

Anacortes City Council Minutes - March 6, 2023

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of March 6, 2023 at 6:00 p.m. Councilmembers Ryan Walters, Anthony Young, Christine Cleland-McGrath, and Bruce McDougall were present. Councilmembers Jeremy Carter, Carolyn Moulton (joined at approximately 6:01 p.m.), and Amanda Hubik participated in the meeting remotely via Zoom.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Mayor Miller shared an update on Washington State Ferry restoration plan for service from Anacortes to Sydney B.C. is extended until 2030 due to personnel shortfalls and vessel retirements. He announced that at the March 13, 2023 City Council meeting, Washinton State Ferries Director of Planning, Customer, and Government Relations, John Vezina, would present the restoration plan to the City Council. He continued by announcing that the city had completed the transaction for the purchase of Fire Station 3 on Molly Lane property that the city had been leasing over the past 12 years, adding that Finance Director, Steve Hoglund, would bring the financing plan before the Council in the near term. He added that the new Stormwater Inspector, Aaron Esterholt, had started work today and concluded by mentioning that the Army Corps of Engineers had recommended safe flood storage for Skagit River dams as part of the Federal Environmental Regulatory Commission 50-year permit.

Housing Affordability and Community Services Committee

Ms. Cleland-McGrath reported from the Housing Affordability and Community Services Committee meeting held the previous Thursday, March 2, 2023. The topics discussed included a discussion of the utility discount program to be more streamlined for ease of enrollment based on age, disability status, or income level. She added that the committee is continuing to discuss the finer details, including the number of individuals in the household and the impact of the program on the bottom line for the utilities. She acknowledged that there is a real need for relief for those at lower income levels due to recent rate increases, but that there must be a balance to account for system operating requirements and funding for future improvements.

Public Works Committee

Mr. Walters reported from the Public Works Committee meeting held earlier in the evening. The topics discussed included the chemical bid resolution included on tonight's agenda, the upcoming bid opening for the former Water Treatment Plant demolition on Wednesday March 8th that had been delayed one week due to bidders requesting more information from the city, the waterline replacement schedule and budget, trucks on M Avenue north of 12th Street moving too fast, and flashing crosswalk beacons on Oakes Avenue and A Avenue.

Mr. Walters added a thank you to Mike Pearl, who identified that the Fidalgo Flats building had not been added to the Skagit County Assessor property tax database. He reported that the Skagit County Assessor has recently assessed the value of the new building and will issue a revised tax statement.

Planning Committee

Mayor Miller announced that the Planning Committee did not meet as scheduled.

Public Comment

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

Mary LaFleur of Anacortes who owns Bounty Marine addressed the situation on T Avenue, relating that she had spoken with Mayor Miller about the issues on several occasions and had noticed the police and fire

departments working to address the situation. She asked what was the holdup on Council action regarding the area. She expressed exasperation with the situation, reporting that diesel fuel is being stolen from her trucks, recalling that she had never had to lock her boat before, which she had stored in Anacortes since 1987. She continued by reporting that many of her clients are calling her to complain about the situation with people camping on T Avenue and that they want something done about it. She pointed out that special interest groups control the town and comprise a small percentage of the people. She called on the Council to act, asserting that people are tired of getting robbed, and that trash and other items belonging to unhoused people are obstructing the roadway.

Markay Neumann of Anacortes commented on the situation on T Avenue, pointing out that there are new tents that are blocking the green area and trash everywhere and expressed embarrassment for Anacortes. She mentioned a two-step process used by Coronado, California that includes contacting the unhoused and offering assistive services, which if not accepted are followed by expulsion from the city via code enforcement. She wondered if more ordinances were necessary to adequately deal with the situation, or whether there are codes and the city is not enforcing them.

Pat Gardner of Anacortes remarked about the personal property items surrounding vehicles that are parked long-term on the street, asserting that it is a health hazard. She asked if cameras could be used to determine where the illegal drugs are coming from. She realized that the police were short-staffed, but that something needed to be done.

Mike Pearl of Anacortes thanked the Council for Assessor Hagen's presentation last week and to Mr. Walters for contacting the assessor's office to ask about the tax assessment for the Fidalgo Flats building. He addressed the volume of the system in the Council Chambers, saying that this is the first time in a while that he was able to hear the proceedings clearly and that the low quality of the system discourages people from coming in and listening. He objected to continuing with the bonus height ordinance, remarking that it was a mistake to let the moratorium expire, saying that five-story buildings should not be allowed between Commercial Avenue and M Avenue, proposing that the issue should be voted on by the public. He concluded by pointing out that there is a speeding problem on O Avenue and suggested that the portable flashing speed limit sign would be helpful in deterring motorists from speeding.

Consent Agenda

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

a. Minutes of February 27, 2023

b. Approval of claims in the amount of \$541,983.28

The following vouchers/checks were approved for payment:

EFT numbers: 105666 through 105711, total \$294,286.73

Check numbers: 105219 through 105228, total \$240,706.75

Wire transfer numbers: 105406 through 105725, total \$6,989.80

c. Street Fair Event - Open Streets

d. Contract Award: 2023 Chevrolet Silverado 1500 W/T Purchase for Parks Department #23-046-ERR-002

e. Contract Award: Banking Services #22-193-FIN-002

Public Hearings

WA State Commerce Community Development Block Grant (CDBG) - COVID-19 (CV) Grant Close Out

Planning Manager, Libby Grage, opened the public hearing for the Washington State Department of Commerce Community Development Block Grant (CDBG) - COVID-19 (CV) Grant Close Out. She detailed the grant amount of \$24,968 received from the Washington State Department of Commerce, of which \$8,073 was

allocated to the Anacortes Housing Authority, who used the funds to aid three families negatively impacted by the pandemic to pay rent for three months and \$16,895 allocated to the Anacortes Senior Activity Center to fund remote learning equipment and exercise activities to help seniors stay active. Ms. Grage introduced Senior Activity Center Administrator, Karl Wolfswinkel, who spoke about the center's activities and the hybrid technology project that included \$14,000 of remote meeting technology funded by the CDBG COVID-19 grant, referring to a presentation that was included in the packet materials for the meeting.

Mayor Miller invited the public to comment on the agenda item. No one present wished to address the Council on the agenda item. At 6:27pm, Mayor Miller closed the public hearing.

Mr. Young expressed his appreciation for the work done at the Senior Center. Ms. Moulton echoed Mr. Young's sentiment. Mr. Walters mentioned the additional \$8,000 allocated to the Anacortes Housing Authority was incredibly valuable for the families who needed it, and that it was made possible through the relationships formed between the Council and community service organizations.

RYAN WALTERS moved, seconded by CHRISTINE CLELAND-MCGRATH, to approve the close out of grant activities as they have been accomplished as outlined in the scope of work. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Ordinance 4042: Amending the Development Regulations contained in Anacortes Municipal Code Title 19, Unified Development Code, Section 19.42.050, Bonus Height Incentives in the R4, C and CBD Use Zones.

Planning Manager, Libby Grage, opened the public hearing for Ordinance 4042: Amending the Development Regulations contained in Anacortes Municipal Code Title 19, Unified Development Code, Section 19.42.050, Bonus Height Incentives in the R4, C and CBD Use Zones. She detailed the amendments proposed by Councilmember Walters that included an increase in the percentage of units required to be 600 square feet or smaller and allowing for indoor open space and balconies to account for 100 percent of the open space required. She added that the small unit requirement is currently 25 percent and staff recommends not exceeding 30 percent. She mentioned that one written public comment was received and was added to the packet materials for the meeting. Mr. Walters pointed out that numerous public comments were received prior to opening the public comment period and wondered why the staff recommended 30 percent of units 600 square feet or smaller to exercise the bonus height option. Ms. Grage responded that she was filling in for Planning Community and Economic Development Director, Don Measamer, on short notice and that she was not aware of the basis for the recommendation. Mr. Walters noted that Fidalgo Flats, the only building constructed in the R4 zone under the bonus height provisions, made 60 percent of their units 600 square feet or less. Mayor Miller reminded the public that the hearing is on the staff recommended 30 percent of small units and the open space provisions only.

Mayor Miller invited the public to comment on the agenda item.

Bradford Augustine, builder and owner of Fidalgo Flats, remarked that upon surveying 20 of the 25 tenants in the building that the 600 square-foot requirement restricts the space available to tenants, as many are unable to fit a dresser into their bedroom and store items without renting a separate storage locker. He advocated expanding it to 650 square feet, which he offered would be marginally more expensive than renting a storage space, to increase the utility of smaller units, and for keeping the roof space option open for use. He added that he contacted the Assessor's office the day they received their certificate of occupancy and was told that they missed the assessment window for 2023 and that he would not be reassessed until 2023 for 2024 taxes.

Pat Gardner of Anacortes commented that parking is an issue despite places being allocated for residents. She

posited that a standard family has two to three vehicles and that adequate space should be set aside for that number of vehicles.

Mike Pearl of Anacortes mentioned that the developer of Fidalgo Flats exceeded the 25 percent of units greater than 600 square feet to generate more income for the project and that Mr. Augustine's suggestion to increase the floorplan is designed to increase profits for the building owner. Mr. Pearl added that he considered the developer's reasoning for missing the property tax assessment as unlikely and that the building owners should pay their fair share of taxes to the city.

Ms. Cleland-McGrath expressed appreciation for public comments and that the feedback would be useful for further discussion with the Planning Department. As the person who suggested the additional 30-50 percent of small units, she commented that this range would be for the greater public and wondered how to make the regulations good for the community, as there are not enough 1-bedroom units in Anacortes. She offered that it could either be market rate or tied to area median income and monitored, though this is only currently applicable to the Anacortes Family Center. Mr. Young echoed Ms. Cleland-McGrath's comments and wondered how to move forward to codify regulations that benefit the entire community and strike a balance between being beneficial to the public while still incentivizing builders to construct needed housing. He expressed appreciation for Mr. Augustine's comments about additional storage space and that the Council should consider this suggestion, noting that Mr. Augustine did not bring forth an objection to the proposed range of small units to qualify for the bonus height provision and that at least 30 percent would be in line with Council goals. Mayor Miller appreciated the comments and wondered how the city would legally comply with the notification requirements for 600 versus 650 square feet, and stated that the Council is not ready to take action on this now. Mr. McDougall expressed support for 30-50 percent of units being smaller in size, citing the need in Western Washington for greater inventory of smaller units. He expressed skepticism about the expanded space to 650 square feet, mentioning that there are many smaller units in urban areas, and suggested consulting an architect to understand the tradeoffs. Ms. Hubik expressed support for a 40-50 percent range of smaller units and pointed out that there could be many creative ways to use space for storage and that smaller places are important for young people starting out or victims of domestic violence who do not necessarily have or need storage space that individuals who are downsizing might have, and that these factors should be considered. Ms. Moulton agreed that there are many creative ways to use 600 square feet and was not convinced that 650 square feet is the correct number, citing the example of a couple she met who lived comfortably in a 450-square foot unit.

She expressed support for keeping the qualifying small unit size at 600 feet at a range of 30-50 percent of units, adding that she was uncertain about having rooftop decks not being an option for developers. Ms. Grage clarified that the proposed code language does not prevent a developer from having a rooftop deck, but allows for all open space requirements to be accounted for in balconies or internal common areas. Ms. Cleland-McGrath asked what the current allowance for rooftop decks was. Ms. Grage responded that it was fifty percent. She asked about indoor storage space counting toward open space requirements. Ms. Grage responded that it does not. Mr. Walters brought up the Anacortes Family Center rooftop deck as a principal reason for the proposed change to the open space requirement, pointing out that the current code does not require a rooftop deck, but that it is one way of satisfying the requirement and highly likely if the building footprint covers the majority of the surface area of the lot, whereas the proposed change allows for developers to account for all open space through balconies and internal common areas and removes the effective requirement to have a rooftop deck. He then pointed out that 50 percent is the right level for small units, pointing to the comments of Mr. Augustine, who built to 60 percent and voiced support for 50 percent, and the unsupported staff recommendation of 30 percent in light of market need. He expressed openness to considering the change from 600 square feet to 650 square feet with appropriate analysis, but that this would require further public comment and could not be enacted prior to the expiration of the moratorium, adding that this question could be considered at a later date. He advocated that the bonus height restriction be geographically restricted to east of O Avenue. He concluded that it would be a mistake to allow the moratorium to expire, allowing for five-story buildings on M Avenue, but that the proposed changes would be of benefit.

Mayor Miller polled the Council for a ratio of small units: Mr. Carter-50; Mr. Walters-50; Mr. Young-preferred 30, ok with 50; Ms. Moulton-50; Ms. Cleland-McGrath-50; Mr. McDougall-50; Ms. Hubik-50.

Mr. Walters added that the total open space requirement is reduced by 50 percent and the remaining 50 percent can be entirely satisfied by indoor open space or balconies. Ms. Cleland-McGrath pointed out that the Anacortes Family Center and Anacortes Housing Authority have additional open space on adjacent properties, and expressed discomfort with having less open space for individual developments without the adjacent open space. Ms. Moulton posited that she is not convinced about cutting the open space in half, especially with small units where outside space would be important. Mr. Young agreed with Ms. Moulton and Ms. Cleland-McGrath. Mr. Walters offered that the surrounding shops, services and parks around large buildings are the amenity and added that the code has had the effect of reducing supply and raising prices, whereas the proposed changes leave open space to market forces and strongly advocated for the open space language as proposed. Ms. Moulton asked what the current open space requirements are versus what they would be if we had fifty percent small units. Ms. Grace responded that it is 100 square feet for a studio or 1 bedroom and 150 square feet for 2 or more bedrooms.

Ms. Cleland-McGrath offered that continued discussion would be better at the Planning Committee level and added that short-term rentals are not allowed in the R4 zone, though they are currently allowed in the commercial business district and marine mixed use zones, positing that if the goal is to have effective bonus height provisions, then this issue must be addressed soon. Mr. McDougall expressed support for the ordinance language as presented but is open to more discussion about square footage requirements and expressed support for Ms. Cleland-McGrath about short-term rentals. Mr. Carter had seen 600 square feet be adequate, but was open to seeing 650 square feet, and agreed with Mr. Walters on the open space requirements. Ms. Moulton expressed concern about postponing action unnecessarily and asked if the 600 versus 650 square foot question would require additional public comment. Ms. Grace confirmed that this would require additional public comment. Mr. Walters clarified that he did not advocate resolving this issue in the current ordinance, but would be amenable to resolving it at a later date. Mayor Miller summarized that the ordinance would be brought back before the Council to reflect 50 percent of small units and further discussion of open space in AMC 19.42.50.C.

Other Business

Resolution 3113: Supporting Proposition 1 - Public Safety Staffing

City Attorney, Darcy Swetnam, provided an introductory statement stating that the resolution allows the Council to support Proposition 1 as delineated in a slide presentation that was added to the packet materials for the meeting, specifying that parties for and against the proposed measure would be given equal time to comment.

Fire Chief, Bill Harris, and Police Chief, Dave Floyd, presented supporting data for Proposition 1, referring to a slide presentation that was added to the packet materials for the meeting.

Connie Miller of Anacortes wondered why the additional staffing costs cannot be covered by the normal city budget. Chief Floyd responded that the Council must balance priorities for public safety staffing with other areas, and without the additional funding, resources would need to be taken from other city services. Chief Harris added that the budget margins are narrow and would require cuts to other areas popular with the public, including parks and forest lands. Ms. Miller asked if Proposition 1 passes, would the money be earmarked for public safety purposes? Mayor Miller responded that this would happen.

Mr. Walters announced that the chiefs' presentation would be available to the public on the website and would provide the public with important data about the current constraints to fire and police service capacity. He added that he feels a duty as an elected official to adequately fund public safety and that the specific language for 8 firefighters and 5 police officers is specifically stated in the proposition and supporting resolution. He

cited past examples of ballot initiatives, including affordable housing sales tax and the transportation district as examples of the Council fulfilling its promises. Mr. Young offered that he is not tax averse, but only favors taxes for those things that are necessary for community needs, including challenges associated with the unhoused community and increased numbers of calls related to behavioral or mental health. He expressed disagreement with some of the state mandates, positing that some elements are associated with events in other communities. He asked if the social work or mental health component would be associated with the new hires funded by the proposition. Chief Floyd mentioned that the agreement with the Anacortes Family Center has allowed the police to make progress in this area, though there are no social workers that would be willing to enter into a potentially volatile situation without an officer on scene to ensure the safety of those involved. He added that Anacortes has unique geographical challenges where manpower resources from neighboring jurisdictions cannot be easily shifted, as they are short-staffed and have officers that do not have general authority under state law. Mr. Young acknowledged the manpower issues and that he was bringing to light the increased requirement for individuals with social and mental health competencies. Mr. McDougall mentioned that the departments have been running hot over the last several years and expressed support for the proposition, positing that additional staff would be a force multiplier and increase safety for all involved. Ms. Hubik asked if there are mandated time off requirements after an overtime shift? Chief Harris responded that for fire a 12-hour break is required after a 72-hour shift. Chief Floyd added that for police, the union contract governs, and in an emergency situation, officers can be placed on 12-hour shifts for seven consecutive days, otherwise they will be paid overtime for going beyond a normal shift. Ms. Moulton mentioned that there is a longstanding need for additional staffing, that departmental training efforts go above and beyond what is required, and that additional staff will allow that practice to continue for the benefit of the whole community. Ms. Cleland-McGrath reiterated that this funding would only be for staffing, mentioning that the recent acquisition of Fire Station 3 obviated the need for additional capital funding. She added that the relative distance from other jurisdictions, accentuates the need for additional staffing on Fidalgo Island and to avoid running personnel beyond their effective limits. She asked if medical calls beyond the city limits are funded by Skagit County. Chief Harris responded that after 2019, emergency medical services are covered under an interlocal agreement with Skagit County.

Kathy Pittis of Anacortes, who chairs the committee supporting Proposition 1, asked for the community's 'yes' vote on Proposition 1. She cited examples of service gaps including 275 times there were no firefighter medics available to respond to calls, 899 times when only two firefighter medics were available to respond to calls, 911 calls to police have increased in the last ten years with no corresponding staff increases reducing law enforcement from attending to other areas by 30 percent. The proposition calls for 8 firefighter medics and 5 police officers. She asked for the community to stand for firefighters and police.

Mayor Miller offered the opportunity for someone opposed to the measure to comment. No one present or online offered comment in opposition.

ANTHONY YOUNG moved, seconded by JEREMY CARTER, to adopt Resolution 3113 supporting Proposition 1 on the April 25, 2023 special election ballot to authorize a one-time levy lid lift to provide funding for public safety staffing. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Contract Award: 2023 Waterline Replacements #23-039-WTR-001

Public Works Director, Henry Hash, introduced the 2023 Waterline Replacements contract #23-039-WTR-001, mentioning that the low bid for this contract came back at \$980,000 under the engineering estimate of \$999,000 for Kingsway.

RYAN WALTERS moved, seconded by Amanda Hubik, to approve contract #23-039-WTR-001 2023

Waterline Replacements. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result:

Resolution 3112: Waiving the State Competitive Bidding Requirements for the Purchase of iSimulate REALITi Plus Patient Simulators

Fire Chief, Bill Harris, introduced Resolution 3112: Waiving the State Competitive Bidding Requirements for the Purchase of iSimulate REALITi Plus Patient Simulators, citing that there are no other systems that integrate with the existing architecture. Mr. Walters asked what the existing investment in cardiac monitors was. Chief Harris responded that it is \$35,000 for the monitor and that there would be an additional \$10,000 versus \$35,000 for a new one. Ms. Moulton asked how many simulators would be purchased. Chief Harris responded that one would be purchased.

BRUCE MCDOUGALL moved, seconded by ANTHONY YOUNG, to approve Resolution 3112 as presented. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Resolution 3115: Waiving the Competitive Bidding Requirements for the Purchase of Public Safety Cameras for the Tommy Thompson Trail

Parks and Recreation Director, Jonn Lunsford, introduced Resolution 3115: Waiving the Competitive Bidding Requirements for the Purchase of Public Safety Cameras for the Tommy Thompson Trail. He updated the funding for the project, which included \$250,000 in collective donations from Transpac Marinas, Strandberg Construction, Culbertson Marine, the Miller Charitable Trust, Marathon Refinery, HollyFrontier Puget Sound Refining, Samish Indian Nation, Anacortes Noon Kiwanis Foundation, Anacortes Rotary Club, and Skagit County Commissioners. He added that the contractors donated over \$60,000 in equipment use, time, and materials at cost, which would allow for two camera units to be placed on the trestle, which will be electrically powered. Chief Floyd added that the primary reason for the sole source resolution is the interoperability with the existing Security Lines US system, citing the upgrades mentioned in the estimate as a new product line that the manufacturer has recently produced and would upgrade the existing city system at no cost. Mr. Lunsford added that the purchase price and system installation would be entirely funded by donors.

Mr. Walters expressed support for having appropriate cameras at high risk locations, but expressed skepticism about the vendor. He remarked that these cameras will be posted on a transportation and recreation facility, and asked that policies be developed to prevent system misuse. Ms. Hubik asked that the line item for the discount be reviewed, as it looked like a separate line item. Ms. Moulton asked how the cameras could be protected from vandalism. Mr. Lunsford responded that the systems would be placed on poles 30 feet and 25 feet in height and encased in metal. Mayor Miller reminded the public that there is still not a suspect for the arson event back in August 2022.

ANTHONY YOUNG moved, seconded by BRUCE MCDOUGALL, to approve Resolution 3115 authorizing purchase of two public safety camera systems from Security Lines US for use by the City of Anacortes on the Tommy Thompson Trail and waiving the competitive bidding requirement due to a single source of supply.

Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Resolution 3114: Rejecting all bids for bid #23-066-IDS-001: Treatment Plant Chemical - Sodium Hypochlorite.

Public Works Director, Henry Hash, introduced Resolution 3114: Rejecting all bids for bid #23-066-IDS-001: Treatment Plant Chemical - Sodium Hypochlorite. He mentioned that there is an existing contract through

August 2023 and that the contractor had sent a letter requesting adjustments to the contract. He reported that the public works department decided to go out to bid to test the market, and the responding bids came back greater than the existing price, and thus the city chose to reject all bids. He concluded by announcing that the city will go out to bid for this chemical closer to the current contract expiration in August 2023.

RYAN WALTERS moved, seconded by AMANDA HUBIK, to approve Resolution 3114 as presented. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Adjournment

There being no further business, at approximately 8:35 p.m. the Anacortes City Council meeting of March 6, 2023 was adjourned.