

**City of Port Orchard
Council Meeting Minutes
Regular Meeting of March 12, 2007**

PRESENT: Kim E. Abel, Mayor
Council Members: Mayor Pro-tem Wyatt, Chang, Clauson, Geiger, Powers,
Putansuu

ABSENT: Council Member DiIenno (excused)

ALSO PRESENT: Police Chief Townsend, Public Works Director Abed, Planning Director Long-Woods, Court Administrator Hunt, Interim Deputy Clerk Gilreath, Assistant City Attorney Forbes and Assistant City Attorney Jacoby

7:04 P.M. CALL TO ORDER

Van Vlist led the audience and Council in the Pledge of Allegiance.

PRESENTATION

Scott Lindquist – Public Health Services in Port Orchard

Dr. Lindquist introduced Scott Daniels, Deputy Director, Public Health Services who was also in attendance. Dr. Lindquist spoke regarding the powers and duties of the Kitsap County Health District and the Port Orchard Clinic Closure Transition Plan. Public Health funding has decreased to the point where priorities must be set in order to meet certain requirements. The Bainbridge Island Clinic has closed and the Givens Community Center Clinic is scheduled to close April 13, 2007. The design of the new facilities in Bremerton has increased efficiency which allows the clinic to handle a larger volume of patients.

APPROVAL OF AGENDA

The following Consent Agenda Items were removed from the agenda and placed into Business:

- Authorization for the Mayor to Sign Professional Services Agreement with Ward C. Muller regarding DNR Lease
- Confirm Designation of Official Newspaper

PUBLIC HEARING

Downtown Overlay District Regulations

Planning Director Long-Woods submitted the following written comments that have been received regarding the Downtown Overlay District:

Gerald and Shannon Childs letter dated March 7, 2007 received March 9, 2007
Patty and Tom Henderson letter dated March 12, 2007 received March 12, 2007
Margaret Early received on March 5, 2007
Katie Adams email dated March 12, 2007
Amajin Architecture, Inc. dated March 10, 2007

At 7:18 p.m. Mayor Abel opened the Public Hearing.

Corrine Horvath, 817 Kendall Street, commented she would like to see different types of shops, restaurants, community theaters and hiking trails located within the community.

Noel Larsen, 821 Dekalb Street, expressed concern that the proposed height increase represents a lack of vision and asked what the strategy is behind the proposed height increase. Mr. Larsen asked if the Council is taking an active role in the downtown revitalization or is it delegating the responsibility to the developers and hoping that it will turn out all right.

Cele Horner, 3414 SE Navigation Lane #203, wants to see Port Orchard keep the slower pace and the small town atmosphere. Ms. Horner stated that once you lose that, you can't get it back.

Miles Mason, 1013 Kitsap Street, expressed a concern for the welfare of the business owners in downtown core area. Mr. Mason commented the City needs to develop ways to draw people into town as pedestrians and shoppers but the condition of the buildings is such that they are falling apart because the original structures were not suitable for the lifetime they are trying to get out of them. Mr. Mason is also opposed to the maximum structure height where it will impair the view of the current residents.

Larry Tonge, 307 Sidney Avenue, is opposed to the 55' maximum structure height. Mr. Tonge suggested that the City capitalize on the mountains and the water and not block the view for the residents. Mr. Tonge further suggested the City model Port Orchard after other successful cities such as Leavenworth.

Stephanie Bailey, 624 Kitsap Street, expressed the following concerns:

- Section 18.96.100 (1) Maximum Structure Height of 39' and increased to 55' with amenities is far too tall. Ms. Bailey recommends the maximum structure height be changed to 25' and go to 33' with amenities. The north side should not be as tall as the buildings on the south side. The City's appearance from the water should be that of a terraced approach moving uphill.
- Section 18.96.100 (2)(a) An allowable building height of 55', if an amenity is provided, is also too tall for the south side of Bay Street. Ms. Bailey would prefer to see this maximum height changed to no more than 47'. Each side of Bay Street should be allowed an additional 8' with an amenity; therefore, if a builder on the north side chooses to provide an amenity (thereby achieving 33'), and the builder on the south side chooses not to provide an amenity (thereby reaching 39'), the town still maintains a terraced appearance.
- Section 18.96.100 (2)(c) Ms. Bailey would prefer to see the maximum allowable structure height changed from 55' to 47'.
- Section 18.96.110 (12) Ms. Bailey recommends the language be changed to read "a property owner may apply to the City to contribute to an amenity to be built on public land within the central downtown overlay district..." The maximum structure height should benefit the downtown core, not other regions within the City limits.
- Section 18.96.120 (7)(a) The language in this section should be changed to take into consideration that the construction of a new building is going to damage the existing marquee.
- Section 18.96.120 (10)(c) The language in this section should be changed to include the addition of clapboard wood siding or wooden clapboard siding. The addition of this language would ensure that the materials used would look like wood as much as possible as opposed to T111 or a similar low quality product.

Gil Michael read Dick Conroy's March 12, 2007 letter into the record. Mr. Conroy has requested answers to four questions prior to the next Council meeting. The questions involve Western Washington storm water regulations: 100 year event; use of the 2003 manual, multiple unit housing regulations and infrastructure for water management.

William M. Palmer, P. O. Box 6, supports most of the provisions of the Downtown Overlay District. Mr. Palmer would like to know if the City has reconciled the Shoreline Master Program's provisions for height relative to the City's proposed zoning ordinance heights. Mr. Palmer is involved in a project in the West Annex area of the City and the answer to that question is relevant to that project.

Heather Breseman, 703 Kitsap Street, agrees with Stephanie Bailey's comments. Ms. Breseman would like to have her address included in the boundaries for the Downtown Overlay District.

Deb Townsend, 802-804 Bay Street, asks the Council to remember that property owners and developers will not invest in downtown Port Orchard unless it makes economic sense. Ms. Townsend stated she will not work with a developer unless the plans are for something that will make the community proud .

Don Dahl, 802-804 Bay Street, stated that the City of Port Orchard has a good chance to become a thriving city if they adopt a plan everyone can live with.

Jack Miller, P.O. Box 4334, South Colby, has lived in the area for 35 years. Mr. Miller is concerned that the City will be swayed by the developers and asked the Council to be prudent, wise and careful.

Vivian Henderson, P.O. Box 2133, is concerned about the maximum height allowable under the new regulations. Ms. Henderson stated that the most attractive buildings are the ones that maintain a sense of scale. Ms. Henderson is also concerned about the Kitsap County Housing Authority declaring the area blighted, then building condominiums with tax incentives that ultimately become a burden to the citizens of the County.

Eric Matheson, Sidney Avenue, asked about plans for infrastructure to support the growth, specifically what the City is planning to do about traffic and street widening.

Elizabeth Cottrell, 623 Dekalb Street, expressed the following concerns:

- The boundary should not go up to Kitsap Street. It should go around City Hall and return to Prospect.
- The maximum building height on the waterside of Bay Street should be 25' with the ability to increase it to 35' if the roofline is staggered or offset.
- The height on the south side of Bay Street should not exceed 35' as measured from Bay Street and consideration could be made to increase it to 45' for a special architectural feature.
- Structures on Prospect Street should not exceed 25' as measured from Prospect Street and the amenity calculations should be eliminated.
- Heights of 55' could occur at the West Bay Shopping Center where it wouldn't block views.

Laney Kallio, LaneyLu's Closet on Harrison Street, expressed a concern for the lack of support from the City Council. Ms. Kallio would like to see a plan developed and incorporated to encourage customers to visit the downtown core area.

Ron Bates, P. O. Box 135, Southworth, commented the height of the buildings should follow the natural grade of the streets therefore the buildings should not block any of the existing views.

Gerry Harmon, 906 Kitsap Street, has seen many areas on the outskirts of town where condominiums could be built and not affect the view of the residents. Ms. Harmon supports the business and property owners but there should be requirements for developers to pay for the impact on the infrastructure caused by their development.

Richard Swartz, 834 Bay Street, Amajin Architecture, Inc. suggested the following zoning code revisions:

- Section 18.86.040 Permitted Uses (I) should be changed to laboratories, of any type, should only be allowed above the first floor (rather than at the retail level.)
- Section 18.96.100 (1) should be changed to allowable building height limit shall be 27' (rather than 39) which may be increased to 39' (rather than 55') when a special amenity is provided.
- Section 18.96.100 (4) Exceptions should include projections such as chimneys, flag poles, satellite dishes and roof top access and mechanical equipment
- Section 18.96.105 Development Standards should be added to regulate floor area ratios (FAR's).

Gerry and Shannon Childs, 623 Kitsap Street, letter dated March 12, 2007 read into the record by Mr. Ron Johnson. Mr. and Mrs. Childs recommend leaving the current height regulations in place and since downtown Port Orchard already has a strong residential population, they encourage development of businesses that would increase the retail core. Residences, and the associated parking requirements, should be located upland, or on the wings of the downtown. The Childs recommend that the amenities requirements should be eliminated from consideration and that all proposed buildings be aesthetically pleasing to the community.

Dana Harmon, 824 Kitsap Street, has serious concerns about the tax liability that would be a burden on the current residents if the proposed regulations are accepted. Ms. Harmon also stated that adequate parking has to be addressed because trends show us that people will not walk a great distance to shop or visit a restaurant.

Cindy Lucarelli, 926 Kitsap Street, notified the Council that a Downtown Neighborhood Association has been formed to help the Council develop plans that would maintain the character of the community and encourage economic growth.

Kathy Michael, 228 Seattle Street, asked that a professional revitalization team be formed and that the decisions regarding the Downtown Overlay District stay within the

City Council. Mrs. Michael commented the main purpose of the Kitsap County Consolidated Housing Authority is to find and provide affordable housing within the community and there is nothing in the Downtown Overlay District that addresses affordable housing. Ms. Michael's presented pictures of six story buildings that are being built in downtown Bremerton. Ms. Michael also asked the Council to revisit the 2004 Study that involved City Council members, residents and business owners. There is no reason to reinvent the wheel; the study is complete and detailed.

Gil Michael, speaking as Chair of the Planning Commission, suggested the following changes to the Downtown Overlay District in a document submitted for the record:

- Section 18.96.010 The wings have been deleted and they should be restored to this document and be given to the Planning Commission for public comment. 55' condominiums built up against the hills in the wings outside of the retail core are the best places to put high buildings.
- Section 18.96.070 (2) Street setback needs to be 10' from right-of-way to provide for future street improvements such as parking and landscaping.
- Section 18.96.100 (1) Leave north side at 39' with no increase due to amenity.
- Section 18.96.100 (2) Current ordinance allows for 48'. Do not increase for amenity.
- Section 18.96.100 (3)(b) Add: "For purposes of this measurement, when a lot abuts a downhill street, the existing street elevation shall be used."
- Section 18.96.100 (5) Restore verbiage: "Except as provided herein, all provisions of the View Protection Ordinance shall remain in effect."
- Section 18.96.110 This provision needs to be deleted.
- Section 18.96.120 (5)(c) Add: "as described in (5)(a) and (b) above."
- Section 18.96.120 (7)(a) The paragraph is contradictory. Delete the last sentence in this section.
- Section 18.96.120 (10)(a) and (b): 55' is not consistent with late 19th and early 20th century building design.
- Section 18.96.120 (10) (d) Where is Appendix 1 with the pictures of other towns? None of the buildings in those pictures were five stories.

John Hokanson, 915 Kitsap Street, would like to see the amenities section as applied to the north side of Bay Street removed from the Downtown Overlay District.

Fred Karakas, 744 Bay Street, is concerned about the parking requirements in the Downtown Overlay District plan. Mr. Karakas has calculated that the parking structure to meet the stated requirements would cost the City millions of dollars.

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Katie Adams, 915 Dekalb Street, email dated March 12, 2007, read into the record by Interim Deputy Clerk Gilreath. Ms. Adams stated that the maximum structure height of 55' is too high.

Patty and Tom Henderson, 1435 Dogwood Hill Road SW, letter dated March 12, 2007 read into the record by Interim Deputy Clerk Gilreath. Mr. and Mrs. Henderson encouraged the Council to move forward with Downtown Overlay District plan as written.

Paulie Williams, 840 Prospect Alley, expressed a concern that the Council was disregarding the residents of Prospect Alley in the Downtown Overlay District plan.

Gil Michael, 228 Seattle Avenue, speaking as a Port Orchard resident, advised he would like to see the wings put back into the Downtown Overlay District and he agrees with numerous prior comments to retain the character of Port Orchard. Mr. Michael stated that Paragraph 120 (10)(b) reads that the character of the buildings should remain.... Mr. Michael stated that the word "should" be changed to the word shall... Mr. Michael agrees that the parking structure should be moved to the wings of the City where it would not impact any view. A change in the Floor Area Ratio (FAR) needs to be noticed for public comment and Mr. Michaels encourages the formation of an architectural review committee.

Mayor Abel closed the Public Hearing at 8:58 p.m.

Council Member Clauson commented on the process the Council went through to get the Downtown Overlay District regulations to this point. Council Member Clauson commented the City Council agreed that the downtown area is at a point that it needs to be redeveloped; unfortunately, the City cannot please all of it's residents in all of the decisions. Utilities need to be put underground, parking issues need to be resolved and the maximum structure height needs to be decided. Council Member Clauson advised that the Council, in conjunction with the Fire Department, would be conducting a study session on Sunday, March 18, 2007, beginning at 1:00 p.m., where they would raise the fire truck ladder to the maximum structure height at various locations on Bay Street to obtain a visual imprint of that height.

Council Member Chang stated that the Council is not wedded to the maximum structure height of 55' that is one reason to do the height study and Council Member Chang hopes many of the residents will partake in the experiment on Sunday.

Council Member Geiger commented that he understands from public comments that the majority of residents are concerned about maintaining the character and scale of the City. Council Member Geiger further stated that the current View Protection Ordinance

was intended to protect all view sensitive areas and the concept which would override this protection is unfair and unwise.

At 9:15 p.m. Mayor Abel called for a five minute break with the meeting reconvening at 9:20 p.m.

AUDIENCE COMMENTS

There were no audience comments.

CONSENT AGENDA

Council Member Powers moved and Council Member Geiger seconded a motion approving the Consent Agenda as modified. *Upon vote, the motion passed unanimously.*

- A. Approval of Claim Warrants #47306-47403 in the amount of \$571,581.49 and February Payroll Warrants #140482-140540 and Direct Deposits in the amount of \$342,885.65
- ~~B. Authorization for the Mayor to Sign Professional Services Agreement with Ward C. Muller regarding DNR Lease (Merlino)~~ **Moved to Business**
- C. Authorization for the Mayor to Sign Agreement with Dynamic Payment Solutions (Hunt)
- D. Adoption of Resolution No. 007-07 Recommending Approval of Preliminary Plat Forest Song (Abed)
- ~~E. Confirm Designation of Official Newspaper (Merlino)~~ **Moved to Business**

BUSINESS ITEMS

Authorization for the Mayor to Sign Professional Services Agreement with Ward C. Muller regarding DNR Lease

Mayor Abel stated that a portion of the marina area that is part of the City's DNR lease has never been surveyed. The State has asked the City of Port Orchard to identify that lease area and to identify that area which the City may wish to move into the Port management area.

Council Member Clauson moved and Council Member Powers seconded a motion to authorize the Mayor to sign the Professional Services Agreement with Ward C. Muller and Associates to conduct the necessary survey of the City's DNR lease in the amount of \$5,885.00. *Upon vote, the motion passed unanimously.*

Confirmation of the Designation of the Official Newspaper

Mayor Abel stated that the Finance Committee reviewed the two bids received from the Kitsap Sun and the Port Orchard Independent and recommends the continued designation of the Port Orchard Independent as the City's official newspaper. Council Member Chang stated that it is unfortunate that neither newspaper can provide the circulation numbers based on the Port Orchard city limits.

Council Member Powers moved and Council Member Clauson seconded the motion to confirm POMC Chapter 1.16, designating the Port Orchard Independent as the City's official newspaper. *Upon vote, motion passed with five affirmative votes and one dissenting vote. Council Member Chang cast the one dissenting vote.*

Minutes of the February 26, 2007 City Council Meeting

Council Member Wyatt moved and Council Member Clauson seconded the motion to approve the minutes of the February 26, 2007 City Council Meeting. *Upon vote, motioned passed unanimously.*

Authorization for the Mayor to Sign Lease Agreement with Peninsula Feed Company

Mayor Abel stated that the City entered into an agreement with Peninsula Feed Company on May 1, 2002 to lease a section of City right-of-way on a portion of Harrison Avenue. The lease was for five years terminating on April 30, 2007 with an option to renew for five years. Peninsula Feed notified the City that they would like to exercise this option. The Finance Committee recommends approval of this lease.

Council Member Wyatt moved and Council Member Clauson seconded the motion to authorize the Mayor to sign the lease with Peninsula Feed Company for an additional five years with the same terms and conditions. *Upon vote, the motioned passed with five affirmative votes and one dissenting vote. Council Member Chang cast the one dissenting vote.*

Authorization for the Mayor to sign the Contract with Berger-Abam regarding the Franchise Utilities Under-Grounding for Tremont Street

Public Works Director Abed stated that under-grounding of the franchise utilities must be designed and installed in conjunction with the Tremont Street widening project. This contract authorizes Berger-Abam to coordinate with the utility providers for their incorporation into the design drawings for the project. Public Works Director Abed also stated that there will be a public workshop to solicit input on the project. Staff will investigate the possibility of the federal grant covering a portion of the conversion costs for the affected homeowners.

Council Member Putaansuu moved and Council Member Wyatt seconded the motion to authorize the Mayor to execute Supplemental Contract No. 3 with Berger Abam for Tremont Street Widening project to design franchise utilities under-grounding for a total amount not to exceed \$40,833. *Upon vote, the motion passed unanimously.*

Adoption of Resolution 008-07 – Appointment of Noel Larsen to Planning Commission

Mayor Abel stated that as a result of the appointment of Rob Putaansuu to the City Council, there was a vacancy on the Planning Commission. The Mayor interviewed three candidates and, based on the interviews, requests that the Council confirm the appointment of Noel Larsen to the Planning Commission.

Council Member Geiger moved and Council Member Clauson seconded the motion to adopt Resolution No. 008-07 appointing Noel Larsen to the Planning Commission. *Upon vote, the motion passed unanimously.*

Discussion – Retreat Topics

The following items were discussed as topics for the Council Retreat to be held on March 24, 2007 beginning at 9:30 a.m.:

1. General Discussion – Annexation
2. General Discussion – DOD/Wings/Parking Structures
3. Council/Mayor Communication
4. DOD as a Study Session (at Retreat prior to 3/26 Council Meeting)
5. Consider Establishing Regular Study Sessions
6. Health Department as City Responsibility
7. General Discussion - Economic Development

The Council would like the City Attorney to be present. Assistant Attorney Forbes will check on his availability. The Council asks department heads to provide a written report of issues they want to bring forward to Council in advance of the retreat. Available staff should attend retreat, at least the beginning portion.

Motion to Excuse Council Member

Council Member Geiger moved and Council Member Wyatt seconded the motion to excuse Council Member Powers from the April 9, 2007 Council meeting. *Upon vote, the motion passed unanimously.*

Discussion – Public Notice for Tax Increases

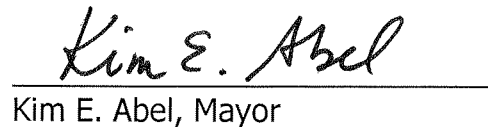
Council Member Chang stated that he was concerned about the response the Port of Bremerton received as a result of their recent tax increase notice which took many people by surprise. Council Member Chang asked that whenever the City of Port Orchard has a tax increase, we take this into consideration and we have adequate notice, not just legal notice.

Council Member Geiger moved and Council Member Wyatt seconded a motion to extend the meeting to discuss additional information regarding the Dynamic Payment Solutions fee structure. *Upon vote, the motion passed unanimously.*

ADJOURNMENT

At 10:04 p.m. Mayor Abel adjourned the meeting.


Jerrilyn A. Gilreath, Interim Deputy Clerk


Kim E. Abel, Mayor