

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES December 10, 2019

Mayor Cheryl Kelley Farivar called the December 10, 2019 Study Session to order at 8:30 AM.

Council Present: Mayor Cheryl K. Farivar, Carolyn Wilson, Mia Bretz, Margaret Neighbors, Sharon Waters, Clint Strand, and Jason Lundgren.

Staff Present: Joel Walinski, Chantell Steiner, Herb Amick, and Lilith Vespier.

1. Chamber Report

Chamber Director Nancy Smith and Chamber President Paula Helsel updated the Council on the first weekend of Christmas Lighting noting ways that they are engaging more actively with visitors on crowd related expectations. She reviewed the planning that goes into bus parking, free activities at the Festhalle, and an update on the Christmas characters. Director Smith gave a brief update on the planning underway for Icefest and the Ski & Stay Program. She identified a study that the Chamber received and was done by doctoral students from Washington State University regarding when is the best time to administer prescribed burning. She requested that the City Council consider adding approval of the Chamber Contract at this evenings meeting.

2. Leavenworth Area Promotions Budget Options

City Administrator Joel Walinski reviewed each of the three options that the Leavenworth Area Promotions (LAP) Committee had presented at the November Study Session and has been included within the packet materials. He stated that the Economic Development Committee previously reviewed the requests and was in consensus of supporting Option 2, which includes the following:

Option 2: 2020 Budget Allocation \$721,280

- Includes \$51,520 / 8% media increase to cover the cost of rising advertising/promotional fees in the last two years.
- Includes \$20,000 for Website (Chamber) Upgrades. Chamber budget typically covers ongoing website maintenance, LAP funding is used for enhancements of website.
- Includes \$5,760 in new funding for Facebook and Instagram promotions and advertising. Total expenditure in this media type would be \$72,760.

Administrator Walinski spoke to the ability to set the budget for multiple years and stated that the Council could consider a two-year budget in 2020 that will align with the City's two-year budget process in the future. Councilmembers reviewed the request to increase media costs with an 8% cola adjustment; the increase does not increase advertising but allows for increases in costs for the same level of advertising and services previously provided. Director Smith explained that Option 2 also includes increases for website upgrades and creating new social media related videos. The Council discussed citizen comments that they have heard to not continue increasing the amount of advertising; however, Councilmembers noted the importance of maintaining some level of advertising related funding. They discussed the option to start looking at infrastructure related improvements such as parking, restrooms, and Festhalle

amenities. There was a brief discussion on the success of videos available on the internet and how the rating system may be relooked at by industry analysts.

3. Chamber of Commerce Contract Renewal

Administrator Walinski reviewed the materials provided from the Chamber on the use of City Lodging Tax Funds anticipated for the 2020 -2023 Contract. He explained past discussions of the Council that requested some adjustment of use of the City's dollars for operations of the visitor center versus direct advertising noting that the Council can request similar adjustments in the Chamber's new budget. He then provided an updated handout from the Chamber showing the actual dollars expended in 2018 from the City, the County and their membership dollars. He identified the past annual contract of 18.5% of the City's annual collection of lodging tax dollars; he stated that the Council can consider this same percent type of allocation or a flat dollar figure. He noted that the Council will need to determine the number of years to be included in the new contract and stated that next year would be an opportunity to consider a two-year contract in conjunction with the City's biennial budget process. He reminded the Council of the new Partnership Funding Program that the Council has created for organizations, including the Chamber, that could be utilized for special programs or projects.

Councilmembers asked Director Smith for clarification on some of the Chamber budget line items, such as Condo Dues, media related wages and how they coincide with the LAP Budget, and the new requests for economic development related programs such as supporting youth groups and outdoor recreation infrastructure. Councilmember Bretz noted that the Chamber's request holds the line on the annual allocation of 18.5% and incorporates the new programs for building community assets and infrastructure due to the increase in lodging tax collections. President Helsel reinforced that the percentage option is preferred, although the funding could go down in a recession; she added that the Chamber benefits on the positive growth years, which in turn ensures the marketing and programs are strongly supported. Director Smith gave the Council a brief history of the 18.5% allocation and how that came to be.

4. 2020 Planning Commission Docket Review

Development Services Manager Lilith Vespier updated the Council on the purpose of the Docket and noted there are some minor modifications from the previous reviewed version. She proceeded to review the document items for Shoreline Master Program Updates and the Housing Action Plan.

In reviewing the Housing Action Plan, Manager Vespier reviewed discussions that the Planning Commission has had in regard to having an open house to get more input from the community. She addressed ways that some communities are discussing the "missing middle" and how this can be incorporated within current neighborhoods to openly talk about density, traffic, crime and other concerns with growth related changes. The Council has heard that housing needs to be more affordable; however, those that do have homes already may not agree that more density is needed. Council discussed the goals of the Housing Committee with the main questions being "do we have enough?" The Leavenworth Haus Apartments will create a large impact on rental units; however, there will still need to be more housing stock to consider for single and multifamily units that are not in the \$700,000 price range. Manager Vespier spoke briefly to the McDevitt property and the stages involved for planning out a large residential development, noting that a Planned Development is an ideal option; she stated that no firm plans have been

decided for that project. Councilmember Waters questioned if incentives are still being explored for affordable housing by the Planning Commission and how that is moving forward; Manager Vespier stated that there is continuing discussions to move forward with this concept but its still too early in discussions to formalize specific code language. Going through the process with the development of the Housing Action Plan will assist in identifying those changes. Council discussed the need to look at other small communities that are similar to how Leavenworth is structured; consider looking at other tourist driven communities, small mountain/ski towns, and possibly small neighborhoods within a large city. Looking for communities that are small and quaint with residents that want to maintain their neighborhood character is critical; there is concern that density creates less connectivity of neighbors, massive structures, and overcrowding. Council recognized the need to be open to the public with upcoming planning efforts and to ensure that the Housing Assessment Study, the discussions of the Housing Committee and implementation of the Housing Action Plan are widely known and thoroughly explained throughout the process to avoid potential future conflicts. Manager Vespier stated that the Planning Commission is looking at an open house in February.

Manager Vespier continued to review the docket items for Comprehensive Plan Updates noting that the Planning Commission has requested adding Item I – Housing related policy updates. She reviewed the Project/Discussions related items; the Osborn Property will need to include open discussions with the public, Council and the Planning Commission. Council briefly discussed the potential outcomes of the Osborn Property that could greatly affect the price of the property; the School District will ultimately have to decide how they want to proceed with the disposition of the property when they are ready. Councilmember Waters reminded the Council that when the School District came to the voters, as part of their request for funding, they had stated that their intent was to ensure that the property would continue as some sort of recreational use.

Manager Vespier reviewed the process of prioritizing the projects at the January 28th Joint Council / Planning Commission meeting. She stated that she will have the Council and Planning Commission do a prioritization of the docket that will be similar to last year's process; ultimately the Council decides on the final order. There was brief discussion on the magnitude of review needed in relation to alleyways and how to look at different options for off-street loading and parking requirements within the commercial zones. The Parking Committee will have discussions on parking standards; it was noted that many larger communities are now scaling back on parking requirements in their commercial zones. Councilmember Bretz requested that Manager Vespier consider providing some recommendation of priority that makes sense from a planning perspective to ensure that amendments are reviewed in a logical and effective manner. Manager Vespier continued to review the Code Amendment related docket items for a district use chart, campground regulations, and code related inconsistencies.

5. 2020 Capital Budget Review

Administrator Walinski provided the Council with an update on the project status of 2019 projects that will be moving into the 2020 budget year. He reviewed each of the major projects that includes the Wastewater Treatment Plant / South Interceptor, Wastewater Pista Grit, Water Plant / Transmission Lines, Water Meters, Housing Study, DOT & Downtown Parking Improvements, Pool Resurface, Front Street Restroom Expansion, Pine Street Phase 1 and Highway 2 Crosswalks project completions, Festhalle Floor Resurface, Residential/Commercial

Street improvements, Industrial Snowblower, Osborn Elementary, and the City's website enhancements.

Administrator Walinski reviewed the processes involved with the major grant funded projects, such as the Wastewater Treatment Plant upgrade, how funding is on a reimbursable basis and in conjunction with interim financing, and how contracts are structured to ensure bonding for completion. Public Works Director Herb Amick gave a brief update on the planning underway for the Wastewater Pista Grit replacement that is planned for spring of 2020.

Administrator Walinski noted that the City was successful in acquiring nearly 50% of the funding for the water meters through the Icicle Work Group; Council briefly discussed the need to maintain rates as planned to address additional future capital improvements that are necessary. Administrator Walinski stated that the City has budgeted \$800,000 so far for the various parking improvements that the Parking Committee is exploring. Council reviewed the planning efforts in regard to the Front Street Restroom Expansion project, the final stages for completion of the Pine Street Phase 1 Project and planning for Phase 2 design with funding for construction, and completion of the Highway 2 Crosswalks. Council discussed the new pavement preservation experiment that is going to be tested on Whitman Street in conjunction with funding from the Transportation Improvement Board.

Administrator Walinski reviewed the remaining capital projects noting approximate timelines and project requirements. He identified the Industrial Snowblower and the intent to transition current snow storage areas that are no longer available, by trucking the snow out to city owned lands. For instance, downtown snow storage, that has been shrinking over time from new construction on private lands that were previously utilized by the City, will now be trucked out to city owned properties, such as the water reservoir area or the cemetery. Administrator Walinski stated that the current project list does not include a new garbage truck; however, once the waste assessment is completed, the Council will review options for replacement of the current equipment. Council discussed the need to look at the City's website for future updates and to consider what elements are desired within that update.

6. Disposition of Final Golf Course Lot

Mayor Farivar provided the Council with an update on the sale of the two golf course properties noting that the first property closed in November and the second property will be closing by December 15th. She stated that the remaining third property will be a future final decision of the Council when an offer is received. She said that she would like to finalize the process of the sale prior to leaving office and stated that she wants to proceed with listing the property with Cameron West of Mike West Realty; Councilmembers concurred with proceeding to list the property as suggested.

7. Council Open Discussion

- Mayor Pro-Tem and Committee Assignments – Review January 14 / Appoint January 28

Mayor Farivar spoke to her recent rental of the Feshalle noting that Manager Josh Flickner was courteous and professional while assisting in the coordination of her rental needs. She stated that the City is benefitting well from Mr. Flickner's expertise.

Councilmember Bretz stated her concerns at the lack of a permit process for fences and the need to reconsider adding this back for permitting and review by staff to avoid what has been occurring on some residential properties to enclose the property with six-foot-high fencing.

Councilmember Bretz reviewed the Block Party BBQ that the City initiated this past year and asked what others perspectives were and to consider planning for next year. Councilmembers voiced the positive reflections that included community involvement, the timing was great, the food and festivities were good, and to consider future events that might have a focus on a community planning effort or project.

Councilmember Bretz wanted to review concerns regarding the recent issues with festivals, social interactions with groups, such as Projekt Bayern, and how to move forward with what the City can do in regard to renting out city owned facilities. Administrator Walinski stated that the Festhalle Committee had a robust discussion yesterday regarding this topic and noted that the City has to be cautious in regard to civil rights of an event organizer. Councilmembers discussed options for working with event organizers in a proactive way to discourage negative behavior; specifically, that the City, as an entity, does not support negative behavior. This particular situation resulted in bullying of community members that the City may be able to consider as part of the regulations for rental uses. Administrator Walinski reviewed the current contract for parking revenues with Projekt Bayern and the timing of that contract review on a five-year basis. He then reviewed the Festhalle's policies in regard to right of first refusal to book your event during the same time period for the following year. There was discussion on past relationships with Projekt Bayern and the turnover in members that has changed the culture of the organization and at times has created difficult relationships among some community members. Councilmembers would like to look at policies that might consider censure, behaviors, liabilities, and other options that may assist in improving community relations by specifically avoiding issues of discrimination.

Councilmember Lundgren requested a future presentation for an emergency evacuation plan; Administrator Walinski would look into this further. He then noted a planned vacation he is doing in February and clarified with staff the projects underway for the Community Needs Assessment and the Waste Assessment.

Study Session adjourned at 11:37 AM.

APPROVED


Carl J. Florea
Mayor

ATTEST


Chantell Steiner
Finance Director/City Clerk