

Anacortes City Council Minutes - May 6, 2024

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of May 6, 2024 at 6:00 p.m. Councilmembers TJ Fantini, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton, and Amanda Hubik were present. Councilmember Bruce McDougall participated in the meeting remotely via Zoom. Councilmember Anthony Young was absent.

Mr. Fantini moved, seconded by Ms. Hubik, to excuse the absence of Mr. Young. The motion carried unanimously by voice vote.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Mayor Miller announced that item 7.g. would be removed from the agenda and brought back before the Council next week. He then announced that Military Spouse Appreciation Day is Friday, May 10th, Mother's Day is Sunday, May 12th, and the *A-Town* magazine will be mailed out this week. He thanked the Parks Department and Downtown Anacortes Alliance for leading the downtown arch re-installation effort and those involved with spinach eradication on R Avenue. He then announced that there would be a meeting on May 7th at 6:30 pm at the Anacortes Senior Activity Center to discuss the Sharpes Corner development and that the Skagit County Board of Commissioners would host a meeting on May 21st at 8:30am to discuss solid waste tipping fees. He concluded by announcing that the Anacortes Boat and Yacht Show is looking for volunteers from May 16th - 18th.

Finance Committee

Mr. McDougall and Ms. Cleland-McGrath reported from the Finance Committee meeting held April 25th and May 2nd. The topics discussed included lower building activity over the last 15–16 months leading to lower sales tax and permitting revenues, the shift to cottage and ADU development, real estate sales and cost data, and a survey of 2025 budget priorities in advance of the upcoming Mayor-City Council budget retreat.

Housing Affordability and Community Services Committee

Ms. Moulton and Ms. Cleland-McGrath reported from the Housing Affordability and Community Services Committee meeting held May 2nd. The topics discussed included the proposed Habitat for Humanity development on West 5th Street, planning for the May 9th meeting with the State Senate Committee on Land Use, Government and Tribal Relations, a request from a local developer to increase the size of a small unit 600 square feet to 650 square feet to qualify for the height bonus, the Stormwater Master Plan, the multifamily tax exemption, and the upcoming public meeting for development of City-owned land at Sharpes Corner.

Public Works Committee

Mr. Walters reported from the Public Works Committee meeting held earlier in the evening. The topics discussed included traffic safety and parking issues and how they are processed by the Council, and stormwater issues associated with the proposed Habitat for Humanity development on West 5th Street.

North Star Housing Work Group

Mr. Walters reported from the North Star Housing Work Group held on April 29th, including allowing mixed-use development outright in commercially zoned transit-served corridors, by right permitting in residential zones, and reduction in parking requirements for affordable housing and transit-served corridors.

Lodging Tax Advisory Committee

Mr. Walters reported from the Lodging Tax Advisory Committee meeting held April 23rd. The topics discussed included an application from the Chamber of Commerce requesting funding for a temporary event space that would be addressed later on the agenda.

Mr. Fantini expressed support for changing parking and traffic issues coming before the full Council and for the prioritization of certain areas for curb, sidewalk and gutter improvements. He then reported on his recent visit to the Wastewater Treatment Plant.

Anacortes Arts Commission Appointment

Mayor Miller introduced the proposed appointment of Kami Bratten to the Anacortes Arts Commission, replacing Diane Marr for the remainder of her term through December 31, 2025.

Mr. Walters moved, seconded by Ms. Hubik, to appoint Kami Bratten to the Anacortes Arts Commission, replacing Diane Marr (resignation submitted April 2024) for the remainder of her term through December 31, 2025. The motion carried unanimously by voice vote.

Public Comment

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

Public comment was given as follows:

Mary LaFleur of Anacortes commented on recent City Council activities, asserting that some Councilmembers are working against the mayor instead of beside him. She suggested that the City Council is out of balance and out of touch with public sentiment, citing recent examples of the Safeway roundabout, the Anacortes Cinema lease, short-term rental regulations, and the proposed event center. She then addressed the Council's effort to provide low-income housing for the community as negatively affecting the quality of life for Anacortes residents because of overpopulation.

Suzanne Rohner of Anacortes addressed the United Nations (UN) influence on life in Anacortes, asserting that the UN seeks to be a "one-world government" that is looking for a crisis, and that the basic elements of the UN Charter are incompatible with the United States form of government. She added that the UN seeks to disarm Americans, meddle its member states' domestic affairs, and that every Secretary General was either a communist or socialist. Mr. Walters raised a point of order that the topic is not germane to the business of the City of Anacortes. Mayor Miller allowed Ms. Rohner has 30 seconds of additional commentary. Ms. Rohner continued that Mr. Walters' recent comments regarding the UN is the reason she was speaking before the Council and continued that Article 25 of the UN Charter violates US sovereignty and that the UN controls the US military.

Alan Hanson of Anacortes addressed property tax increases and the impact on local rents. He cited examples of recent tax levies, the legislative priority of raising the annual property tax increase cap from one to three percent, and potential future bonds for city projects. He asserted that Anacortes has lost its small-town character with the recent addition of several five-story buildings and that many in the community do not like the direction the city is headed. He asked how many additional levy raises would come in the future and how the city infrastructure could handle projected population growth. He pointed out that collectively the tax increases are compelling landlords to raise rents to maintain profitability. He then asserted that the expectation that new businesses will help pay for future projects is misguided and will only contribute to a cycle of increased taxes and rents, suggesting that the city develop and follow a comprehensive future development plan.

Consent Agenda

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

- a. Minutes of April 22, 2024
- b. Approval of claims in the amount of \$1,376,749.87
The following vouchers/checks were approved for payment:
EFT numbers: 109247 through 109308, total \$1,033,425.20
Check numbers: 109246 through 109333, total \$305,477.29
Wire transfer numbers: 345849 through 346671, total \$37,847.38
- c. Resolution 3150: Setting the Date for a Public Hearing for the Vacation of Right of Way
- d. Contract Award: Two Police Patrol Chevrolet Tahoes #24-137-ERR-001
- e. Contract Amendment: Dark Fiber Lease #20-172-FBR-001 with the City of Mount Vernon

Public Hearings

Public Hearing for Amendment to the Community Development Block Grant (CDBG) 2023-2027 Consolidated Plan

Mayor Miller opened the public hearing to amend the Community Development Block Grant (CDBG) 2023-2027 Consolidated Plan. He then introduced Planning, Community, and Economic Development Coordinator Stephanie Snyder, who presented the proposed amendments to the 5-year plan of offering expanded opportunities for those with disabilities and updating funding resources from prior years in the amount \$51,468.

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

Mayor Miller announced that the public hearing would be continued until the Council's next regular meeting on May 13, 2024.

Public Hearing on Setting Water Use Efficiency Goal for 2024-2030

Mayor Miller opened the public hearing on Setting Water Use Efficiency Goal for 2024-2030. Public Works Director Andrew Rheume then introduced Water System Manager Brian McDaniel, who detailed the past result of the water use efficiency goal set in 2016 and presented the updated goal for 2024-2030, 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.

Alan Hanson of Anacortes asked if there was an update on the presence of microplastics and how the addition of 4,000-5,000 people would affect the achievement of the conservation goal.

Mr. McDaniel responded that there is information on microplastics present in drinking water within the annual consumer confidence report and that growth projections are included in the formula for the water conservation goal.

At 6:51 pm, Mayor Miller closed the public hearing.

Discussion topics included:

- Qualification for the water rebate.

- Number of rebates processed under the last goal.
- Public outreach and information on water conservation measures.
- Excellent return on investment.
- Unaccounted water loss rate
- Appliance rebate quantity limits.

AMANDA HUBIK moved, seconded by TJ FANTINI, to adopt the Water Efficiency Goal for 2024-2030.
Vote: Ayes - RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL, AMANDA HUBIK, TJ FANTINI. Nays - None. Result: Passed

Other Business

Habitat for Humanity Lease of City-Owned property on West 5th Street

Mayor Miller introduced Skagit Habitat for Humanity Executive Director Tina Tate, who presented an overview of the organization's activities related to affordable housing in Skagit County and the proposed West 5th Street development in Anacortes, referring to a slide presentation that was added to the packet materials for the meeting. Mr. Walters pointed out that the objective of the conversation is to listen to public feedback and then determine what next steps are for the Council.

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

Rose Mallon of Anacortes expressed support for leasing city land to create affordable housing. She added that all proposed development residents, initial and follow-on, are subject to stringent specifications and that Habitat for Humanity is a worthy partner for the project. She acknowledged the concerns of area neighbors, and added that the entire community would benefit from this and other similar initiatives. She encouraged the Council to persevere and expressed hope that a compromise could be reached that addressed the concerns of all parties.

Tom Sweeney of Anacortes commented that he supports Habitat for Humanity, but that there are better locations within the city for the project. He continued, by pointing out that the proposed area does not have sidewalks and asserted that the surface water source is a creek rather than stormwater runoff, that street parking on West 5th Street is inadequate, there is limited recreation area for children, and that the alleyway is part of someone's property. He asked if there had been surveys accomplished on the property and expressed disbelief that it could accommodate three homes.

Xuhua Mu of Anacortes expressed support for Habitat for Humanity projects in general, citing her past experience in supporting past projects in another community, thanked Mayor Miller for the April 22nd press release on the proposed project, pointed out an apparent disparity in the measurement of the proposed lot area, and the impact of the development on the safety of pedestrians, cyclists, and first responders. She then suggested that the Council review the 2019 cottage housing ordinance and that this proposed project and others like it be subject to the conditional use permitting process. She pointed out that no one knows the area better than the local neighbors, and that the conditional use process would build trust with the local community by treating them as equal partners in project development and design.

Vicki Stasch of Anacortes expressed support for the proposed project, citing past experience with other Habitat for Humanity projects and welcoming them to the Anacortes community. She added that she helped Habitat for Humanity develop its strategic plan, which calls for the construction of multifamily homes and that Habitat can help address the affordable housing issue. She also stressed that the vetting process helps to ensure the residents are financially able to meet their obligations and effective integration with the surrounding neighborhood. She mentioned that project residents would live or work in Anacortes, put in 500 hours of work on constructing their home, and that this program provides stability for families. She acknowledged neighborhood concerns and

advocated for a collaborative effort, expressing hope that the issues could be resolved and the project would move forward.

Pat Barrett of Anacortes expressed support for the project while acknowledging the concerns of the surrounding neighbors, and encouraged that the Council listen to their concerns, especially reducing the number of units from five to three. He emphasized that affordable housing is key to the health of local small businesses, and that the community must give something to provide affordable housing to those who are living and working in the community.

George Salatka of Anacortes asked if Habitat for Humanity has additional property in Anacortes and suggested that the city assist in providing access to the additional property to facilitate its development for affordable housing. He expressed hesitancy about having more children and vehicles in the area, adding that the alleyway is too small for parking, the development will encroach on wildlife habitat, and possibly be untenable due to flooding and drainage issues. He asked that an alternate site be considered for development of affordable housing.

Tarn Ohana of Anacortes asserted that the community is struggling due to the cost of housing and that multi-generational families are being broken apart, pointing out that some hospital employees reside in hospital-owned housing in order to be able to live and work in the community. He added that five housing units is acceptable and that cutting the number to three reduces the opportunity to families in need, and paving part of the lot to accommodate parking is unnecessary, asserting that the street is adequate to accommodate two lanes of parking and emergency medical service vehicles. He concluded that the project is a moral imperative and that the cost of development is not high for the community.

Mike Wenger of Anacortes expressed appreciation for reducing the number of planned units from 5 to 3, and asked that the city look into having the parking and refuse receptacles be placed on the street side of the property. He also asked that the surface and / or stormwater drainage issues be addressed, and that the preservation of wildlife habitat and trees be maintained to the maximum extent possible.

Discussion topics included:

- Reduction in planned units from 5 to 3.
- Stormwater improvements and associated costs.
- Property tax assessment and resident payment responsibility.
- Specific requirements for vetting potential residents.
- Follow up or monitoring of resident eligibility.
- Sidewalk and curb and alleyway improvements to number of homes for project viability.
- Public street and alleyway improvement requirements.
- Wetland mitigation requirements.
- Pre-application conference required for a reduced number of units
- Formal visit by city staff to the site.
- Local preference as a requirement rather than an option.
- Alternative site plan(s).
- Housing affordability.
- Public outreach and participation in the process.
- Down payment for residents that goes into an escrow account.
- Typical monthly payment for current Habitat for Humanity residents.

Contract Modification: Lead and Copper Rule Support and Gap Analysis #22-285-WTR-001

Public Works Director Andrew Rheame introduced the proposed modification to contract #22-285-WTR-001 with HDR Engineering, Inc. for lead and copper rule support and gap analysis, citing the requirement for the rule that includes verifying the absence of lead in pipes leading from the city water meter to the resident's home.

TJ FANTINI moved, seconded by BRUCE MCDOUGALL, to authorize the mayor to sign the contract modification #22-285-WTR-001 with HDR Engineering Inc.

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

Contract Award: 2024 Sanitary Sewer Line Rehabilitation #24-099-SEW-001

Public Works Director Andrew Rheame introduced proposed contract #24-099-SEW-001 for 2024 Sanitary Sewer Line Rehabilitation with Iron Horse LLC.

Discussion topics included:

- Annual frequency of rehabilitation.
- Level of I&I

AMANDA HUBIK moved, seconded by CAROLYN MOULTON, to authorize the mayor to sign contract #24-099-SEW-001 with Iron Horse LLC.

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

Contract Award: Replacement Chevrolet Tahoe for Police K9 Unit #24-138-ERR-001

Police Chief Dave Floyd introduced proposed contract #24-138-ERR-001 for a replacement Chevrolet Tahoe for the Police K9 unit from Bud Clary Chevrolet, Inc., detailing the current mechanical problems with the in-service unit and that this purchase is available due to another agency choosing not to purchase a vehicle. Public Works Director Andrew Rheame

Discussion topics included:

- Timing of purchase, delivery, and required modifications.
- The vehicle can serve any canine service animal.

AMANDA HUBIK moved, seconded by TJ FANTINI, to authorize the mayor to sign contract #24-138-ERR-001 with Bud Clary Chevrolet, Inc.

Vote: Ayes - RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, 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 Rheame re-introduced proposed contract #20-032-SEW-014 for Wastewater Treatment Plant (WWTP) Outfall Relocation permitting and monitoring services with Widener and Associates. He addressed Council questions from the April 22nd meeting about choice of contractor, marine mammal monitoring requirements, and public outreach elements of the contract.

Discussion topics included:

- Funding source.
- Building internal capacity for managing the overall project.

- An archaeologist is included in the services.

TJ FANTINI moved, seconded by AMANDA HUBIK, to authorize the mayor to sign contract #20-032-SEW-014 with Widener and Associates.

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

Resolution 3154: Lodging Tax Funding for Bier on the Pier Event

Planning, Community, and Economic Development Coordinator Stephanie Snyder introduced Resolution 3154 that would provide \$27,000 of Lodging Tax Advisory Committee funds to the Chamber of Commerce for the Bier on the Pier festival for use in procuring a temporary tent for the event to be held on October 4-5, 2024. Mr. Walters added that the committee unanimously supported funding the request, though the constraint on the amount is due to lodging tax funds being the likely funding source for a planned event center, and that the quote for the tent is one that is larger than the tent that will actually be used in the event. A corrected quote was not included in the packet in the interest of expediting the funding for the event.

CHRISTINE CLELAND-MCGRATH moved, seconded by AMANDA HUBIK, to approve allocation of up to \$27,000 of 2024 lodging tax funds to the Chamber of Commerce for the Bier on the Pier tent.

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

Adjournment

There being no further business, at approximately 8:37 p.m. the Anacortes City Council meeting of May 6, 2024 was adjourned.