

# COUNCIL



# MINUTES

**Work Session**  
*September 20, 2010*

## **Call to Order / Pledge of Allegiance**

Mayor Nehring called the meeting to order at 7:00 p.m. and led those present in the Pledge of Allegiance.

## **Roll Call**

Chief Administrative Officer Hirashima gave the roll call. The following staff and councilmembers were in attendance.

**Mayor:** Jon Nehring

**Council:** Councilmember Carmen Rasmussen, Councilmember Jeff Seibert, Councilmember John Soriano, Councilmember Jeff Vaughan, Councilmember Lee Phillips and Councilmember Donna Wright

**Also Present:** Chief Administrative Officer Gloria Hirashima, Finance Director Sandy Langdon, City Attorney Grant Weed, Public Works Director Kevin Nielsen, Parks and Recreation Director Jim Ballew, Engineering Services Manager Shawn Smith and Asst. Admin. Services Director Tracy Jeffries.

**Committee Reports – None**

**Presentations - None**

**Discussion Items**

**Approval of Minutes**

1. Approval of September 7, 2010 City Council Work Session Minutes.

**Consent**

2. Approval of September 15, 2010 Claims.

3. Approval of September 20, 2010 Payroll.

### **Review Bids**

4. Award 2010 Water Valve Renewal and Replacement Project.

Public Works Director Kevin Nielsen discussed an amendment to the lower the bid amount.

5. Award 2010 Sewer Renewal and Replacement Project.

Director Nielsen discussed a related amendment to raise this bid amount.

### **Public Hearings**

6. Proposed City of Marysville Local Improvement District No. 71 to Construct an Interstate 5 Overpass at 156th Street NE.

Mayor Nehring opened the hearing at 7:04 p.m. He discussed the purpose of the hearing and the order of speaking then gave a brief overview of the LID process.

#### *Staff Presentation:*

Hugh Spitzer, Bond Counsel from Foster Pepper, gave a broader overview of the LID process. Engineering Services Manager Shawn Smith reviewed the history on this issue in Marysville. He addressed concerns he has heard related the following:

- The boundary – This was initially selected based on discussions between the city staff and the petitioners. Factors considered included the urban growth Boundaries, city limits, locations of the petitioners and sanitary sewer availability. The final boundary was chosen based on a special benefit study.
- Timing with the Economy – The assessment will be financed over a 20-year period and not due until the overpass is 100% complete. The City is actively pursuing federal and/or state funds to reduce the total cost of the project.

#### *Public Testimony:*

Donald Barker, 2625 Northup Way Bellevue, WA 98074, Powell Development Company, (developers of Lakewood Crossing) spoke in support of the overpass. They believe this is the right project and the right time to do the project.

Thom Prichard, 1701 6<sup>th</sup> St Bellingham, WA, (property owner at 16309 Smokey Point Blvd) stated that he does not feel this is the right time to burden property owners with a new LID. He and his tenants are already struggling to make the rent with the property taxes, an existing RID, and stormwater fees. He also feels that this will cut the traffic counts on Smokey Point Blvd and lower the value of their property.

Craig Ollis, 16814 Twin Lakes Rd, Marysville, WA, (representing Red Robin) expressed concern on behalf of his company regarding the costs associated with the project. They feel it is very steep with what they are already doing for the community by employing people and paying taxes.

Joel Hylback, 16720 Smokey Pt. Blvd Suite 3, Arlington, WA 98223, (property owner) spoke in support of the project although he realizes that times are very difficult. He encouraged the City to move forward with this and enact the LID.

Phil Bannan, 714 Grand Ave Everett, WA, (partner in the property at 15527 35<sup>th</sup>), expressed concern at the preliminary assessment he was sent. He suggested reviewing and enlarging the area because he thought that some of the properties not included would benefit just as much as he would. Shawn Smith responded that the original assessment that went out was incorrect. A second one was sent out which was much lower.

Ken Copenhaver, 3605 150th PL NE, Marysville, WA 98271, (property owner within the proposed LID), expressed support for the overpass, but had issues with the boundaries. He felt that it should be a much larger area or even the whole city. Chief Administrative Officer Hirashima commented that the City is contributing half of the money for this project.

James Holt, 3609 150<sup>th</sup> PL NE, Marysville, WA (property owner within the proposed LID) requested a 10-15 year forecast for the growth of this area so property owners can make decisions about their homes. Chief Administrative Officer replied that the City has a 20-year Land Use Plan and Transportation Plan for the Lakewood and Smokey Point area that is available to the public.

Butch Kvamme, 3783 Hatley Rd, Everson, WA 98247, (co-owner of 69 acres on Smokey Point Blvd. across from Marysville Auction Barn) expressed support for the overpass noting that it would benefit commerce and revenues for businesses in that area and also residential access. He agreed that everyone is overtaxed and underserved at this time in the economy, but he does believe this is the right time to take advantage of the lower costs. He would also like to see the costs shared over a broader area where people will benefit. He acknowledged the burden of the assessment if the owners have vacancies and/or no customers, but noted that he still believes this is the right time to move forward.

Dennis Quinn, 5810 152<sup>nd</sup> St NE, Marysville, WA, (property owner in the proposed LID area) commented that he had never seen or heard about the petition that has 63% of the area's signatures. He asked for more information about the petition and the initiation of this process. He stated that he was not against the overpass, but he was opposed to a small group of people being forced to pay for this. Shawn Smith discussed the petition and the process. Public Works Director Kevin Nielsen commented that copies of the petition could be obtained at the Community Development Building. He further discussed how the proposed overpass would impact traffic in that area and how the expense would be distributed. Mr. Quinn was very opposed to the LID although he did

think the overpass was a good idea. Mr. Smith clarified that the petition was to form an LID to fund the building of the bridge.

Ralph Krutsinger, 409 148<sup>th</sup> St NE, Arlington, WA, 98223, spoke on behalf of the owner of [inaudible] south of Twin Lakes and spoke in support of the LID. He stated that foresight of the city to do the LID will reduce traffic impacts now and in the future.

Steve Leifer, 12717 State Ave Marysville WA, (Marysville Planning Commissioner) expressed concern about this process and sympathized with Mr. Quinn, but noted that it seems like there is no alternative to these problems. He spoke in support of moving forward with the project, but hoped they could reduce the impacts on individuals like Mr. Quinn.

Joann Delazzari, 16600 25 Ave NE #90, Marysville WA, (west of Costco) stated that she had checked with many people in the proposed area who had not heard of the petition or been notified in any way. Without the *Herald* article she would have been completely unaware of it. She was aware of the problems of traffic flow through that area and 172<sup>nd</sup>. She felt that the bridge would only be beneficial to Marysville residents because the limited access would not be practical for Seven Lakes or Stanwood residents. She felt that this should go to a vote to the residents of Marysville. Director Nielsen discussed the access situation.

Jim Tosti, 245 Lake Avenue W, Kirkland, WA (owner of property within the LID zone) spoke in support of the formation of the LID. This would improve health and safety access and make the area more attractive to developers.

Gene Dunlap, General Manager, Costco Wholesale, 16616 Twin Lakes Ave, Marysville, spoke in support of the project on behalf of the Costco Corporation. He discussed the importance of additional access for that area to continue to grow and for Costco to continue to be successful up there.

Ronald Young, 30 -140<sup>th</sup> St NW, Marysville, WA 98271, spoke in support of the overpass and the LID. He stated that it is obvious the overpass is necessary to solve traffic problems and safety issues in that area.

Gary Kenna, 15314 Smokey Pt. Blvd, (property owner south of proposed overpass) spoke in support of the overpass. He was not sure how it would benefit him on the east side of the freeway and expressed concern about how this would be funded.

John Burkholder, HBA Design Group, representative of Arlington Associates and Bruce Associates, (owners of property at intersection of 51<sup>st</sup> and 152<sup>nd</sup>) expressed support for the LID.

Judy Latenmiller, 3225 148<sup>th</sup> Street NE, (property owner in the proposed LID area) expressed concern about the formula that was used to determine the assessments. She commented on the discrepancies between property values, and sizes and assessment amounts. She stated that she did not receive any information on a petition. She agreed

that without freeway access the overpass is of almost no value to them. She recommended making this a toll bridge.

Nick Echelbarger, property owner on 152<sup>nd</sup> east of I-5, spoke in support of the LID. He noted that it is a very advantageous time to build these things. He stated that, unlike many other taxes, this "tax" would directly benefit those who pay it.

Marveta Tolier, 7110 63<sup>rd</sup> Place NE, referred to some benefit for the City of Arlington. She wondered if Arlington would be asked to share some of the costs. City Attorney Grant Weed stated that in order to levy an assessment it needs to be a property within the benefit area. The City of Arlington does not own property within this benefit area.

Joann Delazzari, 16600 25 Ave NE #90, Marysville, WA, asked about the climate for getting grant money. Director Nielsen replied that it didn't look good, but they are still applying for anything that might be a possibility.

Dennis Quinn, 5818 152<sup>nd</sup> St NE, Marysville, WA, summarized that almost everyone thinks the overpass is a good idea and the time is probably right. The question comes down to the issue of the cost of the project being borne by the property owners in that area. He spoke strongly against the LID and expressed frustration that he had not been aware of this.

Jason Lens, Lens Enterprises, 15714 Smokey Pt. Blvd., spoke in support of the LID, but stated that he did not feel his special benefit was justified. He asked about the process for contesting this benefit at the assessment roll hearing. Hugh Spitzer stated that it was very important to distinguish between assessments and property taxes. Property taxes are based on the value of the property. The assessments are based on the increase in the value of the property directly because of the improvement. This is known as the special benefit. General benefits are handled by a portion of the project being paid from somewhere else, in this case by the City or whatever grants are available. Mr. Spitzer explained what would happen at the assessment roll hearing. He recommended that property owners have an independent appraisal done if they want to do a serious critique of the amount of their assessment. The Council will make the final determination at the assessment roll hearing.

Jim Tosti, 245 Lake Avenue W, Kirkland, WA, asked for clarification about how the costs would be split in case the City is successful in obtaining additional funding. Director Nielsen explained that the City would still pay half of the remaining costs. Mr. Tosti wished him luck.

Mayor Nehring repeatedly solicited additional comments. There were no further public comments.

#### *Councilmember Comments:*

Councilmember Rasmussen asked Mr. Spitzer if there is any provision for the assessments to be paid over a period longer than twenty years. Mr. Spitzer explained

that people can pre-pay their assessments but they can't stretch it out longer. He noted that there is a program for retired people who have fixed and relatively low incomes where they can defer their assessments until the property is sold.

Councilmember Soriano asked if there is anything that makes this decision with the LID time sensitive. Director Nielsen explained that they already have air space, break in access, and design ready to go. If they wait there will be additional costs and time associated with it. The low cost of construction right now is another time-sensitive factor. Councilmember Soriano suggested that they might be able to get good bids a little further down the road too if the economy doesn't recover as quickly as some expect. Director Nielsen commented that it is all related to the economy and he could not predict what it would do in the future.

Councilmember Wright asked what the next step for the Council should be. City Attorney Weed replied that the next step would be to enact an ordinance forming an LID.

Councilmember Seibert asked about details of the calculating the cost over twenty years. Bond Counsel Spitzer explained this. Councilmember Seibert commented that people could pay over a longer period of time if they financed it and self-paid it, but that would have to be done on your own. He added that doing it this way would probably cost more because the city gets such a low interest rate on its bond.

Councilmember Rasmussen asked if interest would continue to accrue for retired, lower-income people who defer their payments. Mr. Spitzer affirmed that interest would continue to accrue.

Councilmember Seibert spoke in support of the LID. He commented that there are several people on the east side who spoke in support of this. He noted that the general citizens of Marysville are paying half the cost of the project.

Councilmember Wright commented that the majority of the people who spoke are in favor of the overpass. There are concerns about the payment, but she spoke in support of getting the process started. Property owners will still have the opportunity to come before the Council with their concerns about assessments.

Councilmember Seibert requested that staff contact people who felt they had not been informed and provide them with whatever information they need. Director Nielsen indicated that they would do that.

Councilmember Rasmussen pointed out that the general citizens of Marysville would also be paying a significant amount although not as much as the people in the LID.

Mayor Nehring thanked everyone for their participation in the hearing.

**Motion** made by Councilmember Seibert, seconded by Councilmember Soriano, to adjourn the Public Hearing at 8:35 p.m. Motion carried (6-0).

**Motion** made by Councilmember Wright, seconded by Councilmember Rasmussen, to waive the normal rules of procedures about public comment and voting on action items on the agenda. Motion carried (6-0).

### **New Business**

7. An **Ordinance** of the City of Marysville Ordering the Construction of an Interstate 5 Overpass, at 156th Street NE, Pursuant to Property Owners' Petition Therefor; Establishing Local Improvement District No. 71 and Ordering the Carrying Out of the Proposed Improvement; Providing that Payment for the Improvement Be Made in Part by Special Assessments Upon the Property in the District, Payable By the Mode of "Payment by Bonds"; and Providing for the Issuance and Sale of Local Improvement District Warrants Redeemable in Cash or Other Short-Term Financing and Local Improvement District Bonds.

**Motion** made by Councilmember Seibert, seconded by Councilmember Wright, to approve Ordinance #2827. Motion carried (6-0).

8. Municipal Stormwater Capacity Grants Program Funding Agreement between the State of Washington Department of Ecology and City of Marysville.

**Motion** made by Councilmember Rasmussen, seconded by Councilmember Phillips, to authorize the mayor to approve Municipal Stormwater Capacity Grants Program Funding Agreement between the State of Washington Department of Ecology and City of Marysville. Motion carried (5-0) with councilmember Seibert abstaining.

9. Acceptance of the State Avenue Phase III Corridor Improvement Project, Starting the 45-Day Lien Filing Period for Project Closeout.
10. Renewal of the Annual Support Agreement and License Agreement for Munis Software with Tyler Technologies, Inc. in the Amount of \$49,040.88.

Worth Norton stated this is the standard agreement that has been entered into in past years.

11. Nonexclusive Communication Site Sublease between the City of Marysville and Island County Emergency Services Communications Center (I-COM).

City Attorney Grant Weed mentioned that this is a sublease with I-COM that benefits them. This is in regard to the tower at Highway 9 and SR 528.

12. An **Ordinance** of the City of Marysville, Washington, Authorizing the Condemnation, Appropriation, Taking and Damaging of Land and Other Property for Purposes of Construction Sidewalks along 67th Avenue NE.

Director Nielsen reviewed this item.

13. An **Ordinance** of the City of Marysville, Washington, Relating to Parks and Recreation and the City's Penal Code; Adopting and Adding a New Chapter 6.82 (Park Code) to Title 6 of the Marysville Municipal Code.

Jim Ballew explained that this has the support of the Parks and Recreation Board. This codifies some of the policies that they have been operating under for several years. The emphasis is on how the police can deal with some of the concerns in terms of penalties. He thanked Paul McMurray in Grant Weed's office for helping out in this process.

Councilmember Seibert asked for confirmation that this would not void allowing citizens to protect themselves. City Attorney Weed replied that state law pre-empts the regulation of weapons, but noted that he would confirm this.

14. A **Resolution** for the Adoption of the 2010 Snohomish County Natural Hazards Mitigation Plan Update.

Kevin Nielsen discussed the importance of this plan.

15. A **Resolution** of the City of Marysville for the Acceptance of a \$1,000 Gift Subject to Conditions.

Parks and Recreation Director Jim Ballew commented that the Jubies have sponsored this for several years. He commended them for their philanthropy. Councilmember Rasmussen recommended also drafting a thank you letter to the Jubies. Director Ballew indicated they would do that.

### **Mayor's Business**

- The Marysville Getchell High School dedication on Saturday was phenomenal. It is a beautiful facility.
- He thanked the Tulalip Tribes for their generous gift of \$35,000 to go to the police department to help with issues. He commended the amount of money given by the Tribes to a number of worthy causes.
- He reminded Council of the police awards banquet on Wednesday at 4:30 at the Public Safety Building.

### **Staff Business**

Jim Ballew reported that the Healthy Communities Phase 2 meeting on Thursday has been cancelled due to scheduling conflicts.

Kevin Nielsen discussed FEMA training he attended with others last week.

Grant Weed stated the need for an executive session to discuss two matters relating to real estate, expected to last 15 to 20 minutes with no action.



Gloria Hirashima:

- The City Manager/Administrator Group is putting together a 2011-2013 Legislative Agenda. She reviewed some of the key items.
- She discussed a *Professional Services Agreement and Interlocal Agreement between City of Marysville and Strategies 360 Inc. for Consultant Services* which will be on the agenda at the next meeting. Director Nielsen commented on the importance of Highway 9 being in the coalition.

Sandy Langdon discussed the FEMA training they attended last week.

### **Call on Councilmembers**

Carmen Rasmussen:

- She agreed that the Marysville Getchell High School is a proud addition to the City of Marysville.
- The Raising Hand Ceremony at the Tribes was a great event. She appreciates that they take time out to thank the people that they've already given money to.
- She commented that in a disaster, the people who live closest to city hall would probably be the first responders. She emphasized the importance of making sure those people have the training that they would need.

Lee Phillips had no comments.

John Soriano was sorry he missed the events over the weekend. He asked if the disaster training covered rainstorms or flooding. Finance Director Langdon replied that it did not. Director Nielsen added that they do have a meeting on Thursday with DEM on flooding.

Jeff Vaughan had no comments

Donna Wright also appreciated the Raising Hands events. She thanked Police Chief Smith for the video presentation that represented our city well.

Jeff Seibert asked where the debris area had been designated. Director Nielsen said it would be at the wastewater treatment plant where they filled in the five acres.

### **Recess**

Mayor Nehring recessed the meeting at 9:18 p.m. for a short break before reconvening into Executive Session expected to last approximately 15 to 20 minutes to discuss two matters concerning real estate with no action.

**Executive Session** - started at 9:25 p.m.

A. Litigation

B. Personnel

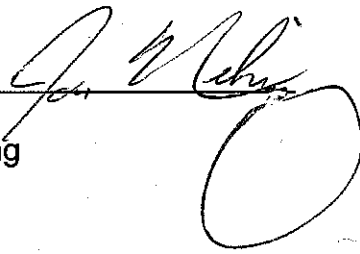
C. Real Estate - two items pursuant to RCW 42.30.110(1)(c)

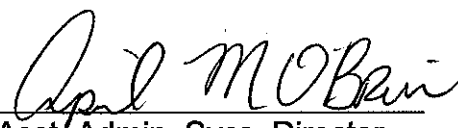
**Motion** made to extend the Executive Session to 9:50 p.m. Motion carried (6-0).

**Adjournment**

Seeing no further business Mayor Nehring adjourned the meeting at 9:50 p.m.

Approved this 11<sup>th</sup> day of October, 2010.

  
\_\_\_\_\_  
Mayor  
Jon Nehring

  
\_\_\_\_\_  
Asst. Admin. Svcs. Director  
Tracy Jeffries Deputy City Clerk  
APRIL O'BRIEN