

## REGULAR MEETING DES MOINES CITY COUNCIL

### MINUTES

June 16, 2005

The regular meeting of the Des Moines City Council was called to order at 7:33 p.m. by Mayor Sheckler in the City Council Chambers, 21630 11<sup>th</sup> Avenue South, Suite B.

PLEDGE OF ALLEGIANCE to the Flag was led by Councilmember White.

ROLL CALL - Present: Mayor Bob Sheckler (left at 10:05), Mayor Pro Tem Scott Thomasson, Councilmembers Richard Benjamin (arrived at 9:45 p.m.), Gary Petersen, Dan Sherman, Maggie Steenrod and Susan White. Also present were City Manager Tony Piasecki, City Attorney Linda Marousek, Assistant City Attorney Richard Brown, Harbormaster Joe Dusenbury, Assistant City Engineer Maiya Andrews, Finance Director Paula Henderson, Community Development Director Judith Kilgore and Deputy City Clerk Angela Chaufty.

MOTION was made by Councilmember Sherman, seconded by Councilmember Steenrod, and passed, 6 – 0, to excuse Councilmember Benjamin. [*Editor's Note:* Councilmember Benjamin arrived later in the meeting at 9:45 p.m.].

### COMMENTS FROM THE PUBLIC

Lillian Monroe, 22608 8<sup>th</sup> Avenue South

Ms. Monroe told Council that 50% of her view has disappeared during the 22 years she has lived in her home. Taxes have increased while the view has decreased. Ms. Monroe asked Council to represent her and her neighbors while considering building heights.

Anita Johnson, 22555 10<sup>th</sup> Avenue South

Ms. Johnson spoke against Council raising building heights in the downtown area. She asked Council to consider the citizens who have lived in the City for a long time. Ms. Johnson recommended that the City use LaConner and Gig Harbor as models for developments. She questioned who would compensate the residents for their loss of their views.

Virginia Greenlee, 22545 10<sup>th</sup> Avenue South

Ms. Greenlee spoke against increasing building heights. She asked Council to consider the residents rather than the developers.

Irene Hallitt, 22545 10<sup>th</sup> Avenue South

Ms. Hallitt voiced opposition to any change to the current building height restrictions.

Victoria Nichols, 916 South 226<sup>th</sup> Place

Ms. Nichols stated that increased density would require increased water, sewer, and police services. She said that the city already had traffic problems. Ms. Nichols questioned where the zone mentioned on Page 24 of the materials ended.

Carolyn Tannporo, 924 South 226<sup>th</sup> Place

Ms. Tannporo said that the current building developments have stayed with the height limits and have preserved other's views. She felt that the area should be able to develop without the

development of high rises. Ms. Tannporo asked that Council maintain the current height regulations.

Boyd Monroe, 22544 8<sup>th</sup> Avenue South

Mr. Monroe voiced agreement with the other speakers' comments. He said that the development of condominiums has already impacted the community's view of the water. He noted that additional people will bring additional traffic to the area. Mr. Monroe voiced support for economic growth but asked Council to maintain the quaint, small-town feel of Des Moines.

Margaret Georitsis, 22548 8<sup>th</sup> Avenue South

Ms. Georitsis asked Council to not affect the residents' views. She did not want to see beauty destroyed.

BOARD & COMMITTEE REPORTS

Economic Development

Councilmember Steenrod discussed potential zoning improvements at their retreat. She noted that she would present information regarding her trade mission trip to Ireland during the July 7, 2005 Council meeting.

South County Area Transportation Board

Councilmember Sherman said that the Board received an update on the Washington Transportation Plan. Several projects could still be impacted if the regional tax was not approved by the voters. Councilmember Sherman noted that Council needed to appoint a new alternate to the Board as Tim Heydon no longer worked for the City of Des Moines.

City Manager Piasecki said that Council was scheduled to address the issue at their July 14, 2005 meeting.

Suburban Cities Association

Councilmember Sherman reported that the Public Issues Committee had adopted a statement supporting increased auto theft fees and increased flexibility for REET money. The Committee, however, did not want to discuss state funding for distressed cities.

City Council Retreat

Councilmember White announced that Council had discussed the land use code and economic development strategy at the retreat. She noted that Council was studying options for the downtown area to make the community more livable. From a real estate agent perspective, Councilmember White said that there were never any guarantees. She said that it was not the intent of Council to impact residents' views.

Comprehensive Plan Committee

Mayor Pro Tem Thomasson announced that the Comprehensive Plan Committee's July 17, 2005 meeting had been cancelled.

PRESIDING OFFICER'S REPORT

Bus Mural Project

Mayor Sheckler and Councilmember Steenrod presented certificates of appreciation to the following schools and individual for their participation in the bus mural project:

Des Moines Elementary  
Woodmont Elementary  
St. Philomena School  
Des Moines Montessori Preschool  
Parkside Elementary  
Dina Brown

Mt. Rainier High School Groundbreaking Ceremony

Mayor Sheckler announced that he had participated in the Mt. Rainier High School groundbreaking ceremony.

Pacific Ridge Tour

Mayor Sheckler said that the Chief of Police had taken him on a tour of the Pacific Ridge area and highlighted police code enforcement efforts.

Highline School District's Superintendent's Retirement Celebration

Mayor Sheckler reported that he had attended the retirement celebration for Highline School District Superintendent Joe McGeehan.

Des Moines Creek Basin Project Celebration

Mayor Sheckler announced that he had attended the celebration for the Des Moines Creek Basin project.

COUNCILMEMBER COMMENTS

Response to Comments from the Public

In response to the comments regarding building heights, Councilmember Steenrod mentioned the possibility of using a computer software program to determine where building heights might be raised without negatively impacting views.

Economic Development

Councilmember Steenrod said that she had received e-mails from John Ayer regarding his pending development project. She asked to meet with staff to determine how the project might be moved along.

City Attorney Marousek asked for copies of the e-mails.

Ceremony Honoring Founder of Des Moines

Councilmember Sherman announced that the Des Moines Historical Society would conduct a ceremony honoring Des Moines Founder John Moore on June 25, 2005 at 10:00 a.m. at his gravesite at Western State Hospital.

Citizen Involvement

Councilmember Sherman said that he was glad to see so many people contributing to their community through the bus mural project and through the comments from the public.

Des Moines Basin Project Celebration

Councilmember White said that she had attended the Des Moines Creek Basin Groundbreaking Ceremony.

Ayer Development Project

Councilmember White agreed with Councilmember Steenrod's comments regarding Mr. Ayar's development project.

Real Estate Board

Councilmember White announced that she had attended the Real Estate Board meeting. The board discussed various housing issues including the current housing shortage.

Economic Development Strategy

Councilmember Petersen said that it was important for Council to carefully review and discuss the proposed economic development strategy.

Mayor Pro Tem Thomasson recognized that the Economic Development Committee had spent considerable time reviewing and developing the economic development strategy but said that the full Council needed to discuss each policy and its framework in order to maintain good government. Mayor Pro Tem Thomasson felt that the motion proposed in the agenda packet was premature. He said that the Port Master Plan recently adopted by Council would require a considerable amount of staff time.

Mayor Sheckler said that the purpose of the agenda item was to begin Council dialog on the subject. Council was not expected to take action on the issue tonight.

ADMINISTRATION REPORTS

Economic Development Strategy

City Manager Piasecki informed Council that the purpose of the agenda item was to allow the consultant an opportunity to present his work and to obtain feedback. The subject would be brought back to Council for review and prioritization.

Mayor Pro Tem Thomasson requested a copy of the full document.

City Manager Piasecki confirmed that the full document would be made available to all the Councilmembers.

Marine View Drive Bridge Project Traffic Closures

City Manager Piasecki reported that Marine View Drive Bridge would be closed to traffic in 15 to 30 minute intervals during the next few weeks due to construction. The bridge would also be reduced to one lane on June 25, 2005 from 8:00 a.m. to 5:00 p.m.

Mediterranean Heights Project

City Manager Piasecki asked the City Attorney to respond to Councilmembers Steenrod and White's concerns regarding Mr. Ayar's project.

City Attorney Marousek confirmed that the preliminary plan for the project had been approved in 2001. She explained that the developer has declined to comply with the approved plan and has

refused to comply with the regulations, applied to other developers, to present a modified plat to Council for approval. She said that staff has spent a considerable time with Mr. Ayar discussing the issue and explaining the process.

#### CONSENT CALENDAR

Deputy City Clerk Chaufy announced that there were no warrants for Council to approve. She read the consent calendar as follows:

1. Motion is to approve the special and regular minutes of June 2, 2005.

**MOTION** was made by Councilmember Sherman and seconded by Councilmember White to approve the consent calendar.

Mayor Sheckler asked the clerk to include his comments regarding Draft Resolution No. 04-091 in the regular meeting minutes.

The maker and seconder of the motion **withdrew their motion**.

**MOTION** was made by Mayor Pro Tem Thomasson, seconded by Councilmember Steenrod and passed unanimously to continue the special and regular minutes of June 2, 2005 to the next available consent calendar.

#### CONTINUED PUBLIC HEARING

##### Assignment of Breakers Restaurant Lease

Assistant City Attorney Brown reviewed the revisions to the proposed agreement. He noted that the WATCH background checks and credit report for Salvatore and Norma Milluzzo had been completed.

City Attorney Marousek entered a fax from Howard A. Droker into the record as Exhibit No. 3. The fax confirmed that no liens were claimed. In response to Mayor Pro Tem Thomasson's questioning, she recommended that the language in Section 9.b.ii be deleted and that the words "as a restaurant" be inserted at the end of the second line of section 9.c.v.4. City Attorney Marousek confirmed that she had asked Mr. Reed for a copy of the promissory note.

Mayor Pro Tem Thomasson stressed the importance of insuring that the property or building could not be encumbered.

Assistant City Attorney Brown said that the lien/encumbrance language could be inserted in Section 9.c.vii.

Mayor Pro Tem Thomasson reviewed the following changes to the revised proposal:

Section 9.b.ii – Stricken.

Section 9.c.v.4 – Add "as a restaurant".

Section 9.c.vii – Clarify that notes and/or other obligations will not create or constitute a lien on the building or the property.

In response to questions regarding lot lines, Harbormaster Dusenbury noted that the original lease called for an eight foot wide parking area the length of the building. He noted that the original lease did not contain a legal description.

City Attorney Marousek said that Attachments A – E from the original lease would be attached to the revised lease.

Mayor Sheckler closed the public hearing.

**MOTION** was made by Councilmember Steenrod, seconded by Councilmember Petersen, and passed unanimously to approve assignment of the lease with RB&B, Inc. of the Breakers Restaurant to Salvatore and Norma Milluzzo and direct the City Manager to sign the revised ‘Assignment and Assumption of Lessee’s Interest and Lessor’s Consent’ incorporating the changes enumerated by Mayor Pro Tem Thomasson substantially in the form as attached.

At 8:55 p.m., Mayor Sheckler declared a ten-minute break.

#### **PUBLIC HEARING**

#### **Draft Resolution No. 05-098 [Assigned Res. No. 993] Adopting a Six-Year Transportation Improvement Program - 2006-2001**

Mayor Sheckler opened the public hearing. As there were no speakers, he refrained from reading the rules for conducting a public hearing.

Assistant City Engineer Andrews informed Council that all cities and counties in Washington State must submit a Six-Year Transportation Improvement Program to the State each year. The purpose of the plan was to provide a planning tool for the individual agencies and a consistent method of coordinating interagency needs and funding requirements. Assistant City Engineer Andrews noted the following two corrections to Attachment 2:

- Project Priority No. 4 – Change project boundaries to South 260<sup>th</sup> Street to South 272<sup>nd</sup> Street.
- Project Priority No. 7 – Change project boundaries to 7<sup>th</sup> Avenue South to 11<sup>th</sup> Avenue South.

Assistant City Engineer Andrews noted that Council could include other jurisdictions’ projects in the document. Upon questioning from Councilmember Steenrod, Assistant City Engineer Andrews noted that Council can indicate support or opposition to other jurisdictions’ specific projects in various ways.

Mayor Sheckler closed the public hearing.

**MOTION** was made by Councilmember White, seconded by Councilmember Petersen and passed unanimously to approve Draft Resolution No. 05-098 adopting the Six-Year Transportation Improvement Program for the City of Des Moines.

City Manager Piasecki confirmed with Council that the motion included the two corrections noted by Assistant City Engineer Andrews.

OLD BUSINESS

2004 Year End and First Quarter 2005 Financial Report

Finance Director Henderson provided Council with a financial update of the City's operating funds for 2004 year end and for the first quarter of 2005. She displayed a chart of the actual 2004 expenditures compared to the proposed 2004 expenditures and actual 2003 expenditures for the following general governmental funds:

- Legislative
- Executive
- Judicial
- Finance
- Legal
- Law Enforcement
- Public Works
- Community Development
- Parks, Recreation, & Senior Services
- Operating Transfers Out

Finance Director Henderson then displayed a chart of the 2003 and 2004 sales/use tax revenues for the following categories:

- Construction – One Time
- Construction – Base
- Other retail
- Restaurants
- Communications
- Food and beverage stores
- Personal and business services
- Motor vehicle sales and repair
- Wholesale, durable goods, and gambling

She then reviewed the revenues gained through utility taxes, building permits, and plan review fees. Finance Director Henderson compared the Park and Recreation fee revenues to its program costs. She displayed a chart of the ending fund balances for each month in 2004. Finance Director Henderson said that larger reserves were necessary to carry the General Fund through the first part of the year. The City currently had approximately \$750,000 in the Revenue Stabilization Fund while the General Fund balance at the end of May 2005 was -\$62,000.

Mayor Pro Tem Thomasson expressed concern that the general fund balance was \$700,000 to \$800,000 less than it should be. He said that the reserve policy referred to the minimum amount that should be in the fund at any time. He was not content with negative balances and felt that the issue should be addressed within the next few weeks.

Councilmember Steenrod agreed with Mayor Pro Tem Thomasson's concerns. She asked if a five year proposed budget could be included in the 2006 budget document.

At 9:45 p.m., Councilmember Benjamin arrived.

City Manager Piasecki said that he and the Finance Director would discuss the feasibility of including a five year budget in the 2006 budget document.

Councilmember Steenrod felt that it was essential for the City to look at the future and see where it is headed.

Finance Director Henderson provided a 2004 Year End Financial Report for the Marina and Surface Water Management funds. She reviewed the City's 2004 REET collections, interest income, and cash and investment figures. Finance Director Henderson then reviewed the 2005 First Quarter expenditures for the various general governmental funds. She noted that revenues were on target for the first quarter of the year.

At 10:05 p.m., Mayor Sheckler left the meeting.

Councilmember Steenrod recommended that "Other Taxes" be separated into gambling and leasehold tax in order to accurately track if crime has increased due to the gambling establishments in the City.

City Manager Piasecki noted that the Chief of Police was researching why fines and forfeits revenues were down during the first quarter.

Finance Director Henderson reviewed the first quarter sales/use tax, utility tax, business taxes, licenses and fees, building permits and plan review fees revenues. She also highlighted the Parks and Recreation fees revenues and program costs for the same period.

Due to the time, Mayor Pro Tem Thomasson directed Council to contact the City Manager if they had any further questions regarding the subject.

#### NEW BUSINESS

##### Draft Resolution No. 04-234A [Assigned Res. No. 994] - Extend Completion Date for Comprehensive Plan Revisions

Community Development Director Kilgore introduced the subject. She recommended that the date listed in Section 2(2) of the proposed resolution be changed from June 17, 2005 to "July 2005".

**MOTION** was made by Councilmember Sherman and seconded by Councilmember Steenrod to adopt Draft Resolution No. 04-234A relating to the update of the City of Des Moines Comprehensive Plan and changing Section 2(2) to read July 2005 instead of June 17, 2005.

Mayor Pro Tem Thomasson read the title of the proposed resolution into the record.

**VOTE ON MOTION:** Motion passed unanimously.

##### Economic Development Strategy

**MOTION** was made by Mayor Pro Tem Thomasson, seconded by Councilmember Steenrod, and passed unanimously to continue the subject to the July 7, 2005 Council meeting.

Council Retreat

City Manager Piasecki said that the continuation of the retreat was tentatively scheduled for July 9, 2005 from 9:00 a.m. to Noon.

Councilmember Benjamin requested that the retreat be scheduled for another day as it would only be a three hour meeting.

City Manager Piasecki said that he would discuss the suggestion with the Mayor.

OLD BUSINESS, CONTINUED

2004 Year End and First Quarter 2005 Financial Report, Continued

In response to Councilmember Steenrod's questioning, City Manager Piasecki said that Council's next review of the City's finances would be at the end of July.

Councilmember Steenrod voiced concern with the information provided regarding the Reserve Fund and the use of reserve funds when cash flow was at its lowest.

NEXT MEETING DATE – Study Session July 7, 2005

ADJOURNMENT

At 10:29 p.m., **MOTION** was made by Councilmember White, seconded by Councilmember Steenrod, and passed unanimously to adjourn the meeting.

Respectfully submitted,

Angela M. Chaufy  
Deputy City Clerk

**ACTION ITEM FROM 6/16/05 MEETING**

- Provide the economic development strategy document to all Councilmembers.