

Anacortes City Council Minutes - July 22, 2024

Call to Order

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

Ms. Moulton moved, seconded by Mr. Hubik, to excuse the absence of Mr. McDougall. 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 there will be no City Council meeting on July 29th, that the Guemes Island Ferry parking lot will be closed from July 30th - July 31st for landscaping maintenance, and the Department of Ecology awarded the Wastewater Treatment Plant with the 2023 Wastewater Treatment Plant outstanding performance award.

Housing Affordability and Community Services and Planning Committee

Mr. Walters reported from the Housing Affordability and Community Services Committee meeting held last week and the Planning Committee held earlier in the evening. The principal topic discussed included reviewing the list of measures in the Housing Action Plan to put forward to the full Council for inclusion in the Comprehensive Plan update.

Economic Development Committee

Mr. Young reported from the Economic Development Committee meeting held July 16th. The topics discussed included a review and finalization of the agreement with the Western Washington University Economic Development Center and the key questions the committee would seek to answer related to economic development in Anacortes.

Library Committee

Mr. Fantini reported from the Library Committee meeting held last week. The topics discussed included the summer reading program in partnership with the Anacortes School District, adult programming, teen area renovation progress, the Skagit Library Consortium agreement to achieve a shared catalog system, and upcoming community events.

4th of July Parade Awards

Mayor Miller and Sylvia Cooper announced the winners and runners-up for the best float and marching group for the 4th of July parade. Mayor Miller presented each group with a certificate commemorating their achievement.

Public Comment

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

Public comment was given as follows:

Pat Gardner of Anacortes asked about zoning and noise levels in the vicinity of the port and commented on the potential effect of the MJB development on eastward views, and the lack of family indoor activities in the winter months.

Steve Anderson of Anacortes commented on the Anacortes Community Forest Lands, asking when a bridge replacement would be complete and the status of the earthen dam on Whistle Lake.

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 July 15, 2022

b. Approval of claims in the amount of \$952,287.56

The following vouchers/checks were approved for payment:

EFT numbers: 109932 through 109970, total \$611,577.09

Check numbers: 109971 through 109997, total \$325,990.58

Wire transfer numbers: 350914 through 351337, total \$14,719.89

c. Resolution 3159: Setting the Date for a Public Hearing for the Vacation of Right of Way

Public Hearings

2025 Comprehensive Plan Update Docket

Planning, Community, and Economic Development Director John Coleman introduced the 2025 Comprehensive Plan update docket, providing a high-level recap of the July 15th Council work session. He then introduced Resolution 3161, explaining that Attachment B contains all proposed amendments and that Attachment A would contain those items that are docketed for further study and consideration.

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

Public comment was given as follows:

Rick Eggerth of Bellingham, the co-chair of the Mount Baker Group of the Sierra Club, expressed support for the Evergreen Islands' July 5th letter regarding the March Point refineries, addressing the uncertain future of the facilities and asking what capacity the operating companies would have to clean up and compensate for polluting events. He mentioned legislation that other jurisdictions in the Puget Sound region have enacted to regulate new petroleum industry activities and establish an improved environmental review and public permitting process for existing operations. He urged the Council to adopt the Comprehensive Plan amendments described in the Evergreen Islands letter.

Kathleen Lorence Flanagan of Anacortes commented on the petition process for docketing of items and the overwhelming amount of information included in the agenda packet for the meeting. She asked about the staff recommendation process for Comprehensive Plan update petitions. She mentioned that making development regulation changes for specific developers is a very slippery slope and asked that the criteria for staff determination be included in all petitions. She finally asked where the MJB permit application process stood.

Robert Miller of Anacortes commented on potential development on the MJB property, remarking that the permit approval process has been lengthy. He expressed concern that properties in that area could become unaffordable as time goes on, particularly for those residents who would like to downsize and stay in Anacortes. He then asked for clarification regarding the status of the MJB development process.

Marlene Finley of Anacortes and president of Evergreen Islands addressed two points of emphasis from the organization's submission to the Council for the Comprehensive Plan update, pointing out that Skagit County conducts the permitting for development on March Point, though being that the area lies within the Anacortes urban growth area, the county follows city zoning and Comprehensive Plan, so it is important that the Council should proactively enact development regulations and Comprehensive Plan elements that have specific

expectations and processes. She asserted that the March Point area is more vulnerable compared to the other regional facilities that have adopted more protective development code. Ms. Finley then pointed out that there are significant community concerns regarding the MJB property development, including obstruction of views, limiting waterfront access and environmental impacts. She asked that the Council carefully consider any proposals for the area.

Pat Gardner of Anacortes remarked that the traffic on R Avenue and Q Avenue will intensify significantly with the development of the MJB property.

Tom Glade of Anacortes and a member of Evergreen Islands commented on potential oil refinery shutdowns and the effects on the local economy and environment as society transitions away from fossil fuels. He encouraged the Council to consider this when planning for the future of March Point.

Brian Wetcher of Anacortes urged the Council to carefully consider the comments that Evergreen Islands submitted for the Comprehensive Plan review. He then addressed March Point, citing that the current Fidalgo Bay-wide plan should guide future development and regulations due to the overlapping jurisdiction of Skagit County and Anacortes. He suggested that the petroleum industry is on the way out of Anacortes and that the Council should proactively seek future economic opportunities for the site, including green hydrogen.

Jimmy Blais of Kirkland, representing MJB Properties, thanked the Council for considering the docketing requests. He pointed out that the requested changes to the development regulations would affect all similarly zoned properties across the city and that the changes represent a cleanup of the code that was supposed to occur two years after the revised development regulations went into effect. He suggested that the requested changes would enable sensible development.

Erik Bowman of Anacortes reminded the Council that he requested that indoor recreation be a permitted use in the LM-1 zone and asked that his proposal be included on the docket.

Christopher Collins of Signal Hill Family Limited Partnership and Scott Cameron of Land Advisors outlined the request to include the 132-acre Scimitar Ranch site comprised of 21 parcels in the urban growth area. Mr. Collins mentioned that he had submitted answers to questions from Mr. Fantini and Mr. Young regarding open space and trail connectivity.

At 6:56 pm, Mayor Miller closed the public hearing.

Comprehensive Plan Amendment Proposals

Submitted items cataloged in Attachment B of draft Resolution 3161 Establishing a Docket for the 2025 Anacortes Comprehensive Plan and Development Regulations Periodic Update

Items A-1 - A-10 (Councilmember Walters)

RYAN WALTERS moved to include Comprehensive Plan Amendment proposals A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, and A-10. There were no objections from the Council.

Item B-1 (Scimitar Ranch Urban Growth Area (UGA) Expansion - Signal Hill Family Limited Partnership)

- Discussion topics included:
 - Urban growth area expansion process and timelines.
 - Cost and staff time associated with the proposal.
 - Sewer plan update.
 - Discussion of this area and others in front of the full Council and community.

- Exclude unless the city needs additional land to realize urban growth.
- The cost of infrastructure is paid for by the developer.
- How to accomplish density within city limits.
- Development would bring additional revenue for the city.
- The council would determine how to zone the property.
- Skagit County could have flexibility with the city regarding July 1, 2025 deadline for submission in the Comprehensive Plan and studying individual parcels..
- Next consideration of UGA expansion would be 2035.
- Priority for new housing should be in-fill within current city limits
- Uncertainty about zoning and use of Sharpes Corner property.
- Criteria for staff recommendation.
- Staff capacity for considering the proposal.
- UGA expansion criteria include emergency services, utilities, transportation.
- Development of western parcels versus eastern parcels.
- Consider east parcels P20014, P20013, P19979 due to favorable topography.
- Focus discussion on what can accommodate urban growth.
- Open the entire area to public discussion.
- Ability to accommodate single home 1-acre lots.
- No vetting of proposals at the committee level.

ANTHONY YOUNG moved, seconded by TJ FANTINI, to include the entire area specified in Comprehensive Plan Amendment proposal B-1.

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

RYAN WALTERS moved, seconded by AMANDA HUBIK, to include Comprehensive Plan Amendment proposal B-1, but limited to eastern parcels P20014, P20013, and P19979.

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

Items B-2 (Fidalgo Park & Recreation), B-3 - B-5 (Port of Anacortes)

RYAN WALTERS moved, seconded by CAROLYN MOULTON to include Comprehensive Plan Amendment proposals B-2, B-3, B-4, and B-5. The motion carried unanimously by voice vote.

Development Regulation Proposals

Submitted items cataloged in Attachment B of draft Resolution 3161 Establishing a Docket for the 2025 Anacortes Comprehensive Plan and Development Regulations Periodic Update

Items A-1 - A-10 (Councilmember Walters)

Discussion topics included:

- Code revisions in A-8, A-9 and A-10 will be accomplished via ordinance that will come before the Council outside the docketing process.
- Shoreline Master Program Update (Item A-3) in progress.
- Tree preservation (Item A-7) re-write a major undertaking.

RYAN WALTERS moved to exclude A-8, A-9, and A-10. There were no objections from the Council.

RYAN WALTERS moved to exclude development regulation proposal item A-3 and defer A-7. There were no objections from the Council.

RYAN WALTERS moved, seconded by CAROLYN MOULTON to include development regulation proposal items A-1, A-2, A-4, A-5, A-6. The motion carried unanimously by voice vote.

Items B-6a.-h. (MJB Properties)

Discussion topics included:

- Open space and landscaping.
- Workforce housing in the industrial zone.
- Industrial zone definition, purpose, and conservation.
- Possibly including certain parcels east of R Avenue in the R-4 zone.
- The permitting process.
- Equity in zoning for protection from undesirable effects of industrial activities.
- Timing of zoning discussions and decisions.
- Urban renewal area.

CHRISTINE CLELAND-MCGRATH moved, seconded by TJ FANTINI to include B-6a. - B-6h.

RYAN WALTERS moved, seconded by CAROLYN MOULTON to amend the motion to exclude "workforce housing" from item B-6a., and include development regulation proposal items B-6a.-h. Vote: Ayes - TJ FANTINI, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, AMANDA HUBIK. Nays - None. Result: Passed

Item B-7 (Erik Bowman)

Mayor Miller asked the Council for objections to include Item B-7 (Indoor recreation uses in the LM1 zone). There were no objections from the Council.

Items B-8 - B-18 (Ian Munce)

Discussion topics included:

- Findings of fact for cottage housing.
- Wastewater treatment plant capacity.
- Critical Areas Ordinance.

CAROLYN MOULTON moved, seconded by AMANDA HUBIK, to exclude development regulation proposal items B-8 - B-18.

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

Items B-19a. - f. (Bill Turner)

Discussion topics included:

- None of the proposals are development regulations.

RYAN WALTERS moved, seconded by AMANDA HUBIK, to exclude development regulation proposals

B-19a. - f.

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

Other Business

Request to Modify Cinema Lease

City Attorney Darcy Swetnam detailed the requested change to paragraph 18 of the ground lease between the City of Anacortes and Radius Anacortes Properties LLC. She then introduced Nancy Saunders, Managing Member of Radius Anacortes Properties LLC, who presented the request to the Council.

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

Public comment was delivered as follows:

John Prosser of Anacortes spoke in support of the amendment in order to facilitate the sale of the building.

Discussion topics included:

- Debt taken on to construct the building was approximately \$1 million.
- Heritage Construction assigned the lease to Radius Anacortes Properties LLC in 2001. Radius was part of Heritage Construction.
- Current debt on the building - \$300,000.
- Clarify the requested change in lease language.
- How does the language guarantee the security of the sub lessee?
- Potential buyers.
- History of lease change proposals and negotiations with the arts group.
- Determining the success or failure of a business.
- The city owns land underneath the building.
- November 2022 memo from Mr. Walters regarding negotiations with the arts group.

Mr. Walters called the question.

RYAN WALTERS moved, seconded by CHRISTINE CLELAND-MCGRATH, to enter into an executive session to discuss matters pertaining to potential litigation and real estate acquisition under RCW 42.30.110.

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

Mr. Fantini raised a point of order. Mayor Miller denied the point of order.

At 9:10 pm, Mayor Miller announced that the Council would enter into executive session for approximately 15 minutes to discuss litigation or potential litigation under RCW 42.30.110.

At 9:25 pm, Mayor Miller reconvened the meeting with the Council having taken no action in the executive session.

RYAN WALTERS moved, seconded by TJ FANTINI, to postpone consideration of this agenda item for two weeks.

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

Anacortes City Council Minutes - July 22, 2024

Agreed Order with Department of Ecology on A Avenue Landfill Site

City Attorney Darcy Swetnam presented the agreed order with the Department of Ecology, which provides the road map for how the City will evaluate and take any necessary cleanup action for the A Avenue landfill site under the Model Toxics Control Act. She reported that staff recommend approval of the agreed order. She then introduced Julia Fitts of Anchor QEA who outlined the process under the proposed agreed order and recounted the public process that led up to the current negotiated agreement.

Discussion topics included:

- Will contract modification cover the agreed order? - Covers remedial investigation work plan through April 2025.
- Health of solid waste fund.

ANTHONY YOUNG moved, seconded by RYAN WALTERS, to authorize the mayor to sign the agreed order with the Department of Ecology for the A Avenue Landfill Site.

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

Contract Modification: Anchor QEA - Master Services Agreement #21-024-LEG-001

City Attorney Darcy Swetnam presented the proposed modification with Anchor QEA to contract #21-024-LEG-001, expressing appreciation for the vendor's maintenance of key relationships with the Department of Ecology on the A Avenue Landfill site and the Water Treatment Plant cleanup projects, adding that staff recommends approval.

Discussion topics included:

- Scope of contract includes both A Avenue Landfill and Water Treatment Plant projects.

CAROLYN MOULTON moved, seconded by TJ FANTINI, to authorize the mayor to sign modification to contract #21-024-LEG-001 with Anchor QEA.

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

Interlocal Agreement #25-001-AFD-001 with Skagit County and Providers for the Provision of Emergency Medical Services

Fire Chief Bill Harris introduced the interlocal agreement #25-001-AFD-001 with Skagit County and Providers for the provision of emergency medical services, referring to a slide presentation that was added to the packet materials for the meeting.

Discussion topics included:

- The payment schedule was not available to the council at the time of the levy.

TJ FANTINI moved, seconded by AMANDA HUBIK, to authorize the mayor to execute interlocal agreement #25-001-AFD-001 with Skagit County and Providers.

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

Contract Modification: R Avenue Long-Term Improvement Project #20-127-TRN-004

Public Works Director Andrew Rheume introduced the proposed modification to contract #20-127-TRN-004 - R Avenue Long-Term Improvement Project with SRV Construction.

CAROLYN MOULTON moved, seconded by ANTHONY YOUNG, to authorize the mayor to sign modification to contract #20-127-TRN-004 with SRV Construction.

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

Ordinance 4083: Amending Anacortes Municipal Code Chapter 10.12 and 10.18

Public Works Director Andrew Rheume re-introduced Ordinance 4083: Amending Anacortes Municipal Code Chapter 10.12 and 10.18, 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.

AMANDA HUBIK moved, seconded by RYAN WALTERS, to approve Ordinance 4083 as presented.

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

Noise Variance WWTP Outfall Relocation

Public Works Director Andrew Rheume introduced a noise variance for the wastewater treatment plant outfall relocation project, outlining the reasons for the variance and that the city will control whether work is done outside of normal working hours. He explained that the sinking of the outfall pipe is scheduled to occur during a neap tide in August, and gives the city and contractor additional flexibility to deal with unexpected complications to the pipe's deployment in the Guemes Channel.

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

Discussion topics included:

- Action by resolution
- Announcement for affected neighborhoods.

RYAN WALTERS moved, seconded by AMANDA HUBIK, that immediate compliance with the city's noise limitations cannot be achieved because of special circumstances rendering immediate compliance unreasonable in light of economic or physical factors, and thus authorizing intertidal dredging, excavation, pipe submerging and back-filling activities on the Wastewater Treatment Plant Outfall project as required from 10pm-7am from August 1 through August 28, 2024.

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

Contract Award: 2024 Asphalt Overlay Project #24-174-TRN-001

Public Works Director Andrew Rheume introduced proposed contract #24-174-TRN-001 with Lakeside Industries, Inc. to perform the 2024 Asphalt Overlay Project.

Discussion topics included:

- Asphalt overlay, not chip seal or slurry.

RYAN WALTERS moved, seconded by AMANDA HUBIK, to authorize the mayor to sign contract #24-174-TRN-001 with Lakeside Industries.

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

Adjournment

There being no further business, at approximately 9:52 p.m. the Anacortes City Council meeting of July 22, 2024, was adjourned.