

**CITY OF DUVALL
COUNCIL MEETING
January 17, 2017
7:00 P.M. – Riverview Educational Service Center
15510 – 1st Ave NE**

Committee of the Whole: 5:30 P.M.

The City Council Meeting was called to order by Mayor Ibershof at 7:00 P.M.

Roll Call: Dianne Brudnicki, Amy Ockerlander, Jason Walker, Leroy Collinwood, Becky Nixon (absent: Veronika Williams, Scott Thomas)

Staff Present: Matthew Morton, Boyd Benson, Lara Thomas, Dean Rohla, Jodi Wycoff, City Attorney Rachel Turpin

I. Additions or Corrections to the Agenda:

Under Consent Agenda add: Payroll in the amount of \$258,491.62, Claims in the amount of \$1,127.68; and Under Scheduled Items add: Councilmembers Ockerlander and Walker.

II. Adoption of Council Agenda:

It was moved and seconded (Ockerlander-Collinwood) to adopt the 01/17/17 Council Agenda. The motion carried (5 ayes).

III. Approval of Consent Agenda:

*It was moved and seconded (Walker-Brudnicki) to approve the consent agenda which included approving the City Council minutes and Committee of the Whole minutes of 01/03/17; Payroll Checks #25223-25225, #25226-25234 and #25235 in the amount of \$258,491.62 including EFTs in the amount of \$138,293.54; and Claims Checks #25236-25244 in the amount of \$1,127.68.
The motion carried (5 ayes).*

IV. Comments from the Audience:

Lisa Yeager, Sno Valley Senior Center Director, gave an update on upcoming events at the Senior Center including a Donor Appreciation Spaghetti Dinner January 24th, Rainbow BINGO on February 10th and a Wine and Chocolate Tasting on February 18th.

Nancy Rogers, legal counsel for Toll Brothers, said that she and Charles Hare from Toll Brothers are here if Council has any questions for them regarding the two-acre parcel agenda item.

Andy Glover, Duvall resident, urged Council that if they move forward with the North Urban Growth Area annexation, that they include language in all future agreements that would require the developer to meet updated codes and policies.

Amy McHenry, Duvall resident, said that she created a group called Citizens for Duvall. Ms. McHenry reviewed results of a poll she conducted through Facebook regarding the proposed resolution for the North Urban Growth Area annexation. Lastly, Ms. McHenry asked

Council to change language in the proposed resolution from “should” to “shall” which would require the developer to comply with pending code updates.

Mike Remington, Duvall resident, said that it appears during the Comprehensive Plan Update a city-owned parcel was rezoned and asked that the zoning be changed back to Open Space. Mr. Remington also said that developers should be required to comply with future codes and urged Council to modify the language in the proposed resolution for the North Urban Growth Area annexation to make that requirement.

Rick Boman, Duvall resident, said that managing growth is important and urged Council to change verbiage in the proposed resolution for the North Urban Growth Area annexation from “should” to “shall”.

Jennifer Knaplund, Duvall resident, asked Council to ensure that code updates and impact fees are updated before any annexations are completed.

Pete Nichols, Quadrant Homes, said that they are in support of the proposed resolution for the North Urban Growth Area annexation as-is. Mr. Nichols said that annexations are a long process and it is Quadrant’s intent to comply with the intentions of the Comprehensive Plan.

V. Scheduled Items:

1. Mayor:

Advisory Committee Appointment – Sensitive Area/Tree Protection and Stormwater: Mayor Ibershof said that the updates for the Sensitive Area/Tree Protection Plans and the Stormwater Plan both have advisory committees and that at least one councilmember is needed on each of the committees. Mayor Ibershof appointed Councilmembers Brudnicki and Ockerlander to the Sensitive Area/Tree Protection Advisory Committee and Councilmember Collinwood to the Stormwater Advisory Committee.

Mayor Ibershof read a statement for the record regarding the proposed resolution for the North Urban Growth Area annexation.

2. Council:

Councilmember Amy Ockerlander said that she understands the desire to change some of the verbiage in the North Urban Growth Area annexation resolution, but for her, it is about the tone of the document.

Councilmember Jason Walker said that the language in the proposed resolution for the North Urban Growth Area annexation matters because it shows the community the path that the annexation will follow.

Councilmember Dianne Brudnicki said that nothing is being rushed for the North Urban Growth Area annexation and she feels it will be an opportunity to work with a great developer.

3. City Administrator:

2017 Council Retreat Preparation Update – Matthew Morton, City Administrator, gave an update on the agenda and other details with regards to the upcoming Council Retreat which

will be held on Saturday, January 21st. Mr. Morton said that two items on the agenda were switched to accommodate guest speakers.

4. Main Street Project Update

Shaun Tozer, Project Manager, gave the latest update on the Main Street Project including current and upcoming construction activities.

VI. Presentation: Jim Nelson, Financial Advisor – Debt Issuance

Jim Nelson, representing D.A. Davidson, the City's Financial Advisor for the upcoming debt issuance, gave a presentation reviewing the upcoming debt issuance for the Main Street and Big Rock Ballfields projects. Mr. Nelson said that they recommend private placement because, unlike for public bond placement, interest rates are not going up as fast. Mr. Nelson reviewed the estimated annual payments with current interest rates and if interest rates rise a half percent. Mr. Nelson then reviewed the schedule for private placement and said the bond closing and distribution of funds would occur by February 22nd. Lastly, Mr. Nelson reviewed the City's rating score from the last rating in 2011 which was AA and said that one way to increase that rating is to update the City's financial management policies.

VII. Public Hearing: None

VIII. New Business:

1. (AB17-08) Ordinance – Bond Issuance

Dean Rohla, Finance Director, asked if Council had any questions regarding the ordinance. There were no questions. This item will be on the February 7th agenda for action.

2. (AB17-09) Resolution – Delinquent Account Write Off

Dean Rohla, Finance Director, reviewed what has been done in attempt to collect on the delinquent accounts. This item will be on the February 7th consent agenda for action.

3. (AB17-10) Contract – Tree Protection Plan and Sensitive Area Plan Update

Lara Thomas, Planning Director, explained that the Tree Protection and Sensitive Area Plans updates require outside consultants to assist with the technical work. Ms. Thomas reviewed the Request for Proposals process and answered questions from Council. This item will be on the February 7th agenda for action.

4. (AB17-11) Approve and authorize the Mayor to sign Amendment #1 to Employment Agreement between Matthew Morton and the City of Duvall. *It was moved and seconded (Nixon-Collinwood) approve and authorize the Mayor to sign Amendment #1 to Employment Agreement between Matthew Morton and the City of Duvall. The motion carried (5 ayes).*

5. (AB17-12) Contract – Big Rock Ball Fields Construction

Boyd Benson, Interim Public Works Director, reviewed the schedule, what staff is working on and the schedule for the upcoming bid process. Mr. Benson said that staff is also having discussions with potential users on what their interest level is to help figure out future rental rates.

6. (AB17-13) Lease Agreement – Dougherty Farmstead Pasture

Boyd Benson, Interim Public Works Director, reviewed the Request for Proposal process as well as staff’s recommendations. Councilmember Becky Nixon asked if there was a way to combine more than one lessor. Mr. Benson said that he will look into the possibility and bring the results back to Council. This item will be on the February 7th agenda for action.

7. (AB17-14) Employment Agreement - Public Works Director

Matthew Morton, City Administrator, reviewed the agreement. This item will be on the February 7th agenda for action.

IX. Unfinished Business:

1. (AB17-05) Approve and authorize the Mayor to sign Engagement Letter with Piper Jaffray as Placement Agent on behalf of the City of Duvall.

It was moved and seconded (Ockerlander-Nixon) approve and authorize the Mayor to sign Engagement Letter with Piper Jaffray as Placement Agent on behalf of the City of Duvall. The motion carried (5 ayes).

2. (AB17-06) Approve Resolution #17-01 related to the proposed North Urban Growth Area Annexation.

It was moved and seconded (Ockerlander-Brudnicki) to approve Resolution #17-01 related to the proposed North Urban Growth Area Annexation.

It was moved and seconded (Ockerlander-Collinwood) to amend Resolution #17-01 related to the proposed North Urban Growth Area Annexation as follows:

WHEREAS, Quadrant Homes has contracted to purchase approximately 26 acres of the approximately 88 acres in the NUGA area for a proposed residential development (“Property”), and it intends to submit a 50% Petition and Pre-Annexation Agreement to Annex the NUGA area to the City in January of 2017 pursuant to the Direct Petition Method of annexation, as authorized in RCW 35A.14; [*third “whereas” in resolution*]

WHEREAS, Quadrant is considering a residential subdivision with an early estimate of approximately 90 lots on approximately ~~88~~ 26 acres of Property; [*fifth “whereas” in resolution*]

Section 5. If the annexation process moves forward, the Pre-Annexation Agreement should include provisions for the Project to comply with all adopted City Codes, as well as Code Updates and Policy Updates as defined by and budgeted for by the City Council. If adoption of the Pre-Annexation Agreement precedes adoption of the Code and Policy Updates, the Pre-Annexation Agreement should ensure that the Project comply with or exceed standards within the City Council defined pending Code and Policy Updates before any plat or short plat applications may be submitted by the Project applicant or approved by the City. The City will endeavor to complete Code Updates and Policy Updates by the end of 2018, and as resources and procedural requirements allow.

Section 6. If the annexation process moves forward, the Pre-Annexation Agreement should allow an option for the Developer, City and community to work together on developing a demonstration type project that not only meets the City’s goals, but allows for flexibility that

~~meet or~~ exceeds the intent of the 2015 Comprehensive Plan with the intent of developing a first of its kind, community and council driven development. The Hearing Examiner will have authority for final approval of such a project.

The motion to amend carried. (4 ayes-Ockerlander, Brudnicki, Collinwood, Nixon; 1 nay-Walker)

The original motion, as amended, carried. (4 ayes-Ockerlander, Brudnicki, Collinwood, Nixon; 1 nay-Walker)

3. (AB17-15) Toll Brothers 2-acre parcel

Matthew Morton, City Administrator, reviewed the staff report outline the five options (A-E) regarding the transfer of a two-acre parcel within the Toll Brothers development. Mr. Morton said that staff's recommendation is Option B and outlined the reasons why it is the best option for the City. Mr. Morton asked for Council direction on which option they would like staff to work with so they can get an official agreement ready for a future Council meeting.

There was Council consensus to have staff work with the developer using Option B, which reads as follows:

Option B. Follow the boundary line adjustment process to create a parcel that will be known as Lot 234. At the completion of the boundary line adjustment process, the lands known as Lot 234 will have a proper legal description. With a proper legal description, Toll can prepare a deed to those lands, and have that deed held in escrow, together with a performance bond to cover the cost of specific site improvements to the 2-acre parcel, and escrow instructions designating the conveyance to occur after the site improvements are constructed. Toll has now prepared the boundary line adjustment application and the bond quantity worksheet, and intends to submit those to the City Friday, January 13. Toll and the City will work together on a construction estimate to inform the bond value. (Toll's initial construction estimate for the site construction work for Lot 234 is approximately \$935,000.) If Option B is chosen by the City, then Toll would also agree to construct the specified site improvements by the conclusion of the second summer construction season following approval of the boundary line adjustment, subject to Toll's ability to obtain timely engineering permits for the improvements to Lot 234. This means the improvements would most likely be completed by the fall of 2018, and the land then could be conveyed to the City. To achieve the earliest possible conveyance, the City would need to agree to a process by which Lot 234 could be omitted from the Walden Preliminary Plat application and/or to allow engineering approvals associated with necessary plat improvements such as Street J and Big Rock Road adjoining Lot 234 to be processed separately from the Walden Plat engineering permits. This is an option that is supported by Toll Brothers and, we believe, City Staff and the City Attorney.

X. Executive Session: None

XI. Adjournment:

It was moved and seconded (Ockerlander-Nixon) to adjourn the meeting. The meeting adjourned at 8:44 P.M.

Signed _____
Will Ibershof, Mayor

Attest _____
Jodi Wycoff, City Clerk