

POULSBO CITY COUNCIL MEETING OF JANUARY 2, 2008

MINUTES

PRESENT: Mayor Quade; Councilmembers: Berry-Maraist, Crowder, Erickson, Lord, McGinty, Rudolph, Stern.
Staff: Bauman, Booher, Diehl, Jones, Kasiniak, McCluskey, Swiney.

MAJOR BUSINESS ITEMS

- * * * Swearing-In Ceremony for Councilmembers Berry-Maraist and Erickson
- * * * Selection of Deputy Mayor and Alternate Deputy Mayor
- * * * Reappointments to Boards and Commissions
- * * * Minutes of December 19, 2007 Council Meeting
- * * * Payroll – December 1-31, 2007
- * * * 7:15 PM Public Hearing: Disposal of Mitchusson Park (also known as Klingel Property)
- * * * Telecommunications Master Permit Application for Convergence Technologies, Inc. - Approval
- * * * Council Committee Assignment Review Process
- * * * Assignment of Purchase and Sale Agreement – Rose Property

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

a. Pledge of Allegiance

Mayor Quade called the meeting to order in the Council Chambers at 7:01 PM and lead the Pledge of Allegiance.

b. Swearing-in Ceremony for Councilmembers Berry-Maraist and Erickson

Mayor Quade administered the Oaths of Office to newly elected Councilmembers Berry-Maraist and Erickson.

2. MAYOR'S REPORT AND CHANGE TO AGENDA

a. Selection of Deputy Mayor and Alternate Deputy Mayor

Mayor Quade selected Councilmember Lord as Deputy Mayor and Councilmember Rudolph as Alternate Deputy Mayor.

b. Reappointments to Boards and Commissions

MOTION: Lord/Stern. Move to concur with Mayor Quade's reappointments of: Bob Nordnes to the Planning Commission, term expiring December 31, 2013, and to the Design Review Board (as the Planning Commission's representative), term expiring December 31, 2011; Joan Hett to the Tree Board, term expiring December 31, 2010; and George Farnsworth and Ginger Shields to the Community Police Advisory Board, terms expiring December 31, 2011.
Motion carried unanimously.

3. MAYOR AND COUNCIL DISCUSSION

- a. Mayor Quade reported that she received confirmation from the Rotary Club about the Rotary clock project getting underway; reminded everyone about the upcoming Centennial Celebration and that tickets were still available; announced that Kitsap County has extended the storm debris amnesty program and the last opportunity will be January 5 & 6 at the Olympic View Transfer Station; reminded Council of the joint meeting with the Tribal Council on January 8th at Kiana Lodge; and noted that the City Hall project team is close to finalizing a contract with the architect to move forward on the city hall project.
- b. Councilmember Lord welcomed Councilmembers Erickson and Berry-Maraist to the Council.
- c. Councilmember Stern echoed the welcome to Councilmembers Erickson and Berry-Maraist and expressed his appreciation for Poulsbo being one of the only cities that act on an ongoing basis on our Memo of Understanding (MOU) with the Tribe to keep a formal relationship.
- d. Councilmember Crowder welcomed Councilmembers Erickson and Berry-Maraist.

4. CITIZEN COMMENTS

- a. Scott Henden, a local business owner, stated he is very pleased with the City's business license renewal form and the ease of the renewal process.
- b. Catherine Ahl congratulated new Councilmembers Berry-Maraist and Erickson. Ahl stated that she enjoyed working with Councilmember Berry-Maraist in the past at the School District and just recently on the Public Facilities District and hopes she will continue her hard work with and for the children of Poulsbo.

- c. Herb Kai stated he would like the Council to appoint Connie Lord as the representative for the Tribal Council.

5. CONSENT AGENDA

MOTION: McGinty/Lord. Move to approve Consent Agenda items a and b.

Motion carried unanimously

The items listed are:

- a. Minutes of December 19, 2007 Council Meeting
- b. Payroll – December 1-31, 2007

6. MAJOR BUSINESS ITEMS

a. Public Hearing: Disposal of Mitchusson Park (also known as Klingel Property)

- 1) Mayor Quade opened the public hearing at 7:17 PM.

Mayor Quade stated that with the sale of this property, also referred to as Mitchusson Park, it is not the intent of the City to take away the honor from former Mayor Richard Mitchusson but rather to find a more suitable place to do so.

- 2) Finance Director Booher addressed the steps the City has used to come to this decision. Booher commented that when the City acquired the 3rd Avenue property for city hall, it was in the guidelines to sell Mitchusson Park to surplus some of the City's real property. Booher stated that in accordance with the RCW on surplusing real property, a display ad was published in the North Kitsap Herald, the property was posted with a public notice, notices were posted at city hall, the library and the post office, and notices were sent to residents within the surrounding area. Booher noted that the City received two letters, one from Jackie Lee and one from Arne Anderson to be considered part of the public hearing.

- 3) Parks & Recreation Director McCluskey provided a brief history of what has been done with this park since the City acquired it in 1997. McCluskey stated the property is a 9.5 acre parcel at the end of 2nd Avenue next to the Betty Iverson Kiwanis Park. McCluskey explained that it has been on the Capital Improvement Plan (CIP) since it was purchased but has never reached the point where any energy or money was put into it. McCluskey explained the City intended to look for grants but, since this was not a priority project and no master plan was done for this site, that was never done. McCluskey noted there is a rental house on the site and it is currently rented and the park was removed from the CIP in 2006

because Council talked about selling it. McCluskey stated Betty Iverson Kiwanis Park is next door and Council has slated \$40,000 for playground replacement in 2008. McCluskey mentioned the tradeoff for selling this park was to turn the Morris Property into a park, which is now called Centennial Park. McCluskey stated the City has budgeted \$50,000 towards this park in 2008 with the construction of it slated in the summer and a grand opening in the fall. McCluskey noted that next to the Mitchusson Park Property is the Washington State Department of Transportation (WSDOT) mitigation site for the SR305 project and it is about 14 acres, with 1.3 of the 9.5 acres of Mitchusson Park. McCluskey noted that the WSDOT is currently managing the site and in ten years it will revert back to the City. McCluskey explained that citizens would access it from Betty Iverson Kiwanis Park and it will be a spot for trails, wetlands and an interpretative area. McCluskey stated the City felt that funding the development of the former Morris property that is centrally located in Poulsbo would be a better choice than Mitchusson Park, since the 2nd Avenue area already contains Betty Iverson Kiwanis Park and the mitigation site.

4) John Love, a resident of 2nd Avenue, questioned the sign posted at Betty Iverson Kiwanis Park and wanted to make sure it was the Mitchusson Property being surplused and not the Betty Iverson Kiwanis Park. Mayor Quade stated that the sign had been posted in error at the wrong property and confirmed the property being surplused is Mitchusson Park. Love inquired as to what the buffer is going to be from the current residences to the park property, which is zoned high density. Love expressed concerns with:

- What will be placed on the property since anything with roads, pavement and sidewalks will create a runoff, worse than what was seen in the last flood;
- The width of the street access of the property; he believes 2nd Avenue is not wide enough for the traffic associated with the type of project that could potentially go in there;
- The speed bumps that were placed on Torval Canyon Road to reduce the number of cars using that road and may be needed on 2nd Avenue.

5) Larry Reber, a property owner on 2nd Avenue, stated that access to 2nd Avenue for emergency vehicles is already limited when one car is parked on the road. Reber noted they have had many issues off and on with the speed bumps on Torval Canyon Road. Reber expressed concern with the zoning of the property and what the impact on residents will become if that is not a park or a farm. Reber referred to the letter that appeared in the North Kitsap Herald from Donna Bjorkman, the City's

former Finance Director, regarding the use of funds that purchased the Mitchusson Park property being used on something other than a park like a new city hall. Reber warned that losing nine acres of green space within the city limits will be a huge loss to the citizens. Reber inquired if the access points to the property have been discussed.

6) Rebecca Reber expressed her disappointment with the disposal of this green area since she feels there is a great need for large park areas like Raab Park. Reber stated this would be a great area for people to have large gatherings.

7) Bill King, a resident of 1st Avenue for 30 years, expressed concern about the impact on 2nd Avenue in regards to what has happened on 1st Avenue, such as littering and traffic. King pointed out that, with the impacts that will be created, the community will lose its charm.

8) Jan Lord, a resident of Torval Canyon Road, stated that farm living within the downtown core is a rarity and the City will never be able to get it back once they dispose of it. Lord urged the Council to reconsider selling the park and preserving it for the citizens of Poulsbo.

9) Breanna Reber stated as a child she was able to explore nature on this site and believes it greatly impacted her childhood. Reber stated that the property would be a major loss to the community with the 100 year old trees and pond that exist on it. Reber pointed out that on the City's list of goals #5 states: Parks & Recreation is to address an enriched quality of life through support of parks, recreation, and open space, and promote cultural and natural resource stewardship, which she feels is not being met with the sale of this park.

10) Linda Hylland questioned the fact that \$40,000 was going to be spent on replacing the playground equipment at Betty Iverson Kiwanis Park and that no bathroom was scheduled to be put in. Hylland stated the value of Mitchusson Park is only going to go up and the City will never be able to find a piece of property like that again. Hylland questioned what the plan was for the money from the sale of the property. Mayor Quade responded that they City would use that money for the financing of the new city hall. Hylland inquired when the city hall project was going to be on 10th, would Mitchusson Park have to have been sold then. Hylland noted that she did vote to keep city hall downtown, but was not aware that a park would have to be sold to finance that. Hylland stated that Mitchusson Park does not lose money since it contains a rental property that brings money in. Hylland expressed concern that she did not want to see 2nd Avenue become a freeway, with the traffic that would be created

from having a development on the property. Hylland noted that the park property would not be able to be purchased back once the City surpluses it.

11) Tim Bodnar urged the Council to set a provision in the sales agreement that the property could only be developed as low density and that it could not be amended. Mayor Quade stated that when property is sold the developer does have the opportunity to come in front of the Council during the Comprehensive Plan update and ask for a rezone, which would also go through the public hearing process in which citizens could make comments.

12) Mayor Quade closed the public hearing at 7:42 PM.

13) Councilmember Lord had the following questions:

- If the 14 acre Washington State Department of Transportation (WSDOT) mitigation site will always be an open area and cannot be changed?
- If the National Discharge Pollution System Laws and the Environmental Protection Agency Laws would have an impact on the Mitchusson Park site no matter what is placed on that site, whether it is a single family home or a major development?
- Depending on the amount of mitigation, could the property have a limited use?
- What the transportation plan was for the 2nd Avenue area and if there is any possibility of extending 4th Avenue north?

Public Works Director Bauman noted that Councilmember Lord is referring to the stormwater runoff plan for the property. Bauman stated that if it remains a single family home then the measures for stormwater management would rely on the natural systems. Bauman added if additional development happens then there would have to be additional stormwater management procedures as part of the development.

City Engineer Kasiniak stated:

- The 14 acre WSDOT mitigation site does have some covenants that limit how it can be used. The migration site can never be developed as an active park.
- There is an agreement with WSDOT that this property will be deeded back to the City.
- The new transportation plan was adopted in July 2007 and it proposes to connect 4th Avenue to 1st Avenue, north of Torval Canyon Road, which alleviates traffic through Torval Canyon.

- There is a potential to connect 2nd Avenue to the new 4th Avenue to serve the new development.
- In the old transportation plan there was a plan to connect 4th Avenue to 7th Avenue, but with the topography of the site and the wetlands it was determined it was not feasible.

14) Councilmember Stern requested Finance Director Booher explain the use of the proceeds, since part of it is earmarked and the other part goes into the general fund, and what the regulations are on the proceeds. Booher stated that park mitigation funds were used to purchase part of the Mitchusson Park property and the City also used general fund dollars to purchase Centennial Park so, with the sale of Mitchusson Park, the proceeds that were paid for with park mitigation funds are now being used on Centennial Park. Booher noted that we have met all the guidelines since the park mitigation funds that will be used for Centennial Park far exceed the park mitigation funds used on Mitchusson Park.

15) Councilmember Crowder requested that Parks and Recreation Director McCluskey explain to Council and the public how the City has tried to get things moving forward on Mitchusson Park but have not had any success. McCluskey reiterated that the park property was purchased in 1997 and there was never a master plan done on the property. McCluskey stated the City has limited funds for park development, limited opportunities for grants, and other City projects have been placed higher on the Capital Improvement Plan (CIP) than Mitchusson Park development. McCluskey noted that a working farm idea was brought up by a private group, but never panned out. McCluskey stated with 19 park projects on the CIP, a neighborhood park next door, and the mitigation site surrounding it, Mitchusson Park was not made a priority and was removed from the CIP in 2006 and has been used as a rental property for the majority of the years the City has owned it.

16) Councilmember Berry-Maraist inquired about the possibility of doing a lot line adjustment on the Mitchusson Park property to give the Betty Iverson Kiwanis Park a more symmetrical look or make it a better use of open space.

17) Councilmember Rudolph explained when Mayor Mitchusson stepped down the Klingels made an offer for the City to buy the property in his honor and use it as a park. It was mainly bought as an investment property and as a way to reserve land for a potential park. Rudolph pointed out the Parks Commission was never able to find a viable plan for the park; the property was never purchased strictly for open space; the City has always been concerned about the traffic in that area even when

the property would have been developed into a park; it would have been a park like Raab Park and create a great amount of traffic; and when the Council decided to create Centennial Park they knew they would not have the funds to do so unless they recovered the funds spent on the Klingel property. Rudolph stated the City needs the funds that have been invested in all the properties for actual park projects that are on the CIP and to build city hall.

18) Councilmember Crowder stated that, with the Critical Areas ordinance the Council just created, they made sure the buffers for upcoming developments were significant. Crowder questioned what the buffers would be for any development on the Mitchusson Park property when sold.

19) Councilmember Lord referred to Councilmember Berry-Maraist's comment about the lot line adjustment and questioned how difficult it would be to explore and how much that would impact the financing package for the sale of the property. Mayor Quade stated taking away property from the Mitchusson Park piece would have a financial impact. Finance Director Booher pointed out the property would have to be reappraised and, while talking with the real estate people, she was told it would be a 12 to 18 month turnaround time to sell the property and get the funds from the sale to finance city hall. Booher noted that the longer the City takes on the sale of the property the more the City will have to go out for debt to be able to fund the city hall project.

20) Councilmember Berry-Maraist inquired if changing the Betty Iverson/ Kiwanis Park from the current north to south position to an east to west position with a lot line adjustment of Mitchusson Park would create a more usable area since the land is flatter.

21) Councilmember Rudolph stated, with the current regulations for planned unit developments (PUDs), approximately 20% of the park property would have to be open space. Rudolph noted that the open space will depend on the topography since the developer would only be able to build on the flat land. Rudolph indicated that in his opinion it would be a better decision to pursue an easement to connect the Betty Iverson Kiwanis Park and the WSDOT mitigation site then doing a lot line adjustment. Rudolph stated the City will still control what goes on this property because a property owner can propose whatever rezone they would like but the Council does not have to approve any of them; he also noted that the City has looked at this property and through their land use consultant has found that it is not feasible for high density.

22) Councilmember Berry-Maraist inquired if the Council should pursue getting an easement before the sale of the property and wanted clarification that there would be no real advantage to doing a lot line adjustment.

MOTION: Crowder/Rudolph. Move to approve disposal of surplus property described as Mitchusson Park (also known as Klingel Property) located at 20286 2nd Avenue, Poulsbo, WA 98370 currently zoned for low residential use and direct staff to utilize the services of a real estate firm to assist in the disposal of said property.

Motion carried unanimously.

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Mayor Quade recessed the meeting at 8:17 PM. The meeting was reconvened at 8:24 PM.

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b. Telecommunications Master Permit Application for Convergence Technologies, Inc. - Approval

Councilmember Stern welcomed John Stockwell and thanked him and Jim Kendall for being avid supporters in bringing broadband to Kitsap County. Stern reported that the Public Works Committee looked over this master permit at a couple different meetings and sent it back for some refinement.

Councilmember Lord questioned that if another telecom company wanted to install within the City under this permit would Convergence Technologies Inc. be able to choose whether or not they would get to do that.

City Engineer Kasinak stated that this is a master permit strictly for Convergence Technologies Inc. and any improvements needed will be granted though a right-of-way permit by the City. Kasiniak stated that any other companies wanting to install would have to apply for their own permit and Convergence Technologies Inc. would not be able to grant permission to other companies.

Councilmember Berry-Maraist inquired about the 433 volts being transported through their system, if it will be run underground and what does the part that is not underground look like. Kasiniak stated that it will not be underground and that it is wires and cables connected to poles.

MOTION: Stern/McGinty. Move to approve the Convergence Technologies, Inc. Master Permit to provide high speed bandwidth ("Broadband Service") internet and transport telecommunications for businesses within the City of Poulsbo for the 5-year term from January 2,

2008 through January 2, 2013 as allowed by the City's telecommunications ordinance, Ordinance No. 2001-21.
Motion carried unanimously.

c. Council Committee Assignment Review Process

Mayor Quade announced she has heard from four Councilmembers and will need the rest of them to respond by close of business tomorrow. Mayor Quade noted that the Long Range Planning Committee has been mainly focused on the city hall project but will now be focused on the Comprehensive Plan. The Mayor stated she would like to recommend that Councilmembers Lord, Rudolph and Stern stay on the committee since they have already been working on the Comprehensive Plan.

Councilmember Rudolph stated that the goal is to select two separate pairs of Councilmembers for both the Suquamish and Port Gamble S'Klallam Tribes board liaisons. Rudolph stated that next week Council will be assigning Council committees and the committees then choose the committee liaisons and the KRCC board positions are chosen by them. Rudolph noted that the Finance/Admin and Public Works Committees meet twice a month for a least 2 hours and need to contain different Councilmembers. Rudolph suggested the possibility that the smaller committees may be able to change their meeting times.

Councilmember Stern stated that the new Councilmembers will continue to fill terms of their predecessors.

Councilmember Erickson stated that the Public Works, Finance/Admin and Community Services Committees define the Long Range Planning Committee and the Long Range Planning Committee is not locked in with the members mentioned earlier. Erickson noted there is a potential to be a quorum at many of the committee meetings, with Councilmembers coming as guests, and if a Councilmember will be attending extra meetings it should be reported to the City Clerk so she can post a notice.

d. Assignment of Purchase and Sale Agreement – Rose Property

Councilmember Stern stated this agreement creates the option to purchase the property in the City's name instead of the Kitsap County Consolidated Housing Authority (KCCHA), like it currently is.

Councilmember McGinty inquired if all of the contingencies have been met and if the Council was given a report.

MOTION: Crowder/Lord. Move to authorize Mayor Quade to sign the Assignment of Purchase and Sale Agreement between the Kitsap County

Consolidated Housing Authority and the City of Poulsbo for the Rose property on Moe Street. Motion carried unanimously.

7. DEPARTMENT/COMMITTEE REPORTS

- a. Mayor Quade suggested that the book "Seventeen Essential Qualities of a Team Player" by John Maxwell be read as a homework assignment for the upcoming retreat. The Mayor reported that the Long Range Planning Committee will be going on tours of a variety of city halls designed by Lewis Architects on January 11th.
- b. Councilmember Lord submitted a handout on the upcoming summit of the West Sound Watersheds Council on January 24th from 9:00 AM to 3:00 PM at the Kitsap Convention Center; the protection and restoration of Puget Sound will be discussed.
- c. Councilmember Stern stated he looked forward to seeing the Council on Tuesday at 5:30 PM at the Kiana Lodge for a joint meeting with the Suquamish Tribal Council.

8. CONTINUED COMMENTS FROM CITIZENS

- a. John Love expressed his concern about the new proposed road cutting off the Torval Canyon citizens from the park and how the traffic from Torval Canyon Road will be dumped onto 1st Avenue. Love stated that the citizens learn about these decisions when it is too late. Councilmember Stern suggested that concerned citizen attend the Public Works Committee and Community Service Committee meetings.

Councilmember McGinty suggested that the citizens meet with staff and get staff reports or more detailed drawings that show proposed roads, instead of the vague drawings currently being shown, before coming to the committees and expressing their concerns.

Councilmember Berry-Maraist agreed that the map with the road on it is very vague and stated it would not be very likely that the developer would place a road against the citizens' property and his because the developer is going to want to be able to access both sides of the road. Berry-Maraist stated in all likelihood the citizens would have a back yard of a home in the new development butting up against their back yard and not a road.

Councilmember Rudolph stated that the roads will come from a series of developments and, as neighbors of a project like this, there will be

neighborhood meetings for concerned citizens to attend and work with the developers.

Councilmember Erickson stated that she is a citizen of Noll Road and has been meeting with the developers and found them to be very responsive to what the community wants. Erickson noted that there will be ample time to work with the developers before a project is started.

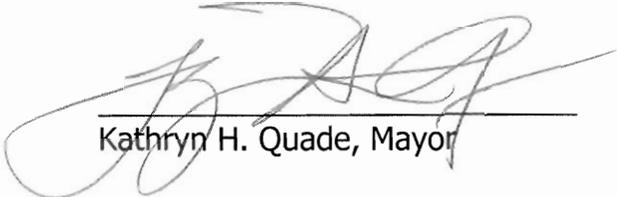
- b.** Morris Hyland asked if the developer is responsible for putting in the roads. Hyland stated that with the topography of the site they only have so many options on the placement of the roads. Hyland noted that parking in the 1st Avenue area is limited especially when there is an event at the Pee-Wee football field. Hyland expressed concern that when a development does go in they will be using 2nd Avenue to bring in the equipment for the project. Hyland inquired if the developer will be responsible for fixing the Betty Iverson Kiwanis Park after they go through it to build their roads.
- c.** Linda Hylland stated that the \$30,000 budgeted next year to be used for upgrades on Betty Iverson Kiwanis Park will be a waste after the developers come in to put a road through the park. Hylland stated that a road would take up all the usable space in the park and the traffic impact on Torval Canyon has always been a concern and extending 4th Avenue will not alleviate the problem.
- d.** Larry Reber questioned if there have been any traffic studies on 1st Avenue between Torval Canyon Road and the Scandia Knoll Apartments. Reber feels that the use of the park will be diminished because there is only one part of the park feasible for a road to access the park property and it runs through the middle of the park. Reber inquired about citizens gaining access to the Mitchusson Park property to view the land, since there are No Trespassing signs on it.
- e.** Herb Kai stated that the WSDOT has agreed to put a walking trail along the edge of the park in the mitigation area.
- f.** Bill King stated he liked that John Stockwell was here today to get the ball rolling with broadband access in Poulsbo. King mentioned that he has been on boards that do not listen to the public and likes that the Council has listened to the citizens, but would like to see more communication with the public before something becomes a done deal. King feels speeding on 1st Avenue is a major concern.

9. COUNCILMEMBER COMMENTS

- a. Councilmember Berry-Maraist requested more information about the public hearing on January 16th regarding downtown parking. Berry-Maraist inquired about the two Local Improvement Districts for the downtown area, such as who paid for them and how was the money collected, such as by square footage of building or square footage of lot.
- b. Councilmember Lord stated she was sorry about the gap in communication with the citizens about the park property issue because the City really does make a tremendous effort to get the information out. Lord stated she would like the concerned citizens to come to the committee meetings and continue to be heard.
- c. Councilmember Stern suggested a potential solution to the communication issue could be sending out mailers to citizens, but does realize this would create an additional expense.

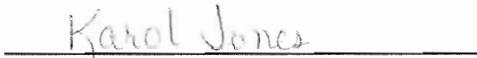
10. ADJOURNMENT

MOTION: Crowder/Rudolph. Move to adjourn at 9:30 PM.
Motion carried unanimously.



Kathryn H. Quade, Mayor

ATTEST:



Karol Jones, City Clerk

