

Anacortes City Council Minutes - April 22, 2024

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of April 22, 2024 at 6:00 p.m. Councilmembers TJ Fantini, Ryan Walters, Anthony Young, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall, and Amanda Hubik were present.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Executive Session

Potential litigation per RCW 42.30.110(1)(i) (30 minutes)

Mayor Miller announced that City Council and the City Attorney would convene in Executive Session per RCW 42.30.110 (i) for approximately 30 minutes to discuss potential litigation or litigation. The mayor advised that the regular meeting would then reconvene with no final action having been taken. Councilmembers TJ Fantini, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall and Amanda Hubik attended the executive session.

Mayor Miller reconvened the Anacortes City Council meeting at 6:56 p.m.

Announcements and Committee Reports

Mayor Miller announced the Arbor Day Tree Planting at 10am on Friday, April 26th at the 28th Street Playground, the Washington Park restroom ribbon cutting at 2pm, and thanked city staff and community members for their efforts in the Spring Cleanup Day and Earth Day street fair and parades. He then announced that the Skagit County Solid Waste Governance Board voted to recommend a rate increase to cover the cost of the new county contract with Waste Management, and reminded the public that ballots are due April 23rd for Proposition 1, the Skagit County Emergency Medical Services levy. Mayor Miller then announced that the Anacortes downtown arch would be reinstalled on Wednesday and that the City had recently published a [press release](#) regarding the proposed Habitat for Humanity project.

Arbor Day Proclamation

Mayor Miller read the Arbor Day Proclamation, proclaiming April 26, 2024, as Arbor Day in Anacortes.

Housing Affordability and Community Services Committee

Mr. Walters reported from the Housing Affordability and Community Services Committee meeting. The topics discussed included a revised potential site plan for the proposed Habitat for Humanity project on West 5th Street, announcing that the committee has agreed to reduce the number of cottages to three, increase the parking to unit ration to 2 parking spaces per unit, and that there are existing storm water deficiencies in the area that could require capital improvements. He concluded that the proposed project would be discussed at the regular meeting of the City Council on May 6th, and should the Council agree to move forward with the project, there could also be a pre-application neighborhood meeting where the public and Councilmembers could discuss the project with the developer.

Planning Committee

Ms. Moulton reported from the Planning Committee meeting held earlier in the evening. The topics discussed included RVs parked in industrial zones in areas not approved for habitation and the proposed Habitat for Humanity project on West 5th Street.

Fiber Committee

Mr. McDougall reported from the Fiber Committee meeting held April 18th. The topics discussed included subscriber count and market share, the Federal Communications Commission broadband consumer label

requirement, an update on the ongoing construction of the remaining service areas, and revisiting potential future service areas along the State Route 20 corridor in the 2025 budget planning process.

Public Comment

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

Public comment was given as follows:

Susan Guterbock of Anacortes addressed the proposed Habitat for Humanity project on West 5th Street, expressing support for the project and pointing out that multi-family affordable housing is present in communities large and small throughout the country, Habitat for Humanity project residents are good neighbors, undergo a thorough screening process, and families must secure their own mortgage loans that give them a stake in ownership.

Becky Mifflin of Anacortes addressed the Habitat for Humanity project. She asked how 8 on-site parking spaces could be accommodated when considering refuse receptacles and families that might have larger vehicles. She also pointed out that increased vehicle access from the alleyway on to Kansas Avenue poses an increased safety risk due to limited sight lines and the speed of traffic on Kansas Avenue. She asked the Council to authorize construction of two units, instead of the proposed five.

Xuhua Mu of Anacortes commented on affordable housing and transportation, citing that it is neither safe nor practical to ride bicycles as a primary means of transportation in dark and wet conditions. She continued by asking that the Council and city provide public education on the substantial changes made to development regulations from 2014-2019, the de-commoditization of the residential housing market and corresponding reduction in supply of affordable housing, the impact of development regulation changes on city infrastructure, the definition of affordable housing, and how Anacortes infrastructure would support increased density associated with an additional 3,000 housing units.

Linnea McCord of Anacortes commented on the links between the [World Economic Forum](#) and United Nations through the [International Council for Local Environmental Initiatives \(ICLEI\) - Local Governments for Sustainability](#) on addressing climate change through affordable housing. She then mentioned the Global Partnership for Local Investment between the World Economic Forum and United Nations-Habitat for advancing the 2030 Sustainable Development and New Urban Agenda. She then pointed out that certain CEOs of major corporations and investment firms that are involved in the World Economic Forum and mentioned that this group directly funds Habitat for Humanity through impact investment funds. She then commented that the CEO of Habitat for Humanity recently held a panel that addressed how to overcome community resistance to affordable housing, concluding that Habitat for Humanity is working to ensure that personal asset and property ownership will cease to exist.

Linda Martin of Anacortes commented on the proposed Habitat for Humanity project on West 5th Street, pointing out that the project puts the Council in a difficult position in trying to provide affordable housing and listen to the concerns of the community. She recommended that the project be put on hold to allow the Council to consider community impacts and find a way forward, review the cottage housing ordinance adopted in 2019 and possibly make cottage developments a conditional use process, and that the City Attorney review the proposed lease to ensure that it is not an illegal gift of public funds.

Kellee List of Anacortes commented on the proposed Habitat for Humanity project on West 5th Street, expressing support for Ms. Martin's suggested actions. She asked that the Council include garages and driveways so that the development fits into the neighborhood and that rules or covenants, conditions, and restrictions be included in the lease, suggesting that these measures would be in the interest of assisting the

development's residents better integrate with the existing neighborhood. She asked how the city would manage the property, and cautioned against rushing to complete this project, thereby negatively affecting other future affordable housing projects in the community.

Libby Lewis of Anacortes commented on the proposed Habitat for Humanity project on West 5th Street, expressing concern that the development is done right and in a quality manner so that it positively affects the residents of the development and the neighborhood, and encouraged adequate storage areas for vehicles and toys. She asked that the Council consider the overall idea of maintaining the sense of community that is characteristic of Anacortes, carefully consider the long-term effects of the development on the surrounding neighbors, and consult with the existing neighbors to ensure the highest quality of life for development residents and neighbors alike.

John Lewis of Anacortes asked about the notification standard for zoning changes to properties and neighborhoods, whether the city approached Habitat for Humanity or otherwise regarding the project, and whether Habitat for Humanity or the City proposed 5 units. He then expressed disagreement with the scope of the project and pointed out that other current Skagit County Habitat for Humanity projects are single-level single-family units with garages. He asked about the proposed Anacortes project and its compliance with Americans with Disabilities Act for access to the planned upper story, and if consideration had been given to developing another property within city limits that is owned by the Port of Anacortes, suggesting the downtown dog park as a viable alternative.

Consent Agenda

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

a. Minutes of April 15, 2024

b. Approval of claims in the amount of \$1,102,556.22

The following vouchers/checks were approved for payment:

EFT numbers: 109177 through 109224, total \$1,020,049.80

Check numbers: 109225 through 109242, total \$66,206.67

Wire transfer numbers: 345470 through 345924, total \$34,431.93

c. Special Event Application: Veterans Day Parade

d. Contract Award: Cargo Van for Parks and Recreation Department #24-134-ERR-001

e. Contract Award: Safe Streets and Roads for All (SS4A) Comprehensive Safety Action Plan #24-093-TRN-001

Other Business

Request for Easement Relinquishment

City Attorney Darcy Swetnam presented the Cartwheel LLC request for the city to relinquish a utility easement on their property on parcel P31955, referring to a presentation that was added to the packet materials for the meeting. She outlined the options for the Council to declare the easement surplus and grant the relinquishment request, deny the request, or request additional information.

Discussion topics included:

- Ownership of the property.
- Location of the property.
- Location of development on the parcel.
- Does the easement continue through the property to the west?

- Easements extending 30th Street.
- Utility access for neighboring properties if they are developed without the easement.
- Transportation and water plans.

TJ FANTINI moved, seconded by AMANDA HUBIK, to relinquish the 25-foot waterline easement across Skagit County parcel P31955.

Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL, AMANDA HUBIK, TJ FANTINI. Nays - None. Result: Passed

Anacortes Museum Update

Museum Director Bret Lunsford presented an update on the Anacortes Museum current operations and future plans, referring to a presentation that was added to the packet materials for the meeting.

Discussion topics included:

- Carnegie Building storage and workshop.
- Importance of the museum to the community.
- Work of the museum with the schools.

2024 First Quarter Finance Update

Finance Director Steve Hoglund presented the 2024 First Quarter Finance Department update, referring to a slide presentation that was included in the packet materials for the meeting.

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

Discussion topics included:

- Reasons for the drop in real estate excise tax revenue.
- Real estate excise tax rates.
- Reasons for the reduction in lodging tax revenue.
- Delay in getting lodging tax to the City.

Ordinance 4077: 1st Quarter Budget Amendment

Finance Director Steve Hoglund introduced Ordinance 4077, detailing the affected programs that necessitated amending the 2024 budget, including Police Department training, including a Stormwater grant from the Department of Ecology, the donation of funds for Fire Department tools and equipment that were not procured in 2023, and reallocating salaries and benefits for personnel reorganization at the Museum.

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

Discussion topics included:

- Donations rather than rollover for Fire Department tools and equipment.
- Museum budget adjustment.

CAROLYN MOULTON moved, seconded by BRUCE MCDUGALL, to approve Ordinance 4077 authorizing the first quarter budget amendment.

Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL, AMANDA HUBIK, TJ FANTINI. Nays - None. Result: Passed

Contract Award – Wastewater Treatment Plant (WWTP) Outfall Relocation - Permitting & Monitoring Services #20-032-SEW-014

Public Works Director Andrew Rheume introduced contract #20-032-SEW-014 for the Wastewater Treatment Plant (WWTP) Outfall Relocation permitting and monitoring services with Widener and Associates, pointing out that the contract is reimbursable by the Federal Emergency Management Agency (FEMA).

Discussion topics included:

- Why two separate contracts for permitting, monitoring, and construction management?
- Archaeological monitoring.
- Period of performance through 2027.
- Depth of scope of work.
- Delay of the project if the contract is not approved at this meeting.

Contract Award: WWTP Outfall Relocation – Construction Management #20-032-SEW-015

Public Works Director Andrew Rheume introduced contract #20-032-SEW-014 for the Wastewater Treatment Plant (WWTP) Outfall Relocation construction management with HDR Engineering, Inc. The contract amount is based on a 400-day construction period, which is based on a worst-case scenario. This contract also reallocates funding from a previous contract with HDR to satisfy new FEMA rules for the competitive process in consultant selection.

Discussion topics included:

- Responsibility and liability for the overall project and with respect to possible damage to neighboring properties.
- Length of liability coverage post-construction.

CAROLYN MOULTON moved, seconded by BRUCE MCDUGALL, to authorize the mayor to sign contract #20-032-SEW-015 with HDR Engineering.

Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL, AMANDA HUBIK, TJ FANTINI. Nays - None. Result: Passed

Contract Award - Wastewater Treatment Plant (WWTP) Administration Building Addition - Design #24-139-SEW-001

Public Works Director Andrew Rheume, City Engineer Logan Lee, and Wastewater Treatment Plant Manager Brian Walker introduced contract #24-139-SEW-001 for the Wastewater Treatment Plant administration building addition design with Zervas Group Architects.

Discussion topics included:

- Total planned area of the project.
- Inclusion in the Capital Facilities Plan.
- Inclusion of re-roofing in the overall project.
- Bathrooms were installed in the incinerator building.
- Satisfying the administrative needs of the facility.

- Immediate need or not.
- Seismic considerations.
- Washington State credits for remodeling.
- Design options.
- Local architect versus a Bellingham firm.
- Expected cost of project and timing of construction.

BRUCE MCDOUGALL moved, seconded by AMANDA HUBIK, to authorize the mayor to sign contract #24-139-SEW-001 with Zervas Group Architects.

Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK, TJ FANTINI. Nays - CHRISTINE CLELAND-MCGRATH. Result: Passed

Adjournment

There being no further business, at approximately 9:05 p.m. the Anacortes City Council meeting of April 22, 2024 was adjourned.