

## POULSBO CITY COUNCIL MEETING OF OCTOBER 12, 2011

### MINUTES

**PRESENT:** Mayor Erickson, Berry-Maraist, Bauman, Henry, Lord, McGinty, Musgrove, Stern.  
Staff: Boltz, Kasiniak, Loveless, McCluskey and City Attorney Haney

#### MAJOR BUSINESS ITEMS

- \* \* \* Minutes of August 17, 2011 City Council Meeting
- \* \* \* Application for Special Event: Veterans 5k Fun Run
- \* \* \* 7:30 Public Hearing: Proposed Impact Fee Ordinances
- \* \* \* Set Public Hearing for Final Budget: November 9, 2011
- \* \* \* Purchase and Sale Agreement – Lord Property

#### 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 7:00 PM and led the Pledge of Allegiance.

#### 2. COMMENTS FROM CITIZENS

- a. Sheila Mengert, spoke regarding Occupy Kitsap and her inquiry to whether an Occupy Poulsbo could take place; requesting the Council adopt a resolution in support of Occupy Wall Street.
- b. Fred Springsteel, questioned the purpose of growth and the growth rate of Poulsbo, specifically with the Rose Project and Safeway.
- c. Tom Nordly encouraged support of the addition of the Lord property to Fish Park.

#### 3. MAYORS REPORT AND COUNCIL COMMENTS

- a. Councilmember Henry reminded everyone about the tree planting at Muriel Williams Iverson Park.
- b. Councilmember Lord questioned Mayor Erickson on the conversation with Sheila Mengert. Mayor Erickson stated she explained to Ms. Mengert the process and need for a special event application for any organized event, which would block street and/or impede traffic flow.

c. Mayor Erickson announced the Poulsbo Marathon on Sunday, October 16th; the 75th Anniversary of the Poulsbo Fire Department at City Hall and the Viking Avenue Community Meeting to be held Monday, October 17th - 5:30PM at City Hall.

d. Councilmember Berry-Maraist reported on the Puget Sound Partnership Meeting held at City Hall last week and the opportunity for the Mayor and herself to share challenges and successes in Poulsbo.

e. Councilmember Musgrove reported on the increased membership attendance at the Historic Downtown Poulsbo Association (HDPa) meeting and the downtown Trick or Treating Event.

#### 4. **CONSENT AGENDA**

Councilmember Stern requested his commendation of TEC Construction be included as part of Business Agenda Item 5-b, of the August 17, 2011 City Council Meeting.

**Motion:** Move to approve Consent Agenda item a, with modification. **Action:** Approve, **Moved by** Stern, **Seconded by** McGinty.

Motion passed unanimously with modifications

The items listed are:

a. Minutes of August 17, 2011 City Council Meeting

#### 5. **BUSINESS AGENDA**

##### a. **Application for Special Event: Veterans 5k Fun Run**

Parks and Recreation Director McCluskey reported the Veterans 5k Fun Run is a new event in the City. The event will be held on Saturday, November 12, 2011, beginning at Muriel Iverson Williams Park and ending at Sound Brewery.

Councilmember Berry-Maraist reported on the Community Services Committee review and recommendation of approval.

**Motion:** Move to approve the Special Event Request for the Veterans 5k Run on Saturday, November 12, 2011 as modified.

**Action:** Approve, **Moved by** Henry, **Seconded by** Lord. Motion passed unanimously.

##### b. **7:20 PM Public Hearing: Proposed Impact Fee Ordinances.**

Mayor Erickson opened the Public Hearing at 7:24PM

Karla Boughton, kb Consulting presented the two proposed impact fee ordinance intended to ensure future new growth continues to contribute its fair share for the cost of new public transportation and park facilities. The City has collected mitigation fees for transportation and park facilities through the authority of the State Environmental Policy Act (SEAP) for nearly 20 years. The proposed amendment would change the State authorized method of collection for one allowed under the Growth Management Act (GMA) authorized method. The primary reason for considering the change to the impact fee model is to implement policies in the recently adopted Comprehensive Plan; additionally there are benefits to the City and development community.

Boughton stated the proposed Impact Fee Ordinances packet has been posted on the City's website and approximately 50 full packets were mailed to local agencies, businesses and development representatives, and others who may be interested. A public open house was held on Thursday, September 8th at City Hall and the City Council Workshop on the proposed ordinances was held on September 28th. A memo had been distributed to the Council that responds to questions and comments offered by the City Council at the workshop. Proposed modifications based on comments received are provided in the memo as well.

i. Molly Lee, Poulsbo, questioned the need for the \$400,000 signal and channelization addition and emphasized the need for realistic property values of vacant land, which was assessed on the current depressed market.

ii. Fred Springsteel questioned the transportation impact fee for daily trips being decreased and the impact to new developments.

iii. Jan Wold, Poulsbo, commented on the proposed Park Impact Fees for Parks and Recreation should be increased and no development or dwelling should be vested in the approved park and transportation impact fees until the day the building is applied for and paid. The proposed fees lower the funding and amount of parks available per citizen while charging too little to new development for their fair share.

Councilmember Stern commended Karla Boughton on the presentation of information provided to the Council. Stern addressed the frequency of review every two years, the impact of staff time and recommended a six year review with a cost index addition.

Councilmember Berry-Maraist questioned the staggering of the park impact fees, the small increase since the fees have not been increased in nineteen years. Boughton explained the two year staggering was included to coincide with two year review process, and could be increased at that time if the Council chooses.

Councilmember Stern spoke in support of the increase without phasing.

Councilmember Musgrove questioned the possibility of review with the two year staggering period to determine if process is functioning properly; Boughton stated the Council may chose the review period, however recommended tying the review with the 6 year functional plan cycle, if a longer period is desired.

Councilmember McGinty questioned how a project would get vested at the time of permit application submittal. Boughton explained any project approved prior to the effective date of the ordinances would be under the previous mitigation fee model, projects approved after the effective date would fall under requirements of new ordinance.

City Attorney Haney explained there is no “vesting” with impact fees, the impact fees to be paid will be the fee which in effect at the time the fee becomes due, at the time of development approval or building permit approval; rather than the time of application submittal.

Councilmember Berry-Maraist explained the Homebuilders Association is supportive of the fees being charged later at the time of building permit approval.

Councilmember Lord asked Boughton to answer the questions addressed in the letter submitted by John and Molly Lee, specifically the land value; and questioned the use the Kitsap County Assessors values in a depressed economies. Boughton explained the Kitsap County Assessors Office is the most objective and readily available, and the amount between assessed value and market value is not too different.

Lord requested clarification on the signal and channelization improvement and who will pay the \$400,000. Assistant Public Works Director Kasiniak explained the new road at Finn Hill was included in the Transportation Plan in accordance with the PMC policy, of having two connections for every plat; and would provide improved neighborhood connectivity. Traffic models indicated a traffic signal will eventually be needed. The road will be built by developers in segments as a frontage road; the signal would be paid for by the City if it shows a city-wide benefit and would be candidate for grants.

Councilmember Berry-Maraist stated the Kitsap County Assessors Office assessed values generally lag compared to market value and questioned the impact to staff time to review the ordinance every two years, or another cycle time. Boughton stated originally the ordinances were drafted with a six year review cycle, in conjunction with the Transportation Functional plan update; however at the workshop Council felt six years was too long. The Engineering Department currently updates their transportation information annually; however Parks and Recreation Department would need work program item.

Councilmember Musgrove questioned whether market indicators such as Consumer Price Index or percentage of assessed value increase would trigger a review; City Attorney Haney stated that would be a legal method of indexing and review.

Mayor Erickson reiterated the need to review every two years.

Mayor Erickson closed the public hearing at 8:10PM.

Councilmembers Lord and Berry-Maraist spoke in support of a two-year review.

Councilmember Berry-Maraist and Bauman spoke in support of beginning with the \$1,195. Councilmember Lord spoke in favor of beginning at \$1,000.

**Motion:** Approve with modifications, Ordinance No. 2011-15 of the City of Poulsbo, adding a new Chapter 3.84 to the Poulsbo Municipal Code imposing park impact fees on new development; describing the method for calculation of the impact fees, credits against the fees, adjustments, appeals and refunds; and repealing Section 16.04.240(C) of the Poulsbo Municipal Code and SEPA regulations in order to make the same consistent with the imposition of park impact fees; providing for severability and establishing an effective date; modifications include changing review date from six-years to two-years, and clarification of interest rates for impact fee refunds.

**Action:** Approve, **Moved by** McGinty, **Seconded by** Bauman.

**Amended Motion:** Page 4- Park Impact fee to be paid by the new development shall be \$1,000 until November 1, 2013; and \$1,195 thereafter. **Moved by** Lord, **None seconded.**

Motion died for lack of second.

**Discussion on original motion:** Councilmember Lord questioned if the original motion includes beginning the fee at \$1,195; Mayor Erickson confirmed it does.

Motion carried unanimously.

**Motion:** Move to approve Ordinance No. 2011-16 of the City of Poulsbo, Washington of adding a new Chapter 3.86 to the Poulsbo Municipal Code imposing transportation impact fees on new development; describing the method for calculation of the impact fees, credits against the fees, adjustments, appeals and refunds; providing for severability and establishing an effective date. **Action:** Approve, **Moved by** McGinty, **Seconded by** Henry.

**Amended Motion:** Move to include clarification of the interest rates on impact fee refunds. **Action:** Approve, **Moved by** McGinty, **Seconded by** Henry.

**Discussion:** Councilmember Bauman questioned whether the six-year review is too long of a time period. Assistant Public Works Director explained the Traffic Impact fee ordinance has built in indexing in accordance with the construction cost index, and can adjusted as needed.

Councilmember Musgrove clarified the ability to adjust the index when needed; Kasiniak stated the index can be adjusted at any point however it would need to be approved by Council.

Motion and amended motion carried unanimously.

c.  **Set Public Hearing for Final Budget**

**Motion:** Move to set a Public Hearing for November 9, 2011 at 7:15 PM to allow the public time to address the Council regarding the 2012 Budget.

**Action:** Approve, **Moved by** Lord, **Seconded by** McGinty. Motion passed unanimously.

d.  **Purchase and Sale Agreement – Lord Property**

Parks and Recreation Director McCluskey presented the history of the land acquisition for Fish Park and the proposed purchase of the Lord Property which is 4.73 acres, increasing Fish Park to 26.25 acres. McCluskey outlined the improvements planned to the site and the modifications to the agreement that has been provided to the Council. The Community Services Committee reviewed the modified purchase and sale agreement and recommends approval.

**Motion:** Move to approve the Purchase and Sale Agreement for the Lord Property with modifications to Section 5, as presented, and authorize the Mayor to sign the agreement. **Action:** Approve, **Moved by** Henry, **Seconded by** Berry-Maraist.  
Motion passed unanimously.

## 6. ► COUNCIL COMMITTEE REPORTS

**a. Public Works Committee:** Councilmember McGinty reported on Marine Science Center siding repair update, and the Fjord slide repair update, the feasibility of installing a flashing yellow signal at 10th Avenue and Lincoln Road.

Councilmember Stern requested photographs for future Fjord slide repair updates.

**b. Community Services Committee:** Councilmember Berry-Maraist reported on the sale of surplus sailboats and requested \$3,800 of the proceeds be allocated to the Parks and Recreation Department for projects.

## 7. DEPARTMENT HEAD COMMENTS

None.

## 8. CONTINUED COMMENTS FROM CITIZENS

**a.** Sheila Mengert spoke to the Occupy Wall Street movement and asked the Mayor and Council to consider their support of the movement.

**b.** Molly Lee, spoke regarding new road "M" (as described in the Transportation Impact Fee ordinance) and the lack of traffic on the road currently.

## 9. ► COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

**c.** Councilmember Stern shared a photo of the Leavenworth Safeway as a depiction of possible designs and requested information to better understand design review authority.

**d.** Councilmember Berry-Maraist announced a meeting with the Cascade Land Conservancy, the Great Peninsula Conservancy, both Tribes and the County, regarding the Port Gamble Bay conservation and the 7,000 acres of open space in the North end; which will be held next Wednesday.

## 10.ADJOURNMENT

**Motion:** Move to adjourn at 9:03 PM., **Action:** Approve, **Moved by** Bauman, **Seconded by** McGinty.

Motion passed unanimously.

Rebecca Erickson, Mayor  
ATTEST:

Jill A. Boltz, City Clerk, CMC