

RECORD OF PROCEEDING OF CITY COUNCIL

CITY OF BELLINGHAM, WASHINGTON

COUNCIL CHAMBERS, CITY HALL

Monday, November 04, 2013, 07:00 PM

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REGULAR MEETING

Called To Order The meeting was called to order by Council President Seth Fleetwood who led the Pledge of Allegiance.

Roll Call

Present:

Jack Weiss, Council Member, First Ward
Stan Snapp, Council Member, Fourth Ward
Terry Bornemann, Council Member, Fifth Ward
Michael Lilliquist, Council Member, Sixth Ward
Seth Fleetwood, Council Member, At Large
*Gene Knutson, Council Member, Second Ward

Excused:

*Gene Knutson
Council Member
Second Ward excused at 8:50 p.m.; Cathy Lehman
Council Member
Third Ward

ANNOUNCEMENT(S)

- On Thursday, November 7, 9:00 AM in City Council Chambers there will be a Committee of the Whole worksession regarding the Waterfront District Subarea Plan and related documents.
- On Monday, November 18, at 7:00 PM, in City Council Chambers, there will be a public hearing to consider two minor amendments to the Shoreline Master Program within the Waterfront District.
- On Monday, November 18, at 7:00 PM, in City Council Chambers, there will be a public hearing to consider amendments to the Bellingham Municipal Code to clarify density bonus provisions currently allowed.
- On Monday, November 18, at 7:00 PM, in City Council Chambers, there will be a closed record hearing regarding four street vacations in the Cordata Neighborhood and within the Waterfront District. A closed record hearing means that Council cannot take any new testimony or accept any new information for the record.

Bellingham City Council meets all requirements of the State of Washington Open Meetings Act.

APPROVAL OF MINUTES

None submitted.

15 - MINUTE PUBLIC COMMENT PERIOD

Claudia DeWies shared her concerns about the traffic congestion on West Bakerview and said there is potential disaster with adding another big box store and two hotels. Planning does not mean accommodating all growth at any cost, she said. She also asked that the council not approve 20 story building heights on the waterfront and that building heights should be limited to 8 stories as in Fairhaven.

Mike MacKay continued his remarks from October 28, 2013 and said that the city needs to support a comprehensive assessment for how and where to connect various habitats throughout Bellingham Bay. He also shared an idea for breaching the ASB Pond to provide a corridor between existing pocket beaches for migrating salmon and a spawning habitat for bait fish species.

Eric Hirst is pleased that the city and port are working together on waterfront redevelopment that will serve the long term interests of the citizens. He would like to see more attention given to the environmental attributes of the plan to protect and restore the natural environment on land and in the water to support healthy wildlife. He hopes the city will develop a comprehensive wildlife habitat plan before, or while, other plans are being developed for infrastructure. The plan should be long term (50-100 years) and ensure that buffers and setbacks between development and natural areas are large enough to safeguard the long term health of flora and fauna.

Barbara Lupo, Board Chair of Community Board of PeaceHealth St. Joseph Medical Center addressed AB20053 (B&O Tax on Medical Providers). PeaceHealth supports doing away with the religious exemption and incorporating into city code an exemption for safety net providers.

Chris Phillips [AB20053] read a letter from Nancy Steiger, CEO/Chief Mission Officer at PeaceHealth St. Joseph Medical Center, which reflected her disappointment that the city is considering ending their long standing relationship. Removing the tax exemption will have an impact on PeaceHealth and will undoubtedly have an impact on the community. Three issues are at play: whether or not the city wants to retain the community partnership with PeaceHealth with the tax exemption, the religious exemption, and the loss of revenue from industry consolidation, specifically the mergers of Madrona and North Cascade Cardiology. City staff has presented three options, all of which, do away with the religious exemption, and which PeaceHealth supports. However, PeaceHealth believes there should be a fourth option: eliminate the religious exemption, restore losses of Madrona and North Cascade Cardiology tax revenue to city and preserve the community partnership with PeaceHealth and maintain the B&O tax exemption. PeaceHealth would like to work with the city to preserve the original intent of this community partnership.

Barry Wenger, former State Ecology Shoreline Planner. One of the great amenities of Bellingham is the urban and migratory wildlife that comes through Bellingham but it needs planning in order to keep it here. He asked that the city think innovatively and in a 3D perspective. He cited, as examples, the Post Point Heron Rookery where there's a corridor between the upland area and the shoreline and also the forested area near Wharf Street.

Wendy Steffensen, North Sound Baykeeper for ReSources addressed waterfront redevelopment and the sub area plan. Numerous scientists, environmentalists and labor interests agree that a habitat assessment of the waterfront is necessary before development begins. This would ensure that there are habitat connections where it makes sense, both along the shore and from the shore to upland areas. Neither the WRIA 1 plan or the Habitat Restoration Master Plan address connectivity from the bay to the uplands. In addition sea level rise issues must be addressed to ensure that our restorations and buffers can weather the storms of rising sea level and wave intensity. An assessment will show where the most promising bits of habitat are and where they might be connected. Labor and environment have agreed that increasing the buffer to 150' at the log pond to accommodate habitat and recreational trails is a good solution and will still allow a workable industrial area.

PRESENTATION(S)

AB20175 1. Presentation of a joint American Planning Association - Washington Chapter and Planning Association of Washington award to the City of Bellingham

The award was presented to Jeff Thomas, Director of Planning & Community Development in the category of citizen involvement for the Fairhaven Neighborhood and Urban Village Plan. Information only.

PUBLIC HEARING(S)

AB20176 1. City of Bellingham 2014 Revenue Projections including an increase in the Property Tax Levy

“AN ORDINANCE OF THE CITY OF BELLINGHAM, WASHINGTON RELATING TO THE LEVYING OF TAXES AND ESTABLISHING THE AMOUNT TO BE RAISED IN 2014 ON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY.”

Brian Henshaw, Interim Finance Director presented the 2014 Revenue Forecast explaining the indicators used and revenues in the categories of building activity, citywide sales tax, B&O Tax, Real Estate Excise Tax and utility taxes. The estimated impact of a 1% levy increase would be \$208,000.00. He also reviewed projected revenues for funds, including the General Fund, street, water, wastewater, stormwater and solid waste funds.

Council President Fleetwood opened the public hearing.

Paul Schissler asked that during budget deliberations the council consider possible new revenues; increase nonlocal grant funding and local funds generated by the city that are stewarded by the county (Economic Development Investment, Conservation Futures). He suggested the city revisit the 50/50 split on sales tax.

There being no further comments, the public hearing was closed. The written comment portion of the public hearing will remain open until final action.

WEISS / KNUTSON moved approval for first and second reading. MOTION CARRIED 6-0.

AB20177 2. Consideration of a recommendation to Whatcom County regarding new population and employment growth forecasts to be used to update the Bellingham Comprehensive Plan

Greg Aucutt, Assistant Director, Planning & Community Development explained that the city is starting the process of updating the Comprehensive Plan. The Growth Management Act requires the county to adopt a population growth forecast in conjunction with cities. Staff is asking the council to adopt preliminary numbers to be used to work up land supply analysis, city services and so on. The projected 2036 total population growth and employment growth forecasts provided by the State Office of Financial Management (OFM) for the city:

OFM 2036 Low Forecast, population	23,384
OFM 2036 Medium Forecast, population	28,398
OFM 2036 High Forecast, population	35,918
OFM 2036 Low Forecast, total new jobs	14,156
OFM 2036 Medium Forecast, total new jobs	17,551
OFM 2036 High Forecast, total new jobs	22,641

Staff recommends the medium forecasts for both population and employment growth forecasts. The Planning and Development Commission recommends high growth forecasts.

Council President Fleetwood opened the public hearing.

Don Hickey supports the Planning and Development Commission recommendation of a higher growth forecast.

Linda Twitchell, Building Industry Association, supports the Planning and Development Commission recommendation of a higher growth forecast.

Clayton Petree supports the OFM “most likely” (medium) forecasts.

Bill Geyer supports the Planning and Development Commission recommendation of a higher growth forecast.

Therese McLeod supports the Planning and Development Commission recommendation of a higher growth forecast.

John McLaughlin, Associate Professor, Environmental Sciences, Western Washington University said that data indicates that most of the population growth comes from migration. The projected net migration exceeds the historic average. He said its misleading to call the middle projection 'most likely'. Forecasting migration is so uncertain that there needs to be a different approach to both population projection and modeling. A population projection is really a policy decision. Look at what you want/desire and then use a projection that gets you there and don't use a model that is not informative. He urged the council to make responsible planning decisions and treat this as a planning process rather than being led by fictitious numbers. He offered his expertise to the city.

There being no further comments, the public hearing was closed. The written comment portion of the public hearing will remain open until final action.

WEISS / BORNEMANN moved to hold over to worksession on November 18, 2013 for further consideration. MOTION CARRIED 6-0.

AB20178 3. Public Hearing to declare certain real property surplus to the City.

Public hearing cancelled. *[To be rescheduled.]*

REPORTS OF COMMITTEES

Committee Of The Whole

Seth Fleetwood, Chair

Jack Weiss, Gene Knutson, Cathy Lehman, Stan Snapp, Michael Lilliquist, Terry Bornemann

AB20063 1. Continuation of Review of the Waterfront District Sub-Area Plan and related documents

Discussion during committee. Next worksession scheduled for Thursday, November 7th.

Council Member Knutson was excused from the meeting at 8:50 p.m.

Finance and Personnel

Michael Lilliquist, Chair

Gene Knutson; Stan Snapp

AB20179 1. Resolution authorizing Mayor to enter into a Department of Ecology loan for Squalicum Creek re-route, Phase II

"A RESOLUTION AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY OF BELLINGHAM AND THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY FOR THE SQUALICUM CREEK WATER QUALITY AND BIOTIC INTEGRITY IMPROVEMENTS PHASE 2."

LILLIQUIST / SNAPP moved final approval of **Resolution #2013-23**. MOTION CARRIED 5-0

AB20053 2. Worksession on applications of Business & Occupation tax on medical providers

- Option 1 - replace religious provider exemption with expanded exemption for entities that provide charity care.
- Option 2 - replace religious provider exemption with state's B&O tax code that provides deductions for specific medical and health care facilities.
- Option 3 - replace religious provider exemption with new city-only deductions and/or tax rates.

LILLIQUIST / BORNEMANN moved to direct staff to prepare an ordinance using Option 2; and to schedule a public hearing. MOTION CARRIED 5-0.

Committee Of The Whole

Seth Fleetwood, Chair

Jack Weiss, Gene Knutson, Cathy Lehman, Stan Snapp, Michael Lilliquist, Terry Bornemann

AB20180 1. Economic Development review with Associate Development Organization

Review presented during committee. Information only.

AB20181 2. Staff briefing on proposed State changes to medical marijuana rules

Briefing presented during committee. Information only.

AB20182 3. State Legislative Agenda

Council directed staff to advance the joint legislative agenda as discussed during committee.

4. Approval of City Council Committee and/or Special Meeting minutes

None submitted at evening meeting.

5. Old/New business

Council Member Bornemann encouraged everyone to see the Vanishing Ice exhibit at the Lightcatcher Museum.

Committee of the Whole will continue with a Budget worksession following Executive Session

Executive Session - Report and action only.

1. Potential Property Acquisition: Staff provided information on a potential property acquisition. Direction given. No action taken.
2. Potential Property Sale: Staff provided information on a potential property sale. Direction given. No action taken.
3. Potential Litigation: Staff provided information on a potential litigation matter. Direction given. No action taken.

Committee Of The Whole

Seth Fleetwood, Chair

Jack Weiss, Gene Knutson, Cathy Lehman, Stan Snapp, Michael Lilliquist, Terry Bornemann

AB20142 1. Worksession regarding the 2014 Preliminary Budget

Discussion during committee. Council provided direction to staff.

MAYOR'S REPORT

1. Standing time for briefings, updates and reports to Council by the Mayor, if needed. Information only.

The Mayor and staff will do an Economic Development Industry presentation on Regional Stormwater to the Whatcom County Council on November 12, 2013.

CONSENT AGENDA

All matters listed on the Consent Agenda are considered routine and/or non-controversial items and may be approved in a single motion. A member of the Council may ask that an item be removed from the Consent Agenda and considered separately.

AB20183 1. Bid Award for Fleet hoist replacement, Bid #76B-2013

AB20184 2. Authorization of checks issued for pay period October 18, 2013 through October 24, 2013

AB20185 3. Authorization of checks issued for payroll October 11, 2013 through October 25, 2013

BORNEMANN / SNAPP moved approval of the Consent Agenda in its entirety. MOTION CARRIED 5-0.

FINAL CONSIDERATION OF ORDINANCES

AB20168 1. AN ORDINANCE RELATING TO THE 2013 BUDGET APPROPRIATING ADDITIONAL FUNDS FROM ESTIMATED ENDING UNDESIGNATED RESERVES IN THE AMOUNT OF \$38,522.00 IN THE GENERAL FUND, \$5,427.00 IN THE PUBLIC SAFETY DISPATCH FUND AND \$14,240.00 IN THE MEDIC ONE FUND FOR THE PURPOSE OF IMPLEMENTING THE 2011 THROUGH 2013 LABOR AGREEMENT WITH IAFF LOCAL 106S

WEISS / SNAPP moved approval for third and final reading. Upon motion, said bill was placed on final passage and approved by the following roll call vote:

AYES: BORNEMANN, FLEETWOOD, LILLIQUIST, SNAPP, WEISS

NAYS:

ABSTENTIONS:

EXCUSED: KNUTSON, LEHMAN

MOTION CARRIED 5-0 and was thereafter named **Ordinance #2013-11-079**

AB20170 2. AN ORDINANCE RELATING TO EMERGENCY SERVICES, AMENDING CURRENT SECTION 2.57.012 BY ADOPTING THE STATE LAW DEFINITION OF "EMERGENCY"

SNAPP / BORNEMANN moved approval for third and final reading. Upon motion, said bill was placed on final passage and approved by the following roll call vote:

AYES: BORNEMANN, FLEETWOOD, LILLIQUIST, SNAPP, WEISS

NAYS:

ABSTENTIONS:

EXCUSED: KNUTSON, LEHMAN

MOTION CARRIED 5-0 and was thereafter named **Ordinance #2013-11-080**

AB20171 3. AN ORDINANCE REPEALING BELLINGHAM MUNICIPAL CODE SECTIONS 4.82.010 AND 4.82.020

BORNEMANN / WEISS moved approval for third and final reading. Upon motion, said bill was placed on final passage and approved by the following roll call vote:

AYES: BORNEMANN, FLEETWOOD, LILLIQUIST, SNAPP, WEISS

NAYS:

ABSTENTIONS:

EXCUSED: KNUTSON, LEHMAN

MOTION CARRIED 5-0 and was thereafter named **Ordinance #2013-11-081**

ADJOURNMENT

There being no further business, the meeting adjourned at 9:14 p.m.

Seth Fleetwood, Council President

ATTEST: Linda D. Anderson City Clerk Representative

APPROVED: 11/18/2013

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