

**Town of Coupeville
Regular Council Meeting
Tuesday, March 25, 2008
6:30 p.m.**

PRESENT: Mayor Nancy Conard, Councilmembers Dianne Binder, Bob Clay, Ann Dannhauer, Molly Hughes, and Jim Phay.

STAFF PRESENT: Town Planner Larry Kwarsick, Public Works Director Malcolm Bishop, Town Marshal Dave Penrod, Clerk-Treasurer Judy Thomas

APPROVAL OF MINUTES

The minutes of the regular meeting of March 11, 2008 and Council Workshop of March 7, 2008, were approved as submitted.

MAYOR'S REPORT

- Mayor Conard spoke with the director of Sno-Isle Libraries and their attorney is working with the Town's Attorney, on the library expansion proposal resolution which will be presented for action at an upcoming Council meeting.
- She presented the certification of appreciation to the Town of Coupeville that was received from the 2008 Penn Cove Festival.
- She explained that there were still topics from the March 7th Council Workshop, which we discussed and starting at the next meeting, we will add the remaining topics to workshops at end of council meetings. She mentioned that the City of Langley has one workshop for discussion items and one regular meeting for action items per month; and asked Council to consider if they want to do the same.
- She has been in contact with CTED (Community Trade and Economic Development) for Council training on comprehensive planning and Growth Management Act; and hopefully that will occur in May.
- She gave an update on the reclaimed water grant; Rex Porter is preparing the RFP that will invite proposals from engineering firms.
- Tomorrow, March 26th, is the Council of Governments meeting; and Senator Patty Murray asked if she could come and meet with elected officials.
- Thursday, March 27th there will be two meetings at Camp Casey. The Keystone-Port Townsend Ferry Partnership will begin at 3:00 p.m. and David Mosely will be announcing the results of the bid opening for the first of the three new ferries. Keystone Ferry Advisory Committee will meet at 6:30 p.m. She has been working with the Keystone-Port Townsend Ferry Partnership on a number of mitigation issues related to the reduced service. The State will buy one Steilacoom ferry and two Island Home ferries. The Steilacoom will be the only ferry running this summer with two additional runs per day. WSF (Washington State Ferries) have agreed to have rack space on the ferries with information on Port Townsend and Coupeville. Also, there will be a reservation system in place to reserve half of each trip dedicated to advance reservations

and the other half on a same day reservation basis; and there will be a concession stand on the Keystone side.

- Senator Haugen and Representative Kessler were successful in appropriating \$25,000 for each community (Coupeville and Port Townsend) for tourism promotion. There is a committee in place to develop a marketing plan.

AUDIENCE INPUT

Peggy Burton, Coupeville, asked about the security barriers (two tables placed on either side of the podium) and asked if the cities of Langley and Oak Harbor were doing the same? She stated that she could see no reason to have a barrier between the Council and audience. Mayor Conard responded that this was a decision she had made but she will ask Council if they wish to change it back.

PUBLIC HEARING

Public Hearing on amendments to the Coupeville Town Code (CTC) relating to the Shoreline Master Program (Exhibit C), Critical Areas (Exhibit B) and Flood Damage Prevention (Exhibit A)

Mayor Conard explained the procedure for the public hearing. Mr. Kwarsick will give a report and summarize the information and recommendations. There was a period of time to submit written comments and those comments have been addressed in his staff report.

Mayor Conard declared the public hearing open at 6:50 p.m.

Mr. Kwarsick explained that the Shoreline Master Program, Critical Areas Regulation and Flood Damage Prevention program comes to Council after numerous public meetings, workshops and hearings of the Planning Commission and Town Council. The SMP is based on new guidelines from the State that were developed a few years ago and the Town has moved ahead to develop this SMP consistent with those guidelines. The current SMP was developed by Island County and is not consistent with the Town's comprehensive plan and does not meet the unique circumstances or needs of the Town of Coupeville. This SMP, under the new guidelines, will be codified into the CTC. He explained that the flood hazard prevention ordinance (Exhibit A) is a revision of the existing ordinance and will repeal CTC 16.40, as it does not comply with FEMA regulations. By adopting the flood damage prevention ordinance (exhibit A) which is consistent with current FEMA regulations, this will enable landowners some opportunities for disaster relief funds that would not otherwise be available.

Mr. Kwarsick explained that the Critical Areas Regulations (Exhibit B) are required under the Growth Management Act and the state shoreline management guidelines for master programs. There are a few nuances that are different; one is regarding reasonable use under standard critical areas regulations in an upland environment, not subject to the shoreline management act; which is outside an area of 200 feet from the ordinary high water mark. There is provision in the Critical Areas Regulations called reasonable use to make sure that all economic use of a specific piece of property is not removed as a result of these environmental concerns.

The Shoreline Master Program is all about protection of shoreline resources, which is the overarching goal of the state shoreline management act. These resources include environmental resources, cultural resources, physical, biological, and economical resources. The SMP is very conservative and very protective; 90% of the Town's shoreline, under this plan is designated in an urban conservancy environment with very restrictive development and very strict environmental regulations.

He explained some of the key issues that are discussed in the staff report related to shoreline development. This plan takes into consideration private views across private properties that might be impacted by new development, but does not protect those views; that is not the purpose of this plan. The plan does require mitigation for significant impacts that new development causes on existing public views from existing public property. This plan provides for protection of pre-existing historic over water structures with special protection and provisions as a result of that.

Regarding new over water structures are very restricted; any proposed over water would have to have more than 50 percent of the gross floor area, of the entire structure, dedicated (a permanent dedication) to a water dependent use, as a condition of occupancy of the building initially and as a continued occupancy; the other 50 percent could be non-water dependent uses.

The view protection and shoreline access, under the current plan if a new project interferes with a public view from public property and can come in the form of a dedicated alternative means of viewing the shoreline which could be a deck attached to the structure open to the public to view the shoreline. If the structure extends over water, and extends over water, it may be required to provide public access to the beach. As stated in the staff report, we had a lengthy public notice process inviting public comment on the proposal; we received several comments which he addressed in the staff report. The Department of Ecology and staff have continued to work on various provisions. He received additional suggestions from Betty Renkor that are included in the staff report.

Councilmember Clay asked if disclosure and verification would appear on a preliminary title report as a restricted use. Mr. Kwarsick replied that yes, those restrictions should show up.

Public input began at 7:13 p.m.

Will Jones, 992 NE Pennington Loop, Coupeville, submitted a comment on a section of the plan and went through the staff report and couldn't find it.

Mr. Kwarsick explained that he did not include his comment; Mr. Jones comment dealt with percentages allowed for over water structures and the percentages of non-water dependent uses of over water structures.

Mr. Jones stated his concern in the WAC under commercial development it says in part that non-water dependent commercial uses should not be allowed over water, except in existing structures or in the limited instances where they are necessary to support water dependent uses. He understands that to mean that if you were chartering fishing boats and 51% of the structure was

dedicated to the business of chartering fishing boats, then the other 49% could be used for something that supported that business, like a fish bait store or fishing tackle; you can not put in a \$30 a plate restaurant. He felt that that would not be compliant with state law. He felt the proposed SMP did not clearly define the type of use for the 49%. He told Council that he would appeal the plan if they did not change it as he suggested.

Betty Gewald, 603 NE 9th, Coupeville, explained that this is the third time she has expressed opposition to water dependent businesses for Front Street. She has been opposed to this since the beginning. She listed many of the businesses on Front Street over the last 150 years that included a livery stable, a meat market, a gift shop, antique store, a confection store, two mercantile stores, and there have been many other non-water related businesses. She was opposed to making Coupeville businesses water dependent. She was concerned that requiring water dependent businesses on Front Street would destroy the ambience of this town. She does not want water related businesses on Front Street. She wished the Council had fought harder to keep it the way it is.

There were no more public comments. Mayor Conard declared the public hearing closed at 7:24 p.m.

NEW BUSINESS

Ordinance No. 671 amending Coupeville Town Code Title 16 Development Regulations related to the Shoreline Master Program, Critical Areas and Flood Damage Prevention
Staff recommends approving Ordinance No. 671 as noted in staff report..

Council Action: A motion was made by Councilmember Clay, second by Councilmember Binder, to adopt the Findings of Fact and Conclusions of Law, the Legislative Intent, and approve Ordinance No. 671 as proposed to be amended in the staff report, adopting: (1) The Town of Coupeville Shoreline Master Program and Chapter 16.30 Shoreline Master Program CTC; repealing existing Chapter 16.32 CTC; to include the recommendations of staff contained in the staff report dated March 18, 2008; (2) New Chapter 16.34 CTC - Critical Areas; and (3) Chapter 16.45 Flood Damage Prevention, repealing existing Chapter 16.40 CTC.

Council Discussion:

Councilmember Dannhauer made a motion to amend the main motion to change the definition SMP, page 17, RR. Mixed Use project to match the language found in the SMA WAC 173-26-241 (d)(i) "includes water-dependent uses and provides a significant public benefit with respect to the SMA's objectives such as providing public access and ecological restoration." There was no second to the motion and the motion failed.

Councilmember Dannhauer made a motion to amend the main motion to add the following: Page 42, C. 4. Permit water-oriented uses along the Town's historic waterfront as part of a new mixed use over-water development where such uses are clearly auxiliary to *and necessary in support of* a water-dependent use or uses, provided that more than 50% of the gross floor area of the development is dedicated to and continues to be dedicated to water-dependent use(s). There was no second to the motion and the motion to failed.

Councilmember Dannhauer made a motion to amend the main motion to add, as follows: Page 79, 16.30.370 Commercial Development B. 4. add, "Shoreline permit applications for commercial development shall include the need for a shoreline (or water-oriented) location." There was no second to the motion and the motion failed.

Councilmember Dannhauer made a motion to add language for setbacks (for non-water dependent development) to add setback of 25 feet from the ordinary high water mark (OHWM) in order to preserve views. Mr. Kwarsick explained that would make all historic structures on the north side of Front Street, non-conforming uses. Councilmember Hughes added that this setback requirement would be the same as a 'taking', which is illegal; the examples mentioned by Councilmember Dannhauer have very different shorelines and she was not comfortable with taking away the value of these properties. There was no second to the motion and the motion failed.

Councilmember Clay was pleased to make the motion to approve this ordinance. He served on the initial committee in 2003. This shoreline master program covers two-plus miles of shoreline, and significantly restricts what those property owners can do. This plan is to protect the shoreline and is for people to enjoy the shoreline.

Councilmember Binder explained that we have a responsibility to the community to preserve the historic buildings which are important to Coupeville; and she is very pleased that DOE (Department of Ecology) has blessed this SMP. She thanked Mr. Kwarsick and the community advisory committee for all the work they put in on this; and she thanked the community members for their donations to acquire the Front Street lots.

Councilmember Hughes commented that the Critical Areas regulations are a very important part of this whole document that will protect our bluffs and shoreline. She thanked Mr. Kwarsick, the Planning Commission, Town Council, and for all the public meetings. This document addresses all that. This is a good plan for the Town of Coupeville and it recognizes our historic plan.

The motion passed 4-1 (Dannhauer).

ORDINANCE NO. 671

AN ORDINANCE of the Town Council of the Town of Coupeville, amending Title 16 of the Coupeville Town Code Title 16 by adopting a new Shoreline Master Program, adopting Critical Areas Regulations, adopting amended Flood Damage Prevention regulations, and adopting Chapters 16.30, 16.34 and 16.45, and repealing Chapters 16.32 and 16.40 of the Coupeville Town Code.

Mayor Conard called for a recess at 7:55 p.m. and reconvened at 8:10 p.m.

Resolution No. 08-02 approving Addendum No. 1 to Interlocal agreement between Town of Coupeville and Island County for Facilities Security Services *Staff recommends adopting Resolution No. 08-02 approving Addendum No. 1 of the Interlocal Agreement with Island County.*

Ms. Thomas explained that this is an addendum to the interlocal agreement that was approved in 2001, with only two changes: 1) the annual amount increased to \$9,844; 2) the term of this agreement will be for 2006-2011. Mayor Conard added that the original agreement was approved in 1997, for the Town to provide facility security services to the County. The payment for these services is in lieu of taxes, since the county pays no property taxes.

Council Action: A motion was made by Councilmember Binder, second by Councilmember Phay, to adopt Resolution No. 08-02, approving Addendum No. 1 to Interlocal agreement between the Town of Coupeville and Island County for Facility Security Services. The motion passed 5-0.

RESOLUTION NO. 08-02

A RESOLUTION of the Town Council of the Town of Coupeville, Island County, Washington, Addendum No. 1 to Interlocal agreement between the Town of Coupeville and Island County for Facility Security Services

Approval of March Claims and February Payroll Vouchers - *Staff recommends approval of the March 25, 2008 claims vouchers/warrants #20649 through #20740 for a total of \$283,690.54; and February payroll warrants #11881 through #11914 for a total of \$82,574.58.*

Several questions were asked and answered by Council with no changes recommended to what was submitted.

Council Action: A motion was made by Councilmember Hughes, second by Councilmember Binder, to approve the March 25, 2008 claims vouchers/warrants #20649 through #20740 for a total of \$283,690.54; and February payroll warrants #11881 through #11914 for a total of \$82,574.58. The motion passed 5-0.

STAFF REPORTS

Ms. Thomas provided a written report and added that she had attended the Washington State Municipal Clerks annual conference in Wenatchee last week. She attended several classes and one in particular was presented by the Washington State Archivist Jerry Handfield, in which he discussed archival and permanent records and the services they provide; and a grant program that will be available in 2009.

Marshal Penrod provided a written report and discussed the NOI's (notice of incident) for February, which was up considerably from January. He explained that these were traffic tickets issued primarily from one officer and noted that tickets vs. warnings, are issued at the officer's discretion but they are legitimate traffic violations. He added that six applications have been received for the entry level deputy marshal position and oral boards will be scheduled soon.

Mr. Bishop explained that the Front Street Lift Station is nearly completely and is performing very nicely. The bid opening for the Well #4 rehab project is scheduled for next Tuesday, April 1st; this well is located in the Lion's park. The Keystone Hill Well 1-07 project is done and we're just waiting for the water quality reports, then we will apply to the Washington State

Department of Health for approval; the next part of this is the transmission line to the Fort Casey Treatment Plant.

Molly commended the maintenance crew on the Front Street clean up; it looked really good and was done in good time. The business owners were happy.

Mr. Kwarsick explained the next steps for the SMP; DOE wants a complete final product, and there is a fairly lengthy checklist to be included with the document. Once they receive a complete copy, they will have a workshop, prior to the public hearing with the Department of Ecology hearings officer. The process at this meeting is to offer testimony and should have an open house before a formal process about mid-June. Ordinance No. 671 Exhibit A Flood Damage Prevention and Exhibit B Critical Areas Regulations are complete and will be in effect upon 5 days of publication, but not Exhibit C Shoreline Master Program, which must have final approval by DOE.

COUNCIL REPORTS

Councilmember Hughes discussed the Front Street cleanup that went very well. She will be working with the tourism promotion committee on how to spend the \$25,000 from the Washington State Ferries. She will be attending the next Chamber of Commerce meeting on April 10th. Mayor Conard asked that Councilmembers be added to the CWCC email listing.

Councilmember Binder explained that the Joint Tourism Committee is continuing to work on the new website and working on spring advertising. Today, she was informed by Ms. Thomas that she will be reviewing the 2007 annual financial report before it is mailed to the State Auditor's office. She is looking forward to meeting with the Utilities Advisory Committee. The Coupeville Historic Waterfront Association and the Coupeville Lodging Association met for the first time together and are starting to brainstorm some mutual activities.

Councilmember Clay attended the transit system workshop in Washington D.C., which was to get support for the transit systems appropriation request to build the transit base here in Coupeville. The representatives were also visited by Jim Slowick, Mayor of Oak Harbor, with the same pitch that Councilmember Clay had given the previous week. Both senators and Rick Larson have all the information for the transit system's request and if we don't get the funding this year, then maybe next year. Island Transit purchased land in Coupeville for a park and ride lot; and the land next to it has been purchased for development by another purchaser; and the two are working with the Town to develop the two properties together in the best way. If all goes well, this will probably be the first project that will be involved with the reclaimed water distribution to the prairie. He discussed the increase in ridership for Island Transit, so far this year, is up by 121/2% from last year, which he felt was largely due to the rising gas prices; people are making the choice to use public transit. The Law & Justice Council met and they are deciding which direction to go for the next couple of years.

Councilmember Dannhauer has not met with the Parks & Recreation Board yet but she received a notice in the mail about grants applications from the recreation and conservation board, offering grants for outdoor recreation and conservation projects. She asked if there was interest

in applying for grants. Mayor Conard responded that she had passed that information on to Mr. Kwarsick for consideration for a deck on the lots on Front Street. There will be a Parks and Recreation Board meeting in April.

AUDIENCE INPUT

Jerome Rosen, Coupeville, commended the Mayor and Council on the work they do and their commitment to the Town; and paying attention to the issues before you. He explained that he'd supported Councilmember Dannhauer candidacy because he but did not feel that there was a divergence of opinions; and thanked her for her courage to come here and give voice to a minority position.

Gary Piazzon, Coupeville, agreed with Jerome Rosen's comments. He supports the Council of Governments Resolution on sustainable communities (the Discussion item on this agenda) and asked the Town Council to support it as well. He discussed climate change and the long term affect it will have on the world. He talked about Earth Hour 2008 on Saturday, March 29th, in which everyone is asked it turn off all their lights from 8:00 pm to 9:00 pm.

Emily Ramsey, League of Women Voters, explained the purpose of their observers attending governmental meetings is to encourage transparency in government. The observer completes a questionnaire on several items such as who was there or were any councilmembers absent, did the presiding officer have the meeting under control, did the do their homework, etc. The report/questionnaire is reviewed and a copy is sent to the governmental agency that has been observed.

DISCUSSION

Council of Governments Draft Resolution COG 001-08 on sustainable communities

Mayor Conard explained that she would like Council to review and make comments on the draft resolution that she will take back to the Council of Governments (COG).

Councilmember Clay asked if these were achievable goals. Councilmember Hughes asked how will we know if we have achieved the goals. Mayor Conard explained that this is a broad policy document that once it is approved by all agencies, it will go to each council for them to set their own goals.

Councilmember Binder noted that it was a great first draft.

Councilmember Phay explained that there was nothing about nuclear power included in the document and it should be included in the mix.

Mayor Conard explained that this is the first step is to get each council to sign off and work towards those goals.

ADJOURNMENT – 9:20 p.m.

Respectfully Submitted:

MAYOR:

Judy A. Thomas, Clerk Treasurer

Nancy Conard, Mayor