

## POULSBO CITY COUNCIL MEETING OF SEPTEMBER 20, 2017

### MINUTES

**PRESENT:** Mayor Erickson; Councilmembers Henry, Lord, McGinty, Musgrove, Nystul, Stern, Thomas.

Staff: City Attorney Haney, Finance Director Booher, City Clerk Fernandez, City Engineer Lenius, Planning Director Boughton, Public Works Superintendent Lund, Senior Engineering Technician Hart, IT Senior Technician Williamson.

### MAJOR BUSINESS ITEMS

- \* \* \* Update on Waterfront Park Remodel
- \* \* \* Update on CIPP Sewer Project
- \* \* \* Approval of August 16, 2017, Council Minutes
- \* \* \* Payable Disbursements for August 2017
- \* \* \* Budget Amendment/BA# 17-0308 SR 305 ILA Study
- \* \* \* Budget Amendment/BA# 17-0309 CIPP Project
- \* \* \* Parks & Recreation Commission Appointments
- \* \* \* Public Hearing on Interim Regulation on Self-Serve Mini-Storage in C-3 Zone
- \* \* \* Rain Garden Program Final Report
- \* \* \* Set Public Hearing for 2018 Revenue Sources
- \* \* \* Accept Viking Avenue PRV Project

#### 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. AGENDA APPROVAL

**Motion:** Move to approve the agenda as presented.

**Action:** Approve, **Moved by** Stern, **Seconded by** Nystul.  
Motion carried.

#### 3. COMMENTS FROM CITIZENS

Teresa Taylor, Home Builders Association, announced the HBA is hosting a "Construction in Motion" event on October 8, 12pm-4pm, at the Fairgrounds.

Karen Moni spoke in support of banning retail sales of puppies in Poulsbo.

Councilmember Stern asked this topic be added to a future Public Safety Legal Committee meeting.

Terry Shuck spoke in support of banning retail sales of puppies in Poulsbo.

Kelsey Hulse introduced herself as the new representative from Puget Sound Energy for local government.

#### **4. MAYOR'S REPORT AND COUNCIL COMMENTS**

Councilmember Thomas noted the natural disasters happening in North America and urged citizens to start thinking about disaster preparedness and preparing a readiness kit.

Councilmember Nystul said he attended the Washington Finance Officers Association (WFOA) conference last week. Interesting topics included cyber security and cyber breaches. He added Accounting Manager Brown was elected as the president of WFOA, a 2,200-member organization.

Councilmember Stern said he is pleased with the public response they received from the recital by Tribal Elder Bob George a couple of weeks ago. It was an honor for the City.

Councilmember Musgrove said he attended the Kitsap Transit public outreach in Poulsbo Saturday morning. The meeting was interesting and full of questions from the public. He encouraged everyone to attend any future meetings if they are scheduled. He also reported on the test projects the City is doing for road surfacing. He has been driving around on the new surfaces, and has detected no anomalies on them so far. He is looking forward to receiving the public's feedback.

##### **a. Update on Waterfront Park Remodel**

Public Works Superintendent Lund gave an update on the Waterfront Park Remodel, which included: existing configuration of park; pavilion support replacement; new benches; and new restrooms and sidewalks layout configuration, design, and schedule.

##### **b. Update on CIPP Sewer Project**

City Engineer Lenius gave an update on the CIPP Sewer Project, which included: project status; project sequence; cleaning and video central interceptor – 50% complete; photos of the interior of the sewer pipelines – no excavation; and cured in place pipe installation and liner.

In response to Councilmember McGinty, City Engineer Lenius said it will be less

fragile than concrete. It will be a clean smooth surface and equivalent strength. It will not fracture like concrete.

In response to Councilmember Thomas, City Engineer Lenius said the bypass pumping of the sewer is done with high density polyethylene (HDPE) pipe and fuse it together and bury it under the driveways.

Councilmember Musgrove asked if the scope of work would be expanded to include access to the pipeline and the manhole covers. Public Works Superintendent Lund said the current project would not be expanded, this contractor is specialized. Next year they will look at doing lining of the manholes and when they scope the project, he hopes they can include an access road built in there.

Mayor Erickson announced the 27<sup>th</sup> NKHS Homecoming Parade. Due to Waterfront Park remodel, they are going to come to the plaza of City Hall as the end of the parade route.

Mayor Erickson invited everyone to attend the celebration for the cleaning of Liberty Bay on September 29 at Nelson Park at 11:00am.

## **5. CONSENT AGENDA**

**Motion:** Move to approve Consent Agenda item a through d, with changes to item a.

The items listed are:

- a.** Approval of August 16, 2017, Council Minutes
- b.** Payable Disbursements for August 2017
- c.** Budget Amendment/BA# 17-0308 SR305 ILA Study
- d.** Budget Amendment/BA# 17-0309 CIPP Project

**Action:** Approve, **Moved by** McGinty, **Seconded by** Nystul.  
Motion carried.

## **6. BUSINESS AGENDA**

### **a. Parks & Recreation Commission Appointments**

City Clerk Fernandez presented the agenda summary, noting two Parks & Recreation Commission positions have become vacant with the resignations of Amanda Cheatham and Norm Hersman. The Mayor and Parks and Recreation Director McCluskey have met with Mari Gregg and Kelly Michaels and recommends appointment to the Parks & Recreation Commission to fill terms ending December 31, 2018.

**Motion:** Move to concur with Mayor Erickson's appointments of Mari Gregg and Kelly Michaels to the Parks & Recreation Commission to fill terms expiring December 31, 2018.

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

Motion carried.

**b. Public Hearing on Interim Regulation on Self-Serve Mini-Storage in C-3 Zone**

Planning Director Boughton gave a presentation on the interim regulation on self-serve mini-storages in the C-3 zone. She also entered into the record public comment received regarding the interim regulation. Presentation highlights included:

- Introduction
- Ordinance No. 2017-15 Interim Zoning Regulation
- Recent Pressure for self-storage facilities in C-3 zoning district
  - Poulsbo Self Storage (Lincoln Road and 10<sup>th</sup> Avenue)
    - Propose multi-story 90,000 square foot heated self-storage on 2.55 acres.
  - Reliable Storage Expansion
    - Propose expansion of two buildings totaling 18,532 square feet.
  - Sherlock Self Storage
    - Propose five storage buildings totaling 120,950 square feet on 8.73 acres.
- Additional Council considerations
  - In addition to the recent pressures for self-serve mini storage facilities in C-3 Zoning District, other considerations voiced by the City Council at the August 16, 2017 meeting:
    - Consistency with the Comprehensive Plan and C-3 zoning district.
      - Expressed a 'gap' between the purpose of the C-3 commercial corridor in both the comprehensive plan and in zoning ordinance, and the commercial use table.
  - Economic development impacts
    - Concern about employment and economic development impacts to the C-3 SR-305 Corridor was developed with a significant concentration of self-storage facilities.
- September 20 Public Hearing



- Tonight's hearing is a requirement of the enactment of the interim development regulation.
- The hearing was noticed to the applicants of the three proposed projects, to interested citizens, to the City's established email list, published in the NK Herald, posted on City's website, post office, library and City notice boards.
- As outlined in the Council packet, at the conclusion of tonight's public hearing, the Council has three options:
  - If the Council wishes to keep the interim development regulations in place, no action is necessary.
  - If the Council wishes to modify the ordinance, a motion is necessary, and an ordinance to that effect must be prepared.
  - If the Council wishes to repeal the ordinance, a motion is necessary, and an ordinance to that effect must be prepared.

At 7:39PM, Mayor Erickson opened the public hearing.

Jan Harrison spoke in support of keeping the interim ordinance. She said Hwy 305 is the first impression for people traveling to Poulsbo. She doesn't believe in putting self-storage units in the front yard. She said the self-storage unit industry might be waning. She quoted an article from Edward Jones and SpareFoot Storage Beat.

Sandra Farley spoke against the proposed development of the property on the corner of NE Lincoln Road and 10<sup>th</sup> Avenue. She said there are dangerous trees, no place for cars to turn around, the road is in poor condition, and traffic jams have become a problem.

Patrick Reilly, National Chairman of International Self Storage Association and Washington Self Storage Association, said the self-storage industry is not in trouble. He welcomes the dialogue and would be happy to give any input. He is also part of Urban Self Storage, who is proposing the development on Lincoln Avenue. He said half the property would not be touched, including the portion with the trees. He encouraged the City to get more information from selfstorage.org. He would like to see if there is a way to evaluate the proposed locations on Viking and others and compare those to the corridor where they want to limit the amount of storage. He said they have improved the appearance of the self-storage proposal. He offered that the design could be looked at, or maximum size reduced, instead of eliminating the use.

Pat Van Diest spoke in support of keeping the interim ordinance. She doesn't believe storage lockers on Hwy 305 is what the citizens want representing the city as its doorway and gateway. The facilities are necessary, but they should not be in prime

real estate. She said 40,000 square feet sounds very large, no matter how much they try to downsize it or make it look pretty. She asked what do we want the City to represent.

Scotty Whitly spoke regarding the safety of the people who live on 10<sup>th</sup> Avenue. Their house will be directly across from where the facility will go. He feels it is very unsafe.

David Widhelm spoke regarding the traffic concern on Lincoln in relationship to the 10<sup>th</sup> & Lincoln development. There will be many traffic jams and people who are lost turning around in private driveways. It is a very large structure going into an area that is not equipped to handle it.

Tove Carr said her main concern for 10<sup>th</sup> Avenue is currently the only way for garbage trucks to exit her road is to drive in reverse. She doesn't want to see novice people in giant U-Haul trucks attempting to do that. Four stories would demolish views, it is too high. The traffic light at end of 10<sup>th</sup> is an issue too.

Jason Parker spoke in support of maintaining the interim ordinance. He appreciates the Council putting the moratorium in place. He said these types of developments don't generally provide a lot of jobs. People build them because they are cash cows, the overhead is low, and they don't do a lot for community. Another issue that has come up with the development of Safeway is the significant increase of sound and light pollution.

Jim Helfrick, Senior Operation Manager with Reliable Storage, spoke against keeping the interim ordinance. He said Reliable Storage is a local, family owned business. He is very involved in the community, he supports Poulsbo and the County. Business has been very good, that is part of the reason they want to expand their business. They have had to turn customers away because they don't have the space for them. With the growth in the city, there is a lot of business to be had for quite some time. He hopes to be able to do that with the expansion of their existing building.

Jake Young, architect, spoke against the moratorium. He would prefer the jurisdiction guide the design process that services the demand and creates a beautiful front door. Because there is demand, he believes the existing businesses should be allowed to build out their existing sites, since they are not altering or developing raw land.

Danny Claflin said he has lots of grandchildren who come and visit. He is not against storage units. With the development of Safeway, traffic lights now shine into his home. A storage facility would need lots of lighting. Four stories seems extreme in that area. It will take away the little view that they have now. He is also concerned about more traffic down the street. The street would need to be restructured.

Teresa Taylor, Kitsap Building Association, spoke against the municipal use of interim codes, emergency ordinances, and moratoriums. She spoke about the process, her concerns of making sure good governance is practiced, the public has the opportunity at the front end to participate, and that we don't fall back to using interim codes and emergency moratoriums.

Josh Krebs spoke against the 10<sup>th</sup> Avenue & Lincoln project, and spoke in support of the moratorium. He knows the Mayor has had a vision of correctly and intentionally developing this community. One of the first thing she and the Council did was place a moratorium on development so they could carefully craft how Poulsbo was going to grow. If demand was all that mattered, then we would end up with far too many of one or two uses in the wrong areas. He applauds the Council for the current moratorium. He believes it is exactly what should be done in this situation. He said there are other zones for this use, and they are better fits for the use than the C-3 zone.

Jennifer Wiegand spoke in support of the moratorium and continuing the interim ordinance. The issue is that they want to maintain the quality of what they love about Poulsbo. She believes what is happening on 305 has room for improvement. She is not against storage units, she believes there is a place for them, but not in the C-3 zone. She doesn't believe advice from people in the storage unit business is very objective. She appreciates the Council taking this thoughtful and reflective pause; it is entirely appropriate so the City can plan carefully what they will leave as its legacy.

Pam Donnally spoke against the 10<sup>th</sup> & Lincoln project. She agrees with the people who live around the development who do not want to live next to a storage unit. She felt a four-story building is not appropriate.

Cherie Fahlsing-Chaffee said there is already a flooding problem across the road by the Coffee Oasis. With any tree that is cut down or property that is excavated, the water is going to go downhill. She feels there is tons of empty space at Olhava that would be perfect for mini storages and there are acres of vacant commercial land on Viking. The C-3 zone is not appropriate.

Libby Parker said she lives next to Safeway. She hears so much traffic whenever she goes outside, she doesn't want any more added. She feels it is really dangerous, because cars go by speeding up the hill. She said it is hard for her and her mom to drive to school.

Pat Tallon asked the Council to find that the neighborhood isn't happy with storage units. He sees a lot of development, but not a lot of leadership. He would like more of a stewardship and stronger hand at what is created here. We need to be attracting business that we want to see here in that corridor and make it easy for them to come. He said public storage units need to be outside our vision, not right up front.

He feels the placement of Safeway was a mistake, when there was an empty shopping center across the street. He doesn't want the same mistake to happen with the mini-storages.

Mercedes Crystal spoke against the 10<sup>th</sup> & Lincoln project and spoke in support of the moratorium. She said they have a great community. She doesn't think anyone would have imagined three mini storage projects occurring when they were updating the commercial zone uses. From a mathematical and economic standpoint, she takes issue with the idea that creating two facilities and expanding a third creates demand. That is building and hoping they will come. She doesn't believe this town is big enough for that much right in front. She thanked the Council for the moratorium.

Rebecca Parker spoke against the 10<sup>th</sup> & Lincoln project. Her concerns about the proposed development is the amount of noise it will create. They don't want to be displaced. They have little kids that like to play outside. Lincoln Road is so busy, and drivers use their streets to turn around. Since Safeway was built, the traffic has been horrendous, and the noise from Lincoln and 305 has doubled all day long. She wants less noise.

At 8:32PM, Mayor Erickson closed the public hearing.

City Attorney Haney gave four points: 1) the hearing has been about a regulation and not just about individual storage proposals, the regulations will apply to all properties in the C-3 zoning district and the regulation that is an interim regulation prohibits the self-storage development in that entire district; 2) the process of interim regulations is authorized by state law for cities to do, it allows cities to pause development and decide what they want to do next with particular issues that are involved (it is a pause, not a permanent regulation); 3) as an interim regulation, it remains in effect for six months if it is not repealed this evening, and during the six-month time period, the City will consider what to do in terms of its future regulations (the City could decide to make it permanent or decide to take some other action); and 4) because it is an interim regulation, it needs to be mentioned the City will go through its normal zoning code process to consider what those permanent regulations will be (which includes going to the planning commission to get a recommendation for the City Council, who will ultimately make a decision on what those regulations will be). There are some options for the Council to take this evening. They can decide to leave the interim regulation in place, and no action would be needed tonight. The Council could decide to repeal the interim regulation, or they could modify the regulation in some way. If the Council does nothing this evening, then the regulation remains in effect for six months as the council goes through the process of establishing permanent regulations.

In response to Councilmember Stern, Planning Director Boughton said the 10<sup>th</sup> Avenue site has been into the Planning Department for a couple years talking to staff

about the possibility of a mini-storage. As part of an application process submitted a year ago, they learned there is a concomitant agreement on the property. Concomitant agreements are contracts between the City and the property, which moves on in title to successors of ownership. Right now, the property has a concomitant agreement for a medical clinic and senior convalescent housing. To move forward for any commercial development on that site other than medical clinic/senior convalescent housing, the concomitant agreement must be released by the City Council. The applicant is aware of that and moving forward with that process.

Councilmember Stern said he believes the City and the Council is very respectful of process and doing business in a business-like fashion. This was not an arbitrary action by the Council pulling the rug out from under those who thought they had a planning process and pathway to certainty.

Planning Director Boughton showed where the C-3 zoning exists (SR-305 corridor). She outlined the other zoning areas in the City that mini-storages are permitted uses (C-2, C-4, and three business and employment districts).

Councilmember Stern said the City is very respectful of predictable process for government and business. There is plentiful land available for development of storage units. All of that leads him to be inclined to favor the idea of restricting the C-3 zone.

Councilmember Thomas feels keeping the interim ordinance in place for six months makes sense.

Councilmember McGinty clarified this is not relative to whether storage units are required or not; that is not the issue. The issue is what our front door is going to look like on SR-305. He was part of the initial planning process, and things happen as development evolves. They see trends and see things that happen that they never considered. This is a chance to look at the zone and see if that is what the vision of Poulsbo really is. It is our front door, something they need to consider before moving forward. He supports continuing the interim ordinance to allow them to look at it more in-depth.

Councilmember Lord said she appreciates all the testimony. She supports continuing the interim ordinance. She said the planning process is deliberate, and it is a living document that reflects the passion of the citizens. The Council is supposed to reflect that back into their planning document. Sometimes things get overlooked or things come up that were not anticipated. It is a living document and they have to respond to what the citizens expect.

Councilmember Musgrove said this is about should we keep the brakes on and give this a really good look. He feels it is worthy to do so to get the best answer they can

achieve. He said this is a public process. He hopes it isn't regarded as not being a public process. He is a staunch supporter of property rights, but this is more of a situation where they have this house, and they want to make sure they don't put the kitchen sink in the bedroom. They are not trying to make anyone's life difficult. The Economic Development Committee has been working to keep Poulsbo Poulsbo. This is what he hears citizens saying they want. He said this also includes storage units, but storage units have evolved and grown over time. He commends the storage unit people for coming up with ways to put more units into the same footprint, but now it changes the dynamics, so they have to look at it again. He asked the residents to keep in mind this is a commercial zone that allows taller buildings, and how much traffic goes into a storage facility as opposed to a four-story office building with 150 employees and 300 clients a day, or an REI, etc. Whatever ends up in that location will likely be tall and very busy, perhaps busier than storage units. As it stands, he wants to hold the current moratorium and take a close look at all directions and all sides. He hopes everyone continues to provide input.

Councilmember Henry said when he was on the Planning Commission, he was always impressed when one of these questions came up. He can always tell the interest of the people by how many were left at the end of the meeting. He can see a lot of interest here. He supports maintaining the moratorium.

Councilmember Nystul asked Planning Director Boughton how citizens can be kept informed of what the next steps are in this process. Planning Director Boughton asked citizens call or email the Planning Department, and asked to be added to the self-storage email list.

The interim ordinance was kept in place. She thanked everyone who came and gave public testimony.

**c. Rain Garden Program Final Report**

Senior Engineering Technician Hart presented the final report for the partnership between Kitsap Conservation District and the City for creating rain gardens and other LID improvements. Presentation highlights included: ILA basics, completed sites, statistics, factors affecting cost/site, cost summary, and next steps.

The ILA expires in December 2017, although grant cost share funding from KCD/Washington State Conservation Commission ended June 30. ILA advantages: allows the KCD to count Poulsbo residents as voters for Kitsap Conservation District Board of Supervisors elections; enables the KCD to work in the City when funding is available from the City; and allows us to use the KCD as a landscaping

resource/supplier for capital projects. A new ILA will be brought forward in a format which will allow flexibility for future projects.

Councilmember Lord said the projects that have occurred over the last two years have been pretty worthwhile. Senior Engineering Technician Hart said the program gained momentum, and they have received requests after the money ran out. She plans on bringing the ILA renewal to the Council before the end of 2017.

Senior Engineering Technician Hart announced the City is a recipient of a grant from the West Central LIO for \$100,000 for a project to work on the restoration of the riparian corridor on Dogfish Creek between 8<sup>th</sup> Avenue and Centennial Park.

**d. Set Public Hearing for 2018 Revenue Sources**

Finance Director Booher presented the agenda summary, noting according to RCW 84.55.120 the City Council is required to hold a Public Hearing on revenue sources for the upcoming year's General Fund budget. The hearing must include consideration of possible increases in property tax revenues and must be held before the property tax levy request is submitted to the County.

**Motion:** Move to set Public Hearing for October 11, 2017, at 7:15pm to review revenue sources for 2018.

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

Motion carried.

**e. Accept Viking Avenue PRV Project**

City Engineer Lenius presented the agenda summary, noting the Viking Avenue PRV project is successfully completed. The final contract amount was \$381,588.87. The final paid contract total was \$368,925.20. There were three change orders on the project totaling \$20,322.24 (5.5% of the contract). Final payment was made to the contractor on August 23, 2017. Retainage is being held in an escrow account in the amount of \$16,947.86 and will be released once the project has been accepted and released by all agencies. The Engineering Department recommends acceptance of this project as complete.

**Motion:** Move to approve the Viking Avenue PRV project as complete and authorize release of the retainage funds and contract bond in accordance with state law and contract requirements.

**Action:** Approve, **Moved by** McGinty, **Seconded by** Thomas.  
Motion carried.

## **7. COUNCIL COMMITTEE REPORTS**

Public Safety/Legal Committee Meeting: Councilmember Stern reported they received an update on the current mental health grant; district court considering co-locating in Poulsbo City Hall; Deputy Chief Pate will be retiring December 31 and hiring timeline; jury trial demand has drastically increased (increased workloads for court and prosecuting attorney); and the Fire Department is securing a boat house at the Port of Poulsbo.

Finance-Administration Committee: Councilmember Stern reported they reviewed an Engineering Department reorganization request (recommended approval); management salary survey restructuring and streamlining step schedule; and explored the idea of hiring a lobbyist.

Public Works Committee: Councilmember Musgrove reported they discussed updates to the solid waste plan and sewer rate increase ordinance (recommended approval).

## **8. DEPARTMENT HEAD COMMENTS**

City Engineer Lenius reported they applied for a \$500K grant for the tunnel under SR-305. It is the Transportation Alternatives grant program.

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

Councilmember Nystul reported Lodging Tax meets next week.

## **10. CONTINUED COMMENTS FROM CITIZENS**

Mayor Erickson asked for citizen comments; no comments were received.

## **11. MAYOR & COUNCILMEMBER COMMENTS**

None.

## **12. ADJOURNMENT**

**Motion:** Move to adjourn at 9:36PM,

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

Motion carried unanimously.



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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk