

## **City Council Minutes – April 29, 2019**

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Mayor Laurie Gere called to order the advertised special Anacortes City Council meeting of April 29, 2019 at 5:00 p.m. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Carolyn Moulton. Bruce McDougall and Matt Miller were present. The assembly joined in the Pledge of Allegiance.

### **Executive Session**

At approximately 6:01 p.m. Mayor Gere announced that City Council and the City Attorney would convene in Executive Session per RCW 42.30.110(i) for approximately 30 minutes to discuss potential litigation or litigation and that following the executive session the regular meeting would reconvene with no action having been taken. At approximately 5:33 p.m. the mayor called the regular session back to order.

### **Announcements and Committee Reports**

Finance Committee: Mr. Walters reported from the committee meeting the prior Wednesday that the committee had reviewed the upcoming budget amendment with Finance Director Steve Hogle. Mr. Johnson added that the committee had also discussed the public works facilities budget.

Ms. Moulton reported from the Skagit Homeless Housing Plan Task Force. She explained that the plan is updated every five years and said the current update is due for completion in December. Ms. Moulton advised that Anacortes involvement in the update would include a public meeting in Anacortes and participation in a countywide community survey. She said she would keep Council informed as the process continued.

### **Public Comment**

No one present wished to address the Council on any topic not already on the agenda.

### **Consent Agenda**

Mr. Johnson removed Item 6c, Contract Award: Street Sweeper Purchase 19-080-ERR-001, from the Consent Agenda. Mr. Adams moved, seconded by Mr. Miller, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of April 22, 2019
- b. Approval of Claims in the amount of: \$369,740.36

The following vouchers/checks were approved for payment:  
EFT numbers: 93023 through 93063, total \$165,086.64  
Check numbers: 93064 through 93096, total \$202,097.29  
Wire transfer numbers: 248679 through 248924, total \$3,135.38

- c. Contract Award: Street Sweeper Purchase 19-080-ERR-001

Mr. Johnson thanked Finance Director Steve Hogle for the additional explanatory materials included in the packet for this contract on which action had been postponed at the April 22, 2019 meeting. Mr. Johnson invited his colleagues to consider the larger questions of the appropriate level of Council oversight for major equipment purchases and the best means of tracking Council's policy decisions. He suggested memorializing such decisions by resolution to allow convenient searching of prior actions. Councilmembers discussed the city's equipment rental policy specifically. Mr. Hogle noted that the current practice for management of that fund had been reviewed by the state auditors several times with satisfactory results. Mr. Miller suggested that perhaps a cost threshold should be established over which Council would be involved in deciding to purchase equipment. Mr. Johnson moved, seconded by Mr. Young, to approve Consent Agenda Item 5c. The motion carried unanimously by voice vote.

## **OTHER BUSINESS**

### **Planning Commission Recommendation: Development Regulations and Zoning Map Amendments - Division 4**

Senior Planner Libby Grage invited Council to continue review of the development regulations update, focusing on Division 4 which was largely addressed in Title 17, Zoning, of the current code. Ms. Grage referenced the staff memo included in the packet materials which identified key updates proposed for Division 4. She suggested that after a brief summary of the content and organization of the division, the discussion then focus on five topics Council had flagged for additional discussion at its April 15, 2019 meeting. Ms. Grage introduced Bob Bengford of MAKERS to guide the discussion. Mr. Bengford's slide presentation was added to the packet materials for the meeting.

Mr. Bengford first reviewed the general structure of Division 4, referring to the April 18, 2019 draft of Title 19 – Unified Development Code. Mr. Johnson asked why the future land use designations map did not use the same codes as Title 19. Mr. Bengford and Planning Director Don Measamer explained the distinction between land use designations and zoning designations and pointed to the land use designations used on pages I-16 through I-20 of the adopted 2016 Comprehensive Plan. Mr. Measamer said that upon adoption of the development regulations there would be only one zoning map, implementing the comp plan map, so the designations would be consistent.

Mr. Walters said that 19.40.010(B)(2) did not specify the process by which the director was authorized to revise the Official Zoning Map. Mr. Measamer agreed and said staff would reword that section to refer to the procedures chapter.

Regarding Chapter 19.45, Industrial Uses, Mr. Johnson requested additional future discussion of conditional and permitted uses in that zone.

Mr. Bengford then turned to the five discussion items addressed in his slide presentation.

Table 19.42.030, reconsider by-right height increase in Commercial (C) & Central Business District (CBD) zones: Mr. Bengford and Mr. Measamer explained the options the Planning Commission had considered and its eventual recommendation to increase the height limits in the C and CBD zones (to 50 feet and 65 feet, respectively) without requiring density bonus features, presuming that the proposed affordable housing provisions would discourage use of height bonus provisions and may be challenging to administer/enforce. Councilmembers discussed at length what would define an “affordable” housing unit and how unit size correlated with affordability. Councilmembers generally supported small unit bonuses but explored the appropriate size or sizes for such units. Ms. Moulton suggested that to demonstrate a commitment to affordable housing the development regulations should be consistent with Ordinance 3017 establishing AMC Chapter 19.46, the temporary affordable housing demonstration program. Mr. Measamer reported that developer input during Planning Commission consideration indicated that affordable housing programs were overly burdensome to administer but that height bonuses for including some number or percentage of units under 600 SF would not be and could be reviewed after several years to see if that was in fact achieving more affordable units. He noted that such a provision could be extended to the CBD and C zones, not just the R4 zone. He requested direction from Council. After additional discussion, councilmembers agreed that staff should draft new language that would offer height bonuses for including some percentage of 600 SF units in the C and CBD zones. Mr. Measamer confirmed that the language would need to be opened for written public comment prior to adoption. Mr. Bengford asked if that only applied to a residential or mixed use building in those zones, not an office building. Councilmembers discussed that the bonus Option 2: Affordable Units, would possibly be desirable for non-profits such as the Anacortes Housing Authority or Anacortes Family Center but not private developers. Mr. Measamer noted that option had been retained in the R4 zone.

19.42.140 building height exceptions: Mr. Bengford and Mr. Measamer explained the building height exceptions, referencing 19.42.120(B) in the April 18, 2019 draft regulations. Mr. Bengford advised that near the end of the Planning Commission consideration, a comment came in about the need to allow an increase in the height exception (from 10 feet to 15 feet) for rooftop elevator housing/screening on buildings over four stories in height based on modern functional needs of such facilities. He said staff recommended increasing the exception from 10 feet to 15 feet. No councilmembers objected to the new language for 19.42.120(B)(2) as proposed by staff. Mr. Measamer confirmed that Council would need to accept written public comment on this language if it wished to adopt it. Mr. Walters asked that staff draft language to require rooftop decks allowed under the height exceptions to be open to *all* residents of a building. Mr. Measamer agreed.

Building Height Clarification in the LM Zone: Mr. Bengford then presented staff recommendations for updates to Table 19.42.030 and 19.42.120(C)(2) to clarify the base vs. bonus height in the LM zones. The intent was to allow 50 foot maximum height for non-residential structures in the LM zone along the Guemes Channel by conditional use, but to allow 50 foot maximum height for non-residential structures outright for the LM zone at the Anacortes airport, consistent with the existing Development Agreement between the city and the Port of Anacortes. After some discussion, councilmembers reached consensus that the maximum height in the LM zone along the Guemes Channel should be 35 feet, not 50 feet. Mr. Measamer agreed to reword the section to limit the height to 35 feet along the Guemes Channel and 50 feet at the airport where there is a functional need such as for an air control tower. Mr. Measamer said that change would also warrant public comment. Mr. Adams and Ms. Moulton inquired about maintaining the 35 foot limit at the airport as well, for consistency and due to homes in the neighborhood. Mr. Walters reminded that airport structures were vested at 50 feet in the current Development Agreement with the Port. Mr. Measamer recommended leaving the development regulations consistent with that agreement.

Table 19.42.070, review bonus incentives in the MMU zone: Mr. Bengford then invited discussion of the height bonus options in the MMU zone east of Q Avenue (aka the MJB property) that would allow structures over the 45 foot base height. He explained that the regulations as drafted would allow height increase to 55 feet if one listed bonus feature was implemented and an increase to 65 feet if two features were implemented. Councilmembers discussed the feature list at length. Ms. Moulton clarified that feature 3 only required provision of space for a park; the city would have to build and maintain the park. Mr. McDougall and Mr. Walters argued that feature 6, upper level building step backs, should be required and should not qualify the project for a height bonus. Councilmembers questioned the value of rooftop vegetation on tall buildings and suggested bonus-eligible landscaping should have to be visible by pedestrians. Mr. Miller suggested *requiring* projects to meet the key concepts outlined in LU 6-4 of the 2016 Comprehensive Plan and allowing features beyond that to function as bonus incentives. Mr. Measamer reminded that the Shoreline Master Program would constrain building height at the water's edge. Mr. Bengford reminded that the Planning Commission had been prepared to allow 65 foot building height outright and suggested that one or two additional features might be required but that optional features should be feasible for developers since the intent was to encourage taller buildings.

Councilmembers all agreed that feature 1, vertical mixed use design, should remain an optional bonus feature. Councilmembers all agreed that feature 6, upper level building step backs, should be required for any increase over the 45 feet base height. Mr. Measamer said staff would draft language accordingly. Ms. Moulton suggested that the park space addressed by feature 3 should be a percentage of the site rather than a flat square footage. Mr. Bengford said the city would not want any size smaller than 10,000 SF. Mr. Measamer suggested that staff craft language to clarify that the public space would be dedicated to the city which would then own and maintain the public park. Mr. Bengford suggested that the park space be allowed to be proportional to the building space, but in no case less than 10,000 SF. Mr. Adams and Mr. Miller warned that any such park would be unfunded.

At approximately 7:30 p.m. Mayor Gere called a five minute break. At 7:35 p.m. the mayor called the meeting back to order.

Councilmembers continued discussion of the proposed bonus features to allow added building height in the MMU zone east of Q Avenue, beginning with feature 7, permanent public art in a visible location. Mr. Johnson suggested changing the first sentence to read, “This could include murals, mosaics, sculptural elements ...” to allow more than one piece of art collectively valued at 1% of construction cost. Mr. Measamer agreed.

Councilmembers discussed feature 10, public restrooms, and wondered if that should be required rather than a bonus feature. Mr. Measamer reminded that the plumbing code would require a restroom for any public meeting space. Councilmembers discussed the need for public restrooms along the esplanade as well as at other waterfront parks but did not reach conclusions on language changes.

19.43.010(H)(3) regarding single purpose residential uses in the MMU zone [east of Q Avenue]: Mr. Bengford explained the Planning Commission recommendation to allow single purpose multifamily residential development by right in this zone on up to 60% of the development. He walked through the calculations for determining the 60%. Councilmembers discussed the 60% figure at length, attempting to determine if some other figure would be more appropriate. Mr. Bengford reminded that currently residential development on the site is a conditional use and that an entirely commercial project with no residential would be allowed outright but no such project has been built. Councilmembers agreed that the Comprehensive Plan goal for the site was mixed use development and that guarding against too much residential was the key. Mr. Measamer advised that the Planning Commission recommendation for up to 60% residential reflected concern for the impact of commercial development on downtown businesses and also the desire to make mixed use projects pencil out. After additional discussion, Mr. Measamer confirmed that Council was comfortable with the 60% recommended by the Planning Commission. Mr. Johnson asked just how applicants were expected to demonstrate that “proposed building(s) do not adversely impact the general vicinity” as called for by 19.42.070(A)(1). Mr. Measamer clarified that 19.42.070(A) only applied west of Q Avenue (above the Washington State Ferries terminal). Mr. Walters suggested that 19.42.070(A)(3) say that the project be conditioned to help improve the view from the selected viewpoints chosen in 19.42.070(A)(1). Mr. Measamer agreed to have staff draft language accordingly.

Mr. Adams referred to Table 19.41.050 and asked what had determined that retail uses over 25,000 SF would require a conditional use permit in the MMU zone. Mr. Bengford provided the rationale for that recommendation; Mayor Gere offered for comparison that Safeway is 50,000 SF. Mr. Walters asked if a maximum size had been considered, perhaps no retail spaces over 100,000 SF. Mr. Adams suggested that he did not want to reignite the big box store debate but said he did not favor imposing a maximum size. Mr. Miller and Ms. Moulton both indicated they would support a 100,000 SF cap. Mr. Young and Mr. McDougall said they would support a cap at either 75,000 SF or 100,000 SF. Mr. Measamer polled councilmembers and received mostly head nods to change “>50,000 NFA” as a conditional use in the MMU to “50,000 – 100,000 NFA”. Mr. Adams confirmed that his colleagues supported retaining a conditional use process for 25,001 to 50,000 NFA in the MMU. Councilmembers then discussed a cap of 75,000 SF. Mr. Walters suggested that staff bring back language proposing a cap of between 75,000 and 100,000 SF and taking public comment on that range. Mr. Measamer agreed.

At approximately 8:25 p.m. Mr. Measamer suggested continuing the discussion at the next City Council meeting, given the time and the duration of the meeting thus far. Mr. Bengford briefly introduced the fifth discussion item, 19.43.010 regarding garage setbacks, because he would not be able to attend the City Council meeting on May 6.

There being no further business, at approximately 8:30 p.m. the Anacortes City Council meeting of April 29, 2019 was adjourned.