

POULSBO CITY COUNCIL MEETING OF APRIL 10, 2019

MINUTES

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

Staff: City Clerk Fernandez, Director of Engineering Kasiniak, Parks & Recreation Director McCluskey, Planning Director Boughton, Associate Planner Coleman, IT Manager Stenstrom.

ABSENT: Councilmember Stern

MAJOR BUSINESS ITEMS

- * * * Minutes of March 13, 2019, Council Meeting
- * * * Minutes of March 20, 2019, Council Meeting
- * * * Small Business Development Center
- * * * Day of Positivity Special Event
- * * * Public Hearing: 2019 Comp Plan Amendments
- * * * Public Hearing: Hawks Landing 2019 Comprehensive Plan Amendment
- * * * Set Public Hearing Date for City 6-Year TIP

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

2. AGENDA APPROVAL

Removing Item 6F and moving to another meeting.

Motion: Move to approve the agenda as modified.

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

Motion carried.

3. COMMENTS FROM CITIZENS

Elizabeth Hall spoke against Business Item 6d. She and her neighbors want to keep the Council and the Planning Commission accountable for this change and want them to retain the character to the City.

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

Councilmember Musgrove shared the current edition of the Poulsbo Historical Society Newsletter and recommended the public check it out.

7:06 Mayor Erickson said Saturday is Arbor Day and there will be a tree planting at Centennial Park and there is also a ribbon cutting at the Maritime Museum. Tomorrow night in the Council Chambers at 5:30 is a WSDOT workshop about the 305 corridor and the roundabouts going into from Winslow to Poulsbo.

Mayor Erickson recognized Josh Howerton as the Employee of the Quarter. Mayor Erickson and the City Council thanked him for his exemplary service.

5. **CONSENT AGENDA**

Motion: Move to approve Consent Agenda items a and b, with b amended.

Councilmember Garland noted two changes to the March 20, 2019 minutes under Council Comments. The date for the Town Hall was March 23 instead of April 23 and it was Representative Hansen, not Congressman Kilmer, who was present.

The items listed are:

- a. March 13, 2019 Meeting Minutes Approval
- b. March 20, 2019 Meeting Minutes Approval

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

6. **BUSINESS AGENDA**

a. **Small Business Development Center**

Mayor Erickson presented the agenda summary, noting Western Washington University (WWU) is launching a Small Business Development Center (SBDC) in Poulsbo. WWU must raise funds to support the center located at Vibe Co-Works. They are asking for a 4-year commitment to support the center in Kitsap. The City of Poulsbo must decide whether they wish to support the development of the SBDC and the size of the financial grant. The suggested amount is \$7,500 annually.

Councilmember McGinty added this program would be very active with existing businesses as well. It would be a valuable asset to keep small businesses running.

Councilmember Lord asked what the enrollment cost was for services. Mayor Erickson said the counseling services are free.

Councilmember Musgrove believes in things like this. It is a direct investment of the people's money for the direct benefit of the people. He has used SBDCs in the past; they are an awesome resource. He would like to 1) see their business plan attached with the contract; 2) receive updates every six months that address the business plan (metrics on how they are doing); and 3) he would like to increase to \$10,000 a year for only three years (same amount of money).

Councilmember McGinty noted they want a four-year commitment.

Motion: Approve the support of the Small Business Development Center and commit to \$10,000.00 annually for three years.

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

Discussion: Councilmember Nystul thinks they should follow along with the request. Councilmember Garland asked where \$7,500 came from, the request asked for \$10,000 per year for a minimum of three years. Mayor Erickson said she negotiated down the rate to \$7,500. Councilmember McGinty would prefer to do \$7,500 for four years, and if they need more, they can come back and ask for it.

Motion carried.

b. Day of Positivity Special Event

Parks & Recreation Director McCluskey presented the agenda summary, noting the sponsor is Geneva Newell (Girl Scout Gold Award project), the event will be at the Muriel Iverson Williams Waterfront Park on Saturday, June 8, 2019 1:00-9:00 p.m. They expect 250 participants. The Event is free to the public and is all about bringing the community together around the idea of positivity. There will be live music from youth performers and free activities run by local groups (NKSC, KCMT) and youth volunteers.

Geneva Newell, the event organizer and a Girl Scout ambassador who is going for her Gold Award (similar to Eagle Scout), spoke regarding the event and how it will positively impact the community.

Motion: Move to approve the Special Event application for the Day of Positivity as presented.

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

Motion carried.

c. Public Hearing: 2019 Comprehensive Plan Amendments

Associate Planner Coleman presented the agenda summary, noting the City Council set the docket for the 2019 Comprehensive Plan Amendments in January, which include:

- P-11-13-18-01 is a text amendment to Chapter 12, the Capital Facilities Plan, to incorporate Appendix B-6 to reflect the updated 2018 Urban Paths of Poulsbo.
- P-11-13-18-02 is a text amendment to Chapter 12, the Capital Facilities Plan, to incorporate changes recommended by the Parks staff, Parks and Recreation Commission, and citizens.
- P-11-13-18-03 is a request to re-designate and rezone 2.56 acres of recently acquired parks property from Residential Low to Park.
- P-11-13-18-04 is a text amendment to Chapter 12, the Capital Facilities Plan, to update Table CFP-4 to reflect the proposed projects listed in the 20019-2024 Capital Improvement Projects.
- P-11-26-18-01 is a text amendment to Appendix B-4; Chapter 7; Chapter 12, Capital Facilities Plan for adjustments to funding sources estimated in the Comprehensive Plan, which will result in an increase to Traffic Impact Fees.

Comprehensive Plan amendments are processed using the Type IV public review process, which requires a public hearing before both the Planning Commission and City Council. The Planning Commission recommended approval of all the amendments at their March 26, 2019, public hearing.

Councilmember Erickson clarified that a good portion of the property in the proposed rezoning area will go to streets, buffers, and landscaping.

Councilmember Lord noted that the Council adopted the Urban Paths of Poulsbo plan in the fall of 2018, and this adds it to the Comprehensive Plan.

Mayor Erickson opened the public hearing at 7:39 p.m.

Russ Shilet, Kitsap Building Association (KBA) Executive Officer, spoke against #P-11-26-18-01, which relates to Traffic Impact Fees. They recognize there will be a \$30

million shortfall; however, they are concerned with the proposed 58.9% increase of traffic impact fees. While the City of Poulsbo wants to address affordable housing, he stated it is difficult to address affordable housing when more fees are being added. There are no proposed alternatives to solving the \$30 million deficit.

At 7:42 p.m., Mayor Erickson closed the public hearing.

Councilmember Thomas commented on the Urban Paths of Poulsbo Plan having gone through a lot of work, and it is an excellent document. He said it is important to have it as part of our plan. Regarding the other items, as pointed out last week, part of their philosophy is that development pays for growth. When we have development causing increased traffic and impact on other things, the cost should not be borne by those who are currently living here. He wants to see the street maintenance program move ahead, part of it is a funding issue. This will help address that. He realizes it is part of the cost of doing development, but it is a fee that needs to be paid.

Councilmember McGinty noted that they continue to look at funding for things like Noll Road, but they need to keep the infrastructure up to pace with development. If they find other sources of revenue in the future, they can adjust it accordingly.

Mayor Erickson explained that an impact fee is what a developer pays when they build new construction. That fee goes to whatever it is appointed to; for example, a traffic impact fee must be spent on new road construction, not repairing existing roads.

Director of Engineering Kasiniak confirmed that in the 2007 Comprehensive Plan, the development community used to contribute 30% of transportation funds, and 70% came from two different sources: 1) Fund 311, which contributed about \$5 million; and 2) grants, which brought in \$26 million. It is more difficult to obtain grants. Some funds from 311 were transferred to help with street maintenance. These two changes caused the City to adjust the traffic impact fees to 58.9%.

Mayor Erickson stated that the federal government is pushing down on states, and states are pushing down on local governments, and they expect local governments to do more with less money.

Councilmember McGinty said while he's sensitive to how these fees affect the housing crisis and getting affordable housing, services still must be paid.

Motion: Move to approve the 2019 City Initiated Comprehensive Plan Amendments, application numbers P-11-13-18-01, P-11-13-18-02, P-11-13-18-03, P-11-13-18-04, and P-11-26-18-01 and direct the Planning and Economic Development Director to prepare an ordinance to this effect.

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

Motion carried.

d. Public Hearing: Hawks Landing 2019 Comprehensive Plan Amendment

Associate Planner Coleman presented the agenda summary, noting the City Council set the docket for the 2019 Comprehensive Plan Amendments in January, which included a private property owner application, number P-11-13-18-05, a request to re-designate eight properties located north of McDonalds on Viking Ave NW from Residential Medium (RM) to Residential High (RH). Comprehensive Plan amendments are processed using the Type IV public review process, which requires a public hearing before both the Planning Commission and City Council. The Planning Commission recommended approval of the amendment at their March 26, 2019 public hearing.

Mayor Erickson opened the public hearing at 7:50 p.m.

Dan Weedon spoke about wildlife, traffic, and everything that comes with growth. He asked the City that all "shareholders" continue to have an opportunity to voice concerns in a respectful manner to keep Poulsbo the city and community they want to see. He wants to make sure whatever end result comes is the best for Poulsbo.

Alex Wisniewski voiced his concerns, which included impacts to school capacities, public infrastructure, safety and carrying capacity of Viking Way, nature of Fish Park, and the character of Poulsbo. He's okay with the properties being developed, but he's concerned about the "how."

Karen Trahan echoed what her neighbors said. She moved to Poulsbo because of its charm and smallness. While she understands the need to develop, she asks that the neighbors be allowed to be partners with the City and have a say.

Robert Trahan, an architect who's done work in Poulsbo and Bainbridge Island, added that the neighbors have invested in the community, and they look forward to being participatory in what the outcome ends up becoming. He looks forward to participating in the environmental impact permits, conditional use, and other steps during development.

Suzanne Christman is hopeful that whoever moves into the new development will be participants in the community. She was pleased when the Mayor mentioned that Poulsbo is a Tree City and Arbor Day, and that not all of Poulsbo's trees should be in parks.

Terry Waag, who lives on one of the properties of the proposed Hawks Landing for the past 45 years, read a statement, noting that she believes it's important to grow with the community, be good neighbors, and stewards of the community.

Bill Waag said he is one of the landowners at Viking Way. He respects and admires the Planning Department and City Council for the work they've done. He shared his history with the City. He trusts that Poulsbo will only make decisions that will enhance the City.

Steve Smaaladen said he owns about 3 acres of the proposed up-zoned land. In 2004, the City administratively annexed the property. He wants to remind people about property rights. He pointed out that some of the arguments, like the size of vegetation buffers, are irrelevant until a plan is submitted.

Paul Deets said he is one of the property owners of the proposed up-zoned lots. He appreciated the comments he's heard. He thinks the City has a responsibility to stay on top of what happens to the property.

Brandon Wieschhaus coordinated the application for the rezone. He's encouraged by the neighbors of the future development. His main point is that it's a great area to "up-zone." If the land remains RM [residential medium], which hasn't been developed for 10 years instead of rezoning to RH [residential high], the land will likely not be developed and will not help the housing crisis. Middle-income families are struggling to find housing they can afford in Poulsbo.

Mark Musick is one of the property owners of the proposed up-zone, and he said this application was a collaborative effort with his neighbors. This public hearing shows that Poulsbo is a neighborly community, which shows the character of Poulsbo.

Bob Christman understands the neighborhood and character of the City. He's concerned about the Environmental Impact study because they don't know what will be developed there. He wants to know what will happen with traffic. He wants to know if the City has given up on high, medium, and low density, especially because medium density hasn't been developed in ten years. He wants to keep the character of Poulsbo the way it has been in the past decades. Clear-cutting and apartments will cause Poulsbo to lose part its character.

Rick Eckert, North Kitsap School board member, pointed out that the area of proposed development is at the boundary intersection of all three elementary schools, so the impact would be how the boundaries would be adjusted. At the last school board meeting, they voted and approved to not accept out-of-district transfers into Vinland or Poulsbo Elementary because those schools are at capacity. Pierson, to the south, isn't yet.

Mayor Erickson closed the public hearing at 8:26 p.m.

Councilmember Musgrove appreciated all the public comments. It was amazing to see how both sides of the issue are respectful and understanding to each other, which is a perfect example of Poulsbo's character.

Councilmember Nystul complimented everyone on both sides. He comes from a small town in Montana that suffered growth. He appreciates the concerns of Poulsbo's citizens. He's hopeful they can maintain some quality growth of community, that they have learned from the past, and that the neighbors participate in the process of the plans.

Councilmember Lord appreciates active citizens expressing their opinions. The City is mandated by the state, the Growth Management Act (GMA), which adheres to certain growth factors. While they can't change state law, they've worked with the Mayor and Planning Director to craft a great comprehensive plan. They must be even more diligent while the City is in its growing phase.

Councilmember McGinty stated tonight's public hearings was the best they have had in a while with a lot constructive conversation. It is great everyone wants to participate in the future project and what it will look like. Unfortunately, they are not approving that tonight, just the density level is being addressed. The other factors will be reviewed once a building permit application is submitted.

Councilmember Thomas thinks tonight's public hearing shows this area is a concern for the neighborhood. The statements were thoughtful and reasonable. It also shows that the people are personally invested in City's character. As a side note, the City Council has an election coming up with a couple open seats. He asks the audience to think about it because they're always looking for citizens willing to step up and serve as councilmembers.

Mayor Erickson noted that she was a product of leveraged annexation into the City, which was against her will. She got involved in land use, because of this. Growth is going to occur, but it better be done correctly. She and the City are holding the development community accountable for what gets built within the City of Poulsbo.

Motion: Move to approve Application No. P-11-15-18-05, a request to re-designate eight properties located north of McDonalds on Viking Ave NW from Residential Medium (RM) to Residential High (RH) AND direct the Planning and Economic Development Director to prepare an adopting ordinance in support of this decision

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

Motion carried.

e. Set Public Hearing Date for City 6-Year TIP

Mayor Erickson presented the agenda summary, noting the Council is asked to set a public hearing date for the City of Poulsbo 6-Year Transportation Improvement Program (TIP) for June 5, 2019.

Motion: Move to set the public hearing date for the City of Poulsbo six-year transportation improvement program for June 5, 2019.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Community Services Committee: Councilmember Lord reported they discussed the existing Public Works site, which is next to Centennial Park. The Public Works site also has a tenant, Coffee Oasis, who are considering purchasing that building. In order to facilitate a possible purchase, the property needs to be short-platted. The short-plat will take one to two years to be completed. First off, an environmental assessment and appraisal needs to be done to the property, which needs to be done by June. They also received a briefing about upcoming Parks and Recreation summer programs.

Public Works Committee: Councilmember Musgrove reported staff would like some feedback on the SmartGov information that is being emailed to the Council; received suggestions to reduce congestion at the intersection of Lindvig and Front; the Forest Rock Lane project should start in early May; the Finn Hill project will start in June, but the portion near the school will be done before school starts again in the fall; the light at Lincoln & Caldart will be upgraded for turns; parking issues at Allison Meadows and a request to only allow parking on one side of the street.

8. DEPARTMENT HEAD COMMENTS

None.

9. BOARD/COMMISSION REPORTS

Councilmember Thomas noted that the NKSD board meeting is tomorrow. He also met with the superintendent to discuss options for the City's youth involvement.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Mayor Erickson thanked Councilmember Thomas for bringing up the Council positions. Filing week is the second week in May to file to run for office. The City is hosting a meeting on April 20 to learn about being an elected official. They'll be joined by Mr. Eckert from the NKSD because the school board has four open board positions.

12. ADJOURNMENT

Motion: Move to adjourn at 9:03 p.m.,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk