

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES

May 10, 2016

Mayor Cheryl Kelley Farivar called the May 10, 2016 Study Session to order at 9:02 AM.

Council Present: Mayor Cheryl Kelley Farivar, Elmer Larsen, Carolyn Wilson, Gretchen Wearne, Mia Bretz, and Richard Brinkman.

Staff Present: Joel Walinski, Herb Amick, Nathan Pate and Chantell Steiner.

Mayor Farivar excused Council members Margaret Neighbors and Robert Francis and asked other members to participate in subcommittee meetings later this afternoon. She then provided photos of the new bike pump park that is being built at Enchantment Park.

1. Chamber Report

Chamber Director Nancy Smith updated the Council on the opening house this Friday for the Bike Pump Park and progress on the annual map of the City produced each year by the Chamber. She then stated that there were some comments received from the past weekend's Tour de Bloom bike race in Leavenworth that the Chamber Board will be reviewing. Council briefly noted some of the challenges of the bike event regarding traffic control issues; City Administrator Joel Walinski added that the event organizer would be available for debriefing at this evening's meeting. Council members shared comments that they heard from the community regarding concerns at the red tape barriers in front of businesses, the traffic issues and street closures. Ideas for improvements in future years, should the event return, will be brainstormed in follow-up meetings with the City and Chamber. From a positive perspective it was noted that the event racers did return on Sunday to enjoy shopping in town, that their presence was during a normally quiet time for the community and that those that attended the event had a wonderful time and thought it was nice to have a new type of event in town. Director Smith offered to send out a survey to the Chamber membership to get comments from the business owners as well. She then updated the Council on the Kinderfest and Maifest planning, storage and refurbishment needs for the old highway snowflakes, and the European Car Club event coming in June. Administrator Walinski provided a handout of the historical Stevens Pass partnership funding. Director Smith provided some clarification of the funding from 2012 through 2015 and the plan for utilizing the \$20,000 allocation for the 2016 fall advertising. She explained how the half priced tickets are used through the hotel stays noting that the funding has been well worth the investment.

2. Discussion on Overnight Rentals within the Residential Neighborhoods

Development Services Manager Nathan Pate updated the Council on the Planning Commission meetings regarding overnight rentals. The first meeting held in April had about sixty people in attendance and approximately ten people attended and made comments at the regular Planning Commission meeting held in May. In general, the comments received were in favor of continuing the current prohibition of overnight rentals in the residential area and to look at increasing the enforcement needed to control the violations occurring. Administrator Walinski stated that the Planning Commission intends to have another meeting where all of the information gathered will be compiled for review and further discussion; however, they are seeking clarification on direction from the Council before moving forward. Manager Pate added

that the Planning Commission at this point is supporting maintaining the status quo of the regulations and would like to see better clarification for enforcement in the City's code if the Council supports moving in this direction. He discussed challenges regarding the urban growth area where the County and City codes are not always enforced equally by the County, particularly regarding larger lot sizes.

Councilmember Brinkman stated his appreciation for the Planning Commission's work on this topic and supports their recommendation; he voiced some concern at the difference with overnight renters versus permanent residents in the aspects of living and maintaining a property. Mayor Farivar stated that there are differences in overnight rentals versus accessory dwelling units (ADU) and that some challenges for residents in the urban growth area may need more discussion and review. Manager Pate added that there is also some concern by residents that are creating ADU's in the urban growth area and how they will be impacted later if their property is annexed into the City. Councilmember Bretz concurred that there needs to be additional considerations to better address the residential housing to offer more alternatives for affordable housing options. Council briefly reviewed some examples that are currently in the community that are on the verge of transitions. Councilmember Larsen concurred that the rules need to be better defined regarding overnight rentals so that it is clearer for the resident; he provided the example of a renter who may or may not want breakfast for a five day rental and does this qualify as a Bed and Breakfast versus an overnight rental, because of the current code language this might be the deciding factor on whether it is legal or not. He added that off street parking concerns need to be addressed as well. Councilmember Wilson stated that she has received many comments requesting the prohibition of overnight rentals and the need to look at strict enforcement with tight clear rules as she supports the need to maintain the current prohibition in the residential district. Councilmember Wearne concurred that she also supports the Planning Commission's recommendations on the prohibition in the residential neighborhood.

Mayor Farivar discussed litigation concerns that could occur if the City is not cautious in creating strong rules and clear regulations and the ability to enforce them. Councilmember Bretz added that she was excited to see the communities' perspective to maintain a neighborhood character and looks forward to seeing the ideas brought forward from the Planning Commission. Administrator Walinski reminded the Council that staff goes about enforcement based on the code language and it will be challenging if the code is morphing during a period of transition; therefore, the Council will need to consider this as complaints occur. The Council discussed the need to consider hiring an enforcement officer as the Sheriff's Office will not be the agency providing the enforcement. Administrator Walinski added that the current practice of complaint driven enforcement is not what the community is expecting but rather a proactive approach to this matter that will require greater resources including staffing to enforce changes in the regulations and active investigations. Parking, noise, empty houses during the week, overflowing homes on the weekends and the stranger component were noted as the most prominent comments that need to be addressed.

3. Draft Six-Year Transportation Improvement Plan

Administrator Walinski stated that the Council is being provided copies of the Six-Year Transportation Plan (STIP) from last year, the redline version for this year's update and the draft final version with amendments included. He stated that completed projects have been removed, amendments have been made to current projects that reflect better financial figures have been identified and two new projects have been added. The Council discussed the timing of certain

projects and how it takes many years to procure funding and begin planning and design work before a project can move forward into construction phases. Councilmember Larsen asked that the sidewalks on Ski Hill past Highway 2 be considered for extending further around the first bend in the road near the intersection of Whitman.

Public Works Director Herb Amick explained what occurs with an asphalt overlay. Discussion ensued on how and when new sidewalks are incorporated for street related projects and concerns in some areas due to inefficient roadway space. Administrator Walinski talked about annual funding that the City utilizes from gas and sales taxes, Transportation Benefit District funds and grants; it was noted that it can be difficult to set a specific plan due to the various needs of the different streets. Director Amick reviewed the pavement condition rating (PCR) map showing the worst rated streets in the community by the Transportation Improvement Board (TIB) noting that this map is what the City has been using to create the year to year plan of repairs based on the funding available each year. The Council discussed the differences of a full road replacement, a partial reconstruction (grind and overlay) and just an overlay that drives costs differently. Administrator Walinski noted that the priority of the projects is driven by the Council rather than the TIB's PCR mapping and that the order can be changed if necessary.

4. Utility Rate Study Recommendation by Public Works Committee

Administrator Walinski updated the Council on the Public Works Committee discussions regarding planning in process for housing affordability and the Wastewater Treatment Plant upgrades that might have some affects on proceeding with an updated rate study at this time. The Committee felt that suspending the rate study for this year seems appropriate until the planning processes are clarified and more information becomes known on the waste treatment plant improvements.

Councilmember Larsen discussed his concerns with changes in development costs that could rearrange the revenue makeup of the various utilities. He also expressed a concern how changing to zero based rates (removing the 7,500 gallons per month in the water base rate) could affect the Water Fund. He noted that the \$70,000 budget for the rate study would be a savings this year. In addition he would like the Council to explore dialing back utility (B&O) taxes and/or reserving a portion of the taxes to be dedicated back to utility capital related improvements. He suggested doing a flat rate increase this year and plan for the utility study next year.

Director Amick reviewed the need to replace the aging water meters that are currently close to being thirty years old. He talked about how many of the meters cannot be read during the winter months which can be problematic. The Council discussed how the useful life of meters is generally about twenty years and as they continue to be used they become less accurate with their readings. Director Amick talked about new meters and how they have features that will allow for better leak detection and better assist staff in monthly reading as well as allowing ways to reduce someone's water use when they are behind on their utility bill. Council briefly reviewed the budget process for when estimates will be available for setting priorities; Director Steiner confirmed that figures would be available later in the summer once staff has submitted departmental needs. Council discussed the need to focus on replacing the water meters as a number one priority for the water utility.

5. Review Cemetery Code Changes

Public Works Director Herb Amick updated the Council on the review that has been ongoing for many years regarding rules and regulations related to the cemetery. He noted the redline changes included for the Council's consideration. Mayor Farivar questioned the ability to bury a mother and child under 12.28.150; concerns were voiced on this change and staff noted that they would research this with other communities.

6. Discussion Regarding Non-Conforming Uses

Manager Pate discussed how non-conforming uses are defined and addressed over time within a community. As building or changes occur to a location that is non-conforming, those non-conforming uses are addressed and brought up to code through the upgrade. He provided an example of an outhouse and how over time those were replaced for life, health and safety issues to conforming uses such as the creation of the sewer systems. Looking at regulations today, the current threshold that triggers code compliance is 75% of the value of the building being reconstructed whereas it used to be 50% of the value of the improvements. Another example is the sign code on sign heights; currently there are signs that are non-conforming. He talked about how the Council sets the threshold limits, time limits, or other criteria that will trigger the requirement to bring a non-conforming use into compliance. He identified the need to address current safety concerns, especially regarding dwelling units and in particular when garages are transformed into livable dwelling spaces. Code compliance would include livable space and setbacks around the building.

Councilmember Bretz stated her concerns with modifying the non-conforming uses as she feels they are very relevant and necessary but she would like to see flexibility for residential development. Councilmember Larsen concurred that there needs to be allowance for ingress and egress but there needs to also be consideration for allowing development without having to move an entire building (garage) to conform with the current five foot lot line setbacks; he would like to look at zero lot lines. He is concerned with having arbitrary numbers for lot lines (setbacks) being set and suggested that there could be a case by case basis for each of these situations.

Manager Pate talked about prescriptive versus performance based code language and how previous Council's have removed subjective opinions regarding code interpretation for fairness that affects a majority of the community. Administrator Walinski posed the question on when does the community want non-conforming uses to be required to be modified and brought into compliance for safety related purposes. The setback may not be the only issue in the case of an older building that has exceeded its useful life. Council discussed the pros and cons of different scenarios. Mayor Farivar asked the Council if they would still support these concepts knowing that a building was bootlegged (illegally developed) without a permit to begin with. Councilmember Larsen feels that the original construction without a permit is not the issue; the issue is that the owner now wants to develop a building that doesn't meet a setback. Mayor Farivar and Administrator Walinski reinforced that the building being used as an example was never permitted which is why it is non-conforming to begin with. Councilmember Bretz stated that she sees how both sides are co-mingled but she wants to see a way to move forward. Discussion continued on the challenges regarding liability, setbacks, administrative interpretation, ensuring life safety issues are addressed, changes in residential housing needs and penalties for building without a permit.

Manager Pate suggested that the Affordable Housing Committee be tasked with looking at these questions and seeing if the workgroup can come up with recommendations. Manager Pate gave

a brief example of how a variance process can be utilized to address concerns; he stressed that variances are intended for extreme situations not illegally developed situations. Councilmember Larsen shared his experience with the variance process for building on one of his properties that he felt was unfavorable in his development.

7. Annual Retreat Follow-up / Continue Goals Discussion

Administrator Walinski updated the Council on the progress to date regarding the goals being developed for the staff to implement within the budget later this year. He noted that some goals may not require budget implementation, such as code language changes, but the goals and objectives are necessary to lead the decision making processes. The final priority to consider is the Community Building section. Council members suggested changing “safe space” to be “safe community” and adding the goal of Community Enhancements with an objective of a Community Center. Councilmember Bretz suggested that the community center objective may also be something for the Upper Valley Park & Recreation Service Area (PRSA) to consider; Councilmember Brinkman added that the PRSA might look at the entity structure to see if there is a benefit in changing to a Metropolitan Park District.

Councilmember Bretz questioned other agency involvement for regional related projects such as utilities and whether this should be part of the goals. Mayor Farivar updated the Council on what has recently been discussed with the Mayor’s of the other cities in Chelan County and the PUD. She said that the PUD has clearly stated that it will not be able to create a regional waste treatment facility due to funding and the expanse of the area; however, they would be open to working with communities to study resolutions and look at the maintenance and operations of the facilities to find potential cost savings through organizational restructuring. Administrator Walinski and Mayor Farivar explained how a study of the region’s water and wastewater treatment facilities could start to develop ideas for future changes in reducing redundancy of the facilities and could create savings for maintenance and operations through centralizing services. It was also suggested to add this topic for discussion to the Affordable Housing Committee.

8. Quarterly Community Development Block Grant Closure

Administrator Walinski reviewed the options of closing the grant with no consideration for costs incurred or to submit for reimbursement some minor costs to date prior to closing the grant. He said that after having a discussion with the Department of Commerce, it appears that the amount of paperwork needed would be minimal to capture some minor planning and administrative costs. He stated that staff will review the procedures further and will bring a final recommendation to the Council at a later date.

9. Council Open Discussion

Administrator Walinski provided a draft communication graph that staff has put together for the Council to review and provide additional feedback on before adding to the website.

Manager Pate updated the Council that Mr. Chuck Reppas has withdrawn his annexation request; in regard to the County policy on the road, he confirmed that the City would be required to take on the maintenance of the entire road. Councilmember Bretz stated that she would like the Affordable Housing Committee to look at the annexation process to see if there are ways to improve coordination of annexations between the City and the County. Mayor Farivar explained

that the County's position is quite clear and that it is currently working within a Boundary Review Board to look at annexations more closely. She stated that the board will be reviewing situations like spot annexations to help reduce concerns on whose responsibility it is for maintenance of roads. She added that the general idea is to start cleaning up island annexation areas.

Councilmember Wilson stated that she would like to talk about having the Regional Library opened on Saturday's; Mayor Farivar and Administrator Walinski encouraged her to talk to the Library Board regarding this as it is not a policy of the City to not allow it.

Study Session adjourned at 12:18 PM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director/City Clerk