

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES
April 12, 2022

Mayor Carl Florea called the April 12, 2022 Study Session to order at 8:30 AM.

Council Present: Mayor Carl Florea, Carolyn Wilson, Sharon Waters, Clint Strand, Jason Lundgren, Anne Hessburg, Zeke Reister, and Marco Aurilio.

Staff Present: Chantell Steiner, Lilith Vespier, Tom Wachholder, and Christie Voos.

1. Chamber Report

Chamber Director Troy Campbell updated the Council on the progress for Bird Fest, he spoke in regard to the Ambassador Program, Summit to Sea, and film festivals coming this year.

2. Draft Resolution XX-2022 Six-Year Transportation Improvement Plan

Public Works Director Tom Wachholder reviewed the redline version of the Six-Year Transportation Improvement Plan (TIP) and provided the Council with some background information on how this is annually reviewed and updated to remove completed projects and add new projects that the City would like to move forward with. He proceeded to briefly review each of the projects noting that project cost estimates are preliminary in nature and would need to be finalized when the project is up for consideration. He discussed the process of street improvements and how some of them need to be coordinated with utility line improvements when necessary; this can cause further planning and project delays as funding is needed. Council discussed the need to consider utility and street improvements through the city planning documents, such as the TIP and Capital Improvement Plan (CIP) and to consolidate the project needs to assist in identifying what projects should take priority over others. Director Wachholder confirmed that staff is currently working on a detailed inventory of utility main lines that will assist in the process of prioritizing. He identified the removal to occur of prioritization on the TIP to allow for projects to move forward as funding is allowed and to ensure no issues when seeking grant fund opportunities.

3. Personnel Policy Update

Finance Director / City Clerk Chantell Steiner gave a brief update on the changes that have been incorporated since June of 2019 that includes legal and union contract related changes and other minor changes for grammar. She then reviewed the need to consider updating the City's meal reimbursements rates as they are adopted separate from the personnel policy. She identified staff recommendations to increase the rates slightly to adjust with cost-of-living changes since the last adoption in 2008. Councilmember Lundgren suggested transitioning to the State's per diem rates that could include set rates for hotels, meal rates and mileage rates. Director Steiner noted some concerns at researching legal issues in regard to taxation with per diem and confirmed that she will look into this further with legal counsel and bring back an updated recommendation at the next meeting.

4. Affordable Low-Income Incentive Program

Development Services Manager Lilith Vespier reviewed the work over the past year by the Planning Commission on developing this new program. The Commission explored areas related to parking reductions for the lowest income developments and lot coverage expansion of the existing 35% to

50% lot coverage. Additionally, allowance for more density, for the low-income unit only, would be allowed and added to an existing lot that may have another accessory dwelling unit (ADU) that is not low-income and not subject to the increased density. It was noted that a unit utilizing this program would be required to keep the low-income unit for a minimum of fifty years that would be encumbered upon the title of the property. Manager Vespier stated that the program provides a structure to follow; not all existing lots would be able to accommodate adding additional ADU's based on the existing lot coverage of a specific lot. She reviewed criteria that was reviewed through the Commission's review process noting that parking was the top identifier of concern, due to costs, for low-income unit expansion as well as having developers that want to build to this expectation.

There was discussion on height limits, currently set at 35 feet, and how those are being reviewed now at the Planning Commission with an expectation of proposal to come before the Council later this year. Council discussed how past practice with building units did not challenge the City's highest and best allowance for uses, where more recently, developers have been maximizing new developments to the limit, which is causing concerns by some community members. Council discussed the height limit identified for tourist/commercial that may have future requests for consideration of changes; the current proposal includes up to 50 feet on a tiered basis when developing affordable units in this zone when adjoining a residential or multifamily district. It was noted that keeping residential property owners well advised of changes to be made is critical to keep open communication accessible and to build and maintain public knowledge and support when changes are occurring.

Council briefly discussed how partnerships occur with the Housing Authority or other non-profit agencies when affordable low-income units are incorporated to monitor and manage long-term uses.

5. Workforce Housing Grant/Loan Program

Manager Vespier reviewed this new section of code language for Workforce Housing that mimics existing code language under LMC 3.42 for affordable housing requirements. This new section allows for moderate income households earning between 80% and 120% of area median income to be eligible for housing grant and loan programs that the City may establish. Manager Vespier spoke in regard to the limit of the 50-year requirement for compliance rather than requiring into perpetuity noting that studies have shown that interest by developers drops off considerably after the 50-year time period; many developers prefer less and going over 50 years may see no development occurring at all. Mayor Florea spoke to the difference of the developer, for instance, a unit developed and managed by Upper Valley MEND does ensure requirements on the property into perpetuity; not all developers or non-profits will be the same and the goal is to start a program where one currently does not exist.

6. LID 24 Payoff Option

Director Steiner provided the Council with an update on the status of the remaining balance due on LID 24 (Local Improvement District). She stated that the City has the option to consider early payment to avoid future interest costs of up to \$30,000 possibly. The City currently owes \$96,228.64 plus interest and has \$84,423.90 in reserves that were required on the bond. She asked the Council if they would like her to proceed with a budget amendment for the difference from water and sewer fund sources that are estimated at about \$13,000 with accrued interest to allow for payment in May this year on the annual due date to the bank. Council was supportive of moving this forward to save the City on future interest costs and to bring back the changes via the next budget amendment. Director Steiner reviewed how LID's work in regard to payment by property owners and noted the various parcels that still owe the City. She will continue to mail annual billings with penalties and

interest to the outstanding parcels as originally defined within the Bond Ordinance through the end of the process, which is scheduled through 2033.

7. Street Closure Options

Manager Vespier reviewed the information provided in the packet materials for Council to consider options for continuing the temporary closure of various downtown streets through a study period for permanent closure options that will be due by December 31 in accordance with existing state laws. She reviewed how the study is broken into two phases with phase one planned to be completed by the end of summer, which correlates with timing of the Downtown Steering Committee's work and planning for a formal request for proposal in relation to long-term downtown improvements. Council had a brief discussion on the roles and responsibilities of the Council to take in and review feedback from the Community as well as the Council's responsibilities to consider financial and legal ramifications of the decisions to be made.

Chamber Director Troy Campbell spoke to the ongoing discussions that occurred nearly weekly during the pandemic period regarding the downtown street closures and the comments that were received from both residents and business owners. A majority of comments have been in favor of seeking a continued closure option with exception to the 600-700 block area, specifically for traffic flow and delivery reasons. Jesse Boyd spoke to the Council further on the feedback of this area noting consideration for safety, deliveries and traffic flow to be considered; he reminded the Council of the safety concerns that were prominent in the downtown prior to the pandemic. There was discussion on the business's challenges and successes along the 600-700 block, past turnover of businesses in this area that were pre-pandemic, and growth during the pandemic of positive increases in sales due to the visitors now walking, rather than driving, past those businesses when visitors are coming from the west end of town. Keeping this section closed does allow for streatory options and more equity for businesses in this area. Council discussed challenging areas for traffic, such as 8th and Commercial Street and violations occurring where vehicles are going around barricades illegally.

8. Block Party Pilot Program

Mayor Florea updated the Council on the proposed pilot program that staff is seeking to explore based on requests received. Councilmembers were in favor of proceeding forward.

9. Inclusive Banners

Mayor Florea introduced Elvis Garcia, small business owner in downtown Wenatchee. Mr. Garcia provided the Council with some background information on his experience with expanding options for supporting and embracing more diversity within individual communities for these banners to be displayed in June in support of Pride Month. He spoke about the program that he and his partner started in Wenatchee and East Wenatchee and how the program is successful through partnerships with the local businesses purchasing the banners with the City being responsible for hanging and removing them each year. The banners would be for the downtown streets in particular and not along the highway. He stated that he would like to offer to assist Leavenworth in getting involved and that he will also be reaching out to the City of Chelan. Council suggested reaching out to the Chamber of Commerce and noted that the flags should be vetted through the City's Design Review Board process also. It was noted that the banners being purchased by businesses could include sponsorship logos or business recognition. Mr. Garcia noted that cost is about \$100 per banner and the size is about 7 feet tall, which is consistent with existing downtown flag sizes.

10. 2022 Project Tracker / 2022 Future Council Agenda Items

Mayor Florea asked the Council if they have any questions on the project updates provided. Staff responded to questions on Docket items related to multifamily tax exemptions being reviewed by the Planning Commission, the status of the Space Needs Assessment, the Water Meter Project completion planned for this spring, and equipment replacements in relation to the Sewer Vactor and larger plow trucks.

11. Quarterly City Newsletter Recommendations – Distribution in May

Communications Analyst Christie Voos explained how she would like to proceed with moving forward with production of newsletters more often to avoid issues with information being outdated, she is anticipating a newsletter every two months and if something is needed in between the newsletters she would like to suggest a postcard type of distribution on hot topics. Councilmembers were supportive of this new process and are encouraged to reach out directly to Analyst Voos with ideas on an ongoing basis. Some suggestions provided include the height discussions with the Planning Commission, providing an update on retail businesses financial increases to retail sales, fire related updates, recycle center and spring clean-up dates and times, the County’s information on the brush drop-off site, and the new housing funding for the County through Senate Bill 5868.

Council Open Discussion / Public Comment Period

Mayor Florea provided an update on the City Administrator application process noting that it is out again with a due date of May 13th for submission of the next review.

Analyst Voos updated the Council on the City’s plans for a newly designed Oktoberfest event this year, to be named Bavariafest; she noted that we are confirmed to proceed with a 3-week long event that will have activities occurring throughout the week and not just on weekends. She added that the new event is being designed to be family friendly and more inclusive for local residents and businesses to participate.

Study Session adjourned at 11:55.

APPROVED



Carl Florea
Mayor

ATTEST



Chantell Steiner
Finance Director/City Clerk