

## POULSBO CITY COUNCIL MEETING OF JULY 20, 2011

### MINUTES

**PRESENT:** Mayor Erickson, Berry-Maraist, Bauman, Henry, Lord, McGinty, Musgrove, Stern.

Staff: Berezowsky, Boltz, Booher, Kasiniak, Loveless, McCluskey, Mueller, Stephens, Swiney

### MAJOR BUSINESS ITEMS

- \* \* \* Minutes of June 8, 2011 City Council Meeting
- \* \* \* Claims – June 1-30, 2011
- \* \* \* Budget Amendment, BA 11-0301 Police Department Wages and Benefits
- \* \* \* Budget Amendment, BA 11-0302 Fish Park Expansion
- \* \* \* Special Event Request: Street Dance
- \* \* \* Presentation: John Jacobs, Master License Service
- \* \* \* Resolution No. 2011-10 Rejection of bids for Fjord Drive Slide Repair project
- \* \* \* Award Official Newspaper Contract
- \* \* \* Resolution No. 2011-12, Award Official Newspaper Contract
- \* \* \* Ordinance No. 2011-13, 2nd Quarter 2011 Budget Amendments
- \* \* \* Budget Presentation
- \* \* \* Valhalla Village Binding Site Plan Extension

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

Mayor Erickson called the meeting to order in the Council Chambers at 7:04 PM and led the Pledge of Allegiance.

#### 2. **COMMENTS FROM CITIZENS**

- a. Tom Foley commented on the Noll Road construction project, road maintenance and clean up.

#### 3. **MAYORS REPORT AND COUNCIL COMMENTS**

- a. Councilmember Musgrove commented on the improved broadcast quality and the speaker volume at the dais.

**b.** Mayor Erickson reported:

- Addition of business item b, Rejection of bids for the Fjord Drive repair.
- Fishline is need of snacks for children.
- Meeting with Lynnette George regarding the Blue Banner program.
- The progress of the Noll Road project.

#### **4. ► CONSENT AGENDA**

**Motion:** Move to approve Consent Agenda items a through e. **Action:** Approve, **Moved by** McGinty, **Seconded by** Berry-Maraist.

Motion passed unanimously.

The items listed are:

- a.** Minutes of June 8, 2011 City Council Meeting
- b.** Claims – June 1-30, 2011, in the amount of \$2,272,268.47, check numbers 10016932 through 10017187 and electronic disbursement numbers 21-0045 through 21-0058.
- c.** Budget Amendment, BA 11-0301 Police Department Wages and Benefits
- d.** Budget Amendment, BA 11-0302 Fish Park Expansion
- e.** Special Event Request: Street Dance

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

##### **a. ► Presentation: John Jacobs, Master License Service**

John Jacobs, Department of Revenue, provided a brief overview of their Business Licensing Service including how partnership with the City works, the benefits to the City and the businesses, increased licensing compliance, the ability to submit applications on-line, and costs to the City and businesses.

City Clerk Boltz stated the goal is to implement the program by the end of the year, for 2012 renewals.

##### **b. ► Resolution No. 2011-10, Rejection of bids for Fjord Drive Slide Repair Project**

City Engineer Kasiniak reported bids came in significantly over budget due to increased cost of soil nails and concrete wall facing. The Engineering Department reviewed the project, looking at options to reduce the scope of the project. Kasiniak outlined the items required to open the road to two-way traffic and the redesign of the retaining wall. The revised project scope includes an alternate for the third retaining wall, which lowers the cost. Re-advertising the project will take place July 22nd, bid opening August 12th, construction to begin August 29th and completion in early November.

**Motion:** Move to approve Resolution No. 2011-10.

**Action:** Approve, **Moved by** McGinty, **Seconded by** Berry-Maraist.

Motion passed unanimously.

**c. Award Official Newspaper Contract**

Finance Director Booher reported the City received two bids from Kitsap Sun and North Kitsap Herald. The North Kitsap Herald was the low bidder.

**Motion:** Move to approve the award of Bid #11-01 for the Official Newspaper for the City of Poulsbo to the North Kitsap Herald and authorize the Mayor to execute the contract. **Action:** Approve, **Moved by** Lord, **Seconded by** McGinty.

Motion passed unanimously.

**d.  Resolution No. 2011-12, Award Official Newspaper Contract**

**Motion:** Move to adopt Resolution No. 2011-12, a resolution of the City Council of the City of Poulsbo, Washington, designating the North Kitsap Herald as the City's Official Newspaper for the term of August 1, 2011 through July 31, 2012.

**Action:** Approve, **Moved by** Berry-Maraist, **Seconded by** McGinty.

Motion passed unanimously.

**e.  Ordinance No. 2011-13, 2nd Quarter 2011 Budget Amendments**

Mayor Erickson requested public comments. No comments were received.

**Motion:** Move to adopt Ordinance 2011-13, an ordinance for the City of Poulsbo, Washington, amending the 2011 budget adopted by Ordinance No 2010-28 to revise the revenues to and appropriations from certain funds and approving an ordinance summary for publication.

**Action:** Approve, **Moved by** McGinty, **Seconded by** Berry-Maraist.

Motion passed unanimously.

**f.  Budget Presentation**

Finance Director Booher provided an overview of the purpose, preparation and implementation of the City budget. Booher also outlined staff recommendations for the 2012 budget, the Finance Committee agrees with all recommendations except reducing the Street Reserves and leave the 8% Utility Tax with discussion on a permanent increase.

Mayor Erickson asked the Council to consider an informal bi-annual budget review.

**g. ► Valhalla Village Binding Site Plan Extension**

Associate Planner Mueller reported the request before Council is an extension of Valhalla Village Binding Site Plan expiration. Kitsap Bank acquired the property through foreclosure and requested the extension to enable them to obtain a developer and develop the property under the approved binding site plan. Mueller provided an overview of the Valhalla Village Binding Site Plan, the location of the property, and the proposed project. The total site area is 2.83 acres, Residential High (RH) zone, development at 10-14 dwelling units per acre or up to 39 units could be developed on the Valhalla Village site, however due to the wetland only 1.91 acres is developable. The site plan was originally approved on August 16, 2006, with a 40 foot wetland buffer, per the codes in affect at the time the project was approved; the proposal included 20 single family detached condominium units with no lot lines. Each unit would have a garage and driveway for two parking spaces as well as additional guest parking. Kitsap Bank is requesting the maximum extension of the site plan in order to allow adequate time to submit construction drawings and building permits for approval before the year extension is up. Mueller stated under Poulsbo Municipal Code (PMC) 17.18.120, the City Council may upon a request being filed within 30 days prior to the expiration, for good cause, grant a onetime extension not to exceed one year. If the request is denied, Kitsap Bank would need to submit a new application that meets current City standards including the new Critical Areas Ordinance (CAO). This would likely mean a 150 foot wetland buffer, due to the category 1 wetland, and 15 foot building setback, which would reduce the developable area of the property; approximately 9 units would be lost.

Larry Grohn, Kitsap Bank, stated the bank acquired the property through foreclosure and rationale behind a request for an extension should be met by the fact the property was recently taken back through an adverse action and the state of the economy. Grohn requested the opportunity for the time to move forward.

Mayor Erickson questioned why the original property owners did not move forward with the project when it was permitted in 2006 at the peak of the building boom. Grohn stated he could only speculate the developer did not have the funds to complete the project.

Councilmember Henry questioned why the request for extension is just being submitted, when Kitsap Bank took possession of the property in 2009 and the extension was not requested a year or so ago; Grohn explained the permit is expiring.

Councilmember Stern requested Mr. Grohn explain what could reasonably be accomplished should the extension be granted. Grohn stated Kitsap Bank would attempt to obtain a legitimate developer to complete the project. The market for this kind of project is bad, however they would do their best within the one year timeframe; if it is not accomplished within the year then the bank would discuss what to do next with the Planning Department. However, the request is being made within the scope of what he understood the regulation to be and the ordinance.

Councilmember Berry-Maraist spoke to the solid paving in the middle of the development with tight condominiums, which looks out onto a parking area. Grohn clarified the front of the units would be mostly asphalt, however the back or backyard of the homes would not be that kind of environment.

Berry-Maraist requested clarification on the category 1 wetland, the highest category, but not a high habitat quality wetland; Mueller stated it is a category 1, however because it is not a high habitat value and the buffer is only 150 feet, as opposed to a higher habitat value the buffer might be as high as 300 feet. Berry-Maraist also questioned how much impervious pavement is on the site; Mueller stated she did not have that specific information but it is considerable, possibly 70% of the developable area, not counting the wetland/buffer which occupies one-third of the site.

Councilmember Lord stated she does not feel there is good cause for extension of the site plan, if and when the site plan expires the wetlands buffer would be subject to the current ordinance and a positive and site plans can be recreated and accommodating to include construction methods such as low impact development techniques.

Councilmember Stern requested further clarification of what is interpreted or examples of "good cause" for this type of land development proposal; Mueller stated the Planning Department has not had very many situations to extend a development approval, the Poulsbo Municipal Code does not specify what "good cause" means, however the Planning Director felt that would be up to the Council to decide what is "good cause." Stern stated the City is not doing this because we are opportunistic rather, no criteria are found that meets the standard of the quality of good cause.

Councilmember McGinty noted when the language of "good cause" was included in the ordinance, his intent was to include a waiting factor to prevent continuously renewing approvals as people wanted to get vested in previous conditions, and continue for many years with no way of terminating it. The purpose was to look at each approval as they came up for expiration and determine if there was a reasonable

reason to extend. McGinty commented on other project plans in the vicinity vested with the 40 foot buffer. Should the Valhalla Village project be required to have a 150 foot buffer, McGinty expressed he is not convinced the additional buffer would lessen the impact to the creek given the other projects can develop up to 40 feet from the creek. Mueller clarified Brighthaven development has a site plan that expires in 2013, however a site plan does not vest buffer requirements; and the building permit has expired on that development, so they would be required to have a 150 foot buffer as well.

Councilmember Berry-Maraist expressed concern with legal precedent that could be set, and further stated her unhappiness with the timeline, the project design, lack of good stormwater and low impact development techniques, specifically in close proximity to an important wetland. With the short amount of time to give thoughtful consideration, Berry-Maraist questioned what the possible legal precedent for the next request that may come forward, not knowing the future implications. Mueller stated this is the purpose of a “good cause,” the Council would need to make a finding on the reasons why or why not to grant such requests.

Mayor Erickson stated “good cause” is a determination to be made by the Council; this decision is not precedential because every extension will have “good cause” language, so it is case by case. Mayor Erickson further expressed her disagreement with granting an extension and stated the project is a bad project for Poulsbo given the design of the condominiums, amount of asphalt and a tot lot as type of recreational space.

Councilmember Bauman spoke to PMC 17.18.120 which states the Council “may” grant a request with good cause, which he felt was the issue. Bauman stated there is very little public benefit to approval the extension and denial would be a change to conform to the requirements now in place.

Grohn suggested the Council have a discussion with legal counsel about the definition of “good cause.”

Councilmember Musgrove commented on the need to protect the valuable resources of businesses, livelihoods and jobs; stating he could be swayed to give benefit of the doubt to Kitsap Bank if he could be convinced they could move fast enough to redesign the project in a more acceptable manner, find a contractor to develop the project and move forward; however Musgrove did not feel that could be done within the time frame.

Councilmember Berry-Maraist expressed her unhappiness with the two options before the Council and suggested staff work with the attorney to create some type a package, such as allowing an extension if the developers do other designs giving them means to come up with a balanced approach, and come back to Council with alternatives with more of a middle ground.

Councilmember Lord stated this project had a considerable length of time and extensions should not be granted easily, no matter what the project is. There is a reason why there is a limit on how long a site plan is valid. There are several combined reasons this project has come up to the wire, however not a reason to grant an extension. Lord further stated there has been no reason put forth this is a true hardship.

Councilmember Henry expressed he did not mean to appear combative with his questions, however if the Council had more time to work this, a better result might have been reached.

**Motion:** Move the Council hereby denies the extension of the expiration of the Valhalla Village Binding Site Plan, Planning File #12-05-05-1, for a period of one year, effective August 16, 2011. **Action:** Approve, **Moved by** Lord, **Seconded by** Henry.

**Discussion:** Councilmember Bauman stated the value of the property may be affected by the Council decision, but is not eliminated by the decision. The property is still zoned high density, and Planning staff and the Council is open to creative thinking on how to proceed in way that utilizes the value of the property under the new set of rules. Bauman reiterated the decision will not eliminate the value of the property, just change the value of the property.

Motion passed unanimously.

## 6. COUNCIL COMMITTEE REPORTS

- a. Public Safety/Legal Committee: Councilmember McGinty reported, Deputy Chief interviews took place and an initial offer will be made shortly, Police move to City Hall update, National Night Out will be held on August 2nd, and infraction numbers have increased from last year.

Mayor Erickson reported on the revised parking policy in Anderson Parkway, where chalking of the tires will take place at 3:00 AM and ticketing at 9:00 AM, to allow people time to pick up their car in the morning.

**b. Finance/Administration Committee:** Councilmember Bauman reported on Hotel/Motel Tax discussion and the process of distributing the funds, contributing to the mural on Front Street, and Council Travel and Training budget discussion.

**c. Public Works Committee:** Councilmember Berry-Maraist reported on the Liberty Bay Waterfront trail project, Noll/Lincoln Roundabout design and grant funding, Green Road certification, and SR 305 bike lanes.

## **7. DEPARTMENT HEAD COMMENTS**

None.

## **8. CONTINUED COMMENTS FROM CITIZENS**

**a.** Tom Foley commended the Council for denying the extension agreement to the benefit of the City and environment.

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

**a.** Councilmember Bauman reported on his attendance at Poulsbo Historical Society meeting and the proposed placement of the dory on the 2nd floor lobby.

**b.** Councilmember Berry-Maraist reported on her attendance at Kitsap Regional Coordinating Council Transportation Policy board meeting and the WestSound Water Shed meeting.

## **10. ADJOURNMENT**

**Motion:** Move to adjourn at 9:59 PM. **Action:** Approve, **Moved by** Stern, **Seconded by** Henry.

Motion passed unanimously.

Rebecca Erickson, Mayor

ATTEST:

Jill A. Boltz, City Clerk, CMC