

CITY COUNCIL WORKSHOP

**September 6, 2016
6:00 P.M.**



The City of Bonney Lake's Mission is to protect the community's livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

MINUTES

"Where Dreams Can Soar"

www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice & Municipal Center, 9002 Main Street East, Bonney Lake, Washington.

- I. CALL TO ORDER** – Mayor Neil Johnson, Jr. called the workshop to order at 6:02 p.m.
- II. ROLL CALL:** Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Randy McKibbin, Councilmember Justin Evans, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson.

Staff members in attendance were Administrative Services Director/City Clerk Harwood Edvalson, Assistant Chief of Police Kurt Alfano, Chief Financial Officer Cherie Gibson, City Administrator Don Morrison, City Attorney Kathleen Haggard, Public Services Director John Vodopich and Administrative Specialist II Renee Cameron.

III. AGENDA ITEMS:

- A. Presentation:** Recognition of Bonney Lake Little League U11 Softball State Champions.

Mayor Johnson recognized the U11 Softball State Champions and congratulated them on bringing the title home to Bonney Lake. Coach Tim Jones spoke about the fun season and the friendships they the girls have formed, and said it was an honor for him and the other coaches to serve a team with a “never give up” attitude. The Mayor took a picture with the team and the coaches sporting their division championship flag and their trophy, and encouraged them to go back and win the championship again next year. This item was for presentation purposes only.

- B. Presentation:** Proposed Visconsi Development Agreement(s).

Public Services Director Vodopich summarized the agenda bill and supporting documents for this item. He stated that the Visconsi Companies, Ltd. has been working for the past year and a half on a commercial development proposal for the WSU commercial forest property behind Albertsons, past the MultiCare medical building off of 204th. He reminded Council of the First Amendment to the Development Agreement between the City and Washington State University (WSU) that authorized the City's support of a new fully signalized intersection at SR410 and 204th. He said Visconsi has been working diligently with Washington State Department of Transportation (WSDOT) through the plan for approval process and getting a construction package ready for the planned improvements

along SR410. He said there will be some necessary amendments to the development agreement to fully implement the plan. He outlined the plan included in the agenda packet, which would have Costco as the anchor tenant for the development. Visconsi would fully construct the 204th Street Extension and turn it over the City at completion of the project. In recognition of Visconsi constructing the 204th Street Extension at their expense, the City would provide \$2.5 million in transportation impact fee credits that could be allocated throughout the site by Visconsi. He spoke regarding the bid package and the timeline of the planned road and site improvements, to include the frontage improvements along SR410, installation of a signal at SR410 and 204th, and as required by the WSDOT the synchronization of the traffic signals from 192nd to 204th. He advised upon bid package approval, and Costco receipt of a written site plan approval, the City would put the project out to bid. After Visconsi closes on the land purchase and Costco purchases the land from Visconsi then the City would permit the project and allow for construction.

Brad Goldberg, Visconsi Vice President of Development stated they have the full property under contract to sell a portion of the site to Costco. He presented an outline of the development project/site plan and advised there are many issues to still work out. He also said the plans are merely preliminary, and that they have been working diligently with WSDOT for the proposed project. He advised that the Costco deal has been solidified and Visconsi and Costco are now working on other tenants/restaurants to come into the development.

Brian Whelan, Sr. Vice President with Northwest Atlantic, whose firms does all of the site selection work for Costco, spoke and differentiated Costco from other supermarkets and retailers. Mr. Whelan stated their business model is much different than standard retailers, and summarized how Costco began. He said though Costco is continuing to grow, they remember that from the beginning they are geared toward small business owners.

Peter Kahn, Assistant Vice President of Real Estate Development for Costco, presented the site plan for the development, and believes they will quickly make permitting application to the City. He advised that it will be a state of the art Costco, which will be slightly larger than the Puyallup Costco, and will include a fueling station. Councilmember Rackley asked if electrical car chargers will be included and Mr. Kahn advised that they are open to that option, but still determining whether that will be included. He advised that the signal at SR 410 and 204th Avenue E will be essential, as it will be the main ingress and egress, and that the road improvements will drive the scheduling of the project. Councilmember Swatman asked what type of other retailers may be included and Mr. Goldberg and Mr. Whalen stated there are certain stores that are competitive that they would not have included (e.g. tire stores, membership retailers). Mr. Kahn said once the site is graded to the subgrade and the pad is set, the contractor has 110 days to erect the building, on the 110th day they have the opening party, and the next day the Mayor will cut the ribbon. Mr. Goldberg advised that the

project will move very quickly.

Director Vodopich said he understands Visconsi will have one contractor bidding for all of the civil onsite work, including the 204th extension. He said in talking with the engineers, they estimate the time for the road construction to be within six to eight months, depending on the time of the year. Mr. Goldberg advised that the plan is to have the road improvements and building completed at roughly the same time. Director Vodopich advised that there are ongoing discussions regarding the project, and that a developer agreement amendment will require a public hearing. Councilmember Swatman asked for a timeline to see what the payout amount for the public investment will be, and Mayor Johnson agreed that a timeline will be helpful. Mr. Goldberg said they are all looking forward to working with the City on this project.

C. Review of Minutes: August 9, 2016 Council Meeting, August 16, 2016 Workshop, and August 23, 2016 Meeting.

The minutes were forwarded to the September 13, 2016 Meeting for approval, with minor corrections.

D. Council Open Discussion.

Angeline Road Frontage Gravity Main/Sewer Manhole. Director Vodopich spoke regarding a latecomer agreement tied to a single family resident property located off of Angeline Road, which has a force main running down the frontage of the property, with a gravity sewer line located approximately 113' from property corner to the north. He said since 2001, Bonney Lake Municipal Code requires connection to a public sewer for properties still on septic, when the property sells. He stated there is a latecomer agreement and through the realtor's due diligence they are trying to assist the seller with the requirements of connection. The code provision, as written, would require the property owner to pay for construction of a sewer connector and manhole cover in order for the property owner to sell their home. He does not believe it is Council's intent to burden a single family homeowner with a 200-250 sewer main extension to sell their home. He asked if Council would like the Community Development Committee (CDC) to review the code as written, and make any recommendations to the full Council.

Councilmember Rackley agreed that it was not the Council's intent for a single family property owner to do a complete extension, it was meant to alleviate some of the problems with connecting to sewer. He believes Council can find a reasonable solution to this specific issue. Councilmember Lewis stated he too believes there is a remedy for this specific property and would like the Council to reconsider the language. Director Vodopich said he has been working with legal as to how to proceed, and believes there are other properties that eventually will be in this situation, when it comes time to hook up to sewer. Councilmember Swatman said there are details that need to be worked out, and that the City should compromise with the property owner(s). Councilmember Watson asked about the line between where

the City does and does not compromise. Mayor Johnson said he spoke with the property owner and she understands the issue. City Attorney Haggard said, if the Council wants to make a change in light of the hardships created by this type of issue, then it would allow the Mayor the authority to work with staff on enforcement. She said a possible resolution would be an agreement with the property owner stating they agree to connect to sewer once it is available.

Director Vodopich asked if there is general consensus that this was not the Council's intention to require the property owner to do the sewer main extension, but to require them to connect to sewer at a future date. Councilmember Lewis and City Attorney Haggard discussed taking the item to CDC, with a recommendation to full Council. City Attorney Haggard spoke about the options of what would trigger connection to the sewer that has a sewer main placed on the frontage of the property; the trigger could be either the sale of the property, or a failed septic tank that would require connection. She stated that the only trigger then to decommission a septic would be connection to the sewer. She also asked about whether it is realistic to rely on the sale of a property as the trigger time to connect to sewer, as the City is not always aware of property sales. Council consensus was to take this issue back to the Community Development Committee on September 20th.

Families First Coalition. Councilmember Watson said City Administrator Morrison and Councilmember Swatman attended the Families First Coalition Meeting at the YMCA in Sumner, and there was a great presentation by Don Morrison and David Wells about the City of Bonney Lake. They spoke regarding back to school and did some giveaways. Councilmember Swatman said they did express concerns about growth, but need to educate citizens to understand impact fees in Bonney Lake, as they pay for street improvements.

Puget Sound Regional Council Meeting. Councilmember Evans stated on September 1st he attended the Puget Sound Regional Council (PSRC) meeting discussing conditional limitations on cities and counties. He said three other cities came forward with their concerns and suggestions regarding PSRC controlling limited conditional approvals. He believes PSRC will be reviewing their rules and be making changes or clarifications. He said the City of Puyallup did a great presentation about age friendly cities.

Councilmember Swatman asked about the authority for comprehensive plan approvals that has been given to PSRC. Councilmember Evans said some issues may not grant PSRC the authority, and depending on where the funds are coming from, the authority would either be at the County or the State level. Councilmember Evans said Senior Planner Jason Sullivan presented the City's viewpoint a few months ago, and Pierce County also made comments. He said PSRC is now receiving comments from Snohomish County cities.

Veterans Memorial Committee. Councilmember Swatman asked about the Committee lead for the Veterans Memorial Committee. Mayor Johnson and City

Administrator Morrison said they are helping the Veterans Memorial Committee, as they received a bid proposal, but it was cost prohibitive. Councilmember Swatman said in speaking with David Colbeth that they have funding and resources, but they don't have a Committee lead to put it all together. He understands that the Veterans Memorial Committee is a separate entity, but they are obviously connected to the City too. Mayor Johnson reminded Council that the City does have an interlocal agreement with the Veterans Memorial Committee to work together.

Deferral Impact Fees. Councilmember Minton-Davis asked what the implications are for the City not enacting the ordinance and violating state law. City Attorney Haggard advised that if/when the City gets audited by WCIA for land use issues there could be issues regarding liability coverage, and there is the possibility of losing out on grants because the City is not in compliance with the Growth Management Act. Director Vodopich stated they could apply for a deferral and proceed. City Attorney Haggard compared impact fees with system development charges. Mayor Johnson said it may be feasible to ask the Attorney General legislature for clarification. Councilmember Minton-Davis stated she does not want to have this fight, and would like to see the failed ordinance come back before Council, with the higher proposed fee amount. Councilmember Rackley agreed and said he would support reconsideration of the ordinance. By Council consensus, this issue will be brought back to Council at the September 13th Council Meeting for action.

Sumner School District. Councilmember Lewis stated the Sumner School District has seen a large increase in student numbers, largely due to growth at Tehaleh. He said he was not happy that the football game between Sumner and Bonney Lake occurs before the school year begins. He said he is looking forward to a great season for the Panthers.

Myers Road and SR410 Intersection Follow-up. Councilmember Watson thanked staff and WSDOT for getting the striping and the "right turn lane only" sign installed. He believes that traffic violation enforcement can now occur for improper turning.

These issues were for discussion purposes only, and no action was taken.

- E. Discussion/Action:** AB16-100 – Ordinance D16-100 – An Ordinance Of The City Council of the City Of Bonney Lake, Pierce County, Washington, Authorizing The Issuance Of Water And Sewer Revenue Bonds In A Principal Amount Not To Exceed \$16,000,000 To Finance A Portion Of The Cost Of Constructing A New Public Works Building; Delegating Authority To The City Administrator And Chief Financial Officer To Complete The Sale Of The Bonds; And Providing The Terms And Conditions For Issuing Additional Water And Sewer Revenue Bonds On A Parity With The Bonds Authorized By This Ordinance. *(1st reading of proposed ordinance held on August 23, 2016; this is the 2nd reading of the ordinance and possible action)*

City Administrator Morrison summarized the agenda bill and ordinance and said

this bond has been almost ten years in the making. Councilmember Swatman wanted to confirm that this bond would include all of the water and sewer mains associated with the project. City Administrator Morrison confirmed that this bond is for the entire development of the new Public Works Center. Councilmember Lewis confirmed that this reading of the ordinance is the required second reading of the ordinance, therefore allowing the Council to take action. Mayor Johnson advised that is correct.

**Councilmember Lewis moved to approve Ordinance 1554 [D16-100].
Councilmember Watson seconded the motion.**

Ordinance 1554 approved 7 – 0.

- F. Discussion:** AB16-70 – Resolution 2532 – Fennel Creek Sewer Lift Station Cost Reimbursement Options. (Pursuant to Public Hearing May 24, 2016) (Tabled for Discussion from June 14 and August 9, 2016 Council Meetings)

Director Vodopich summarized the agenda bill and resolution, stating that rather than forming an assessment reimbursement area they would instead enact a sewer system development surcharge. He stated staff would calculate the cost per equivalent residential units (REs/ERUs), identify the boundary of the basin served by the lift station and then enact an ordinance implementing the surcharge. He stated that when properties utilize the sewage lift station they would pay their regular sewer system development charge (SDC), as well as a surcharge.

Director Vodopich advised that City Administrator Morrison reached out to the FCS Group, as noted in the agenda bill, to confirm that there is a component of the existing SDC charges that is allocated to capital improvement projects and that this lift station is identified as one of those projects which could be attributed to the cost of this lift station. He said he spoke with Dave Lawrence from the Kelley Glade subdivision who supported the SDC surcharge, rather than the assessment reimbursement area (ARA). He stated Kelley Glade's concern is how the City would get the easement through Kelley Glade subdivision and the terms of required connection, as it relates to the 250' rule as is currently in the code. He stated correspondence had been received early today and distributed to the Council from William Lynn, Esq. from Gordon, Thomas and Honeywell, LLP, who represents Skystone Development, who are proposing a multi-family development. He stated Skystone Development are agreeable to the SDC surcharge option, however, they are concerned with the number of REs/ERUs of 495, versus the 670 number for the ultimate capacity number.

City Administrator said he believes the better option is to drop the previous ARA option and move forward with the cleaner sewer development charge surcharges, revise the resolution and bring it back to Council, with the lower number of ERUs. Councilmember Minton-Davis asked if this new SDC surcharge had a time limit. City Administrator Morrison confirmed there would be no time limit. Council agreed this option is cleaner and simpler than the ARA approach. City Attorney Haggard spoke regarding case law and calculating equitable amounts.

Councilmember Evans asked about the purchase cost of the larger pump now, versus the cost of a pump purchased in twenty years, and the life expectancy of a pump. Attorney Haggard advised that Council cannot go above the maximum amount allowed, however, they can reduce the number.

Council consensus was to bring a proposed action item with a \$3,000 SDC surcharge to the next Council meeting for consideration. The item was forwarded to the September 13, 2016 Meeting for action.

G. Discussion: AB16-95 – Ordinance D16-95 – Increased Utility Tax on Cable TV.

Chief Financial Officer Gibson summarized the redline version of the ordinance showing the increase from 1.5% to 6%, she advised that Council discussed this during the Council Budget Retreat, which is why this proposed ordinance is coming forward. Councilmember Rackley asked if this increase was scheduled to occur all at once, and if so, he was not agreeable to it. Mayor Johnson suggested slow increases of 0.5%. Deputy Mayor McKibbin said he supports the proposed increase, as it is merely the City catching up. Councilmember Minton-Davis would like to see a higher increase than just 0.5%, and she would support an increase to 3%, which would help to generate revenue for park plan improvements. Councilmember Watson said this increase to the general fund revenue could be applied toward more lights, sidewalks, and street improvements. After much discussion, Council consensus was to increase the utility tax on cable TV to 2.5%, a 1% increase. This item was forwarded to the September 13, 2016 Meeting for action.

H. Discussion: AB16-99 – Resolution 2548 – Approval of the Allan Yorke Park Master Plan and Phase I Design Contract.

Mayor Johnson summarized the agenda bill and resolution and said he wanted to bring it to Council one last time before taking it forward to council for approval. Councilmember Watson stated his concern regarding the lack of progress for the Midtown Park. Councilmember Minton-Davis agreed that she would like to see progress at Midtown Park. Mayor Johnson reassured the Council that Midtown Park progress will be forthcoming as well. This item was forwarded to the September 13, 2016 Meeting for action.

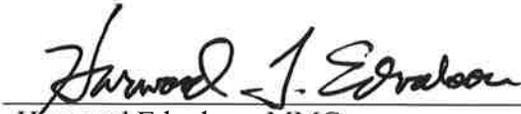
I. Tour: Community Gardens – Meeting will be adjourned from Community Gardens at the conclusion of the tour.

The tour of the Community Garden began at 7:55 p.m. and was conducted at 18421 89th Avenue E.

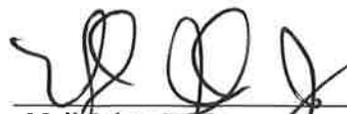
IV. EXECUTIVE/CLOSED SESSION: None.

V. ADJOURNMENT:

At 8:10 p.m. the Workshop was adjourned by common consent of the Council.



Harwood Edvalson, MMC
City Clerk



Neil Johnson, Jr.
Mayor

Items presented to Council at the September 6, 2016 Workshop:

- William T. Lynn, Esq., Gordon Thomas Honeywell LLP, *Correspondence dated September 6, 2016 Re: AB16-96-Ordinance D16-96 and AB16-70 Resolution 2532 (Fennel Creek Lift Station).*
- Administrative Services Director/City Clerk Edvalson, *Revised Ordinance for AB16—96, Ordinance D16-95, September 6, 2016.*

Note: Unless otherwise indicated, all documents submitted at City Council meetings and workshops are on file with the City Clerk. For detailed information on agenda items, please view the corresponding Agenda Packets, which are posted on the city website and on file with the City Clerk.