

LEAVENWORTH CITY COUNCIL MINUTES

June 28, 2016

Mayor Farivar called the June 28, 2016 Leavenworth City Council meeting to order at 6:00 PM and PUD Commissioner Carnan Bergren led the City Council in the Flag Salute.

ROLL CALL

Council Present: Mayor Cheryl K. Farivar, Robert Francis, Elmer Larsen, Carolyn Wilson, Gretchen Wearne, Mia Bretz, Margaret Neighbors, and Richard Brinkman.

Staff Present: City Administrator Joel Walinski, City Attorney Tom Graafstra, Chantell Steiner, Nathan Pate, Herb Amick, and Sue Cragun.

6:00 PM CHELAN COUNTY PUD PRESENTATION

Notes provided by Ms. Teka Sellers
Chelan County PUD Customer Relations Administrator

Attendees:

- Chelan County PUD Commissioners Smith, Bergren, Arsenault, Congdon
- Chelan County PUD Staff: Chad Rissman, Shaun Seaman, Teka Sellers, Becky Jaspers, Gary Rice
- Leavenworth City Council and staff
- Approximately 35 members of the public

Leavenworth Mayor Cheri Farivar opened the City Council meeting in conjunction with PUD Commissioner Randy Smith opening the PUD Special Meeting at 6 p.m. Commissioner Carnan Bergren led the flag salute.

Shaun Seaman provided an overview of the meeting purpose and desired outcomes.

- Update the community on progress made since the last meeting in December 2015
- Hear from the community focus group about the process and work that has been accomplished
- Discuss the current status of the project, next steps, and timeline

Chad Rissman provided an overview of why the substation is needed.

- The existing substations serving the area (2) are nearing capacity
- The most recent substation was energized in the early 1980's
- Growth and development is on the rise in the Leavenworth area and additional capacity is needed

Scott Bradshaw, member of the community focus group presented.

- Learned through the process that a project can be more successful with community involvement
- The focus group has been a good group to work with, everyone contributed to the process
- Provided an overview of the work accomplished at each of the four focus group meetings
- Explained where the group is today and the status of the project – Top 3 areas

Clint Lougheed, member of the focus group commented that the process has been open and collaborative and appreciated that the PUD started communication early.

Susan Noland, member of the focus group commented that she volunteered because she is passionate about the placement of the substation. She feels the PUD has the community's best interest in mind.

Shaun Seaman followed up on some of the focus group's work and accomplishments:

- The PUD provided some of the site selection criteria to begin with and the focus group modified

it to fit the needs of the Leavenworth community. The criteria is “owned” by the community focus group

- Through the evaluation process, the focus group considered not only the substation site, but also the impacts of distribution and transmission lines
- All discussions regarding the substation site will incorporate these three aspects – substation site, distribution (out of substation) and transmission (into substation)

Mayor Farivar called for a 2 minute break.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda:

1. Approval of Agenda
2. Approval of June 14, 2016 Regular Meeting Minutes
3. Approval of June 14, 2016 Study Session Minutes
4. 2016 Claims \$73,516.18

Councilmember Brinkman motioned to approve the consent agenda. The motion was seconded by Councilmember Neighbors and passed unanimously

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Brinkman reported that he attended a number of meetings, although he has no further report.

Councilmember Neighbors reported that she attended the Cascade Medical Community Leader dinner on June 15th and was given a tour and an overview of their current status. She said that there was a discussion of affordable housing for their staff and stated that she urged them to write a letter to the City to that affect. She said that she also attended the Finance Committee, Mountain Pact, and Ad Hoc Skateboard Park meetings. She said that the Skateboard Park meeting went very well; members introduced themselves and decided how the Committee will work; the first task is site selection and they are actively soliciting ideas for where that location may be.

Councilmember Bretz reported that there was no Link Transit Board meeting this month, although Link is in a community outreach process for strategic planning and confirmed that citizens may provide feedback at www.letsthinklink.org . She added that she is also a part of the Ad Hoc Skateboard Park Committee and is looking forward to working with that group. She reported on the Economic Development Committee meeting and stated that discussions included the Hartwig Development project and a possible Town Hall meeting in collaboration with the Department of Transportation (DOT) regarding traffic through the City. She went on to explain that the Mountain Pact is a nonprofit organization that joins mountain communities based on tourism to promote federal legislation that helps cities economically. Their representative visited the City and met with the Mayor, Council, and the City Administrator and provided information in regard to the group’s objectives in order to decide if this is something that the City would choose to participate.

Councilmember Wearne reported that she attended the Ad Hoc Skateboard Park and Economic Development Committee meetings. She then reported on the Downtown Steering Committee meeting and stated that discussions included the Hartwig project easement, the Downtown Plaza area improvements, which will be presented to the Council at the July 12th Study Session meeting, and Mr. John Meriwether from Stevens Pass who discussed recycling improvements used at the ski area. She went on to say that the Downtown Steering Committee will recommend purchasing eight more recycling containers for the downtown corridor and that there was a brief discussion of the Tour de Bloom bicycle race.

Councilmember Larsen reported on the Leavenworth Area Promotion (LAP) Committee meeting and stated that the group received a presentation by Voortex Productions and proposed new options and discussed the direction of the advertising plan; the group will discuss the proposals at a later date.

Councilmember Wilson reported that she attended the Upper Valley Museum Board and Finance Committee meetings. She stated that the Finance Committee discussed revenue and expenditures by department and reviewed the City's financial policy and considered possible amendments to the City's operating reserves in each fund.

MAYOR/ADMINISTRATION REPORTS

Mayor Farivar reported that she attended many of the same meetings that were reported on as well as met with Oktoberfest representatives with the City Administrator and members of the Chelan County Sheriff's Department to discuss security and changes that need to be made to the 2016 Oktoberfest Festival. She said that she also met with the Hampton Inn developers and introduced the Seahawks Tour and spoke to the audience during that visit.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

Mayor Farivar welcomed members of Leavenworth Boy Scout Troop 19 led by Mr. Brad Summers. She stated that the Scouts are attending the meeting as they are working toward their "Citizenship in the Community" merit badge. Zane Priebe, Quinn Priebe, Jesse Gunter, and Anthony Villalobos introduced themselves to the Mayor and the City Council. Mayor Farivar presented the Scouts individually with a City of Leavenworth lapel pin and thanked them for attending the meeting.

Mayor Farivar noted the large group of attendees and asked that those who wish to comment on overnight rentals in the residential areas will wait until the Planning Commission meets and stated that they may provide their comments at that time.

Tibor Lak, 1553 Alpensee Strasse, Leavenworth; Mr. Lak presented letters of concern regarding the recent Tour de Bloom bicycle race; the letters are from the downtown merchants. He said that the merchants felt that the event was a disaster with the shutdown of Highway 2 and Front Street, the merchants lost \$150 - \$200K in those 5-6 hours, the flaggers were not qualified and put the City at a high risk, and it wasn't fair to the downtown employees and many were sent home from work or asked not to come to work because of the lack of business. He went on to say that the City should consider how the race is done and when it's done, it looked good on paper, but it was bad for downtown businesses. He provided the Mayor with the letters of concern.

PRESENTATION: CHELAN COUNTY SHERIFF'S 2015 ANNUAL REPORT – SHERIFF BRIAN BURNETT

Chelan County Sheriff Brian Burnett addressed the Mayor and Council and stated that he is pleased with the working relationship with the City that has been achieved over the years. He spoke to the level of service that the Sheriff's Department strives to provide the Communities throughout the County. He noted that the priorities for patrol that have been addressed are response to emergency calls, traffic enforcement, and community. He addressed the success of the school resource officers throughout the County and stressed that the Sheriff's Department wants to provide a safe learning environment for the students, better response to incidents that may take place within the schools, provide training for school staff members, and secure the schools from critical incidents.

He went on to address statistics regarding concealed pistol licenses, civil processing, warrants processing, and public disclosure requests. He addressed the budget and stated that the 2015 budget increase was a 2.4% over the previous year. He noted that there were larger expenses due to the wild fires and the shoreline protection due to the Wanapum Dam drawdown. He said that in 2014 there was approximately \$580,000 in

reimbursement for salaries, benefits, and vessel rentals from other agencies and in 2015 there was approximately \$160,000 for the like. He addressed future contracts with the City of Leavenworth and noted that those discussions will begin once the 2016 budget year has been analyzed; he feels confident that good numbers will come back that will be beneficial to the City. He noted that the Sheriff's Department has strived to increase their training and equipment budgets over the past several years.

Sheriff Burnett introduced Chief of Patrol Rick Johnson who will be working on gang enforcement for the County. He stressed the Departments commitment to control gangs and drugs around the County.

Councilmember Larsen inquired if the Sheriff's Department had any part in reviewing the plans for the new High School. Sergeant Long confirmed that he and the Fire Marshall will be meeting with the Architect to review the alarm system and safety standards. The Mayor and Council thanked Sheriff Burnett for compiling the information and providing a thorough report. Mayor Farivar complimented Sergeant Long for his contribution and his presence around the City. Sheriff Burnett briefly addressed questions from the audience.

DISCUSSION: JOINT MID-YEAR MEETING WITH THE PLANNING COMMISSION

Planning Commissioners Scott Bradshaw, Chuck Reppas, Pete Olson, Ann Hessburg, Andy Lane, and Joel Martinez were present.

Mayor Farivar asked if there were any comments from the public in regard to overnight rentals in the residential areas.

Zeke Reister, 508 Ash Street, Leavenworth; Mr. Reister stated that the entire City of Leavenworth is one square mile (788 acres), over half of Leavenworth (54%) is commercially zoned, and that is the area that allows for overnight rentals. He added that he is an adamant opponent to overnight rentals. He said that the residential zone where overnight rentals are prohibited is 380 acres, just less than one half of a square mile, which is all that is left untouched of the residential neighborhood. He said that anywhere else in the Upper Valley you may have an overnight rental; this 380 acres is what's left, where people can live without a commercial entity next door that disrupts our way of life. He said that affordable housing is not in our residential zone, there's no affordable housing left, it's unaffordable; the median price for a house in the City is close to \$300,000 which brings the argument that overnight rentals, if allowed, would provide the extra revenue to make that expensive home affordable. He said this is simply not true, the affordability aspect disappears the minute you vote yes on overnight rentals; realtors will sell those homes for even more because of the expected revenue, therefore affordable housing gets worse, the so called affordability works only one time for one owner. He said that the existing long term rental units and ADU's (Accessory Dwelling Unit) will be gone and listed in the overnight rental market, reducing the housing stock and within a couple of years, tax assessments will start to rise based on significantly higher home prices and the result will be that seniors on fixed incomes will be priced out of their homes. He urged the Planning Commission and the Council not to do this, "vote no". On a final note he asked what the City is doing to create a thriving residential district, to increase the quality of life for those people who choose to live in the city limits; by allowing overnight rentals, the City will introduce a disruption to the neighborhoods. He said that right now we know our neighbors and if overnight rentals are allowed, the flood of tourists will be right next door.

Delores Alford, 215 West Street, Leavenworth; Ms. Alford stated that we have a lot of young families in town that have a terrible time finding some place to rent. She said that the rent is \$1,100 for a 3 bedroom 1 bath home; she has friends next door and the only way they could afford the rent is to have friends move in with them. She said that as a senior, she doesn't like seeing people in her neighborhood that don't own the house, don't live on this side of the mountain, and they are renting to all sorts of people. She said that she and her husband were thinking about moving and decided not to because it would be ridiculous to look for something else due to the high costs. She said that Leavenworth needs affordable housing and would like the City to work on building Share homes. She said that there is a couple on her street who have a house on the west side and they have a house in Leavenworth that they are renting to all sorts of people and she doesn't think it's fair.

Randy Sexauer, 12570 Ranger Road, Leavenworth; Mr. Sexauer stated that he is in favor of nightly rentals; the economy of the City of Leavenworth is driven by tourism and we need to embrace that fact. He said that if someone wants to buy a home that they want to retire in 3-5 years from now, they should have the right to rent the property until such time that they are ready to move here, or if you want to be a snowbird for 4-6 months, that should also be your right. He said that he appreciates concerns about a nightly rental next door or the noise; there are ordinances in place to address those issues. He said that he is willing to work with the City to make it work for everyone if they want to develop a committee. He said that he owns a nightly rental, a local inn in town; he built the inn 25 years ago and had the right to do nightly rentals, the City annexed his property and he lost that right. He doesn't believe that he should ever lose rights as a property owner. He said that he is in the process of trying to sell the property; there were three potential buyers that wanted to do nightly rentals, although when they realized the City's position, he lost those buyers. He said that it will be difficult to sell his property for anything other than nightly rentals.

Pat Burnett, 12202 Burnett Road, Leavenworth; Mr. Burnett stated that there is a home above his that is used as an overnight rental and stated that he has a problem with the amount of traffic going through his orchard, night and day. He noted that when he gave the property owner the easement, it was for a single family dwelling; the owner said that it doesn't make a difference if it is a single family dwelling or not. He said that he doesn't have the knowledge of whether it is an issue with the City of Leavenworth or Chelan County.

Mary Pat Barton, 611 Cedar Street, Leavenworth; Ms. Barton stated that we are residential not commercial zoned property, we're fighting to keep our residential core residential so that people that work here can afford a place to live. She said that by having residential homes become nightly rentals, you don't have a residence, it's commercial. She said that they (unpermitted rentals) are not getting commercial permits or taxes, they (unpermitted rentals) are not paying for commercial expenses; all of these things that commercial businesses go through to use this town that we've created. She noted that the people before us who created this town realized the importance of having a residential section for the residents who live here, whether they live here monthly or whether they own. She said that she understands that people put their money into a home for retirement and she feels bad that Mr. Sexauer's property was annexed out, but stated that if you buy inside the residential area with the intention of making a profitable commercial business, then you're in the wrong. She said that the residents shouldn't have to change or police the others who are in the wrong. She noted that the kids who work downtown have no place to live, our neighborhoods are changing; we need to make it affordable for the working class people in the residential areas.

Don Morse, 9042 E Leavenworth Road, Leavenworth; Mr. Morse stated that he and his wife have several properties in the confines of the City of Leavenworth. He said that he objects to having someone come along and tell him that he cannot do what he would like to do with his property. He said that he doesn't like his property rights being stepped on. He read the mission statement for the City of Leavenworth and stated that he feels that his rights have been stepped on because he feels that the Planning Commission has already made a decision without due process and without hearing from all of them, and the decision has been made, not only in the residential area in the City, but in the urban growth area that the City is no longer going to allow nightly rentals. He said that a rental is a rental and that when he collects a monthly rent it is based on a daily amount of rent, based on 28 days, 29 days, 30 days, 31 days. He said that he does have rentals in Leavenworth that are monthly rentals, but if someone were to move out early he would pro-rate the rent which would move him into a less than monthly rental and therefore in violation. He said that Councilmember Neighbors brought up affordable housing for the medical center; he has been in contact with the medical center to provide housing for medical students, students that come from the west side, they need housing and not necessarily a hotel. He said that they will benefit from having a furnished apartment, they may only be here for a short time, that would be in violation. He said that he cannot make a facility available that is in walking distance of the clinic for that use if the City goes through with making overnight rentals illegal.

Stephen Huffman, 12743 Spring Street, Leavenworth; Mr. Huffman stated that there is a difference between long term rental and nightly rental in that the people are not part of the community and they only come here for entertainment. He doesn't have a problem with that, the trouble is that it is difficult at times to deal with being

in a residential area with the traffic, with people having a good time late at night, so it does affect us as a residential area. He said that once you allow the nightly rental it tends to expand. He said that it is hard to explain what it's like to be woken in the middle of the night and then decide how you feel, so he blocks out the noise from his neighborhood with fans in his home. He said the other ongoing issue with nightly rentals in his neighborhood is the trash.

Paul Slagle, 200 Commercial Street, Leavenworth; Mr. Slagle stated that he lives on Commercial Street south of Highway 2, which he stated is important to know in his particular case. He said that there is a hotel behind his home, the Wyndham is down the street, tourists are going past his residence all day and night long and sometimes until 2:00 AM. He said that he can't change that, although it would be nice to go somewhere for a few months and he would like the opportunity to make some money off of his property at the same time. He said that everyone seems to have their own point of view regarding nightly rentals and his reasons are that he is living in the middle of it. He went on to explain that if someone is making noise at the Fairbridge, you don't arrest the Fairbridge, you arrest the person making the noise. On a final note he stated that living south of Highway 2 is party central and he enjoys living there, he wants to do this (overnight rental) and doesn't feel that he would be hurting anyone by doing so.

Matt Fields, 217 West Street, Leavenworth; Mr. Fields stated that he has been a resident since 1987. He read an email into the record that had been initially sent to the Mayor, City Administrator, and City Council. He addressed the lack of affordable housing throughout Chelan County and commended the Mayor for creating a Committee on the matter. He said that Leavenworth's housing problem has been ongoing and that those of modest means who wish to live/work and become part of the community have no place to live and that there's no relief in sight and its soon going to be worse. He said that the effort to convert long term rentable livable space in Leavenworth's residential areas to overnight rentals for the benefit of tourists is a major blow and that those who work in our community have to commute long distances and suffer hardship in their personal lives while the tourists are lured to stay within walking distance of downtown by endless promotion. He said that we don't have the entire solution to the housing shortage in our community, and guessing the reason for the Mayors consortium, but we certainly have a good start in the right direction; it's right in front of us and it won't cost the City anything to implement, we just need to keep the current prohibition of overnight rentals in our residential areas. He said that available living space can be rented to those who want to live and work here and that the tourists can use the hotels, motels, and bed & breakfasts that are present or being built. He added that it doesn't make any difference if the owner lives on site or not, that is just an excuse to promote overnight rentals in a residential neighborhood; an overnight rental is an overnight rental, by definition, regardless of needing more space for the tourists and less space for those who want to live and work in Leavenworth. He asked, can we (Council) please do the right thing and say no to overnight rentals in the residential areas, can the City of Leavenworth announce that continued prohibition of all overnight rentals in residential areas within the City is a positive cost effective step to address the housing shortage in Chelan County.

Kris Seaman, 221 West Street, Leavenworth; Ms. Seaman stated that she has lived in Leavenworth for 40 years, she raised her kids here, and she retired from the Cascade School District. She said that one of the things that has not been brought up yet is that there is a community here that isn't part of the tourism, they don't make their living off of the tourism, they live here, work in the schools, work in the clinics, etc. She said that we have put up with quite a bit, the whole town is taken over by tourism and it wasn't that way when she first came to Leavenworth, but the community has spoken loud and clear that they want to keep the community here. She said that the Community passed a \$69M school bond, they want to build new schools, and if you (Council) do this and let the overnight rentals come into the neighborhoods, it's already started, it'll be like a finger in a dyke and the dyke will blow and the community will collapse and people will move and there will be no one paying for those schools or going to those schools. She said that if the Council decides to do a case by case, who's going to play god, if you (Council) decide because someone wants to make money so that they can put their child through college, what happens when the child graduates, do they no longer have the right to rent? She said that the Council didn't think that one through. She said that if the Council allows it in the UGA (Urban Growth Area), what happens when those places get annexed into the City, are they grandfathered in? She said that is not a good plan either and needs to be thought through.

Dan Eby, 12933 Timber Ridge Canyon, Leavenworth; Mr. Eby stated that he is a property owner in downtown Leavenworth, he and his wife have owned a vacation rental company for over 30 years. He said that they have an interest in taking care of tourists and guests. He said his company is one of the oldest rental companies in the nation and the state and they are pleased to take care of peoples properties and to help guests have a wonderful time, as you (Council and audience) all did when you first came to Leavenworth. He said that his business employs seven individuals who care for each property and that he is the president of the state wide association called Vacation Rentals of Washington, which is one of the most effective organizations in the State. He said that their member companies adhere to standard practices; he has a copy of the standard practices for the Council's review, basically a list of what they do to take care of noise, garbage, parking, etc. He said that it is important to take care of guests, properties, and to be good neighbors. He said that recently a property owner received a cease and desist letter; he formed a coalition of property owners and managers to simply advocate for short term rentals in the Bavarian City of Leavenworth as well as the UGA. He said that they (coalition) want to promote Leavenworth as a city that welcomes people to town; each of us (Council and audience) came to the City and fell in love with it, we were visitors at one time and other people want to come and experience the blessings of Leavenworth, they want to stay here, they don't want to stay in a hotel all the time because they have 3-4 children or 3-4 couples and they want to come and stay in a home. He said that their coalition is called "Come Stay in our Village" Coalition. He said that they would like to see neighbors welcome the visitors to town if they happen to be staying next door; that's the type of town we should have and ought to have, and when we do that they (tourists) will be less likely to bother us later because they know who we are, so welcome them to town. He said that since the Leavenworth Planning Department has started enforcing an old code and sending out cease and desist letters, we felt that it is important to stand up and say that we are a tourist town and that we can learn to work together and are willing to work together to ensure that it is managed properly and not an inconvenience to you, however there was an attorney letter sent to the Council recently and they believe that the Washington Courts have ruled in a multitude of cases that there is not a difference between a nightly rental or a long term rental, they are the same use, there are a lot of cases that have shown this all the way up to the Supreme Court. He said that their attorney wrote that not just to be hard, but to say that we want to be good participants in this community. He said that it is their desire to work responsibly and to encourage the City to embrace the sharing economy like Arizona recently has and Nashville, Tennessee. He said to work with us and lets invite people to come and stay here. He said that he has hard and fast contracts with the guests; guests abide by a 10:00 PM curfew for noise and if anyone calls his company and there is a problem, someone from his company will go out and take care of the problem; the Sheriff also provides backup. He said that they (Coalition) have solutions, they are positive about Leavenworth, and would like the Council to embrace the sharing economy and allow people to use their houses for the purpose that they have without being a nuisance to other people.

Greg Morisoli, 12788 Spring Street, Leavenworth; Mr. Morisoli stated that he sent the Council a letter that was drafted by the California Coastal Commission to Monterey County, who was grappling with the issue of the nightly rental business in Monterey County, California. He said that the Coastal Commission came up with a statement that they issued to Sana Cruz and Monterey Counties about the use of land and its purpose, "We offer the following observation on vacation rental use; the Coastal Act describes the hierarchy of encouraged land use with agriculture and coastal dependent industry, the highest priority use to be accommodated within the states coastal zone followed by private lands suitable for visitors serving commercial recreational facilities designed to enhance public opportunities for coastal recreation. The lowest priority use is private residential, general industrial, and general commercial." He said that he hasn't heard anyone address the fact that Leavenworth is an international destination for people to come and recreate, in the Icicle, Enchantments, and all around. He said that groups and families come and want to recreate here and they feel that they want to allow the use of vacation rentals so that these people are able to come and recreate. He said that we are not an area where we can deny people the opportunity to have the facilities available to them to be able to stay and enjoy the Leavenworth Valley and all of the surrounding cascades. He said that we have to look at it in a bigger picture; we have this resource, as California has the coastal communities, and they are saying to the population that you have a resource and you want to retain it for yourself, you want the people to stay in a hotel. He said that there may be 15 people who want to have a family reunion and be able to enjoy the

Leavenworth recreation, and if we shut it down it is sending a negative message for Leavenworth. He said that he had a friend visit from Alaska who had seen advertisements to visit Leavenworth for Christmas Lighting; Mr. Morisoli explained to his friend that the City is banning nightly rentals so he won't be able to bring his family to watch Christmas Lighting, he will have to stay in a hotel. His friend said that he would reject going to Leavenworth for that reason alone.

Anna Dougherty, 227 Benton Street, Leavenworth; Ms. Dougherty stated that she is in favor of overnight rentals with a particular framework to help protect the culture of the residential neighborhoods and yet to allow for people to use their homes to supplement their livelihood. She said that she grew up in Santa Barbara when it was citrus orchards and it was affordable and watched it dramatically change into a party scene. She moved to Leavenworth 20 years ago with her husband who is from Carmel, CA; they are very familiar with the central coast which does have a lot of protection for Carmel. She said that Carmel is very similar to Leavenworth in that there are a lot of home rentals in the surrounding areas, but they have the "golden triangle" of the downtown core which does not allow less than a monthly rental. She said that her opinion is that it would be very beneficial to allow overnight rentals when the resident lives in the home, then there would be a long term renter or resident owner living in the space, contributing to the town, and able to add to their income, single moms, families, elderly. She said that she and her husband are surrounded on three sides by weekend homes so they have had a taste of what it's like to have an empty home next door; it hasn't been a rental, but it's different than having someone there every day. She recommends a guest agreement if going forward with overnight rentals within the city limits. She said that she worked for Mr. Eby, he runs a wonderful company, but it is a different experience when you are renting a home, and it is common for rental homes to have a guest agreement. She said that the City should have a citywide guest agreement that every resident, every renter, every person renting, would understand the parameters and what's expected. She thinks that would be helpful.

Craig Hess 125 Pine Street, Leavenworth; Mr. Hess stated that coming out of the military for 30 years, he thought he came out of the most regimented and inflexible environment in the world, but this City does a great job of rivaling that environment. He said that the City does a tremendous job of making the simple extremely complex; he doesn't think we should be having the discussion to the degree that they are. He said he would use Randy as an example; a man like that shouldn't have to be down here arguing to protect the investment that he made 25 years ago, but we have such an inflexible mindset in certain departments here that we have to put a one size fits all thing over this town and fail to recognize the uniqueness of a variety of situations. He said that he is an opponent of doing overnight rentals here in town, but a situation like Randy's is a no-brainer, you grandfather, you craft a set of rules that allows a man like Randy to keep his \$2M operation there and not shoot him in the foot when he wants to sell that operation by spooking the potential buyers. He said that he thinks Zeke did an amazing job out of the gates saying, this is who we are, 54% commercial and whatever the balance is with residential. He asked, can we not for god's sake preserve a half square mile of a residential atmosphere. He said I'm sorry, but I respectfully disagree with a few comments like, "a rental is a rental", no I'm sorry, a two year lease is not an overnight rental, I will get up in the morning to gladly meet that man who's living next door to me for two years and I'm not making that effort 365 days to shake hands with a new person living next door to me. He said that we have to acknowledge the uniqueness of some of these situations that have been absorbed by the UGA, and as a starting point, just say. He said that just because we are a tourist town doesn't mean that the residents are second class citizens, and it doesn't mean that the residents have to bend over backwards to accommodate a few business interests by a small minority, we don't have to cow-tow to everybody who wants to come to this town and live in a house. He said that the Council should think out of the box for the UGA guys, but it would be disastrous for the fabric of this town to do overnight rentals within city limits.

Mayor Farivar asked for a raise of hands of those who are in favor and who are not in favor of overnight rentals in the residential neighborhoods and Urban Growth Area (UGA); there were a total of 12 in favor and 9 against. There were questions that she addressed regarding the UGA rules and she noted that the County will defer to the City's code for those residences within the UGA. She briefly explained that the City is still taking comments on the subject and noted that the Planning Commission is still in discussion and has not yet made a recommendation to the City Council.

Development Services Manager Nathan Pate gave a brief overview of the direction of the Planning Commission (PC) in the 2016 Docket cycle. He noted that the meeting will allow for feedback on the “hot topics” that are currently before the PC and Council.

1. Vacation / Overnight (short-term) Rental Properties within the Residential Neighborhoods: Manager Pate stated that such rentals are in prohibition in the City as well as the UGA. He confirmed that this prohibition has been on the books for the past 20 years, it’s something that is in the regulations, and the question is coming from concern and impacts from court cases and from activity within the community. He said that the PC has provided a preliminary comment to the Council, which is a request to the Council on whether or not the PC is going in the right direction in their thought process with regard to overnight rentals, and that direction is to continue with the prohibition on overnight rentals. He said that this was discussed at a Study Session and the Council responded. He confirmed that there will be further open houses and additional public comment periods on the subject.
2. Affordable Housing: Manager Pate stated that the Mayor has assembled an Ad Hoc Committee on Housing Affordability Task Force, which will work on some of the Docket items of the PC. He noted the areas that are potential affordable housing issues that might be derived from the Ad Hoc Committee. Manager Pate confirmed that the PC will stay their activity and continue work on that topic.
3. Transportation Elements Future Streets (grid system update): Manager Pate stated that the PC has conducted its review and provided a preliminary draft for those streets and is anticipated to move forward fairly quickly.
4. Regional Wetland / Stormwater Strategy / Management Plan: Manager Pate stated that the Plan is nearly finalized with only minor updates remaining.
5. Accessory Dwelling Units (ADU): Manager Pate stated that the ADU was the “low hanging fruit” component of the residential update and the Chelan County Planning Commission just had a hearing and recommended approval for the Board of County Commissioners.

Manager Pate requested feedback from the Council Members. He addressed item 1C – Address Park Models and other existing units / criteria for Camp Grounds and explained that there is currently no area for campgrounds in the City and noted the possible future annexation of the KOA into the city limits. He said that the petition for annexation has specific conditions that have not yet been met. He confirmed that the applicant and property are looking to complete that process.

Councilmember Bretz requested clarification regarding affordable housing and stated that many high priority items are directly related to the work that the Housing Affordability Task Force will be working on and questioned the PC’s involvement on the Task Force. Manager Pate stated that the PC has discussed waiting for the Task Force to finalize their process prior to giving the PC direction. He confirmed that there is a process through the Growth Management Act, any development regulations must go through the PC as well as to the Council for final adoption; although the Housing Affordability Task Force will develop recommendations for the Council, and those recommendations will be incorporated into the PC Docket Cycle; the PC will be on hold for a time while the Task Force completes their work. He noted that the PC has done quite a bit of work on forgoing fees and he is hoping to see the Committee receive and continue that work. Mayor Farivar briefly explained the process of the Housing Affordability Task Force and stated that as the Task Force identifies solutions, those will be brought to the PC for study prior to recommendation to the Council. Councilmember Bretz stated that it almost seems like the Task Force will be a subcommittee of the Planning Commission and feels that the Task Force will be taking some of the PC’s work and she would like to proceed with caution as she wishes to continue a good flow between all groups and continue to support each other. Mayor Farivar confirmed that the Task Force will not be taking on PC work, but will be looking for new ideas, individual groups will research some of the ideas with other communities who have been successful in areas similar to

what Leavenworth is working with. Councilmember Larsen added that the Task Force will be comprised of citizens with diverse backgrounds that will have different approaches and ideas in addressing housing affordability for the residents. Commissioner Lane stated that affordable housing is one of the topics that will benefit from getting all kinds of ideas, with so much to sort through and so much to synthesize, even before you get a pool of ideas to work with. He said that he fully supports a group that spends their time really researching what is happening with the community, that is what's different about Leavenworth, and he welcomes exploring those experiences. Councilmember Francis reiterated that the PC works on the items that are recommended by the City Council and in this case, some items will have been reviewed prior to being received by the PC. There was a brief discussion by the Council regarding the number of high priority items and ongoing communication with the PC and Council and their individual thoughts on regulating overnight rentals; the Council and PC further discussed different scenarios in which the PC should be looking at overnight rentals. There was further discussion of lot sizes and growth within the city limits.

Vice Chairman Andy Lane adjourned the Joint Planning Commission meeting at 8:56 PM.

Mayor Farivar called for a 3 minute break.

PRESENTATION: 2015 WATER USE EFFICIENCY REPORT – ARNICA BRIODY

Leavenworth Water Plant Supervisor Ms. Arnica Briody briefly addressed the water quality requirements mandated by the Department of Health and how the Water Department goes about achieving the required results. She touched on water conservation and water production in the City of Leavenworth, the benefits and need for updating the City's aging water meters, identifying and preventing leaks, and public awareness. She addressed water loss that has been found and the City's goals in regard to accounting for all of the City's water production. On a final note she gave different examples of water waste and how quickly that waste adds up. There was a brief discussion of using the City's website to display additional information regarding water usage in the City.

RESOLUTIONS, ORDINANCES, ORDERS AND OTHER BUSINESS

1. 2nd Reading of Ordinance 1528: Chapter 12.28 Mountain View Cemetery Regulations

Public Works Director Herb Amick stated that the City Council is being asked to adopt Ordinance No. 1528, Chapter 12.28, Mountain View Cemetery Regulations. He confirmed that the first reading of the draft ordinance took place at the June 14, 2016 City Council meeting; there were some minor corrections noted at that meeting and those corrections are reflected in the current ordinance.

Councilmember Wilson motioned to adopt Ordinance No. 1528, Chapter 12.28, Mountain View Cemetery Regulations. The motion was seconded by Councilmember Neighbors and passed unanimously.

2. Motion to Authorize Request for Qualifications for Water System Plan

City Administrator Joel Walinski stated that the City Council is being asked to authorize the request for the City to seek Request for Qualifications from Washington State professional civil engineering firms in preparation for the Department of Health requirement for the updating of the City of Leavenworth Water Master Plan. He noted that City Water Plans must be updated every 7 years and confirmed that the City's update must be completed in 2017. He went on to explain the selection process of the engineering firm and timeline to completion.

Councilmember Bretz motioned to authorize the City to seek Request for Qualifications from qualified Washington State engineering firms in preparation of the City's water plan required update. The motion was seconded by Councilmember Brinkman and passed unanimously.

3. 1st Reading of Ordinance 1529: Alcohol Use in the Park

Public Works Director Herb Amick stated that the City Council is being asked to review Ordinance No. 1529 amending 12.24.140, 12.24.145, and 12.24.170; the City of Leavenworth municipal code regarding park regulations and the possession and consumption of alcoholic beverages within City owned parks. He said that the Public Works and Public Safety Committees have reviewed the language in the amendment. Administrator Walinski stated that there was a conversation in regard to size and the maximum size selected is 600 square feet. Councilmember Neighbors questioned language regarding a permit; City Attorney Graafstra explained the use of terms and confirmed that the language works accordingly; however, the Council may change it if they wish to do so. There was a brief discussion of the need for City Council approval of each permit and the possibility of the approvals becoming burdensome. Administrator Walinski added that there is a three month notice requirement in obtaining the permit which will ensure prior event planning. City Attorney Graafstra further clarified and answered questions regarding the youth event definition. Councilmembers briefly discussed a limitation on the number of permits issued each year and determined that no more than 10 permits may be issued annually on a first come, first served basis.

4. TIB Consultant Agreement: TD&H Engineering 2017 Street Overlay Project

Finance Director Chantell Steiner stated that the City Council is being asked to approve a Consultant Agreement with TD&H Engineering for the design & engineering requirements associated with the Transportation Improvement Board (TIB) 2017 Street Overlay Project. She confirmed that the City received \$477,000 from the TIB for the 2016-2017 Street Projects; the City's match is 5%, or \$25,300 for a total project cost of \$502,300. She confirmed that this contract with TD&H Engineering is only for the design and engineering portion of the project in an amount not to exceed \$58,100. She noted that the survey work for the project has already begun.

Councilmember Larsen motioned to approve the Consultant Agreement with TD&H Engineering in an amount not to exceed \$58,100 and authorizes the Mayor to sign the agreement. The motion was seconded by Councilmember Wilson and passed unanimously.

5. Funding Request Chelan-Douglas Health District

City Administrator Joel Walinski stated that the City Council is being asked to approve a funding request from the Chelan-Douglas Health District for the purchase of portable air-cleaning units that will be used for clean air shelters during extended periods of community smoke exposure. He said that the District would like to purchase up to ten units with donations from the Cities of Chelan and Douglas Counties.

Councilmember Wearne motioned to approve the expenditure of \$500 to the Chelan-Douglas Health Board for the purchase of portable air-cleaning units. The motion was seconded by Councilmember Bretz and passed unanimously.

ITEMS FOR FUTURE CONSIDERATION

Mayor Farivar announced that Upper Valley MEND is looking for a representative from the City Council to help with the study regarding a new location for the Community Cupboard. She confirmed that MEND has been renting from the City for \$1.00 per year for more than 20 years; they are nearing the end of their 5 year lease. Councilmember Wearne volunteered for the request.

EXECUTIVE SESSION: RCW 42.30.110(1)(b) PROPERTY ACQUISITION & RCW 42.30.110(1)(i)(iii) POTENTIAL LITIGATION OR LEGAL RISKS

City Attorney Graafstra stated the purpose of the Executive Session will be to discuss RCW 42.30.110(1)(b) Property Acquisition & RCW 42.30.110(1)(i)(iii) Potential Litigation or Legal Risks for 5 minutes with potential action to follow.

Mayor Farivar asked for a motion to recess into Executive Session.

Councilmember Brinkman motioned to recess into Executive Session for approximately 5 minutes to discuss property acquisition and potential litigation or legal risks with possible action to be taken at 9:35 PM. The motion was seconded by Councilmember Wilson and passed unanimously.

Mayor Farivar reconvened the regular City Council meeting at 9:40 PM.

Mayor Farivar and the Council discussed the Memorandum of Understanding between the Cascade School District and the City of Leavenworth. There was no action taken following Executive Session; Council requested that the item be placed on the July 12, 2016 regular City Council meeting agenda.

ADJOURNMENT

Seeing no other business, Councilmember Brinkman motioned to adjourn the June 28, 2016 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Francis and passed unanimously.

The meeting adjourned at 9:45 PM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director / City Clerk