



CITY COUNCIL MEETING MINUTES

Vancouver City Hall | Council Chambers | 415 W. 6th St.
PO Box 1995 | Vancouver, WA 98668-1995
www.cityofvancouver.us

Anne McEnergy-Ogle, Mayor

Bart Hansen · Bill Turlay · Ty Stober · Linda Glover · Laurie Lebowsky · Erik Paulsen

October 21, 2019

WORKSHOPS

Vancouver City Hall - 415 W 6th Street, Vancouver WA

Councilmember Hansen was absent from workshops.

4:00-4:30 p.m. Public Art Program Update

Presenter: Jeanette (Jan) Bader, Program and Policy Development Manager, 487-8606

Summary

Staff provided Council with an update on the Public Art Program.

4:30-5:15 p.m. SR-501 Couplet Project Update: I-5 to Port of Vancouver

Presenters: Ryan Lopossa, Streets & Transportation Manager, 487-7706

Summary

Staff provided Council with an overview of the Washington State Department of Transportation (WSDOT) SR-501 project and proposed improvements to the Mill Plain/15th Street couplet from the Port of Vancouver to I-5.

Councilmember Lebowsky recused herself from the discussion as she is employed by WSDOT.

5:15-6:00 p.m. Executive Session re: Pending Litigation

Mayor McEnerny-Ogle announced the Council would be entering into executive session for 45 minutes to discuss pending litigation.

COUNCIL DINNER/ADMINISTRATIVE UPDATES (6 PM)

COUNCIL REGULAR MEETING

Pledge of Allegiance

Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 6:30 p.m. by Mayor McEnerny-Ogle in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Councilmembers Paulsen, Lebowsky, Glover, Stober, Turlay, Mayor McEnerny-Ogle

Absent: Councilmember Hansen

Motion by Councilmember Paulsen, seconded by Councilmember Turlay, and carried unanimously to excuse Councilmember Hansen.

Approval of Minutes

Minutes - October 7, 2019

Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried unanimously to approve the meeting minutes of October 7, 2019.

Proclamation: National Disability Employment Month

Mayor McEnerny-Ogle read and presented a proclamation to Kristin Wade, Clark County Developmental Disabilities Program Coordinator, proclaiming October as National Disability Employment Awareness Month.

Citizen Communication (Items 1-3)

Mayor McEnerny-Ogle opened Citizen Communication and, receiving no testimony, closed Citizen Communication.

Consent Agenda (Items 1-3)

Mayor McEnerny-Ogle pulled Item 1 at the request of staff to make a correction to the action requested.

Frank Dick, Wastewater Engineering and Supervisor, explained to Council that the amount of the contract being requested for approval as written in the staff report and on the Council's agenda was inaccurate, as it did not include Washington State sales tax as indicated in the documentation. He stated the item should be amended to indicate the total contract price is \$481,810.00, including the sales tax.

Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to approve the Consent Agenda, including the correction to Item 1 as explained by staff.

1. Purchase of Turbine-Style Aeration Blowers for Wastewater Treatment - Sole Source

Staff Report 143-19

Summary

Current and increasing wastewater treatment demands often require more than one blower to provide aeration air to treatment processes. The current configuration with a turbo blower paired with an older centrifugal blower presents process control challenges in delivering aeration air to treatment processes.

The new turbo blowers will allow for streamlined operation to provide air supply when operating with multiple turbo blowers.

The turbo blowers at Westside and Marine Park have proven effective in their nearly 10-year continuous operation, with no major maintenance or repair required.

Request: Authorize the City Manager or his designee to award and execute a contract and any required amendments with APG Neuros for two turbine-style blowers at their proposal total price of \$481,810.00, which includes Washington State sales tax.

Frank Dick, Wastewater Engineering Supervisor, 487-7179

Motion approved the request.

2. Third Amendment to Lease Agreement, Bethesda Church NW

Staff Report 144-19

Summary

Bethesda is currently renting space in the Town Plaza, located at 5411 East Mill Plain Blvd. The City purchased the Town Plaza and assumed

Bethesda's Lease Agreement on June 28, 2017. The lease has a termination date of December 31, 2019.

Bethesda is aware of the City's plans to redevelop the Town Plaza property and actively searched for a new location for its non-profit business. It has found a new location and will be moving into the new space, and wishes to end the Lease Agreement, effective October 31, 2019. In light of the City's future plans to redevelop the Town Plaza property, as well as the costs associated with maintaining the current buildings, the City has an interest in early termination of lease agreements and assisting tenants with relocation. City staff would like to amend the lease term by executing the Third Amendment to Lease Agreement, setting lease termination at midnight on October 31, 2019.

Request: Authorize the City Manager or his designee to execute the Third Amendment to Lease Agreement between City of Vancouver and Bethesda Church NW.

Linda Carlson, Property Management Specialist, 487-8423

Motion approved the request.

3. Approval of Claim Vouchers

Request: Approve claim vouchers for October 21, 2019.

Copy available upon request.

Motion approved claim vouchers for October 21, 2019, in the amount of \$9,066,098.29.

Public Hearings (Items 4-5)

4. Block 10 Disposition and Development Agreement

Staff Report 145-19

A RESOLUTION relating to the approval of a disposition and development agreement pursuant to RCW Chapter 36.70B; establishing various development regulations under which the Block 10 development shall be vested; and authorizing the City Manager to execute a disposition and

development agreement.

Summary

Block 10 is a 41,681 square foot vacant City-owned block located east of Columbia Street and north of 8th Street in downtown Vancouver, zoned CX, City Center.

In the early 1990s, the City of Vancouver purchased five full city blocks on the north, northeast, and east sides of Esther Short Park from the Lucky Lager Brewery Company, which had vacated the property several years before. This purchase and subsequent planning efforts through the Esther Short Redevelopment Plan of 1998 spurred the dramatic improvements to the park itself and redevelopment of a number of properties in the vicinity of Esther Short Park, the oldest known public park in the Pacific Northwest. Block 10, which refers to its designation among the original thirty blocks included in the Esther Short Plan, is the last remaining vacant block of the former brewery blocks. The block was vacant and without any structures when the City purchased it in the early 1990s.

For years the City has held the block "in reserve" so as to not compete with other redevelopment efforts such as the Waterfront. An analysis from The Leland Group, consultants to the City, in 2015 indicated that with the Waterfront construction underway, the City should not try and "time the market," but instead should advertise the property for redevelopment.

In May of 2016, the City issued a Request for Proposals (RFP) and received three responses. Gramor Development was selected based on their proposed mixed use project including a grocery store, and negotiations between City staff and Gramor ensued. However, after more than two years of discussions of a possible disposition and development agreement (DDA) without reaching agreement on the terms, the City Council terminated negotiations with Gramor in May of 2019.

In May of 2019, City Council, in response to a proposal from The Holland Partner Group for a large mixed use project on Block 10 which would utilize the newly created Opportunity Zone incentives, provided direction to staff to commence negotiations with The Holland Partner Group with the intent to construct a large mixed-use project on Block 10.

The proposed development is described as follows:

- 80,000 square foot, four-story office building above a two-story parking deck, with 40,000 square feet to be occupied by Holland for their corporate headquarters*
- 105-110 apartments in a five-story building over the same two-story parking deck*
- 110 parking stalls on portions of two floors with driveway access from 8th Street on the south and 9th Street on the north.*

- *12,500 square feet of active retail uses are proposed along portions of Columbia, 8th, and Washington Streets, with particular emphasis on the corners.*
- *A courtyard above the second floor would be usable by tenants (floors above the parking deck are in the shape of a "U" with the opening to the south). See attached architectural renderings at Exhibit 4.*

Substantive elements negotiated by City staff included in the draft DDA are as follows:

- *Holland commits to relocating its headquarters to the new building once completed.*
- *Construction is anticipated to commence no later than March 2020, but in no case later than May 2020.*
- *Disposition of the property will be through a ground lease of 60 years with a single extension of 39 years, with an option to purchase at the end of the 60th and 80th years, or at the end of the extension term if exercised.*
- *Target for execution of the ground lease is no later than December 31, 2019, in order to maximize the benefit to the project from the City's Opportunity Zone incentives.*
- *Building will encroach 5 feet over the sidewalk above the first floor up to the full height of the building (approximately 80 feet) on all four sides of the property, if City Council approves an amendment to VMC 20.630.020 "Building Lines" through a separate ordinance. This amendment was considered and deliberated by the Planning Commission on October 8, 2019. The six commission members in attendance on were equally divided on whether to recommend approval of the proposed amendment and could not obtain a majority vote for or against. (The full transcript and meeting minutes will be available for Council's review and consideration.) .*
- *20% of the residential units would be rented at no greater than 100% of Area Median Income (AMI) to utilize the City's 8-Year Multi-Family Tax Exemption program, through a separate agreement to be considered by Council in the coming weeks.*
- *Holland requests an extension of their Option to Purchase the City's Vancouvercenter Parking Garage (located on the block to the south of the project) by three years (to December 2022), by separately amending the Vancouvercenter Disposition and Development Agreement.*
- *Holland is also requesting that they be allowed to operate the garage during the three-year period to maximize its use to the greatest extent through shared use by residential and office tenants, which have different peak periods of demand, in order to accommodate approximately 200 additional vehicles for tenants of Block 10, and through a separate agreement.*

Substantive elements negotiated by City staff which will be in a forthcoming

lease agreement (to be approved separately by City Council) are as follows:

- *Ground lease will be an absolute triple net lease as follows:*
 - *\$2,500 per month until completion of the project or 36 months after execution of the lease, whichever is first;*
 - *\$5,500 per month from 37 months to 48 months;*
 - *\$11,100 per month from 49 months to the start of the 11th lease year (based on 4% cap rate applied to \$3.33 million appraised value;*
 - *In the 11th lease year, rent shall increase to \$13,875 per month;*
 - *An annual adjustment based on the Consumer Price Index for all Urban Consumers (CPI-U) will apply beyond year 10 subject to an annual ceiling of 3%.*

Separate approvals that will be needed in order for the project to move forward include:

- 1. approval of the ground lease (City Council);*
- 2. approval of an amendment to the Vancouvercenter DDA to extend Holland's Option to Purchase the parking garage by three years (City Council);*
- 3. approval of an amendment to VMC 20.630.020 (City Council);*
- 4. approval of an agreement regarding the application of the 8-Year Multi-Family Tax Exemption option to the project (City Council);*
- 5. approval of a master operating agreement for the Vancouvercenter garage (City Council), or license of approximately 200 unreserved parking spaces in said garage (Parking Manager); and*
- 6. approval of the land use/design review, engineering and building permits (City staff).*

Request: On Monday, October 21, 2019, subject to public hearing, adopt a resolution approving the Disposition and Development Agreement with Holland Partner Group for Block 10.

Chad Eiken, Community and Economic Development Director, 487-7882

Chad Eiken, Community and Economic Development Director, and Brenner Daniels, representing the Holland Partner Group, provided Council with an overview of the Block 10 proposal, including key elements of the DDA, all future actions necessary to fulfill the DDA, and an overview of the draft project design.

Mr. Daniels stated the Holland Partner Group is excited about the project and the opportunity to contribute to downtown development.

Council spoke at length regarding the proposed design of the development.

Councilmember Stober noted it is good to have some diversity to building design being added to downtown, but stated Council needs to continue to discuss and consider a downtown parking strategy generally for the downtown area.

Councilmember Paulsen noted that Council is acting just on the DDA at this meeting, and would be taking action on additional items related to the Block 10 development on November 18. But because he is scheduled to be absent at that meeting, he wanted to make some comments regarding the action related to amending the zoning code related to building overhang into the right-of-way. He stated he had reviewed the Planning Commission discussion on this issue and noted the commissioners' primary concern is the potential of changing the code, which would apply to all development downtown. But he noted that staff will be working on updating the Vancouver City Center Vision (VCCV) plan next year, which would likely address this very issue and provide a more permanent remedy to that concern. He stated he would like feedback from staff in advance of the November 18 hearing on this zone change to inform the Council on a likely timeline for that plan update so there will be as narrow a window as possible before the matter is permanently addressed.

Councilmember Lebowsky asked for clarification on what Holland's role would be in managing the Vancouvercenter parking garage. Mr. Eiken explained the City owns a majority of the spaces in the garage, and Holland has the option to purchase the entire garage, the prices for which are spelled out in the DA for Vancouvercenter. He stated that DA will expire on December 31, 2019, and staff is proposing to extend that option to allow some more time for Holland to determine how the garage could be operated most efficiently in order to take advantage of their option to purchase it.

Councilmember Lebowsky stated she is happy to hear circulation will be opened up on 9th Street. She stated she is comfortable with the design of this specific site related to the building overhang issue.

Mayor McEnerny-Ogle opened the public hearing and received the following testimony:

- Glen Yung, Vancouver, stated he is pleased Holland will have a presence downtown, but he echoed the concerns of the Planning Commission regarding amendments to the zoning code to address the needs of one specific project.
- Jack Harroun, Vancouver Planning Commission, stated he is neutral on the Block 10 development, but expressed concerns about amending the zoning code, as there is the potential for the particular design to be repeated in other locations downtown. He stated the current code does need to be amended, but he has concerns about amending the ordinance for this project. He stated he would be in favor of a spot ordinance outlining the specific parameters for this particular project to move forward

There being no further testimony, Mayor McEnerny-Ogle closed the public hearing.

Mayor McEnerny-Ogle asked staff if a spot ordinance or code waiver is an option for one development. Mr. Eiken explained that the City cannot use a development agreement to change a development standard that is written in code. A DA can be used for such things as vesting for longer periods of time, and other similar concerns, but if it is something written into an ordinance, that ordinance would need to be changed. And once a development standard is changed via ordinance, it is written into code and applies to all other projects. He stated there might be a way to craft that ordinance so it applies in certain situations so that development standard can be limited to only projects that meet the specific criteria.

Councilmember Turley asked if a variance would be a possibility. Mr. Eiken stated variances are used to modify certain zoning restrictions, such as setbacks, that meet hardship criteria. But this project does not meet those qualifications.

Councilmember Stober suggested that the ordinance require a development agreement be approved for projects that seek certain design standards related to the building overhang so these projects would be evaluated on a case-by-case basis. He also asked whether the developers will be working with Clark Public Utilities to include electric vehicle infrastructure in the parking structure of the building. Mr. Daniels stated there would be electric vehicle stations included.

Councilmember Paulsen stated that he envisions amendments to the zoning code that would ultimately include different development scenarios, each of which would have different development standards associated with them. For example, coupling certain design standards with a required development agreement, as had been suggested.

Councilmember Lebowsky agreed, and stated the Council had discussed previously allowing such a zone change only when the project is subject to a development agreement. She suggested, as staff moves forward with the VCCV update, to consider looking at form-based code to allow for design flexibility downtown.

Councilmember Glover noted that downtown has changed a lot since the VCCV was first adopted, and it is time for the City to take a look at it again before it expires and make clarifications as to what kind of buildings should be included in the future of downtown.

Motion by Councilmember Paulsen, seconded by Councilmember Lebowsky, and carried unanimously to adopt Resolution M-4039 approving the request.

5. Declaration of Real Property as Surplus - Waterfront Parcel

Staff Report 146-19

A RESOLUTION of the City of Vancouver declaring certain real property as surplus, directing its disposal and method of disposition.

On October 19, 2009, the City of Vancouver and Columbia Waterfront LLC (CWLLC) entered into a development agreement regarding the future development of the Vancouver Waterfront, approved by Council under Resolution No. M-3700. Section 3.2.2 of the agreement (page 6) contains a commitment by the City of Vancouver to surplus an approximately 36,327 square foot remnant parcel located adjacent to and south of the BNSF railroad berm to CWLLC, in exchange for CWLLC constructing public streets and dedicating their property for such streets throughout the Waterfront project area.

CWLLC has completed all public improvements required in order for the surplus of this property to be executed, and such improvements have been inspected and accepted by the City. CWLLC has advised the City that they intend to transfer the land to the Port of Vancouver in order to facilitate the Port's master plan development.

Pursuant to the requirement of the D.A., an appraisal was completed for the City-owned property, by an MAI appraiser, and the public rights-of-way dedicated to the City by CWLLC have also been appraised. The property dedicated by CWLLC to the City for public rights-of-way has been estimated at 6.65 acres total and valued at \$12.17 million. The parcel to be surplus by the City is 36,327 square feet and is valued at \$510,000. Both appraisals have been accepted by the City and CWLLC.

CWLLC has met the conditions required prior to surplus and disposition of this property. A separate hearing is scheduled for November 4, 2019, to transfer the property to CWLLC per the adopted Development Agreement.

Request: On October 21, 2019, following a public hearing, adopt a resolution approving certain real property located north of SE Columbia Way immediately west of Columbia Street (Assessor parcels 48840000 and 48850000) as surplus.

*Chad Eiken, Community and Economic Development
Director, 487-7882*

Mr. Eiken provided an overview of the proposed surplus property and the background of the parcel as it relates to the Waterfront development project.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Paulsen, seconded by Councilmember Glover, and carried unanimously to adopt Resolution M-4040 approving the request.

Communications

A. From the Council

Councilmember Glover introduced the new president and CEO of The Historic Trust, David Pearson.

B. From the Mayor

Mayor McEnerny-Ogle stated there had been an op ed in the Columbian over the weekend advocating for a particular action from the Council regarding the Stronger Vancouver initiative. She noted the Stronger Vancouver initiative has been ongoing for more than two years, and the City Council was presented with a recommendation from the Executive Sponsors Council in April of this year. Since then the Council has been doing an in-depth review of the recommendation. She stated the Council is moving toward a decision, but the Council will remain open and engaged with the community and with each other as the discussion continues over at least another four meetings, which will include at least two public hearings, before the Council makes any final decisions. She stated the Council is still in the middle of the process of reviewing and discussing all of the options.

C. From the City Manager

Adjournment

7:31 p.m.

DocuSigned by:

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Anne McEnerny-Ogle, Mayor

Attest:

DocuSigned by:

BCF0734E40E94AE...
Natasha Ramras, City Clerk

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