Skagit County. He advocated enforcing existing litter laws to compel individuals to move away from housing areas and children.

Kim Halley of Anacortes expressed concern about homelessness, illegal R/V camping, and drug crimes. She cited Mayor Miller's recent statements regarding community housing needs and public safety as a positive development. She then recounted reviewing the minutes of City Council meetings since January of this year and reported that in the 37 meetings held in 2022, homelessness and public safety were mentioned 22 times in the 'Public Comment' section, composing the vast majority of citizen concerns brought before the Council. She then mentioned that the meeting minutes revealed little about Housing Affordability and Community Services Committee goals, action steps, timelines or follow-up regarding these concerns. She acknowledged that there are legislative hurdles that prevent effective action, and asked what the City is doing to devise a plan with actionable goals and metrics. She demanded an accountable city government that communicates with clarity, frequency, specificity, and transparency in response to these issues. She concluded by asking what the plan is, when and where it will be available, and how success will be measured.

Mark McEathron of Anacortes recounted a recent visit to small towns in New England, saying that he and his wife felt safe at all times of day in those areas, noting the absence of derelict recreational vehicles and signs that explicitly stated 'no overnight parking'. He asserted that these towns resembled how Anacortes was in the past, and lamented his reluctance to walk to tonight's meeting because of feeling unsafe. He then expressed appreciation for Councilmember Walters' recent email addressing the issue. Mr. McEathron wondered why current municipal code provisions that prohibit parking in any one area longer than 72 hours and living in a recreational vehicle without a permit are not being enforced, and then asked how seemingly more complex proposed code changes that downgrade illegal parking from a misdemeanor to a civil infraction could effectively address the problem. He then suggested that Bellingham is a poor example of providing ideas related to addressing these concerns. He asked if the city government is restricted by state laws which are being creatively exploited by drug dealers and recreational vehicle residents, could we not also quickly find creative and simple ways to return Anacortes to being a safe place to live?

Mary McEathron of Anacortes commented on proposals that the Housing Affordability and Community Services committee submitted to the City Attorney for review. She expressed appreciation for the hard work in developing the proposals, but doubted the merits of the proposal to prevent vehicles from parking longer than 72 hours on a particular block, saying that it would be easily skirted. She then provided the example of an inoperable recreational vehicle she witnessed being towed around the corner to a different block in early September that remains there at present. She claimed that there has been continued illegal activity around this vehicle for months, and wondered how the proposed code amendment that would reduce the penalty for illegal parking or obstructing a sidewalk from a misdemeanor to a civil infraction would adequately deter such activity. She encouraged the City Council to enforce existing code provisions, and suggested using the citizen auxiliary and an electronic chalking system with license plate recognition currently employed by the City of Kirkland to assist in these efforts.

Mary Jo McArdle of Anacortes expressed appreciation for what has been done regarding the housing and homeless crisis in the city, citing the example of a local motel being converted into forty-three single unit housing. She suggested the Council consider a cooperative agreement with a developer similar to the City of Hamilton that would require a certain portion of each development to be in the sustainable and affordable category. She advocated for creative housing solutions that would help in resolving the problem of derelict recreational vehicles and homeless individuals in the community. She then addressed the code that prohibits individual property owners from having recreational vehicles serve as residences on private property, suggesting that a permitting process to allow for such arrangements could ease the affordability crisis until more housing becomes available.

Consent Agenda

Mr. McDougall moved, seconded by Mr. Young, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of October 3, 2022
- b. Approval of claims in the amount of \$352,915.58
The following vouchers/checks were approved for payment:
EFT numbers: 104449 through 104492, total \$269,111.36
Check numbers: 104493 through 104501, total \$77,576.30
Wire transfer numbers: 311295 through 311509, total \$5,415.42
- c. Interlocal Agreement with the Anacortes School District: Student Library Card Program #22-228-LIB-001
- d. Contract Award: Fire Station 1 Sectional Doors Replacement #22-253-FAC-001
- e. Contract Modification: Commercial Ave Corridor Plan Phase 1 - 11th St to 13th St Design #19-095-TRN-001

Other Business

Capital Facilities Plan, Governmental Funds

Finance Director, Steve Hogle, introduced the review of the Capital Facilities Plan (CFP) for Governmental Funds. He pointed out that the [Capital Facilities Plan OpenGov Transparency Portal](#) is now available on the City of Anacortes website via the [Finance](#) page. He demonstrated different formats for displaying data. He pointed out that the [2023 Budget Book](#) can also be accessed via the same page.

CFP Gen Gov Projects

Mr. Walters asked what the threshold is for calling out a project on its own line versus being grouped under 'Various Facilities Maintenance Projects'. Mr. Hogle responded that generally it is \$20,000 or more, and cited a challenge associated with maintenance projects is that there are more projects than can be accomplished in a year, so the department exercises flexibility in what they target for the coming year. He cited roof projects as an example of a project that can be planned and executed with a greater degree of certainty, whereas others are accomplished on an ad hoc basis. Mr. Walters followed up by asking if the projects included under 'Various

Facilities Maintenance Projects' are all under \$20,000. Mr. Hoglund responded that is not necessarily the case, but that some of these projects continue to come up, referring to the City Hall elevator repair as an example. Mr. Walters asked that all projects \$20,000 or greater be listed individually in the CFP and that projects less than \$20,000 can be excluded from the CFP. He posited that the amounts appropriated for these projects (\$300,000 in 2023 and \$600,000 in 2024-2028) is significant and should be called out individually in the CFP.

Mr. Walters pointed out that the state funding code '360 Interest and Other Earnings' does not convey 'donations'. Mr. Hoglund responded that the code '360 Interest and Other Earnings' for this is associated with debt in the City accounting system. Mr. Walters wondered if the project is not being funded by the City and the property is not City-owned, then should the project be included in the CFP. Mayor Miller pointed out that including it in the CFP can facilitate a 501(c)(3) to obtain grant funding for the project and that the Council had discussed the City taking over management of the facility at some point, so it could go either way, and that it would be more transparent to have it included in the CFP.

Ms. Cleland-McGrath mentioned a discussion that occurred in the Library Committee meeting about moving some facility projects out of the Library budget under the facilities budget, and asked if this was the reason for the increase from \$300,000 to \$600,000 from 2023 to 2024-28 under the 'Various Facilities Maintenance Projects'. Mr. Hoglund replied that is partially the reason, and added that current economic conditions dictate that cost savings be achieved in this line item in anticipation of expected lower real estate excise tax revenues in the coming year. Ms. Cleland-McGrath followed up by asking if those economic conditions were not in place would the funding for this item be closer to \$600,000. Mr. Hoglund confirmed that was correct. Mr. Walters asked rhetorically why the Council cannot see the individual projects and pointed to previous instances of projects being completed significantly over budget. He advocated for all projects being individually listed in the CFP. Mr. Young clarified that he wanted to see what projects are proposed with associated justification, so that the Council could make a decision as to whether or not they support a particular project.

CFP Parks Projects

Mr. Walters expressed appreciation for the 'Stories' feature in OpenGov. He noted that most Parks and Recreation Department projects are being funded under the code '360 Interest and Other Earnings', and asked if all of these projects will be accomplished with donations. Mr. Hoglund responded that most of those projects will be funded via Real Estate Excise Tax (REET) 1 funding unless they are identified for impact fee use or grants or donations. Mr. Walters followed up by asking if there was an available reference for the Council to view REET 1 and REET 2 allocations across the six-year planning period. Mr. Hoglund confirmed there is a report that shows REET use and promised to send it to the Council.

CFP Fire Projects

Mr. Walters asked if a \$75,000 vehicle is necessary for the Community Paramedic. Mr. Hoglund responded that the vehicle is non-standard and equipped with specialized equipment. Mayor Miller pointed out that the Community Paramedic sometimes responds to calls. Fire Chief, Bill Harris, added that the vehicle would be an emergency vehicle and a hybrid SUV similar to the one that is currently in use. Mr. Walters asked if \$75,000 represented the total cost of the vehicle with all included equipment. Chief Harris responded affirmatively. Mr. McDougall mentioned that in 2-3 years, vehicles of this class could be purchased as electric vehicles.

Adjournment

There being no further business, at approximately 8:07 p.m. the Anacortes City Council meeting of October 10, 2022 was adjourned.