

City Council Minutes – June 11, 2018

At 6:00 p.m. Mayor Laurie Gere called to order the regular Anacortes City Council meeting of June 11, 2018. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Liz Lovelett, Bruce McDougall and Matt Miller were present. The assembly joined in the Pledge of Allegiance.

Port of Anacortes Commissioners Ken Goodwin, Jon Petrich, Joe Verdoes, John Pope and Katherine Pittis and Port of Anacortes Executive Director Dan Worra joined the City Council for this joint meeting.

Public Comment

Bill Mitchell, 807 27th Street, described his design for a display structure for the Morrison Mill jitney and requested incorporating into that structure some of the saved brick from the demolition of the Morrison Mill smokestack in 2001. Mr. Mitchell called this a worthy project and a tribute to the town's lumber mill history; he urged completing the project.

Nick Stowe, 1514 14th Street, co-owner of Bike Spot at 210 Commercial Avenue, said that the Port of Anacortes had recently presented the four businesses in the 200 Block of Commercial Avenue with new lease agreements that were unreasonable and disrespectful to the business owners. Mr. Stowe said that the lease terms, which allow no maintenance of the Olson Building, devalue the tenant businesses in the building. He added that none of the businesses had signed the lease. Mr. Stowe noted the Port's focus on a new event center and the Cap Sante basin and said the Port is not paying attention to north Commercial. He warned that the focus on the marina district would draw people away from downtown.

Nick Rennis, 814 6th Street, co-owner of The Business at 216 Commercial Avenue, added to Mr. Stowe's comments and said he hoped that the 200 Block of Commercial Avenue would be discussed under the Open Forum section of the agenda later in the evening as a topic of mutual interest. Mr. Rennis encouraged a good resolution for everyone. He questioned whether asserting a right to no maintenance responsibilities in a historic, iconic building was good stewardship. Mr. Rennis said that downtown businesses and waterfront businesses are of equal value to the town and as port tenants. He questioned allowing the Port to destroy the downtown before abandoning it for the new waterfront destinations.

Norm Havercroft, owner of Marine Documentation Service at 212 Commercial Avenue for over 20 years, spoke of his love for the Olson Building and his work to restore his space there. Mr. Havercroft questioned why the Port hired an engineering firm with no experience of historic buildings to assess the building after purchasing it. He said it was time for the Port to get some help. Mr. Havercroft asked the city to encourage the Port to seek help to find out what can be done with an old building like the Olson Building. He said the Washington Trust for Historic Preservation had reached out to the Port but that offer had not been accepted. Mr. Havercroft urged preserving the historic architecture in old town, which is still functional and viable.

Jacques Moitoret, 1109 4th Street, expressed concern about rumored plans of redevelopment of the 200 Block of Commercial Avenue. Mr. Moitoret read from his written remarks, asking if there are cases in which public domain supersedes private property. He cited Seattle landmarks such as the Space Needle and Pioneer Square and asked if private owners would be allowed to demolish or refuse grants to repair those structures. Mr. Moitoret said the 200 Block is integral to the living character of Anacortes and that its current tenant businesses are living cultural assets. He said no one has the right to tear down that row of buildings. He urged the Port to be content to do as it pleases with the empty 4/5 of the block but to keep the monumental maple tree at the eastern edge.

Diana Foss, 810 38th Street, owner of Classic Upholstery at 220 Commercial Avenue for 40 years, said she would love to sign a lease for her property but would not sign the lease presented by the Port. Ms. Foss said the tenant businesses were afraid they would not survive if they had to move, which costs time and money. She said the lease said all of the promises made by the Port in the past were non-binding. She said the lease would not allow the tenants to make any improvements but that the Port also would not make any improvements. She said the lease allowed the Port to ask tenants to vacate with only three day's notice if it thinks the structure is worsening or failing. Ms. Foss described the Sunday cruise ship history tour of the 200 Block and asked where the cruise ship would start its tour if the 200 Block wasn't there.

Patti Pattee, 1302 6th Street, owner of Watermark Book Company on Commercial Avenue for 28 years, urged the city to help the Port find a way to keep the 200 Block businesses in town and in that block. Ms. Pattee called the block an anchor for the town. She said the past several months of uncertainty had caused the businesses emotional and financial stress and said no one can run a business on a month to month lease. Ms. Pattee said whatever happens to these businesses will affect other downtown merchants. She asked the city to help find a way to rescue these businesses and these buildings. She called brick and mortar workers ambassadors in town. She said she hoped Anacortes did not want to tear down historical buildings and dislocate businesses.

Consent Agenda

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

- a. Minutes of June 4, 2018
- b. Approval of Claims in the amount of: \$654,130.39

The following vouchers/checks were approved for payment:

EFT numbers: 89454 through 89506, total \$423,792.12

Check numbers: 89451 through 89453 and 89507 through 89563, total \$229,022.55

Wire transfer numbers: 232828 through 233855, total \$3,409.11

OTHER BUSINESS

Anacortes Green Club Presentation

Anacortes High School Green Club officers Alli Schuh, 13864 Avon Allen Road, Saville Feist, 5052 Lake Erie Way, and Ellyson McFarland, 2320 37th Street, reported on the rain garden constructed by the students the prior Saturday beside the Samish Longhouse pre-school on D Avenue. Their slide presentation was added to the packet materials for the meeting. The students thanked the Samish Indian Nation and the many individuals, businesses, and mentors who donated time and energy to make the project possible. Ms. Schuh outlined upcoming Green Club projects to reduce waste generate by the high school food service.

City of Anacortes Capital Project Coordinator John Franz, 3408 G Avenue, explained that for the past several years the city had been allocating a portion of the public outreach and education expenditures required by its NPDES permit to Green Club educational and demonstration projects. Mr. Franz elaborated on the extensive classwork performed by the students prior to the field work to determine the rain garden design, interpret the state specs, and perform the modeling required to size and build the project. He praised the student accomplishments and said the partnership was providing real world career experience for students. Mr. Franz added that the high school Broadcast Club was preparing a video documenting the project and that the full list of donors would be recognized there. Mr. Franz also thanked the Samish Indian Nation which was integral to the project, noting that the city and the tribe had worked together to achieve spectacular improvements in stormwater quality locally.

SPECIAL JOINT MEETING WITH THE PORT OF ANACORTES COMMISSION

Joint Maritime Strategic Plan

Mayor Gere reminded that since 2016 the city, the port and the Economic Development Alliance of Skagit County (EDASC) have been collaborating to develop the draft Joint Maritime Strategic Plan, including interviewing more than 50 maritime businesses in Anacortes. She introduced Sean Connell, EDASC Director of Business Development and Global Competitiveness, who presented the draft strategy and asked for the thoughts, perspectives and ideas of both boards as the working group prepared to finalize and implement the plan. Mr. Connell's slides were added to the packet materials for the meeting. He first defined the maritime sector, then summarized the important and growing economic impact of maritime jobs in the state. He summarized Anacortes's competitive advantages in the maritime sector and the challenges faced by maritime businesses including the size of the skilled workforce, regulatory burdens and infrastructure and space limitations. Mr. Connell displayed the interview questions presented to the 50 businesses interviewed and to trade group meetings. He then reviewed the four major goals and associated action steps included in the plan, referring those present to the full draft plan for complete information and identification of lead agencies for each action step. Mr. Connell noted that the strategy was very timely given Governor Inslee's Washington Maritime Blue initiative to make Washington State home to the nation's most sustainable maritime industry by 2050.

Mayor Gere invited questions from the elected officials. Mr. Verdoes asked which obstacles to success were most commonly identified by interviewees. Mayor Gere and EDASC Executive Director John Sternlicht agreed that lack of infrastructure/space, regulatory overload, and workforce development were the most commonly cited challenges, affecting each business to different degrees. Mr. McDougall suggested that the next draft of the strategy document correlate those three challenges with the six maritime sectors listed in Appendix A. Mr. Pope suggested collecting statistics on retention of trained workers from Bellingham Tech and the Marine Technical Center. Ann Avery, director of the State Center for Excellence for Marine Manufacturing and Technology, described a new survey effort that would track marine trade students from four institutions to determine in which sectors and regions they were eventually employed. Ms. Lovelett asked if the Port could work with some of its larger tenants to develop workforce housing since affordable housing was key to retaining trained workers. Mr. Worra said that housing was not part of the Port's mission but that creating family wage jobs was. Several of the elected officials commented on the advantages a local fiber optic network would provide to the maritime sector. Mr. Johnson suggested a task force on maritime education to pool community resources to support workforce readiness. Mr. Miller commented that the CTE facilities at the new high school would also contributed to workforce development. Mr. Walters suggested that the draft strategy identify a single lead agency for each action item to ensure accountability. Mr. Adams commented on the similarities in training and jobs between the manufacturing and maritime sectors. Mr. Petrich asked if the plan could include actions to diversify the workforce to include both young men and women. He echoed Ms. Lovelett's comments on the need for affordable housing to retain workers. Mr. McDougall asked that a future draft of the strategy share the full SWOT to include both weaknesses and risks, noting that one threat is the high cost of living in Anacortes. Mr. Sternlicht noted that affordable housing was a regionwide concern. Mr. Verdoes commented on the need for more space for maritime businesses and said he was proud of the Port's efforts at environmental cleanup, resulting in more usable space and family wage jobs. He said boat ramps were also identified as a crucial need. Mayor Gere agreed that every interviewee mentioned the need for more and better boat ramps. Ms. Lovelett commented that three of the five businesses in the 200 Block of Commercial Avenue were maritime related and said the Port needed to commit to retaining and restoring that block.

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

Norm Havercroft cited the number of waterway access points in Seattle and King County and said Anacortes was way behind. He urged more boat ramp access in town.

Wim Houppermans, 3412 K Avenue, disagreed with the plan's call to complete the Guemes Channel Trail, stating that many do not support that trail. He said the trail would have a high ecological, financial and maintenance cost and no parking. He also disagreed with the plan's call to increase exports if that meant oil product exports which he called a direct threat to the fishing and tourist industries. He urged more careful, long term thought about the plan.

Mayor Gere said the working group would take the evening's comments and suggestions into account and also review the draft plan with the interviewed businesses to make sure their comments had been captured.

Ms. Lovelett commented on sustainability, noting that some industries are incompatible next to each other. She also urged that a future draft address environmental stewardship and preparing for climate change, giving several examples of topics that were ripe for environmental and economic win-win solutions.

Transit Shed and Cap Sante Marina Redevelopment Strategy

Mr. Worra presented the Port's redevelopment strategy for the Port Transit Shed and Cap Sante Marina, referring to his slide presentation which was included in the packet materials for the meeting. He explained that the strategy was based on the Port's 2008 comprehensive plan and subsequent CERB grant-funded work to develop a funding plan. Mr. Worra summarized the goals of the strategy to maximize the potential of limited industrial maritime waterfront and create family-wage jobs, provide event space as an economic development catalyst and community asset, create connectivity between downtown, Cap Sante Marina and the Depot, and enhance "place-making" efforts at Cap Sante Marina and the Depot. He then reviewed the opportunities and challenges to achieve those goals, described the desired features of the new event space based on public stakeholder meetings, and presented three schematic scenarios for locating a future hotel, future event center, future development and an RV park north and west of the Cap Sante Marina. Mr. Worra discussed the Port's preferred option, Scenario C, in more detail, noting the realigned haul route connecting Q and R Avenues. He then shared the Port's proposed implementation timeline for 2018-2022, beginning with development of an MOU or ILA with the city setting out a partnership between the two entities. Mr. Worra listed potential private and public funding sources and partners for each element of the plan. He quoted from the city's 2016 Comprehensive Plan and Depot Master Plan to indicate how the Port's strategy furthers goals of those plans and concluded by reiterating the Port's desire to partner with the city in the redevelopment effort.

Mayor Gere emphasized the need to connect the downtown central business district with the marina and invite shoreline visitors into downtown. Several councilmembers preferred Scenario C among the three options presented. Councilmembers questioned including an RV park near the waterfront and asked about including more small commercial business spaces in the plan. Port commissioners explained that the RV park would generate revenue to support other elements of the plan. Mr. Johnson asked about moving the W.T. Preston, possibly over the water, to free up valuable shorefront property. Ms. Lovelett noted that the updated Depot Master Plan had been put on hold pending completion of the Port's strategy and now needed to be completed and harmonized. She also reminded that the Anacortes Railway group did not appear to be contemplated in the Port's plan. Mr. McDougall observed that redevelopment of the Cap Sante basin and MJB properties would likely shift the economic center of gravity south and east of downtown; he asked to see more in the Port's plan about how the existing north end and CBD would be preserved. Mr. Verdoes emphasized that the Port had no plans to take down the Olson Building. Ms. Lovelett suggested a free shuttle, ebikes, bike rentals and other means of providing connectivity for residents and visitors. Mr. Adams asked for more detail about the vision for the hotel and event center, noting that at the conclusion of events at the Transit Shed attendees flood the downtown. He stressed the value of the 9th Street connection between the waterfront and downtown. Mr. Walters expressed his support for retaining the Olson Building and its street frontage as retail space; he asked the Port to let the city know what it could do to achieve that end. Mayor Gere agreed that the city wanted to help the Port make that vibrant retail block viable.

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

Steve Orsini, 4971 Guemes Island Road, emphasized the long time need for additional small boat ramp access. Mr. Orsini also cautioned that putting a hotel on the marine waterfront would be a terrible mistake as that would preclude port-related activities, including boat ramps. He said it would be preferable for event center attendees to stay at downtown hotels.

Bill Mitchell said he sort of agreed with Mr. Orsini and was concerned about the 60% occupancy rate of hotels nationwide. He suggested possibly locating the event center at the Quiet Cove marina. Mr. Mitchell called it a crime to tear down the Anacortes Junk Company building, suggested that the rope company didn't need to expand to the waterfront, and listed other underutilized laydown space in Anacortes.

Wim Houppermans said that economic development needed downtown shops to be open on Sundays and suggested that the city and port coordinate on that.

Carolyn Moulton, 1514 14th Street, co-owner of Bike Spot at 210 Commercial Avenue, said the Olson Building tenant businesses currently have a month to month lease with a 30-day notice provision and that they would like longer term leases but instead the new lease recently presented by the Port is month to month with a June 30 signature deadline, a clause saying the Port is no longer responsible for any maintenance, and a clause saying the Port can remove tenants with 3 days of notice. Ms. Moulton said those terms were unacceptable to all of the tenants and said it would be nice to work with the Port instead of being at odds with it.

Dan Baker, 1820 11th Street, observed that over the past 20 years Anacortes had been getting more and more exclusive. He said Anacortes needed two or three more public boat ramps with sufficient parking and said that would bring people from all over. Mr. Baker also noted that there is an RV park at the end of town and said that a shuttle bus service from there to downtown would be a good idea, then there wouldn't need to be an RV park in the marina. He liked the idea of increasing public access, and also of creating more inexpensive housing so retirees like him could afford to live in Anacortes and support its economy.

Peter Bolay, 15514 Poppleton Circle, Omaha, Nebraska, and part-time live aboard in Anacortes, noted the mural in the front of the Council chambers depicting a historic view of Guemes Channel and the earlier discussions about historic preservation. He said Omaha had preserved a huge downtown section from its railroad days which has been very important there. Mr. Bolay said Anacortes doesn't have many old buildings on Commercial Avenue and that historic preservation is part of the history of this and other towns. He said achieving affordable housing in Omaha had involved private funding. He concluded that preservation is important, wise development is important, and good business is simple: everyone benefits is the right way to go.

No one else in the audience wished to comment on this agenda item.

Ms. Lovelett revisited the retail spaces envisioned in the Port's plan and encouraged a Pike Place Market model with flexible 200-400 SF spaces as a fantastic investment in economic development. Mr. Godwin said the Port had done quite a bit of work on the plan including public hearings and now knew what it wanted to do, preferring Scenario C, but that it needed the city as a partner and asked City Council's timing. Mayor Gere advised that the Port's proposal would need to be discussed by Council at the committee level and at the Council level over the following month or two. Mr. Miller concurred, noting that to arrive at an MOU with the Port would require public hearings before the Council. Ms. Lovelett reminded that the Depot Master Plan update was still on hold pending completion of the Port's draft plan. Mayor Gere said she would report back to Council on the status of that update. Mr. Walters agreed that the two plans needed to harmonize and encouraged expedited review. Mr. Young urged pushing forward so progress could begin. Mr. Pope said the Port plan appeared to be compatible with the 2007 Depot Master Plan and urged moving forward with a common Depot/North Basin Plan. Port Commission Chair Verdoes thanked the city for the opportunity to meet and work together.

There being no further business, at approximately 8:35 p.m. the Anacortes City Council meeting of June 11, 2018 was adjourned.