

POULSBO CITY COUNCIL MEETING OF JUNE 20, 2018

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, City Engineer Lenius, Planning Director Boughton, Public Works Superintendent Lund, Parks & Recreation Director McCluskey, IT Manager Stenstrom.

MAJOR BUSINESS ITEMS

- * * * Budget Amendment/BA# 18-0205, IT Archiver
- * * * Payable Disbursements for May 2018
- * * * Budget Amendment/BA# 18-0206, Harrison Force Main/Fjord Drive Contract
- * * * Special Event: Poulsbo Waterfront Dance
- * * * Annual Lodging Tax Advisory Committee Appointments
- * * * Bond Update – County Payment
- * * * Set Public Hearing Date for Connection Fees for Commercial and Budget Amendment
- * * * Purchase of Solid Waste Long Haul Truck
- * * * Public Hearing: Commercial Districts Ordinance Update

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**

Mayor Erickson noted the lodging tax agenda item was revised.

Motion: Move to approve the agenda noting the revision on the content.

Action: Approve, **Moved by** Stern, **Seconded by** Musgrove.

Motion carried.

3. **COMMENTS FROM CITIZENS**

Sandy Kolbeins encouraged the City to support the Poulsbo Waterfront dance with a donation of \$3,500.

Missie Sewel stated that there is a four way stop on 4th and Viewmont that nobody stops at, and a 25mph sign on telephone pole that has been taken out 4-6 months ago. She asked that if the city plans on putting more people in Poulsbo, they will be using their street as a runway, and she would like speed bumps or some other tool to help reduce the speeding.

Jean Holwegor seconded what Missie said.

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

Councilmember Lord stated there will be a Community Open House for Poulsbo Trails on June 25 at 5:30pm at Poulsbo City Hall, and next Tuesday is NKB Demolition Operations training from 9:00am to 2:00pm, so the city may hear loud noises during that time.

Councilmember Nystul said Deputy Chief Brown reviewed Viking Festival Events. He complimented them for the document. It is a start of working together with all the agencies on major events.

Councilmember Garland announced that Friday is the last day of school in NKSD.

Mayor Erickson reminded everyone about the Council Retreat on July 14, and she wants the Council to send her their ideas for future 25 and 50 years for Poulsbo. She also announced that July 18 is a joint meeting with the Port of Poulsbo.

Mayor Erickson announced two events on June 23rd: Midsommers Fest at 11:30 am at Sons of Norway and Relay for Life at Pendergast Park at noon.

Councilmember Thomas is looking forward to going to the Poulsbo Middle School awards ceremony tomorrow at 9:45 am.

Councilmember Musgrove asked everyone to be vigilant for kids who are out of school. He also thanked the chief and deputy chief for the after-action report for the special event. Councilmember Lord said the review of the report will be done at Community Services Committee.

Councilmember Stern reminded everyone that decision points for the Noll Road project are coming up. He shared the story board that showed a large Park & Ride concept on SR305. He shared pictures of his visit of WWII planes at Bremerton Airport. He addressed Business Agenda Item 6f. The Economic Development Committee has been working with staff and citizens. They have heard the concept of view corridors and highlighting of Little Norway architectural design elements. He said the City does not covet growth.

There is a tremendous housing demand, and he is concerned about housing demand versus commercial demand, and Poulsbo needs low income housing.

5. **CONSENT AGENDA**

Motion: Move to approve Consent Agenda items a through c.

The items listed are:

- a. Budget Amendment/BA# 18-0205, IT Archiver
- b. Payable Disbursements for May 2018
- c. Budget Amendment/BA# 18-0206, Harrison Force Main/Fjord Drive Contract

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

6. **BUSINESS AGENDA**

a. **Special Event: Poulsbo Waterfront Dance**

Parks & Recreation Director McCluskey presented the agenda summary, noting the Port of Poulsbo, City of Poulsbo, and the Historic Downtown Poulsbo Association want to hold a Waterfront Dance at the Muriel Iverson Williams Waterfront Park on Saturday, August 25, from 5pm-11pm. They are expecting 250+ participants. They will be using north end parking lot for vendors. They are working on a beer garden in some of the parking lots spaces near the Sons of Norway. They are asking for music until 10pm.

The Mayor asked for the Council's concurrence to use \$3,500 out of her budget as support to the dance. The Council concurred.

Councilmember Lord stated the Community Services Committee reviewed the application, and there were no concerns, except that if there is a beer garden, it will be with the correct permits. The committee recommended Council approval of the application, and the music going past sunset. They were appreciative of the Mayor using funds from her budget.

Councilmember Thomas stated that no streets needed to be blocked off, and supports the approval of the event.

Councilmember Musgrove recommended funding for one year and to reassess afterwards what kind of funding is needed next year.

Motion: Move to approve the Special Event application for the Poulsbo Waterfront Dance as presented.

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

Motion carried.

b.  Annual Lodging Tax Advisory Committee Appointments

Parks & Recreation Director McCluskey presented the agenda summary, noting per Resolution 2013-07, the City Council shall appoint the five public members of the committee, and review the membership of the LTAC each June to make changes as appropriate. The LTAC slate will include two members from businesses required to collect the tax (Terri Douglas, Poulsbo Inn; Britt Livdahl, Harrison Street Guest Suite), two members from organizations involved in activities authorized to be funded by these taxes (Steve Swann, Port of Poulsbo; Greg Enright, Cultural Arts Foundation of the NW), and one elected official who serves as the chair (Councilmember Nystul).

Motion: Move to approve the five members of the Lodging Tax Advisory Committee.

Action: Approve, **Moved by** Nystul, **Seconded by** Thomas.

Motion carried.

c.  Bond Update – County Payment

Finance Director Booher presented the agenda summary, noting the City Council approved the issue of debt to pay the County for the City's share of Treatment Plant and Pump Station Improvements. Both projects have been completed and in accordance with the agreement payment will be made one year after project completion. Bonds were sold June 12 with proceeds expected June 26. Payment will be made once final details of invoices have been resolved. Bond proceeds will account for approximately \$7,500,000 and an amount of approximately \$3,500,000 will be from amount of collection fees the County has held generated from the City of Poulsbo connections intended for capital improvements necessary to serve the City of Poulsbo.

Councilmember Lord asked if the sewer connection fees are being held by County, if we get any interest paid back to us. Finance Director Booher answered no, but the County is paying the excise tax. She also stated that the County wants to renegotiate the project.

Motion: Move to approve issuance of payment of Kitsap County for the City's Share of improvements generated from a combination of bond proceeds.

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

Motion carried.

d.  **Set Public Hearing Date for PMC Update for Connection Fees**

Director of Engineering Kasiniak presented the agenda summary, noting the Council is asked to set a public hearing date for the City of Poulsbo proposed PMC Update of Connection Fees for Multi-Family Buildings for July 11, 2018. He presented a strike-out version of the proposed revisions in order to correct a calculation in the general facility charge used when calculating multifamily connection charges. The current code has an error in calculation that is out of alignment with the Comprehensive Plan and GMA requirements.

Councilmember Musgrove reported Public Works Committee reviewed this and the correction in the formula.

Councilmember Garland asked if multi-unit buildings use 80% of single family homes and whether this is an average? Director of Engineering Kasiniak answered yes.

Motion: Move to set the public hearing date for the City of Poulsbo proposed PMC Update of Connection Fees for Multi-Family Buildings for July 11, 2018.

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

Motion carried.

e.  **Purchase of Solid Waste Long Haul Truck**

Public Works Superintendent Lund presented the agenda summary, noting per the Solid Waste Management Plan approved in 2017 the City would like to provide its own Long Haul Services. Currently this service is provided by Bainbridge Disposal at a cost of \$82,000+/- per year. Budget was approved in the 2018 Budget in the amount of \$375,000. The Truck and Trailer will be two separate purchases:

- Purchase #1 Truck and Hoist System - From Western Peterbuilt (per City of Tacoma Inter-local Ride On Bid Agreement) - \$230,355.03

- Purchase #2 Trailer - From Solid Waste System (Per State Contract Pricing) - \$73,287.72 Total for the Truck and Trailer is \$303,642.75

Motion: Move to approve the purchase of a long haul solid waste truck in the amount of \$303,642.75.

Action: Approve, **Moved by** Musgrove, **Seconded by** Garland.
Motion carried.

f.  **Public Hearing: Commercial Districts Ordinance Update**

Associate Planner Coleman presented the agenda summary, noting that the general purpose of the City's Commercial District is to provide the necessary goods and services for the Poulsbo and greater North Kitsap communities. The commercial designation is broken up into four commercial zoning districts on our zoning map. The first one is C-1; which is the downtown area, C-2, which is Viking Avenue; C-3, which is generally located along the SR305 Corridor and also along 7th Avenue and 10th Avenue; and C-4, which is the College Marketplace.

Factors for the staff bringing forth the proposed amendments include change of ownership and redevelopment of downtown and increase interest in mixed use structures in development downtown and around the city; adaptation of uses due to impact of online retail, also known as the Amazon Effect; the change in commercial space; clarification of our current standards; and making mini storage prohibited in our C-3 commercial zone.

General overview of the revisions and enhancements include building and design standards to maintain the "small town, waterfront, Scandinavian fishing village" feel in the C-1 Zoning district. Additional standards for development include pedestrian features and connections. Building height in C-1 Zone is limited to 30 feet or 35 feet with a pitched roof, eliminating the 10-foot height bonus for underground parking. They also introduced a new concept, called the Shop Front Overlay, which is a new overlay intended to preserve historical development pattern on Front Street.

Associate Planner Coleman reviewed the commercial use table; C-2, C-3, and C-4 development standards; additional development standards; and the City Council Modifications Table (highlighting #14 and #20).

At 8:16 PM, Mayor Erickson opened the public hearing.

Charlie Winslow, an architect, is working on two projects in C-1 Zone right now. The proposed height limit change to 30' or 35' with a pitched roof, does not allow 3-story buildings. The predominant character downtown is flat roofs. Pitched roof is not a theme they currently have. The elimination of the mixed-use site for the Front Street neighborhood is a good idea because it preserves Front Street; building forms are not what brings uniqueness—it's the storefronts itself; and retail conversion belongs on Front Street and Jensen.

Rosy Bennett stated that the commercial code change—overlay on Front Street—would help maintain some of the businesses. She would like a traffic study done on Front Street; public transportation is a good goal, but it's not always an option. They need to consider parking areas for commercial and residential use. Renters need to be notified before signing leases about how many parking spots they have available to them. Renters also need to know the noise factor potential when living downtown.

Lynn Myrvang submitted a petition with over 100 signatures that stated: We the undersigned, 18 years of age or older, citizens or owners of property in Poulsbo, WA request the Poulsbo City Council maintain the quaint, Norwegian heritage in downtown Poulsbo C-1 Zone, and do not allow any multi-level, large apartments, such as the proposed Vanaheimer apartment building at the old police station or the proposed development of 84 units at the old City Hall. Buildings taller than two stories are too high, bulky, and out-of-scale for downtown Poulsbo. We ask you, the City Council, to approve the downtown Poulsbo code in the C-1 Zone, and shopfront overlay with buildings no taller than 25 feet, including roofs, and only commercial businesses on the first floor and apartments on the second floor. Put big apartment buildings in areas of Poulsbo outside the C-1 Zone, where there can be true affordable housing with needed transit, grocery stores, and services. The anticipated increase of traffic if apartment buildings are allowed will severely affect the already dense traffic and parking loads in downtown Poulsbo. Please conduct SEPA, State Environmental Policy Act, on any projects proposed in future in downtown C-1 Zone and shopfront overlay, as required by Washington state and City of Poulsbo SEPA law. SEPA identifies, analyzes, and mitigates environmental impacts, including aesthetics (views), transportation, etc., associated with governmental decisions.

Cindy Baker walked with Lynn to ask constituents about C-1 Zone changes; constituents were not happy with the proposed changes. She asked the Mayor and Councilmembers to read the SEPA documents, especially if C-1 Zone recommendations are adopted.

Joan Hett shared her experiences with driving and parking downtown. She asked the Council to not make parking worse than it already is.

Jim Schlacter had a question about C-1 Zoning and needed some clarification about what area it encompasses. Associate Planner Coleman outlined the C-1 zone. Jim

Schlacter asked which took precedence in situations of code conflict? Planning Director Boughton said the Master Plan.

John Bukowsky asked for a "systems view"; he sees many incremental adds and it's not systematic. He wondered what things are going to look like 20-30 years from now. What will impacts be on views, law enforcement, and traffic? Ten years from now the "Amazon effect" will be gone. He would like the Council to stop, put together a master plan, get the community involved, and build a community for the community.

Missie Sewel spoke regarding citizen notifications, her disappearing view, potential traffic congestion and lack of parking.

At 8:50 pm, Mayor Erickson closed the public hearing.

Council Deliberations

Modification No. 1 – Purpose statement of zoning district (18.80.050): The Council agreed with the recommended changes.

Modification No. 2 – Adding 18.80.050 B.12, a new section recognizing First Lutheran Church is the dominant downtown building, and no building will obstruct that view (between Moe St and Hostmark St): The Council agreed with the recommended changes.

Councilmember Stern thanked the community for their input because this modification was due to them attending the meetings. This is the City's first attempt at addressing public views. He is proud of the council and the community.

Mayor Erickson sought clarification about a house that may violate the code, and Planning Director Boughton stated that the commercial codes do not affect residential houses. This is not a comprehensive view ordinance, so they're not addressing the residential zoning section of the code.

Councilmember Musgrove asked if the wording might change in reference to existing commercial buildings if the height they recommend changes. Planning Director Boughton said it would change.

Modification No. 3 – 18.80.050 Purpose statement– insert the word "fishing" between "waterfront" and "village": The Council agreed with the recommended changes.

Councilmember Thomas commented that "Scandinavian" should be noted. He stated that "waterfront, fishing village," didn't mean a whole lot to him.

Councilmember Stern stated that there are many modern Scandinavian villages, so we need to specify "old world."

Councilmember Musgrove would like to reinforce the "Little Norway" moniker.

Councilmember Lord stated the traditional village had to do with a fishing fleet, fish processing, and that is something that is trying to be captured. Need to be consistent throughout the document.

Mayor Erickson stated that she is from a fishing background, and she stated that fishing isn't glamorous, so she warned that the wording is getting restrictive because Poulsbo is eclectic.

Modification No. 4 – 18.80.050 B.4 Architectural features, told to add "fishing" to the "waterfront village" phrase throughout the document: The Council agreed with the recommended changes.

Councilmember Lord reiterated the need for consistency throughout document.

Councilmember Stern asked Planning Director Boughton if she, or a future director, is getting the guidance she needs to make those design review criteria remarks. Planning Director Boughton stated that in this code update they spent considerable time, energy, and research to bolster up the standards, which is why most of the amendments are in the design standards that they're proposing, as well as in the purpose statement because that gives the Planning Director, present and future, two places to look when meeting, negotiating, and discussing architectural design standards with a developer. Yes, the enhanced purpose statements and the standards gives the intent and purpose to what they do.

Mayor Erickson asked the Council if they want to put "fishing" in number one or not?

Councilmember McGinty answered that we're going to put it in all the rest of it, yes.

Mayor Erickson stated they will stick "fishing" somewhere in number one.

Councilmember Lord clarified that it's bullet-point two, and it is not consistent with the other times "waterfront fishing village" is stated.

Planning Director Boughton stated that number one and two were done at different meetings, so they did capture it in number three, bullet-point two. She stated they will re-check that it is in the final draft.

Modification No. 5 – 18.80.050 D Shopfront Overlay: The Council agreed with the recommended changes. No discussion

Modification No. 6 – 18.80.030 Uses A.6 A Temporary Permit Use: The Council agreed with the recommended changes. No discussion

Modification No. 7 – Table 18.80.0030 recreation goods rentals (bikes, kayaks): The Council agreed with the recommended changes.

Councilmember Stern asked if this was just the addition of recreation goods rentals? Would this include motorized skateboards/mopeds? Councilmember Musgrove asked if they could specify what the city can rent? Associate Planner Nikole said that they could be specific, but in the future they could bring back an amendment that has to do specifically with rentals.

Councilmember Thomas recommends not getting too specific in the amendment because there are other ordinances that could help with the motorized skateboard use on sidewalks and things like that.

Councilmember Musgrove asked if kayaks would fall under shoreline management? Planning Director Boughton stated that they are not mutually exclusive. It might be an opportunity, or it might now.

Modification No. 8 – 18.80.050 D.13 Rear facades: The Council agreed with the recommended changes. No discussion

Modification No. 9 – 18.80.080J.: The Council agreed with the recommended changes.

Councilmember Stern wanted to make those aware that are living in the commercial zones that they will not have as many enjoyments in quietness as people who live in the R-1, -2, and -3 zones.

Councilmember Nystul asked if the planning staff was going to review leases. Planning Director Boughton stated it would be a condition of approval for mixed use zones. Staff will not look at every lease because they don't have the resources.

Councilmember Musgrove asked that we look at the potential threat to the nightlife economy and make sure we get some good, solid mechanisms to make sure that people understand they are in a downtown area over commercial space.

Councilmember Stern asked staff to find out from the city attorney on methods of conveyance of this information on leases, agreements, and title deeds. It is meant to be explored.

Councilmember McGinty stated that landlords could modify those agreements at any time.

Mayor Erickson stated that they cannot legally monitor leases. It is not the job of the city government to explore and modify leases of individuals' property.

Councilmember Nystul asked what other sort of uses do we need to warn people about throughout the community?

Councilmember Thomas would like to reword the beginning to "it is recommended" and change "shall" to "should".

Modification No. 10 – 18.80.020 Purpose: consensus of C-1 Zoning District/shop-front overlay: The Council agreed with the recommended changes.

Councilmember Musgrove asked if it were easier to blanket everything and say we want it all to look like the little Norway fishing village. Planning Director Boughton said the Shopfront Overlay has very specifically designed standards, given the pattern of development, the parcelization, and 100% lot coverage and shared walls. The "waterfront fishing village" is overall for the whole zoning district. There would be challenges because not all the buildings in C-1 are like the buildings in the proposed shopfront overlay.

Councilmember Musgrove asked what would be gaining or losing by not including them in the overlay? He wanted to allay fears that they are not losing anything if they are not including them in the overlay.

Mayor Erickson said the Planning Director said they are not losing any of the design criteria.

Modification No. 11 – Table 18.80.040 height: Continued to the July 11, 2018, Council meeting for deliberations only.

Councilmember Stern wants to revisit the 35-foot height area.

Councilmember Thomas looked at the C-1 district, and he realized that Third Avenue seems to be the issue. The Westsound Workforce building has two stories from Third Avenue. It was in scale and appropriate for the area. He is comfortable with the 35-foot height requirement.

Councilmember McGinty is concerned that the buildings could be built taller with averaging.

Councilmember Thomas is concerned about where the height is measured when the building has an up-sloped side. It would make more sense to say from Third Avenue it can only be two stories from street level.

Mayor Erickson asked whether the Council would be okay with flat roofs.

Councilmember Lord states that it's the impact from Third Avenue at street level that concerns her. They have narrow lots, and if the buildings follow the lot lines, there would be a lot of small gabled roofs, and that's not what they want.

Mayor Erickson asks Planning Director Boughton if they could state 35-foot height, but not to exceed two stories on Third Avenue

Planning Director Boughton said it is a challenge, because they're larger geographic areas and they don't normally get that specific, locationally for height limit, but they can add it as a footnote. She asks the Council to consider the corner lots because that will be the next question that comes to her once the modifications are adopted, such as on Moe and 3rd.

Councilmember Musgrove agreed with measurements and recommendations for Third Avenue.

Councilmember Stern would like two-story scale on Third Avenue.

In response to Councilmember Thomas, Planning Director Boughton said 25 feet could equal two stories.

Mayor Erickson asked that they get rid of the pitched roofs.

Planning Director Boughton states that 35 feet is what they have had on the books for a long time, although the Council is proposing 30 feet.

Mayor Erickson raised concerns that less than 35 feet is less than the Shoreline Management Program, which is really restrictive. She said they can kill a town by getting too restrictive, because the values of the property are not worth the investment.

Councilmember Nystul asked Planning Director Boughton what happens if the Council makes an error and if it can be fixed in the future. What's the process?

Planning Director Boughton stated that development regulations can be modified at any time. It's set forth as a Type IV process in Title 19, which is the process they are doing right now. It requires the Planning Commission, review, public hearing, and

City Council review. It typically takes a minimum of 60 days, but can take anywhere from 4-12 months.

Councilmember Stern is okay with 35 feet, flat roof.

Mayor Erickson stated that the ordinance deliberation will have to be continued to the next City Council meeting on July 11, 2018.

Councilmember Nystul asked that white not be eliminated in roof colors because Central Markets' roof is white and has an energy efficiency rating.

Councilmember Musgrove requested comparative information of buildings.

Councilmember Thomas stated its easier to look at something that is already there that fits the criteria. It is helpful to get those heights to compare them to. It's more useful to walk the streets.

Mayor Erickson suggested meeting an hour early at 6:00 pm before the July 11, 2018, City Council meeting to walk around downtown Poulsbo.

Planning Director Boughton noted that the Council would be continuing their deliberations, because the public hearing is already closed. She will check with the City Attorney to see if they can do a walk-about during Council deliberations.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember McGinty reported they discussed the newspaper bid, they reviewed the Business License Model Ordinance, Washington Voter's Rights Act was discussed, City's bond rating overview, and the exit conference from the auditor is coming up.

Public Safety/Legal Committee: Councilmember Garland reported the committee received updates on homelessness (outreach and services offered), municipal court video system (working with Bremerton to get a cheaper solution); the Police received a \$5,280 records management and archiving grant and received funds from the 171 fund, the Police presented a draft ILA for Ride-Along Software used to help people in crisis; Prosecuting Attorney Foster reported they had 82 cases in court today; and the Fire Department will have a unified command at the fire station for the 3rd of July fireworks.

8. DEPARTMENT HEAD COMMENTS

None.

9.  **BOARD/COMMISSION REPORTS**

None.

10.  **CONTINUED COMMENTS FROM CITIZENS**

Lynn Myrvang stated that her husband measured all building heights downtown.

11.  **MAYOR & COUNCILMEMBER COMMENTS**

Mayor Erickson complimented the City Council on the good work they did.

Councilmember Musgrove thanked the public for attending the meeting, the feedback is helpful.

12.  **ADJOURNMENT**

Motion: Move to adjourn at 9:57 PM,

Action: Approve, **Moved by** Stern, **Seconded by** Thomas.

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk