

LEAVENWORTH CITY COUNCIL
Study Session Agenda
City Hall – Council Chambers & Zoom Optional
April 12, 2022 8:30 – 11:45 AM

8:30 – 8:45 **Chamber Report**

This time is provided for a Chamber of Commerce representative to provide an update to the City Council on items of interest to the Chamber and City.

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

8:45 – 9:00 **Draft Resolution XX-2022 Six-Year Transportation Improvement Plan**

This time has been set aside to discuss the review of revisions to the Six-Year Transportation Improvement Plan (TIP). TIP is a short-range planning document that is annually updated based on needs and policies identified in the Leavenworth Comprehensive Plan and Transportation Plan. RCW 35.77.010 requires a perpetual 6-year plan. It represents Leavenworth's current complete list of needed projects and programs for the next six years and future years. The document also identifies secured or reasonably expected revenues and expenditures for each of the projects included in the TIP. Typically, projects listed in the first three years of the document are shown as having secured funding, while projects in the further out years can be partially or undetermined regarding funding.

Programs and planning efforts help to achieve the City vision by meeting a particular transportation need (such as a mode or safety) in a systematic way, completing smaller scale projects, and planning for the need over a long period of time. Plans help determine the future transportation network through citywide and corridor long studies.

The annual TIP update starts with the previously adopted plan; this year's TIP is identified with the dates of 2023 – 2028. Projects in the previously adopted TIP are reviewed and projects that have been completed, or because of changing conditions are no longer needed, are removed. The remaining projects carried over from the previous TIP are reviewed for changes to cost estimates, project funding, schedule, or scope during the update process to ensure that the best information is represented in the TIP.

New projects are generated from many sources, including appointed commissions and committees representing parks (bicycle and pedestrian trails) and traffic safety, elected officials, City of Leavenworth staff, and other interested individuals and groups. In many cases, City of Leavenworth staff use tools such as the Transportation Improvement Board (TIB) Pavement Management Program – Performance Management Dashboard to help identify potential new projects.

Updated projects from the previous TIP and new projects are then used to create a draft TIP project list. The phasing and funding of these projects is based on an evaluation of project priority compared with priorities laid out in the Leavenworth Transportation Plan, commitments to projects, partnerships the City has entered into with other jurisdictions and agencies, and new

opportunities that arise to leverage local transportation funding in combination with other funding sources.

Once the draft TIP has been developed, a public hearing is held to provide an opportunity for the Community to comment. The City Council will conduct a public hearing at an evening meeting; based on the results of the public hearing and comments from the Leavenworth City Council, a final version of the TIP will be developed for final Council approval if needed.

For Council review and comment today, staff has, in this draft, eliminated completed projects, reviewed uncompleted projects for funding and priority, evaluated the six-year feasibility, and coordinated the list of projects in relation to the Twenty-Year Transportation Plan.

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

- Resolution XX-2022 – 2023-2028 TIP Redline Draft
- 20-Year Transportation Project List

9:00 – 9:20 Personnel Policy Update

The City Council is being provided with draft changes to the City’s Personnel Policy that will be adopted by Resolution. Appendices have not been included as changes are not anticipated; the final version will be provided for adoption. This update first began in June of 2019 with changes that were needed at the time for modifications in state laws to various programs, such as the addition of the Paid Family Medical Leave Act, and union negotiated changes that were finalized in February of 2019. The Staff anticipated this coming to Council in early 2020 for adoption; however, due to the COVID-19 outbreak, this policy update was postponed with the arrival of the new City Administrator coming in June of 2020. Unfortunately, this policy was again postponed due to various factors with turnover in staffing and is now being presented to the Council for review prior to approval. The policy has gone through a thorough review by the City’s legal counsel, Washington Cities Insurance Authority (WCIA), for personnel services and recommendations have been incorporated. For ease of identifying changes by staff and legal counsel the following colors represent who suggested the individual changes:

Dark Purple (1st review) and Green (2nd review) – Elizabeth R. Kennar – Legal Counsel WCIA
Blue – Joel Walinski – Former City Administrator (HR Lead)
Red – Chantell Steiner – Finance Director/City Clerk (HR Support)
Brown/Tan and Bright Light Purple – Tami Gates – Former Payroll Clerk (HR Support)
Turquoise – Sue Cragun (Additional Grammar Review)
Pink – Lilith Vespier (Additional Overall Review)

As a reminder, in addition to the City’s legal counsel review, the City is having Koff & Associates review the policy along with all other HR related forms and documents as part of an overall HR Audit. This audit was put on hold as the City Council requested that the non-union positions/wages be expedited first. If additional suggestions for changes are identified later, staff will bring back another update when ready. Due to the length of time of many of these amendments being needed, we are requesting that the Council proceed now with the update so this document can be provided to existing and new staff as they are coming onboard; if there are no suggested changes identified at the Study Session, staff will anticipate bringing this forward by resolution at the April 26, 2022 Council meeting for final approval.

A final item for consideration that is noted within the personnel policy is the meal reimbursement rates that are adopted separately by resolution. Included is a copy of the existing rates that were last reviewed and increased in 2008. Current rates include \$12 for breakfast, \$15 for lunch and \$25 for dinner. Due to increased costs for food while traveling, and in particular to west side restaurants when attending conferences, staff would recommend increases of at least \$15 for breakfast, \$20 for lunch and \$30 for dinner. Council recommendations on this resolution will also be brought forward for approval at the April 26 meeting.

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

- Personnel Policies
- Resolution 14-2008 Meal Reimbursement Rates

9:20 – 9:40 Affordable Low-Income Incentive Program

This time is provided to review the Planning Commission recommendation for an Affordable Low-Income Incentive Program prior to the April 26, 2022 Hearing. This program is developed consistent with RCW 36.70A.540 which was developed in 2006 when the legislature found that new market-rate housing developments left a significant and growing number of low-income households out of the housing market. To remedy this, the legislature finding states that *a broad variety of tools are needed to address this serious, statewide problem*. The legislature also found that an incentive program was necessary to provide the inclusion of low-income units along with market rate developments. They established *minimum standards for cities to implement or expand upon an affordable housing incentive program, cities, are encouraged to enact programs that address local circumstances and conditions while simultaneously contributing to the statewide need for additional low-income housing*.

The Planning Commission developed the first round of incentives and took them to a public hearing in November of 2021. Based on public comments, they opted to continue to revise the incentives, to reflect community needs and desires, through a series of workshops held during the regular Planning Commission meetings in December, January and February. The hearing in March was continued to April as the distribution of the Staff Report was missing from the March packet materials.

The incentives for low-income housing include:

- A) Density increases that would permit one additional dwelling unit for low-income affordable housing in all residential zones and, within the multifamily zone one or more units based on the lot size.
- B) Lot coverage increase, when providing three or more low-income affordable units, to 50% or the underlying zoning requirement, whichever is greater.
- C) For residential zoning districts and multifamily district, setbacks, when a development includes at least one affordable housing unit, the front yard setback may be reduced to nineteen feet; however, the allowance for a front porch within the front yard setback is not permitted. (*Note, the front porch setback reduces the front yard to 17 feet*).
- D) Alley access, any development that includes affordable low-income dwellings may have primary vehicular access from the alley when meeting the city's development standards.
- E) Parking, for low-income units shall be calculated as:
 - 1) Housing units serving residents with incomes at or above 51% AMI (Area Median Income) shall provide one parking space per housing unit.

- 2) Housing units serving residents with incomes below 50% AMI may reduce parking by 50% when located within a ½ mile from a public transit park-n-ride.
 - 3) Any fractional parking shall be rounded up.
- F) Height, within the Tourist Commercial District, may increase to up to 50 feet excepting that the building height shall not exceed 35 feet for the first 30 feet of distance from the property line when adjoining a residential or multifamily district.

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

- Amended Staff Report for Affordable Low-Income Incentive Program

9:40 – 10:10 Workforce Housing Grant/Loan Program

The City Council is being asked to adopt Ordinance 1653 Workforce Housing Grant Loan Program. In 2021, the City completed a Housing Action Plan which concluded, in part, that the City needs to increase the variety of housing types at prices which meet a greater range of income levels. The Housing Action Plan lists four objectives, see below, which are being addressed through various policy and code amendments, including the recent approval reducing residential lot size minimums and increasing diversity (duplexes) of housing for all residentially zoned districts. Additional code and policy amendments being considered includes low-income housing incentives (set for Council Hearing April 26th) and the fire retrofit program. Objective #2 is primarily focused at workforce housing, defined as 80-120% AMI.

1. Increase housing production and more housing supply. While population and housing stock have been stable, job creation has increased resulting in more workers commuting to Leavenworth.
2. Increase homeownership opportunity. Housing prices have risen 73% since 2010, significantly higher than the 18% increase in income over the same period, making homeownership increasingly out of reach for many. The Housing Action Plan notes that more diverse ownership options at lower prices would address the need for more homeownership opportunities for moderate income households, 80% and above AMI.
3. Increase long term rental housing available to lower-income workers and residents. About 27% of Leavenworth’s households rent their homes and earn low-incomes, defined as less than 80% of the area median income. The needs assessment finds an undersupply of rentals affordable to lower income households.
4. Increase aging in place housing. Many of the community’s low-income households include persons age 62 or older. Opportunities for older adults to downsize frees up existing housing for other long-term residents. However, many of the condominiums, smaller housing units, are located in the commercial areas of town and are used as vacation rentals. Additional housing suitable for older adults in the residential areas is needed.

Increasing workforce housing stock improves local economics, supports the school system, reduces commuting from neighboring communities (reducing our carbon footprint), reduces vacant second homes and opens existing housing stock to others in the community.

During this time, the Mayor has been working at the legislative level to secure funding for workforce housing. These efforts, along with numerous other representatives – led by Senator Brad Hawkins, has resulted in a new funding source for future workforce housing infrastructure and facilities under Senate Bill 5868. Funds will be available July 1, 2022.

The City issued a Request for Proposal (RFP) in 2021 seeking proposals to demonstrate the feasibility of building and selling workforce housing. The proposal requires workforce housing, which is kept as affordable for the workforce for at least 50 years. The need for providing workforce housing has been defined and a step taken with the RFP to provide workforce housing. The proposed code establishes the framework for this and all qualifying future workforce housing projects.

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

- Draft Leavenworth Municipal Code 3.43
- Resolution 12-2021
- Excerpts from the Housing Action Plan and Housing Needs Assessment

10:10 – 10:20 LID 24 Payoff Option

This time is provided to consider the option of paying off LID 24 (Local Improvement District) Debt Service balance to Cashmere Valley Bank (CVB).

For those that are unfamiliar with this LID, the City created this in 2018 at the request of the property owners in the Meadowlark Development property area; after completion of the construction of the extension of water and sewer utility lines from Cascade High School to the edge of the privately owned property near North Road and Chumstick Highway the LID was established. Under this LID, the property owners are liable for the annual debt payments for which the City administers. The original LID included a total of \$940,615.33 in principal and interest payments that would be due over the course of 15 years (2019 – 2033). Beginning in May of 2019 the City began annual billings to the property owners in order to make the annual payments to CVB on the various loan coupons. To date, four of the eight property owners have paid in full and those payments to the City have been paid to CVB; the payoff of the four properties occurred in 2021 and included a majority of what was owed on the original loan coupons. The remaining four properties that are owned by one owner have not made a payment since inception; these parcels are being assessed annual penalty late fees per ordinance that will be due and payable either at the time of the sale of the parcels or in 2033 when the City has to exercise a right to foreclose on the properties in order to receive payment.

At this time the principal balance of the loan is \$96,228.64 with interest accruing daily at an average rate of about 3%. The City currently has \$84,423.90 reserved for annual payments in Fund 205 LID-24 and Fund 204 LID Guaranty Funds that were required to be set aside by CVB at the time of the initial loan. The City Council may choose at this time, due to the significant payoff of the four parcels, to proceed with funding the remaining balance of approximately \$13,000 (principle and estimated accrued interest) from water and sewer reserves and to eliminate any further accrued interest on the loan. Due to the lack of payment by the one property owner, this would be a wise choice on the City's part to eliminate this debt off the City's books while still billing and eventually collecting what is due at a later date from the property owner. The next annual debt payment to CVB will be due on May 1, 2022.

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

10:20 – 10:50 Street Closure Options

This time is provided to review the options for street closures in the downtown core. The existing street closure started in June of 2020 and will expire with the extended emergency proclamation on April 15, 2022. The current closure includes the 600-700 block of Front Street; north half of 8th Street between Front and Commercial; the 800 block of Front Street; and the 900 block of Front Street, as shown in green below:



During the emergency proclamation, the City also permitted businesses to use the right-of-way to the center of the street to off-set the loss of occupancy within businesses. This was extended after business occupancy was restored by the Governor so as to help businesses recoup lost revenues. The City also permitted several stateries (commercial/retail spaces occupying street parking spaces) primarily on 8th, 9th and Commercial streets, shown in blue above.

The City Council recommended extending the closure at the December 2021 Study Session and consideration of further closure (past the emergency proclamation) in the spring pursuant to RCW 47.48 to provide time to study long-term closure options. At this time, staff is seeking direction on which streets to close during the study that is estimated to be completed by December 31, 2022.

While street closure has many supporters, each area and businesses are impacted differently. The upcoming study is intended to fully research the pros and cons of closures but for the interim, staff has summarized a few concerns for the Council's consideration as they determine how to proceed:

- A. 600-700 blocks of Front Street & north half of 8th Street between Front and Commercial – some businesses have no alternative access (through the alley) when the street is closed; businesses have stated concerns about the lack of pedestrian/vehicle traffic and parking during the closure; and, access to 8th and Commercial (including the Hospital) have been limited.
- B. 800 block of Front Street – large stateries have reduced visual access and pedestrian willingness to visit other businesses.
- C. 900 block of Front Street – closure has limited parking lot access; right-of-way width and emergency turn radius have reduced stateries' options; and, a lack of sidewalk, along the northside of the street, has limited pedestrian flow through the street.
- D. Closure throughout has impacted delivery options (location and timing).

At the December 2021 Study Session, the Council opted to continue the streateries with a future street closure in compliance with the Bavarian Alpine Theme and with established use fees. Streateries on open streets pose different public safety concerns requiring site specific considerations.

Depending on Council direction, staff will barricade street(s) to be closed.

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

10:50 – 11:00 Block Party Pilot Program

Occasionally, City staff receive requests from residents to hold a block party in various locations in the residential areas. The City does not have an official Block Party Permit Program or procedures that would apply to this specific request. Currently, staff requires the same application process that would be used for use of the right-of-way, similar to what is required of a contractor. Current practice requires the following:

1. Special Event Permit Application
2. Traffic Revision Plan – includes “road closed” and “detour” signage
3. Right of Way Permit – \$100 fee
4. Public Works crews to place signage and barricades
5. Noticing to all neighbors within 24 hours of event
6. Noticing to Fire, Sheriff, Ambulance, Hospital within 24 hours of event
7. Standard insurance requirements

Current practices seem overburdensome to residents requesting a get-together with their neighbors.

Looking to simplify the current process, staff reached out to the City of Wenatchee to find if their Block Party Permit process was similar to Leavenworth’s current process. The following is the process used by the City of Wenatchee:

1. Block Party Permit Application is available on the website – \$15 fee
2. Upon payment and approval of application, application is routed to Public Works Street Crews, Fire, Sheriff, Ambulance, and Hospital
3. Public Works coordinates with block party organizer to drop off “Street Closed” signage / barricades
4. Organizer places barricades at start of event and removes to the side when event is over
5. Public Works picks up signage / barricades the following business day
6. No traffic revision plan or insurance requirement
7. Application must be processed a minimum of 30 days prior to event

This time is provided for the City Council to discuss the pros and cons of simplifying this permit process. If moving forward with a Block Party Pilot Program, permits would be processed by administrative staff within the Mayor’s office. Staff would work with the organizer on applicable guidelines, noticing requirements, and coordination of barricade/signage delivery. Current code regulations to consider would include hours of operation and noise or amplified music. The City of Wenatchee does not require notice to the neighbors, which is something that staff has suggested to be included in this new process. A “notice to the neighbors” template will be

available to download from the City’s website along with the Block Party Permit Application, program details, and a residential street closure checklist.

There are no documents included under **TAB I.**

11:00 – 11:15 Inclusive Banners

Elvis Garcia, owner of Yogi Grind on Wenatchee Avenue across from the Convention Center, and a board member of the Wenatchee Chamber of Commerce and also the Housing Authority, began a program last year of hanging inclusivity banners from poles in the cities of Wenatchee and East Wenatchee during June, which is Pride Month. These banners were paid for by sponsoring businesses and families in those communities. They were able to get 60 banners hung last year, and want to include Leavenworth in their efforts this year. They are printed in both English and Spanish, and he is willing to use an approved Bavarian font on any done for Leavenworth. They do all the leg work, sell the banners, print them, hang them, take them down. Elvis will be at the meeting to share the idea and answer questions.

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

- Example of Last Year’s Inclusivity Banners

11:15 – 11:25 2022 Project Tracker / 2022 Future Council Agenda Items

This time is provided to review the 2022 Project tracking document and the Future Council Agenda Items document. The Project Tracker provides the Council with quarterly updates on the work and status of a number of Council Priorities or required projects/tasks that need to be completed by the City. It is not a comprehensive list; the project tracker does not include the daily tasks required to provide services and maintain service levels to residents, businesses, or visitors, but provides a good review of the work being completed by the City Staff.

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

- Annual Objective and Project Tracker 2022
- 2022 Future Council Agenda Items

11:25 – 11:30 Quarterly City Newsletter Recommendations – Distribution in May

This time is provided to review suggestions and proposed items for the next newsletter.

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

- Newsletter Example with Suggestions

11:30 – 11:45 Council Open Discussion / Public Comment Period

This time is for the Council open discussion and public comments.

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