Planning Commission
Meeting Minutes
May 17, 2016
Approved: kmd

6:30:13 PM

Chair Chris Holland called the meeting to order. Other Commissioners in attendance: Greg Tisdel, Chris Adams, Loren Sand, Kathryn Beck, and Alex Lark.

Commissioners Absent: Richard Jordison, Michael Zelinski, and Megan Dunn

Staff Present: Allan Giffen, David Stalheim, and Karen Stewart

Meeting Minutes

Motion: Commissioner Tisdel made a motion to approve the May 3, 2016 meeting minutes. Commissioner Lark seconded the motion.

Vote: Commissioner Lark, yes; Commissioner Beck, yes; Commissioner Sand, abstain; Commissioner Adams, yes; Commissioner Tisdel, yes; and Chair Holland, yes.

Motion Carried.

Commissioner Reports

Commissioner Lark, Commissioner Beck, Commissioner Adams, and Commissioner Tisdel attended the May 5th Everett Station District Alliance meeting on Transit Oriented Development. Commissioner Tisdel also attended the Port's meeting on Waterfront Place.

Staff Comments

Allan Giffen, Planning Director, stated that he also attended the Port meeting and appreciated the Port's comments regarding the working relationship between the City and Port of Everett. There is a Planning Commission meeting scheduled on June 7, 2016. He invited Commissioners and citizens to complete an on-line survey on Metro Everett at www.everettwa.gov/metro.

Commissioner Beck asked about the Metro Everett open house. David Stalheim responded that the event was well attended and the concept map results from that meeting are posted on the City's website.

General Citizen Comments

None

Item 1: SEPA Categorical Exemptions

Karen Stewart, Planning staff, stated that the State Environmental Policy Act (SEPA) was enacted in 1971. In 2012, the State rules were amended to give authority to jurisdictions to raise their SEPA exemption thresholds. As a result of the 2012 SEPA rule changes, the City raised their categorical exemption threshold for infill development as an incentive in the Evergreen Way mixed-use overlay zone. She presented a table to show the maximum exemption thresholds allowed for different project types and compared them to the City's current exemption thresholds; a table that compared the City with other jurisdictions; and, the project types proposed for the SEPA exemption thresholds.

Ms. Stewart stated that during the last couple of years, the City has reviewed 90 SEPA projects and out of the 90, there were 7 that wouldn't have been subject to SEPA under the proposed thresholds. At least half of those projects would have triggered the requirement for a public notice by the underlying permit. The public notice options under consideration for SEPA exempt projects include: 1) would provide for a public notice if the underlying permit required public notice; 2) would provide a public notice with a 14-day comment period; and/or, 3) would provide for a courtesy notice. Ms. Stewart presented some pictures to show what type of projects would be SEPA exempt under the proposed thresholds.

Commissioner Sand asked if there was a process to mitigate potential impacts of exempted projects if not covered by any other City codes. Ms. Stewart responded that there are provisions in State law that even if a project is categorically exempt, the responsible official has the authority to apply SEPA. Mr. Giffen stated that he thought that was already addressed in the City's code and if so, will bring that language back to Commission or if not, would propose some language for consideration at the public hearing.

Commissioner Beck stated that she was in support of the proposal; however, she felt it was important to provide public notice and was in support of the courtesy notice process.

Chair Holland supported the proposal. He asked if the proposed exemptions would make any changes to the existing 100 unit threshold in the E-1 MUO zone. Ms. Stewart responded no. Mr. Giffen added that infill development is addressed in a separate section of the State's SEPA Regulations. Chair Holland asked if it would make sense to amend those thresholds to be consistent. Ms. Stewart stated that the RCW in relation to infill development didn't address a threshold for residential development; however, the threshold for commercial development was up to 65,000 s.f. She added that this would be an opportunity to reconsider the thresholds if Commission would like to discuss further.

Chair Holland asked if the City collected impact fees through an interlocal agreement or through SEPA from the County or State if one of their projects impact transportation facilities in Everett, and does the County or State collect impact fees from the City. Mr. Giffen responded no.

Commissioner Sand asked about a courtesy notice. Mr. Giffen responded that under the current SEPA process, there is no notice for a project that is exempt unless there is an underlying action that requires public notice. A courtesy notice lets citizens know that there is a land development proposal under review in their neighborhood. That courtesy notice doesn't have a public comment period. Commissioner Sand was concerned that a property owner would lose the opportunity to comment on a project when the thresholds are raised.

Commissioner Sand stated that SEPA provides an opportunity for citizens to comment on a project that they are concerned about. Mr. Giffen responded that the majority of comments received during the SEPA review process are on traffic impacts and the City collects transportation mitigation fees to address the impacts. Currently, those are collected through SEPA; however, the City is planning on changing the way that impact fee is collected. The City also has codes to address access, driveways, parking, and frontage improvements that already mitigate a lot of the transportation related impacts.

Commissioner Lark asked Ms. Stewart if he understood correctly that in the last two years there were only three projects that wouldn't of had required a public notice. Ms. Stewart responded yes, and that currently citizens are notified of a SEPA project by a mailed postcard to property owners within 150 feet of a subject property. Currently, the City is working on updating the on-line permit management system so citizens can track projects that way instead of relying on a mailed postcard.

Commissioner Tisdel asked if a project would still be posted. Mr. Giffen responded no if it was an exempt project; however, the site would be posted if there was an underlying permit process that requires public notice. Mr. Giffen added that Commission could consider posting the site as an option to a courtesy notice.

Commissioner Beck stated that she felt it was important to note that most of the larger projects are going to be constructed in zones that already allow them. Those projects are likely to have already undergone a rigorous permit review process where all the impacts were considered and conditioned. She stated that eliminating some of the regulatory hurdles that are procedural in nature and that don't change the outcome of a project helps attract small business owners.

Commissioner Sand stated that the courtesy notice doesn't provide an opportunity for citizens to get involved in what is going to happen next door to them. The public notice provides a method for them to get into a discussion about a project. He understood that the City would like to encourage development but he would like the City to be cautious in those areas designated for redevelopment and infill that there is an opportunity for citizens that live in those neighborhoods to have a voice.

Chair Holland asked if it was the City's responsibility to post property. Mr. Giffen responded that the City mails and distributes the public notice and prepares the notice signs for posting. The applicant posts the signs and completes an Affidavit of Posting which is returned to the City. Chair Holland stated that the courtesy notice could just be posting the property which would allow citizens to call the office to find out more information about a project.

Commissioner Lark asked if the proposed thresholds would impact the potential for maker spaces around the Everett Station area. Mr. Giffen responded that if maker spaces are just uses that convert existing buildings to another use, that wouldn't trigger an environmental review or public notice. Commissioner Lark asked if Option 2 was similar to the current public notice process in the Evergreen Way MUO zones. Ms. Stewart responded yes.

Commissioner Beck stated that she supported posting the notice sign on-site. Commissioner Adams agreed and thanked Ms. Stewart for her presentation. Commissioner Tisdel agreed. Commissioner Sand was in favor of Option 2.

Item 2: Impact Fee Deferrals and Exemptions

David Stalheim, Long Range Manager, stated that in 2015 the State enacted a required impact fee deferral program which requires the City to adopt an impact fee deferral system by September 1, 2016 for single family detached and attached residential construction. The State allows impact fees for public streets and roads, publically owned parks, open spaces and recreational facilities, school facilities, and fire protection facilities. Currently, the City only collects impact fees for public streets and roads, and schools. Mr. Stalheim explained how the deferral system would work.

There is also a voluntary impact fee exemption program for low income housing that was enacted in 2012. That legislation allows the City to grant an exemption of not more than 80% exemption of impact fees with no requirement to pay the exempted portion of the fee from public funds. There are a few requirements regarding exemptions for low income housing.

Mr. Stalheim stated that the City's draft single family fee proposal is modeled after Snohomish County's deferral proposal which is characterized as a "First Action" option. The City is also proposing a $250 administrative fee for each unit. Under the low-income housing impact fee exemption, the City is proposing the 80% exemption without any public funds or the 100% exemption with the back filling of public funds, low income housing is defined as household earning 50% or less of area median income, decision is based on financial and community benefit, school district exemption would require school district approval, and any exemption approved would require recording a covenant. The school districts have concerns regarding the school district exemptions; however, currently the school district doesn't collect impact fees for studios or 1 bedroom units which would likely be the unit size for 50% area median income units.

Commissioner Beck asked why the legislature enacted the deferral system option. Mr. Stalheim responded that the legislation was in response to lobbying by the building industry. Commissioner Beck was in support of creating an exemption for low income housing.

Commissioner Sand asked about the collection of mitigation fees at the point of final plat approval. Mr. Stalheim responded that fees would be collected at the time of building permit; however, SEPA mitigation fees can still be collected at the time of plat approval.

Chair Holland stated that the City of Marysville has been implementing a deferral program for three years. He asked about the cap of 20 single family homes. Mr. Stalheim responded that the State made that determination; however, in theory the City can increase that cap. Chair Holland thought that there were larger residential developments happening in Everett that could benefit from the proposed deferral program. He asked about the $250 administrative fee. Mr. Stalheim responded that was what Snohomish County charges. Chair Holland asked about the current traffic impact fee. Mr. Stalheim responded $2,400 per dwelling unit. Chair Holland thought that the $250 per unit administrative fee seemed excessive and that Marysville charged a $200 processing fee for commercial projects and subdivision projects. He stated that the City of Marysville has a fee deferral program for commercial development and that they have received a lot of compliments about that program.

Commissioner Beck asked Chair Holland if in his experience he has found that the deferrals have in any way impacted the City's ability to use the fees to implement the necessary mitigation. Chair Holland replied that in their experience, the deferral program isn't a deterrent to get projects done.

Mr. Stalheim stated that the City could have further conversations about the administrative fee and expanding the deferral system to more units or to commercial development but that would be a larger conversation with other departments.

Citizen Comments

Ken Peverly, 312 Pecks Drive, spoke about the SEPA exemption item, and supported Option 2. He also recommended posting the site.

7:49:25 PM ADJOURNED

Allan Giffo
Planning Commission Secretary

6-7-16
Date

Kathy Davis
Kathy Davis, Administrative Assistant

June 7, 2016
Date