

**Snohomish City Council Minutes  
July 5, 2022**

1. **CALL TO ORDER:** Mayor Redmon called the Snohomish City Council Meeting to order at 6:00 p.m., Tuesday, July 5, 2022. The meeting was held in hybrid format with in-person attendance at the Snohomish Carnegie, 105 Cedar Avenue, Snohomish, and remote online access via Zoom.

**COUNCILMEMBERS/MAYOR PRESENT**

David Flynn  
Karen Guzak  
Judith Kuleta  
Tom Merrill  
Felix Neals  
Donna Ray  
Linda Redmon, Mayor

**COUNCILMEMBERS ABSENT**

Lea Anne Burke

**STAFF PRESENT**

Brooke Eidem, Planner (*remote*)  
Nova Heaton, Public Works Director (*remote*)  
Shari Ireton, Director of Community  
Engagement & Strategic Initiatives  
Scott James, Finance Director  
Yosh Monzaki, City Engineer (*remote*)  
Rob Palmer, Police Chief  
Glen Pickus, Planning Director  
Andy Sics, Senior Utilities Engineer (*remote*)  
Heather Thomas, City Administrator (*remote*)  
Nikki Thompson, City Attorney  
Brandi Whitson, City Clerk

**MOTION** by Neals, second by Merrill to excuse Councilmember Burke. Motion passed unanimously (6-0).

2. **APPROVE AGENDA** contents and order.

**MOTION** by Guzak, second by Merrill to approve the agenda as presented. Motion passed unanimously (6-0).

3. **CONSENT ITEMS:**

- a. AMEND SMC 15.05.060, Utility Billing - ADOPT Ordinance 2450
- b. AUTHORIZE Mayor to Execute Special Event Contract for the 2022 Kla Ha Ya Days Festival Beer Garden
- c. APPROVE minutes of the June 21, 2022 special and regular meetings
- d. AUTHORIZE payment of claim warrants #77082-77125, 77134-77146 in the amount of \$144,823.97, and payroll warrants #76966-76971, 77126-77133 in the amount of \$507,415.71, issued since the last regular meeting.

**MOTION** by Merrill, second by Guzak to PASS the Consent Items. Motion passed unanimously (6-0).

4. **PUBLIC COMMENTS:**

**Pastor Nigel Taber-Hamilton**, on behalf of community faith leaders, read a letter supporting the Pride Month Proclamation.

**Bonnie Headley** thanked Council for their decision to retain trees by the gazebo, and suggested the City contract with an arborist.

5. **PUBLIC HEARING:** ADOPT Six Year TIP - PASS Resolution 1434

- a. Announce purpose and open public hearing. Mayor Redmon opened the public hearing and introduced Mr. Sics.
- b. Staff presentation. Mr. Sics provided a brief background of the Transportation Improvement Program for 2023-2028, indicating no changes from the 2022-2027 plan adopted last year.
- c. Council's questions of staff.

Councilmember Guzak inquired on changes made to the list potentially due to prioritization, input, or funding opportunities. Mr. Sics responded the largest factor of change was when projects were completed and removed from the list, other projects rose in priority.

- d. Public testimony. Mayor Redmon opened public testimony.

There was no public testimony.

- e. Close public testimony. Mayor Redmon closed public testimony.
- f. Council deliberation. None.
- g. Close public hearing. Mayor Redmon closed the public hearing.
- h. Council motion and action - **PASS** Resolution 1434.

**MOTION** by Merrill, second by Guzak to PASS Resolution 1434, approving the Six-Year Transportation Improvement Program for the years 2023 to 2028 as established, and DIRECT the Mayor to take the necessary actions to file the approved program with the State Secretary of Transportation and required agencies. Motion passed unanimously (6-0).

5. **PUBLIC HEARING:**

- a. Announce purpose and open public hearing. Mayor Redmon opened the public hearing and introduced Mr. Pickus.
- b. Staff presentation. Mr. Pickus provided background of the Multi-family Property Tax Program and outlined the proposals covered by Ordinance 2442:
  - Amend SMC 3.50.030, to add a definition for “very-low income household”.
  - Amend SMC 3.50.050, to add the Midtown District as a residential targeted area.
  - Amend SMC 3.50.060, to change the requirements to qualify for an exemption as follows:
    - Amend Subsection (B)(1) to require at least 10% of the new units be affordable to low-income households in order to qualify for the 8-year exemption.

- Amend Subsection (B)(2), to require at least 25% of the new units be affordable to low-income households or at least 10% of the new units be affordable to low-income households and at least 10% of the new units be affordable to very-low income households in order to qualify for the 12-year exemption.
- Add a new Subsection (B)(3), to require the mix of affordable units be the same as or similar to the overall mix of units in the structure in order to qualify for both exemptions.
- Change the title of the chapter to “Multi-family Housing Temporary Property Tax Exemption” and throughout the chapter amend references to the exemption by adding “temporary” to the label.

Mr. Pickus clarified the program was voluntary, and explained possible fiscal impacts, though it was difficult to provide exact numbers. The tax levy was an amount of money to collect, and established by the County Assessor on how to reach that amount. Exemptions would not affect how much was collected in total, and would apply to new construction. The County recalculated the levy rate based on the dollar amount to collect, and was set every year based on the total assessed valuation for the City. New construction without the exemption would be fully taxed; if the exemption was in place, then no tax would be collected for the residential portion of the development--taxes would still be collected on the commercial aspect as well as the land. Typically, total assessed valuation would increase as improvements were made, which could offset the lack of taxes collected for the residential portion if an exemption was in place for that development.

Overall, exempting a certain amount of valuation would be spread out over the 4,405 tax parcels in the City (a number received from the County Assessor as of last Friday). For instance, with the City’s total assessment of roughly \$2 billion, a hypothetical exemption of about \$2 million would be a shift of about \$20,950 per year. That amount spread evenly over the 4,405 tax parcels would mean an increase of just over \$4 per parcel per year; however, that figure was not accurate as the valuation of each parcel differed. Using the average residential valuation, approximately \$2.08 would be added to the average homeowner’s annual tax. The County Assessor reviews the overall assessment each year, so that amount could change based on the amount of new construction and property valuations, making it difficult to determine figures.

c. Council’s questions of staff.

Councilmember Neals inquired if the Midtown Task Force was asked to consider the exemption. Mr. Pickus responded they were not. The Task Force was asked to review Midtown policy at a higher level, while the Planning Commission would review the potential use of the exemptions.

Councilmember Kuleta inquired on how long exemptions have been in place, and if there was any data to see affects caused on cities that have used it. Mr. Pickus responded the exemption has been around since the 1990s, and referred to the State Department of Commerce’s annual report for available data.

Councilmember Flynn inquired on exemption use in Snohomish. Mr. Pickus explained the exemption was approved for use in the Pilchuck District in 2019, and has so far created seven dwelling units utilizing the eight-year exemption, so were not affordable. He clarified changes to the code could be made to require certain percentage of

affordable units to qualify for the eight-year exemption. Councilmember Flynn inquired about tracking affordable units. Mr. Pickus responded reporting requirements for the developer were included in the code, the results of which staff would share with Council and the State Department of Commerce.

Councilmember Ray clarified the exemption could help incentivize multifamily development in Midtown, not just affordable housing. She asked if the code could be reevaluated if multifamily housing was needed rather than incentivized. Mr. Pickus referred to previous staff presentations on inclusionary zoning, which would require certain development. This was not recommended, as it could drive developers away, but as development progressed in Midtown, the idea could be revisited.

Council President Merrill stated it appeared most cases utilized the eight year exemption, and seemed to be used to defray costs and not provide housing stock. Mr. Pickus explained the RCW was to spur development of multifamily housing.

- d. Public testimony. Mayor Redmon opened public testimony:

*Those who provided testimony in favor of adopting the ordinance:*

**Jan Lengenfelder, Randy Blair, Terry Lippincott**

*Those who provided testimony against adopting the ordinance:*

**Morgan Davis, Susan Bjorling, Merritt Weese, M. Richardson, Kelly Marks, Hank Eskridge, Casey McLaughlin, Mitch Cornelison**

- e. Close public testimony. Mayor Redmon closed public testimony.

- f. Council deliberation.

Councilmember Guzak requested Mr. Pickus address Mr. Davis's assertions the exemption would cost the average homeowner over \$1,400 per year in additional taxes. Mr. Pickus explained he did not know from where Mr. Davis received his information, but even so, his calculations were incorrect because he did not use the total assessed valuation. Additionally, the County shop yard would not accommodate the number of dwelling units Mr. Davis claimed, because the parking requirements alone would not allow for that many. Even using Mr. Davis's numbers, but with the correct methodology, the tax shift would only be an average of \$3.32 per year, not \$1,400.

Councilmember Ray commented on the amount of confusion expressed, and considered delaying the decision. She suggested inviting someone from the County Assessor's Office to attend a meeting to address these questions. She also considered a worst case scenario for Midtown--for any developable land, not just the County yard--to obtain a better understanding of how much development was possible and the cost should the exemption be utilized for all development, however unlikely that was. She also questioned the goal of increasing the City's tax base, and that increasing affordable housing may only be achieved if it was required in the code.

Councilmember Neals remarked on hearing concerns regarding exemptions with no guarantee on the outcome. Increasing housing stock did not mean providing affordable options, and he questioned if the tax exemption was the only option or if there were other ways to address affordability.

Councilmember Kuleta stated she spent a lot of time reviewing the topic, and could see both pros and cons, but was not necessarily ready to move forward. She agreed with Councilmember Neals on distinctions of affordability and the “missing middle” not always meaning the same thing. She felt there should be clear intent with Midtown and other places in the community to find the best fit.

Councilmember Flynn supported Councilmember Ray’s suggestion to invite the County Assessor to address the figures and amounts being discussed. He did not feel there was a need to move forward quickly, as Midtown was a desirable place and developers will build multifamily. The question was how to incentivize affordability in the right way to sustain affordability.

Council President Merrill pondered what the City was trying to accomplish, and was not concerned about the County receiving top dollar for its property or trying to solve the housing issues for the entire County. He acknowledged a housing shortage impacted who could afford to live in Snohomish. He spoke to providing an economic center, and questioned what developers would build in Midtown and at what price point. He did not want to incentivize developers, and felt more conversation was needed on the topic. He wanted to make sure people understood the financial impact, and while he had confidence in Mr. Pickus’s presentation, he felt having the County Assessor address concerns would be beneficial to help provide public education.

**MOTION** by Merrill, second by Flynn to close the public hearing for tonight, and convene a new public hearing in September to provide additional time for deliberation and outreach.

Mr. Pickus clarified Council President Merrill’s intent of taking no action at all or remove that portion of the ordinance designating Midtown as a target area. Council President Merrill replied no action, invite the County Assessor, and provide more time for public outreach on the topic. Councilmember Ray supported waiting to take any action, and Councilmember Kuleta inquired on different ways forward. Mr. Pickus reminded Council of previous staff presentations on tools that could be used. Subsidized housing was another possibility, but would involve a very different discussion.

Councilmember Guzak appreciated Council sentiments, but was prepared to take action. She felt the tax exemption was the best way to support housing affordability and inspire development of the “missing middle.” She would support Council’s decision, but would vote against the motion.

Council President Merrill was prepared to vote, but heard questions and good suggestions tonight, especially related to increased public outreach. He also felt more discussion was needed to define affordability, determine what to target, and increasing housing stock so that even if price points increased after an eight-year exemption there would be more stock to potentially compensate for it.

Councilmember Neals remarked on taking time to answer questions raised, as well as discussing affordability and price points associated with different square footage options.

Councilmembers Ray and Flynn commented on providing more time for public outreach and understanding before moving forward. Ms. Ireton expressed challenges with

outreach including dense material and limited communication tools. Staff was reviewing other communication options.

Councilmember Guzak thanked Council for their considerations, but suggested postponement would allow for more misinformation to spread. Councilmembers were leaders and have to take the lead, and felt the information provided was simple and would help the City accomplish more mixed use, affordability, tax base and commercial endeavors.

**MOTION** by Neals, second by Merrill, to amend the motion to remove time definite reference to September, and instead decide on a hearing date at a future time. Motion to amend passed (5-1); Councilmembers Kuleta, Ray, Neals, Merrill and Flynn voting in favor; Councilmember Guzak voting against.

**VOTE ON AMENDED MOTION:** Motion passed (5-1); Councilmembers Kuleta, Ray, Neals, Merrill and Flynn voting in favor; Councilmember Guzak voting against.

Mr. Pickus stated he would contact the County Assessor and schedule a Council agenda Discussion Item for as soon as they would be available. In the meantime, he would work with staff on scheduling the next public hearing and developing outreach opportunities.

- g. Close public hearing. Mayor Redmon closed the public hearing.
- h. Council motion and action - ADOPT Ordinance 2442. No action taken on Ordinance 2442.

## 7. ACTION ITEMS:

- a. AMEND SMC Chapter 14.15 to Establish a Rezone Process - ADOPT Ordinance 2443

Mr. Pickus provided background of the proposals and discussed Planning Commission recommendations. Adopting the ordinance would codify a rezone procedure independent of the Comprehensive Plan amendment process, and outlined guidelines for rezone considerations.

Council President Merrill asked if the amendments added overhead to the process. Mr. Pickus replied the amendments would likely decrease overhead by saving time and simplifying the rezone process.

### Public Comment:

A member of the audience suggested lack of comment due to the meeting being held the day after a holiday.

### Public Comment Closed.

**MOTION** by Guzak, second by Neals to ADOPT Ordinance 2443 amending Chapter 14.15 SMC in order to establish a rezoning process as recommended by the Planning Commission. Motion passed unanimously 6-0.

b. AMEND Title 14 SMC Related to Fee Simple Unit Lot Subdivisions - ADOPT Ordinance 2444

Mr. Pickus provided background of the proposals and Planning Commission recommendations. Amendments were to clarify when Fee Simple Unit Lot Subdivisions could be used, and renaming "condominium" to "detached dwelling." One significant change was establishing a minimum lot size requirement for detached dwelling developments at 3,500 sq. ft.

Councilmember Guzak clarified 4,000 or 3,500 sq. ft. Mr. Pickus responded staff originally proposed 4,000, but the Planning Commission recommended 3,500.

Councilmember Flynn questioned if parking requirements would change. Mr. Pickus advised they would not.

Public Comment: None

Public Comment Closed.

**MOTION** by Neals second by Kuleta to ADOPT Ordinance 2444 to amend the fee simple unit lot subdivision regulations in SMC Sections 14.210.215, 14.215.125, and 14.25.050 as recommended by the Planning Commission. Motion passed unanimously (6-0).

8. **DISCUSSION ITEM:** ARPA Allocations

Ms. Thomas provided the staff report and requested feedback from Council on reallocations. She explained with the final rule and experiences, there was more clarity in terms of use of funds. Staff proposed amendments, and expected to bring final action to Council in August. She shared some of the changes in allocations, such as including non-profits to Account A Business Support.

Council President Merrill inquired if payment assistance extended to mortgages for property owners impacted by tenants unable to pay rent. Mr. James responded assistance provided towards mortgages were often returned by banks because they did not cover the balance. The assistance was for residents.

Councilmember Neals inquired how the community navigator position responsibilities would be integrated. Mr. James explained ARPA Specialist Sue Badgley was currently reviewing funds, but other staff has also been involved, such as utility billing personnel. Ms. Ireton has also been assisting to connect residents with resources. As community needs were identified, staff tried different approaches and found shifting responsibilities to the Community Navigator position the best way to help reach and connect those in need. Ms. Ireton added one reason for prolonged hiring of the positions was to ensure deliberation of skills and connect with other staff and departments that will be working closely with that position. Ms. Thomas remarked another reason for shifting responsibilities was that many agencies received funding from other channels, so less support was needed from the City. Staff continued to investigate other opportunities and best use of funds, such as providing pass-through grants to help develop services, and perhaps blending funds now available through the housing sales tax and the One Washington opioid settlement.

Council President Merrill questioned moving to a different funding source as funds were used. Ms. Thomas acknowledged the possibility of a minor shift, but staff continued to work on actual amounts as directions are determined.

Councilmember Guzak supported raising the household amount from \$1,000 to \$2,500 using 60% AMI. Council concurred.

Councilmember Ray commended staff for recognizing the details and community needs, and for making sure the money was targeted for the best use possible.

Public Comment: None.

Public Comment Closed.

**9. OTHER BUSINESS/INFORMATION ITEMS:** None.

**10. COUNCILMEMBER COMMENTS/LIAISON REPORTS:**

Councilmember Guzak reported sharing with Council the consultant's report from 2005 on a master plan for historic downtown, stating it could be a good starting point for conversations next year. The Garden Tour was successful, with over 250 attendees. She expressed appreciation to Ms. Thompson for hosting a retirement party for former City Attorney, Grant Weed, and suggested the City Council write a letter thanking him for his service.

Councilmember Flynn commented on the pickleball tournament at the Senior Center, stating it sparked wonderful conversations on sports and tourism in the area. He met with Ms. Ireton on economic development, and Councilmember Kuleta on the upcoming Artwalk.

Councilmember Kuleta appreciated the faith community's letter read earlier. She shared that Snohomish High School graduates were recently awarded the National Education Association's Martin Luther King, Jr. Memorial Award for their documentary "What Happened on First Street."

Councilmember Ray reminded all of the upcoming National Night Out, organized this year at Averill Field by the Lions Club. The Public Safety Commission would have a booth at the event.

**11. COUNCIL PRESIDENT'S ITEMS/REPORTS:** Council President Merrill thanked the faith community for their letter. He reminded Council to submit their goals to him, and reported meeting with the Kiwanis on that topic, but the conversation turned to the multifamily tax exemption, indicating the topic was on peoples' minds.

**12. CITY ADMINISTRATOR'S COMMENTS:** Ms. Thomas shared the following:

- City staff met with the Snohomish Conservation District regarding replanting at Pilchuck Julia Landing this fall.
- City crews continued to work on the landscaping at the roundabout, but vandalism and excessive garbage at the City parks were taking much of their time instead.
- Appreciation to the City Streets team's hard work to finish striping downtown.
- ARPA Specialist Sue Badgley was selected as the new Senior Accountant, interviews were scheduled for the term-limited Administrative Assistant position, and applications were being reviewed for maintenance staff and the economic development positions.

13. **MAYOR'S COMMENTS:** Mayor Redmon commended the City's Wastewater Treatment Plant staff for receiving a 2021 award for outstanding performance, as awarded by the State Department of Ecology. She volunteered to be in a dunk tank at the Kla Ha Ya Days festival, and the Youth Council will sponsor an ice cream eating contest.

14. **RECESS to EXECUTIVE SESSION** to DISCUSS Potential Litigation, pursuant to RCW 42.30.110(1)(i), and Potential Real Estate Acquisition, pursuant to RCW 42.30.110(1)(b) or the Minimum Price to be Offered for Real Estate, under 42.30.110(1)(c), with potential action to follow.

At 8:31 p.m., **MOTION** by Neals, second by Flynn to extend the meeting to 9:30 p.m. Motion passed unanimously (6-0).

At 8:31 p.m., Mayor Redmon called for recess until 8:37 p.m. at which time, the Council recessed to Executive Session until 9:00 p.m.

At 9:00 p.m., Ms. Park advised the Executive Session would be extended until 9:15 p.m.

At 9:15 p.m., Ms. Park advised the Executive Session would be extended until 9:20 p.m., to accommodate Council's and staff's return to Council Chambers. No action to be taken.

15. **RECONVENE and ADJOURN.** There being no objection, the meeting adjourned at 9:18 p.m.

APPROVED this 19th day of July, 2022.

CITY OF SNOHOMISH

ATTEST:

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Linda Redmon, Mayor

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Brandi Whitson, City Clerk