



City of Leavenworth

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City Council
Cheryl K. Farivar - *Mayor*
Elmer Larsen
Carolyn Wilson - *Mayor Pro-Tem*
Gretchen Wearne
Mia Bretz
Margaret Neighbors
Richard Brinkman
John Bangsund
Joel Walinski - *City Administrator*

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall - Council Chambers
October 25, 2016 - 6:30 PM

Oath of Office – John Bangsund

Call to Order
Flag Salute
Roll Call

Council Committees -4th Tuesday –

Econ. Dev. 4:00 Finance 5:00

Consent Agenda

1. Approval of Agenda
2. Approval of October 11, 2016 Regular Meeting Minutes and Study Session Minutes
3. Approval of October 18, 2016 Special Meeting Minutes
4. 2016 Claims \$265,709.38
5. Set Public Hearing on Preliminary Budget on November 8, 2016 @ 6:45 PM
6. Set Public Hearing on Final Budget on November 22, 2016 @ 6:45 PM

Councilmember and Committee Reports

Mayor/Administration Reports

PUD Update

Public Hearing on Developer Reimbursement Agreement at 6:30 PM

Comments from the Public on Items Not on the Agenda

Public Hearing on Ad Valorem (Property) Tax @ 6:45 PM

Resolutions, Ordinances, Orders and Other Business

1. Action: Developer Reimbursement Agreement
2. Action: Motion to Set Public Hearing to Consider Surplusing City Property
3. Action: Stop Sign Location Request
4. Action: Special Use Permit / Noise – Timbrrr! Winter Music Festival
5. Action: Skatepark Contract – Grindline
6. Action: Motion to Approve the Purchase of Garbage Truck
7. Action: Water System Plan – Valera & Associates
8. Action: Oktoberfest Wrap-up – Set Public Meeting Date for November 22, 2016

Information Items for Future Consideration

1. Ad Valorem Tax Ordinance / Preliminary Budget Public Hearing on 11/08/2016

Adjournment

(Next Ordinance is 1532 - Next Resolution is 15-2016)

The City of Leavenworth is committed to providing reasonable accommodations in accordance with the Americans with Disabilities Act. Please contact City Hall at (509) 548-5275 at least 72 hours prior to a scheduled meeting to request an accommodation.

SUPPLEMENTAL COUNCIL AGENDA

1. Developer Reimbursement Agreement

The City Council is being asked to consider the Swiss Hotel Leavenworth, LLC Developer Reimbursement and Collection Agreement (DRCA) which: 1.) establishes an area of benefit; and 2.) establishes the reimbursable costs for developer-funded public improvements being constructed by the Swiss Hotel Leavenworth, LLC.

Background:

The Swiss Hotel development required the installation of a number of public improvements necessary to serve the project, including the installation of master plan water mains. The construction of water main improvements is shown within Exhibit A within Tab 1.

On August 17, 2016, the developer, Swiss Hotel Leavenworth, LLC, requested a Developer Reimbursement and Collection Agreement (DRCA) in conformance with Chapter 14.04 of the Leavenworth Municipal Code. This request included the establishment of an area of benefit for those improvements necessary for their project and that benefit neighboring properties. The proposed area of benefit, itemized costs for the improvements reimbursable to the developer, and estimated allocation amounts to be reimbursed by each benefiting parcel are within the request and subsequent notice.

Pursuant to RCW 65.08.170, the City provided notice that the City of Leavenworth intends to levy a charge on real property pertaining to improvements constructed in accordance with a Developer Reimbursement and Collection Agreement (DRCA) authorized by RCW 35.91, and additional connection charges authorized by RCW 35.92.025. Such levy and charges are to be paid by the parties identified within the "Benefit Area" upon connection to City water utilities. A copy of the Developer Reimbursement and Collection Agreement (DRCA) notice is within Tab 1.

Attached to the DRCA notice within Tab 1 are the project description (Exhibit A), the benefit area map and legal descriptions (Exhibit B), and engineered cost estimate with confirmation of estimate (Exhibit C).

Included in the materials submitted for the DRCA Application were the application form, Subdivision Guarantees for each property, a map showing the general location, map showing the benefit area, engineered cost estimate, and legal descriptions with parcel numbers and acreage provided by Nelson Geotech.

Compliance review:

The extension of the master plan water main is described within the 2011 Water System Plan (WSP) with the necessary fire flows to serve the area and project. Table 6-13 Estimated Available Fire Flows with Distribution System Improvements; and Figure 3 with corresponding list of necessary and planned improvements. The City of Leavenworth's adopted Comprehensive Plan – Capital Facilities Element adopts by reference the Water System Plan (WSP). The Comprehensive Plan specifically states, "The following plans for the City of Leavenworth are incorporated by reference:

- Waste Water Treatment Facility Plan
- **Water System Plan**
- Sewer System Plan

- Stormwater System Plan / Wetland Mitigation Plan (not yet developed)
- Water, Wastewater, and Stormwater System Development Charges
- Six-Year Transportation Improvement Plan
- Transportation Plan/Element
- Upper Valley Regional Trails Plan & Parks Plan
- Shoreline Master Program
- Park and Recreation Plan
- Downtown Master Plan
- Utility and Rate Study / Plan

In addition, standards for construction are located within the Leavenworth Municipal Code Chapter 14.14. Pursuant to LMC 14.14.090 (7) conditions, standards, design, layout, and regulations contained in the following documents shall be applicable when pertinent, when specifically cited in the documents, or as required by a permitting authority/agency, and/or the city: b. City of Leavenworth Comprehensive Water System Plan (CLCWSP), November 2002, as amended; (*the 2011 WSP*).

Due to the lack of any proposed allocation within the application materials and based on the information received, the City calculated the estimated reimbursement share allocation based on areas of the benefited properties. It is anticipated that the benefitted owners will question the estimated allocation based on areas. Estimated allocation may include variables such as density, shoreline restrictions, lands which are undevelopable because of infrastructure needs (roads, etc), and zoning.

Council action:

Council considers the establishment of an area of benefit and reimbursable costs to recover the cost of public improvements that will be covered under a Developer Reimbursement and Collection Agreement.

If approved by Council and pursuant to LMC Chapter 14.04, the reimbursable amounts shall be recalculated upon completion of the project with actual costs. In the event a benefitting property owner disagrees with the decision, they do have an appeal right.

In the event that the benefiting properties develop, the City will collect the appropriate amounts from the developers of the benefiting properties, and reimburse the developer as appropriate. The charges for a benefiting property shall be paid in full at the time of the first development on that property.

At the conclusion of the Public Hearing, the Council can determine if enough information has been submitted and considered for the Council to make a decision. As noted in the attachment from Forman, Appel, Hotchkiss & Zimmerman representing the Recreational Adventures Company, LLC, the owners of the KOA Campgrounds; they are requesting that the Council extend the Public Hearing allowing them additional time to complete a benefit analysis of the benefit area. In addition, allowing additional time would also allow the applicant a period of time to provide Staff with information that could support the current benefit allocation or allow for consideration of an alternative estimated allocation with supporting documentation. The Staff recommendation is for the Council to consider Alternative Motion C.

The following items are included under **TAB 1:**

- Notice of Water Utility Developer Reimbursement and Collection Agreement Application and Hearing

- Forman, Appel, Hotchkiss & Zimmerman, PLLC Response to Notice, Request for extension, October 20, 2016

The following motions are prepared for consideration:

- ***Alternative MOTION A:*** *The Leavenworth City Council moves to approve the Swiss Hotel Leavenworth, LLC area of benefit and reimbursable costs for the creation of a Developer Reimbursement and Collection Agreement as noticed, and directs the Public Works Director to craft a Resolution for the DRCA to be approved at the next regularly scheduled Council Meeting.*
- ***Alternative MOTION B:*** *The Leavenworth City Council moves to continue to a date certain the public hearing of the Swiss Hotel Leavenworth, LLC Developer Reimbursement and Collection Agreement area of benefit and reimbursable costs to the regularly scheduled Council Meeting of November 8, 2016.*
- ***Alternative MOTION C:*** *The Leavenworth City Council moves to suspend the public hearing of the Swiss Hotel Leavenworth, LLC Developer Reimbursement and Collection Agreement process to enable the applicants to provide the Public Works Director the necessary information to verify or consider alternative estimated allocation amounts to be reimbursed by each benefiting parcel. Upon completion and in a timely manner (as determined by the City), the Public Works Director shall re-notice and conduct a new hearing with the results for the Council to consider.*

2. Motion to Set Public Hearing to Consider Surplusing City Property

The City Council is being asked to consider setting a public hearing on the surplusing of an existing piece of City property located at 1100 Hwy. 2. The property is currently part of the Warehouse Property, which the City purchased in 2012. The property identified is commonly referred to as the “triangle” and is located on the east end of the Warehouse Property. The property currently houses a portable coffee bistro, which is under lease with the City of Leavenworth. The square footage of the property is approximately 17,022 S.F.

Under Resolution No. 23-2012 the City Council established a procedure for the surplus and sale of real property owned by the City of Leavenworth. The purpose for surplusing any City owned property is if the City Council finds it is in the public interest to return the property to the tax rolls, if it is not needed for some present or future municipal use, and it can be sold for a reasonable return. The question being, is the property necessary for a current or future need of the City or would disposing of the property be a higher or better use for the Community at large. The Public Hearing would be the first step of the process, after holding the Public Hearing the City Council would then consider declaring the property surplus and if so, determining the procedure for the disposition of the property.

Mr. Jeff Soehren and Mr. Oliver Brulotte initiated the consideration for surplusing the “triangle” property. The business partners are interested in purchasing and developing the adjoining property; as they have looked at their development, the acquisition of the “triangle” property was considered and identified as having merit for their development. They contacted City staff and made a presentation to the City’s Economic Development Committee. The purchase of the property would allow for the reconfiguring of both parcels into a larger rectangular property

section, which lends itself to development that is more efficient. There has also been some discussion regarding future public improvements for a utility easement, pedestrian access, and a park plaza area. The Economic Development Committee considered the request interesting enough to request further consideration of the project by the full City Council and the consideration of surplusing the property. Mr. Soehren and Mr. Brulotte will be in attendance Tuesday evening to provide a brief presentation regarding their view of the development.

While the City does not have specific plans for the future use of the “triangle” property, there has been some past discussion on using this parcel for access to a future parking garage, a roadway to Front Street or a storage area for a future use of parking lot P2.

If the Council does determine this property to be surplus, a property line adjustment would be necessary to create the separate parcel for sale. The options for the Council would be to consider approval of the motion setting a public hearing, tabling the issue to a future date certain time, or postpone indefinitely.

The following items are included under **TAB 2**:

- Resolution No. 23-2012 Procedures Regarding the Surplus and Sale Process for Real Property
- Exhibit of Property for Consideration of Surplusing
- **MOTION:** *The Leavenworth City Council moves to set a Public Hearing on November 22, 2016 beginning at 6:45 PM for the consideration of surplusing the “triangle” property on the east end of the Warehouse property adjacent to Parking Lot P2.*

3. Stop Sign Location Request

The City Council is being asked to approve the recommendations of the Public Safety Committee concerning a requested change of the traffic control signage at the intersection of Scholze Street and Enchantment Parkway. The request is to change the intersection control from a two-way stop on Enchantment Parkway to a four-way stop intersection. The requested change was submitted by Jefferson M. Robbins and Briar A. Hoper of 202 Scholze Street in the form of a letter to the Public Works Director on August 3, 2016. Public Works installed traffic counters at the intersection on August 8, 2016 for a period of over one month. The request was then brought before the Public Safety Committee for review on October 11, 2016. As per Council adopted policy, the Warrants Checklist was applied to the request, which was then reviewed and considered by the Public Safety Committee. The intersection was reviewed concerning accident history, visibility, multiple uses, traffic volume, a review by the Public Safety Liaison Officer Sergeant Bruce Long, and a review by the Public Works Director Herb Amick. The Council Policy for the installation of a stop sign is that the intersection must meet three of the six warrants listed above. In a review of these warrants, only two of the warrants were met for the intersection. The intersection warranted a higher level of multiple uses of pedestrians, bus traffic, bicycles and vehicle traffic as well as sufficient traffic volume; however, no other warrants were met. At the October 11, 2016 meeting, the Public Safety Committee recommended against the proposed changes since the criteria required by the Warrants Checklist was not met; therefore, the Committee is now requesting the City Council’s consideration for approval of that action per the adopted policy.

In developing the policy, the Public Safety Committee reviewed a number of adopted policies regarding traffic control from the Department of Transportation and other communities. The warrants adopted in the City Policy were modified to address traffic conditions within the City.

The requesting parties were notified of the Public Safety Recommendation and the warrant conditions were discussed. They have been invited to attend the October 25, 2016 Council Meeting to provide additional information and comment to the Council.

The following items are included under **TAB 3**:

- Request letter
- Applied Warrants Checklist
 - **MOTION:** *The Leavenworth City Council moves to approve the recommendations of the Public Safety Committee recommending against the changing of the intersection of Scholze Street and Enchantment Parkway from a two-way stop to a four-way stop as per adopted Council policy and the Warrants Checklist.*

4. Special Use Permit / Noise – Timbrrrr! Winter Music Festival

The City Council is being asked to consider approval of a Special Use Permit to allow an extended time period and increased noise levels for the Timbrrrr! Winter Music Festival. This will be the fourth year that the Timbrrrr! Partners held this annual Winter Music Festival in the City of Leavenworth. The event is scheduled to take place at the Leavenworth Festhalle on Friday, January 27 and Saturday, January 28, 2017. This is a live music event; music begins each evening at 4:00 PM and ends at 12:30 AM each day. Approval of the Special Use Permit would allow for the permitted dB noise and sound levels to be permitted to a level not to exceed 95 dB.

In regard to the SUP, the LMC 9.33.040 Exemptions allow the City Council to approve with conditions or deny special use permits at its sole discretion. To approve the SUP, the Council must consider the conditions and provisions for granting a special use permit stipulated in LMC 9.33.040 (I) (Items 1 – 5 below). The Council's decision of approval or denial of the SUP must be based on whether the request meets the following criteria, information relating to each:

- 1. The special use permit is necessary:** The permit is necessary because the noise level at various times during the event may exceed the 70 dB or 60 dB level specified in LMC 9.33. The event however is held within the confines of the Festhalle so the noise generally will be contained within the building.
- 2. There exists a special circumstance relative to size, topography, location or surroundings of the subject property:** The Festhalle facility is located within the Central Commercial District which is the preferred location for these events to be held.
- 3. Requesting property owner or agency has provided a plan for mitigation of noise to be implemented on the approval of the special use permit:** The organizers will be monitoring the noise levels outside the building to ensure they do not exceed the 95 dB noise level. Noise monitoring from other events typically show that sounds levels on the exterior of the Festhalle do not exceed the 70 dB which is allowed under LMC 9.33.

4. **That the granting of the special use permit will not be materially detrimental to the comfort, health, or safety of the public:** The granting of the permit is for a 2 day event. Past events held within the confines of the Festhalle facility have not been an issue with surrounding property owners provided that the doors remain closed during the performance times.
5. **That the special use permit is limited to not more than 14 days in any 90 day period:** The permit is for a period of 2 days.

Staff is recommending approval of the Special Use Permit allowing the noise exemption because the event is contained within the Festhalle area and events that have been held within the facility have not had the noise issues associated with events held in outdoor or in tented venues. In addition, the organizers have volunteered to do self-monitoring and confirmed that during the January 2014, 2015, and 2016 events, similar noise monitoring revealed no violations of the noise limit at any time during similar operating hours.

The following items are located under **TAB 4:**

- Noise Compliance Analysis
- Special Use Permit Agreement Timber Partners
- Letter to the City Council from Phil O'Sullivan, Managing Member, Timber Partners.
- **MOTION:** *The Leavenworth City Council moves to approve the Special Use Permit to Timber Partners, LLC and Artist Homes which allows for an exemption from the noise limitations stipulated in LMC 9.33.040 on Friday January 27, 2017 and Saturday January 28, 2017.*

5. Skatepark Contract - Grindline

The City Council is being asked to approve a Small Public Works Contract with Grindline Concrete Skatepark Design & Construction in the amount of \$175,000. The scope of work included within the agreement provides for two community meetings. The first community meeting will be to introduce Grindline Project members to the Community, explain the design and public input process and how the Community will drive project development. The meeting is an open forum to the Community that allows stakeholders the opportunity to provide input that will drive the development of the design concept. This input can be verbal, written or online participation. As a follow-up to the meeting, Grindline will be using social media to advance the design and engage community stakeholders. The second community meeting will be a presentation of final design concepts based on the information taken from the initial meeting and using some interactive 3D modeling, allowing the participants to "skate the design". A final design will then be developed and presented online. The final design will include skatepark and any non-skate components, a final cost estimate, and an updated schedule.

A Request for Quotes was advertised on August 29, 2016. The Ad Hoc Skatepark Committee received three responses to the request for quotation advertisement: Dreamland Skateparks, Grindline: Concrete Skatepark Design and Construction, and Evergreen Skateparks. The criteria used to assess the firms based on the submittals included the following:

- Quality of previous build and design skatepark projects?
- Ability to meet contract requirements: Public Outreach, achieve design standards, quality?

- Responsiveness to the Request: is the response complete, does it provide the correct information, does it require more information?
- Does the firm have the capacity to actually complete the work: expertise, capable staffing and numbers, financial stability, etc?
- Based on the submittal, do you think the firm can achieve the desired outcome?

In addition, the Committee also considered input from the local skateboard community members, quality of work on other local projects, willingness of the Firm to work with the Community on the final design, and consideration of the designs presented within the submittals. All three submittals identified completion for design and construction of the Leavenworth Skatepark project at \$175,000. The consensus of the Committee was a recommendation for selecting Grindline: Concrete Skatepark Design and Construction. The Committee recognized the quality of the work and durability of construction of the previous Leavenworth Skatepark that was built by Grindline. They also appreciated Grindline's previous park designs that allowed for multiple users and distinct user lines that allowed for greater user safety. In addition, the Committee heard from members of the local skateboard community that a preference was given to Grindline primarily because of the success of their previous designs. As with the other proposals, Grindline outlined the involvement of the Community in the design development of the Skatepark that would include a number of public meetings, use of electronic media communication, and a review and consideration process for a final design selection. Grindline also would be open to working with in-kind donations, local donors and the use of local vendors. Their design work, engineering, and construction documentation is completed in-house; the shared information between design, drafting, and construction assists in the project efficiency and controlling costs.

At this time, the tentative completion date remains as September 30, 2017, although Grindline has indicated the completion date can be advanced with an aggressive schedule.

The following items are included under **TAB 5**:

- Small Public Works Contract with Grindline Concrete Skatepark Design & Construction
- Attachment B: Scope of Work
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign a Small Public Works Contract with Grindline Concrete Skatepark Design & Construction for the design and construction of the Leavenworth Skatepark for a not to exceed cost of \$175,000.*

6. Motion to Approve the Purchase of Garbage Truck

The City Council is being asked to authorize the expenditure of funds for the purchase of a used side-loading garbage truck in an amount not to exceed, \$33,000, excluding applicable tax and licensing, from the City of Cashmere, Washington. This truck recently became available for purchase due to the elimination of the City of Cashmere's garbage service. The Cashmere truck is a 2010 Labrie Side Loader identical to the truck the City purchased new in 2010. Public Works has determined that the purchase of the identical truck would allow for more efficient training of drivers i.e. use of controls, handling, backing, etc.as well as allow for a reduction in necessary parts inventory. The City Mechanic and the Public Works Director inspected the vehicle and determined the value to be acceptable. If the expenditure is approved, it will allow for the sale or auction of the refurbished 2007 side-loading garbage truck that was purchased in November of 2015 for the amount of \$77,500. The City Mechanic estimates the sale value of that truck to remain equivalent to the purchase price of last year.

The City presently owns and maintains four garbage trucks; two side loader trucks being used for regular garbage pickup, an older rear loader being used for cardboard recycling, and another older rear loader being used for City Street can pick up. Due to the deteriorating condition of the rear loading trucks, the 1999 Crane Carrier is also scheduled for sale or auction by the end of 2016, and in addition, the remaining rear loader is scheduled for sale or auction in 2017. At such time, Public Works will transition cardboard pickup from the rear loading truck and rolling dumpster system to the side loading truck and dumpster system.

The following item is included under **TAB 6:**

- Photo of Leavenworth's 2010 Labrie Side Loader Truck
 - **MOTION:** *The Leavenworth City Council moves to approve the purchase amount of \$33,000.00, excluding taxes and license, for a used 2010 Labrie side loading garbage truck from the City of Cashmere, Washington and authorizes the City Administrator to approve the expenditure.*

7. Water System Plan – Valera & Associates

The City Council is being asked to review and consider for approval a Professional Service Agreement with Varela and Associates for the completion of a Water System Plan. The Water System Plan provides a comprehensive overview of water system policies and operations, identifies challenges and opportunities, and develops recommendations so Leavenworth can continue to provide a reliable supply of safe, high quality drinking water that meets the Community's needs in an environmentally responsible and cost-competitive manner. The Water System Plan is a requirement of the Department of Health and currently is required to be completed once every six years. The new requirement will extend that time period to ten years once approved.

The City advertised for qualified consultants in June and received three (3) responses from Varela and Associates, TD&H Engineering and Gray & Osborn. Interviews of the consultants were held on August 31, 2016. The interview team consisted of Council Member Wilson and Council Member Larsen, PW Director Herb Amick, Water Supervisor Arnica Briody and City Administrator Joel Walinski. The recommendation of the Committee was Varela and Associates because of their past relationship with the City in previous water/sewer plans, utility improvements, and the quality of that work. All three firms were seen as very well qualified and capable of drafting a successful Water Plan for the City. The Committee did request that Varela re-evaluate their scope of work and estimated costs to be more in line with the other applicants. On October 13, 2016 City staff and Mr. Jesse Cowger, PE Varela & Associates, met with representatives of the Department of Health to identify the requirements for the Water System Plan and a final scope of work. The Pre-Plan Agreement is included under Tab 7 to provide the Council with the scope of information that will be included in the final plan documents. The final plan must be approved by the Department of Health and Department of Ecology.

The final scope of work is included with the agreement. The estimated cost for completion of the Water System Plan is \$62,518, which is reduced from the initial estimate of \$74,018. The estimated cost is a not to exceed figure; actual cost of the work product will be based on the actual hours needed and associated hourly costs. The Professional Service Agreement use is the City template; the City Attorney has reviewed and approved several requested changes on indemnification.

The following items are included under **TAB 7:**

- Professional Service Agreement between City of Leavenworth and Varela & Associates for the City's Water System Plan
- Exhibit A: Water System Plan Contents and Scope of Work
- Department of Health: Pre-Plan Agreement

- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign a Professional Services Agreement with Varela and Associates for development of a Water System Plan for a not to exceed cost of \$62,518.*

8. Oktoberfest Wrap-up – Set Public Meeting Date for November 22, 2016

The City Council is being asked to discuss and set a public meeting date to take in public comments regarding this years Oktoberfest event and other festivals. This action is a follow-up as requested by the City Council and the Ad-Hoc Festival & Event Committee recommendations.

There are no items included under **TAB 8**.

- **MOTION:** *The Leavenworth City Council moves to set a Public Meeting on Oktoberfest on November 22, 2016 at 6:45 PM.*