

Oak Harbor City Council
Workshop Meeting Minutes
February 22, 2023

This was both a physical meeting location and a virtual meeting The meeting was viewable via YouTube www.youtube.com/cityofoakharbor and Facebook or could be viewed on Channel 10/HD 1090 following the meeting. Public Comments are not normally taken or included for Council Workshops, although the Council may allow or request participation.

CALL TO ORDER

Mayor Pro Tempore Hizon called the meeting to order at 2:00 p.m.

ROLL CALL

City Council Present:

Mayor Robert Severns - absent
Mayor Pro Tem Tara Hizon
Councilmember Beth Munns - absent
Councilmember Jim Woessner
Councilmember Bryan Stucky
Councilmember Dan Evans
Councilmember Shane Hoffmire
Councilmember Eric Marshall

Staff Present: Videoconference

City Administrator Blaine Oborn
Finance Director David Goldman
Public Works Director Steve Schuller
Development Services Director David Kuhl
Police Chief Kevin Dresker
Fire Chief Ray Merrill
Senior Planner Dennis Lefevre
Senior Planner Ray Lindenburg
Communications & IT Manager Sabrina Combs
City Administrator Executive Assistant Macalle Finkle
City Clerk Julie Nester

Also in attendance: City Attorney
Alexandra Kenyon of Kenyon Disend, PLLC

MAYOR

Mayor Pro Tempore Hizon called the workshop to order and welcomed those in attendance. She noted she was presiding on behalf of Mayor Severns.

ADMINISTRATION

- a. Interlocal Agreement with Port of Coupeville for Airport Purchase and Support

City Administrator Oborn reviewed the item with the Council. He noted Economic Development

Coordinator McCaslin and Councilmember Woessner were both involved with the pursuit of an active partnership to rejuvenate the A. J. Eisenberg Airport (Oak Harbor Airport). He explained the City of Oak Harbor and the Port of Coupeville are mutually interested in economic development and the proposed purchase of the Airport. The Airport is not currently meeting its full potential or fully providing for the community need, largely owing to a lack of investment by the current private ownership. The Airport is for sale, which presents an important economic opportunity. Public ownership would allow facility improvements and expansion to be facilitated through State and Federal funding.

The Port of Coupeville has requested assistance from the City of Oak Harbor in the form of funding towards the purchase and initial maintenance and repair of the Airport, which is outside the Port's boundaries. The economic benefits of the Airport as a full-service aviation facility to the City of Oak Harbor, the Port of Coupeville, and to Island County outweigh the public funding required to establish this facility. The Airport is located on three parcels, 1.16 miles outside the UGA and JPA boundaries and revitalization could encourage City expansion to the south.

The purpose of the proposed Interlocal Agreement is to provide funding for: (1) a feasibility analysis to aid in consideration of the Airport, (2) the purchase of the Airport, (3) the initial maintenance and repair of the Airport and (4) any additional feasibility studies necessary for the purchase and ownership of the Airport. Under the terms of the proposed Interlocal Agreement, the City would provide the Port of Coupeville with an amount up to, but not to exceed, \$200,000. These funds would be utilized to complete a feasibility study, for Airport classification, and towards other funding opportunities.

The Agreement would terminate if: (1) The Port of Coupeville provides notice to City it is no longer pursuing acquisition of the Airport, but no later than December 31, 2024; OR (2) if the parties purchase the Airport by December 31, 2024, in which case the Agreement expires December 31, 2026. The Agreement could be extended in writing by the parties.

Councilmembers Stucky, Woessner, Hoffmire, Marshall, Evans, and Mayor Pro Tem Hizon provided their respective questions and comments.

This item will be included for potential Council action at a future Council Meeting.

DEVELOPMENT SERVICES

a. State Environmental Policy Act (SEPA) Thresholds Amendment -

Senior Planner Lefevre explained that as required by SEPA procedures in WAC 197-11, the City must require most developments in the planning phase to complete an environmental checklist to identify any potential impacts to the natural or manmade environment.

A variety of projects and procedures are considered exempt from having to submit a SEPA checklist. WAC 197-11-800 identifies several areas where SEPA is not required. One category is "Minor new construction" which includes single and multi-family developments, certain agricultural structures, minor office, school, commercial and recreational structures, associated and stand-alone parking facilities and landfill and excavations.

Certain limits, or thresholds, have been established by the Department of Ecology (DOE) for these minor new construction exemptions. Every Washington jurisdiction has flexibility to set the thresholds to any level up to the maximum set by WAC 197-11-800.

The City of Oak Harbor last amended their threshold levels by Ordinance No. 1382 in August 2004

via OHMC 20.04.100(1). With existing City threshold levels well below the increased state maximums, the Oak Harbor Housing Action Plan (June 2021, LDC, Inc.) recommended raising the existing SEPA exemption levels as a method to lower permit timelines and costs and potentially increase the affordable housing stock in the city.

Senior Planner Lefevre explained by Washington State Rule (WSR 23-01-119), effective January 20, 2023, there have been modifications to both the exemption categories, levels, and the process a city must engage to amend their exemption levels. The state added an exemption for up to 100 residential units when each unit is 1,500 square feet or less; increased multifamily residential units from 60 to 100 units; and required documentation of outreach with the Washington Department of Transportation (WSDOT) for potential impacts to state-owned transportation facilities, including consideration of whether mitigation is necessary for impacts to state-owned transportation facilities. There were other modifications in this rule, however, they did not impact this code amendment.

Development Services staff believes shifting City threshold levels to the maximum would be extreme. With our land use pattern and existing densities, more land area would be required to develop a 60-unit subdivision increasing the environmental risk without early review through the SEPA checklist. Senior Planner Lefevre reviewed the current state maximums and the existing and proposed city exemption levels. The proposal is to increase all threshold levels except barns and loafing sheds. These structures are very rare in an urban community. It is also recommended that a new category for multi-family residential be created since the number of units proposed is different than the single-family level. Also reviewed were the maximum threshold levels as established by the state, the proposed levels for Oak Harbor and several other regional communities for comparison.

Senior Planner Lefevre outlined the process for a threshold amendment:

- Establish findings identifying existing environmental protection for each proposed threshold increase.
- Identify development regulations and state/federal laws which provide adequate protections for cultural and historic resources.
- Provide 60-day comment period.
- Document outreach to WSDOT.

Next steps include continued coordination with WSDOT, and preparing a draft ordinance. The Planning Commission will review this amendment again at their February 28, 2023 meeting and schedule a public hearing for the March 28, 2023 meeting. Their recommendation will be brought forward to the City Council at the April 18, 2023 meeting

Councilmembers Woessner, Hoffmire, and Mayor Pro Tem Hizon provided their respective questions and comments.

b. Master Fee Schedule Update – Land Use Fees and Annexation –

Development Services Director Kuhl reviewed the item. Oak Harbor Municipal Code Chapter 3.64.501 regulates Land Use Fees – General Rules of Application. Subchapter 3.64.501(a) requires a fee adjustment every year based on the cost-of-living change (cpi) for the Seattle area. The current cpi for the Seattle area is 8.4% as determined by the December report (released January 12, 2023).

Previous discussions with the Council at the January 3, 2023 meeting indicated that a different method of annual fee review may be preferred. Alternative options could include:

Option 1: Maintain the current ordinance utilizing the new CPI for Seattle annually.

Option 2: Modify the fee based on a CPI range of 0 to 4%. Fees would not drop below zero or go beyond 4%.

Option 3: Consultant study. Develop a scope of work and negotiate a contract to conduct a land use fee study.

In addition, subchapter 3.64.501(b) says, "On a biannual basis, the mayor shall direct the review of all land use development permit application fees included in this subchapter to determine whether adjustments in fee schedules should be recommended to the city council for consideration." If the need for a study is found, a contract could be completed to have a consultant develop an analysis of the City's actual land use fees. Estimates are between \$30,000 and \$50,000 for this work. This would not include building permit fees.

Director Kuhl noted there has been discussion regarding the current annexation fee of \$2,812 + \$187 per acre. The suggestion has been made that the fee is too high. Council may set the fee at the level it chooses. Joint annexations could reduce fees. If more information is desired relating to the cost of performing annexations, the fee study could be used.

Councilmembers Woessner, Hoffmire, Stucky, Evans, Marshall, and Mayor Pro Tem Hizon provided their respective questions and comments.

City Administrator Oborn explained a motion would be required to postpone or suspend the annual procedure per the Ordinance. He recommended the Council consider a change to an annual review with no percentage amount.

Staff will bring an item for Council consideration to a future meeting.

c. 2023 Comprehensive Plan Amendments Docket –

Development Services Director Kuhl reviewed the item. The Planning Commission held a hearing on the Docket at its January meeting and forwarded a recommendation to the City Council. He explained the Growth Management Act limits amendments to the comprehensive plan to no more frequently than once a year, and reviewed the Docket process:

- Codified in OHMC 18.15
- No more than once a year – RCW 36.70A.130(2)(a)
- Notices in Oct/Nov
- Sponsored Amendment Dec 1
- Preliminary Docket – Planning Commission (Jan)
- City Council – (Mar)
- April – August (Public discussions at Planning Commission)
- State and SEPA notifications and determinations – Sept/Oct
- Planning Commission hearing – Nov
- City Council action - December

The City has codified the process to amend the Comprehensive Plan in Oak Harbor Municipal Code Chapter 18.15. The process is initiated in October every year with a notice to the public for potential amendments. Amendments are then compiled into a preliminary docket. The docket items are then discussed with the Planning Commission and the City Council between December and February prior to it being finalized in March.

Ongoing Amendments: The City has a few items that are currently on the docket that will continue into 2023. These include:

- Housing Action Plan – continued implementation
- JPA/UGA – Boundaries/Capacity
- Transportation Element
 - Active Transportation Plan
 - Alternate Street Connection Plan
- Capital Improvements Plan (Annual)
- Land Use Element
 - Reclassification of properties from Planned Business Park and Planned Industrial Park to Industrial – property notices and text amendments
- Downtown/Marina (scoping study)
- Sponsored Amendments(Land Use) – No applications were received this year.

Director Kuhl reviewed the timeline for the Docket as follows:

- Planning Commission Public Hearing on docket Jan 24, 2023
- City Council Workshop on docket Feb 22, 2023
- City Council Public Hearing on docket March 7, 2023
- Planning Commission discussions on docket items throughout 2023
- City Council workshop discussion – July/August
- SEPA and Dept of Commerce Notices – Sept/Oct 2023
- Planning Commission Public Hearings - Oct – Nov 2023
- City Council Public Hearing/action Dec 2023

There were no questions or comments from the Council.

d. Open Space (OS) Zoning Addition to Land Use Matrix –

Senior Planner Lindenburg explained that during 2021, staff worked to make a number of significant changes to the Oak Harbor Municipal Code zoning section, resulting in the adoption of new code language in October of 2021 including: the provision of new standards for horizontal and vertical mixed uses; revising, creating or deleting over 30 definitions; deleting over 50 sections from the various zone districts; replacing those removed sections with a comprehensive land use matrix.

Following the adoption of the revised zoning ordinance, staff became aware that the Open Space (OS) zone district had not migrated to the new Land Use Matrix found in OHMC 19.20.1050 and the items removed from the original OS section of code were not fully addressed by other revisions completed at that time.

Staff proposes rectifying that issue by the following:

1. Clarifying the function of items transferred into OHMC 19.20.1010
2. Adding text to OHMC 19.20.835, conditions governing permitted or conditional uses in the OS district;
3. Adding an “OS” column to the Land Use Matrix in OHMC 19.20.1050 with permitted and conditional uses shown.

Staff has included the ‘original’ OS zone district, as it appeared before October 2021 for reference as Attachment 1 in the meeting packet. This attachment shows the general format for all zone districts prior to the adoption of the land use matrix. Each zone district had exhaustive lists of different uses that were ‘principal permitted uses,’ ‘accessory permitted uses,’ and ‘conditional uses.’ In practice, this created significant confusion between zone districts, when similar uses appeared under

different names between districts, or were listed alternatively as a group of uses (for example: “retail” versus “shoe store”).

The matrix was designed to cut down on redundancy, make comparison between districts easier and allow for easier use and interpretation by residents and staff alike.

Attachment 2 in the meeting packet is the proposed full text of the Land Use Matrix, including existing OHMC 19.20.1010 ‘Accessory Uses’ – note that some of the uses shown in the original OS zone district in Attachment A are presented here. Section 19.20.1050 is the revised matrix itself, with the OS zone shown in a new column at the far right of the page.

Note that the uses presented as permitted or conditional within that column are not verbatim from the original OS district, but after discussion among staff, the intent is to allow for most of the same uses, though potentially with more oversight for higher impact developments such as golf courses or campgrounds. Some existing uses on OS land may be considered legal non-conforming based on this information, though that would be the case if the previously-worded ordinance were still in effect.

Senior Planner Lindenburg reviewed meeting packet Attachment 3 which included an updated list of conditions governing permitted or conditional uses to ensure that potential uses in the OS district have appropriate limitations befitting a district that is intended to, “allow the retention of natural, rural character, open space areas within the city of Oak Harbor, and to allow for annexation of lands to the city without forcing immediate development, and generally conserve the land, water and other natural resources of the city. Further, the OS district is intended to help prevent development of special community resources such as golf courses, wetlands, forest land and farming areas having scenic and other environmental value.”

Councilmember Stucky provided his respective questions and comments.

e. Design Regulations and Guidelines (DRG) Update –

Senior Planner Lindenburg noted the adoption of Ordinance No. 1953 in July, 2022 made changes to residential zone district requirements on minimum lot sizes, setbacks and other dimensional standards. Staff anticipates that fewer subdivisions will utilize the Planned Residential Development (PRD) process. He explained that within that process, staff and the Hearing Examiner had the opportunity to review the exterior design of homes designated for construction in the proposed subdivision. This review was intended as mitigation for smaller lot sizes, closer spacing of homes and overall greater density.

Other mitigations included open space requirements and additional landscaping. Three primary reasons existed for the changes within Ordinance No. 1953; increasing single family residential affordability through smaller lot sizes; increasing overall density by not requiring open space areas; and, streamlining the process for approval through fewer PRD applications.

Because some mitigations to increased density may be reduced, basic guidelines are being created for single family homes in the Design Regulations and Guidelines (DRG) document that will ensure quality design without limiting creativity or significantly increasing costs. Senior Planner Lindenburg reviewed the existing DRG document as it exists now and the proposed revised document. During the drafting of new standards for residential projects, staff revised the order in which some portions of the document appear for better “flow.”

Accordingly, staff recommends reviewing the entire document for context. Section 5 is the new portion of the document addressing residential design. This new text is intended to suit existing

neighborhoods while creating attractive and friendly new communities. Specific standards for single-family residential construction include concepts such as: Architectural interest, but not specifically a style of architecture:

- Calling out the reduced front setback now part of OHMC through Ordinance No. 1953.
- Neighborhood context and friendly facades
- Consideration of privacy
- Reducing the domination of automobiles and their storage on the aesthetics of a neighborhood.

These concepts are introduced in a way that allows for creativity in design while not burdening developers with excessive costs or unusual development patterns. Future meetings will be scheduled to discuss any potential revisions and work through a potential approval process which would culminate in a Council Resolution.

Councilmember Woessner and Mayor Pro Tem Hizon provided their respective questions and comments.

BREAK

The Council took a brief recess from 3:40 p.m. to 3:55 p.m.

FIRE DEPARTMENT

a. Fire Station – Architectural Design -

Fire Chief Merrill led a discussion on new fire station architectural designs and retaining the services of Carletti Architects. He explained Carletti Architects was awarded the original 2016 RFP contract and has provided the Scope of Work along with a fee proposal, in order to continue with this project.

Chief Merrill reviewed the 2016 RFP for architectural services:

- Two-phase process:
 - Phase one: feasibility study, conceptual design, potential cost.
 - Phase two: final design, engineering, structural, civil, site, landscaping, electrical, cost analysis, etc.
- Selection of firm for phase one was not a confirmation of selection for phase two.
- Option to retain services for phase two without requiring a new RFP if happy with phase one.

He explained Carletti Architects was chosen from four responding firms based upon the following:

- Most in-line with Fire Department goals
- Long history working with FDs – including on Whidbey Island
- Local – convenient, meetings / trip costs
- Not “too big”
- Scoring team liked their presentation and résumé.

2016 Phase One:

- The firm of Feer & Pehrs was selected to conduct the feasibility study
- Carletti – created conceptual design with size limitations and our design criteria.
- Utilized those designs to formulate potential 2017 cost analysis: \$2,900,000
- After feasibility study, potential sites reviewed

2022 Phase Two:

- Voters approved bond and levy
- Contacted Carletti
- Discussions resumed
- Requested / received new scope of work and fee proposal.
- 13 tasks within the scope of work
- Architectural fee \$402,365 plus additional work if required at a time and materials rate - schedule provided

Chief Merrill reviewed the design concepts for the new Fire Station 82, which will be approximately 7,100-7,300 square feet. The estimated cost is \$409 million.

Councilmembers Stucky, Hoffmire, and Mayor Pro Tem Hizon provided their respective questions and comments.

This item will be brought to Council for approval at the March 21, 2023 Council meeting.

b. 2023 and Beyond – Fire Department Potential Staffing Plan

Chief Merrill reviewed current staffing and operations as approved in the 2023-2024 Biennial Budget as well as the staffing plan and forecasted levy funding, and allocation of levy funds for staffing, equipment, and operations of the new Fire Station. Chief Merrill also reviewed the bonding and station construction for Station 82. Staff estimates it will take between six to eight months to begin construction and approximately sixteen months to complete construction of the new fire station. Chief Merrill explained fulltime firefighters and paid-on-call responders' hours and salaries. Levy funding will provide for two additional Firefighters/EMTs in 2023 and for one current and one new Lieutenant position, plus six Firefighter positions in 2024/2025.

Councilmembers Hoffmire, Stucky and Mayor Pro Tem Hizon provided their respective questions and comments.

ADMINISTRATION

a. City Administrator's Report

City Administrator Oborn provided highlights of his monthly report to Council:

- Administration Leadership - Preparing for Department Directors Retreat scheduled for February 27th]
- Legislative Outreach - Attended the Association of Washington Cities (AWC) City Action Days on February 14-16 along with Mayor Severns, Mayor Pro Tempore Hizon, Councilmember Hoffmire, and Councilmember Woessner. Great teamwork in representing Oak Harbor and appreciate the support of Rep. Paul, Rep. Shavers, and Sen. Muzzall.
- Public Works - Purple Streets Light LED Bulbs to be replaced by Vendor:
- Grant Funding - City Wins Transportation Grant Along with Partners: US Senator Cantwell announced that 16 Washington cities will receive funding in a press release. The grant funding announcement included an award of \$403,200 to the Island Regional Transportation Planning Organization which includes the City of Oak Harbor. Participating agencies are Island County, City of Oak Harbor, City of Langley, Town of Coupeville, and Island Transit.

There were no questions or comments from Council.

CITY COUNCIL

Councilmembers Marshall, Stucky, and Mayor Pro Tem Hizon provided their respective questions and comments.

Communications/IT Manager Combs and City Videographer Shelley responded to questions regarding Council meetings broadcast on Channel 10, Manager Combs also responded to questions regarding the Beeksma Gateway electronic sign and having an agenda only feature for the City's new website.

ADJOURN

Hearing no other discussions. Mayor Pro Tem Hizon adjourned the workshop at 4:38 p.m.

Certified by Julie Nester, City Clerk