

CALL TO ORDER

Mayor Paul Helenberg called the April 21, 2014 special meeting of the Castle Rock City Council to order at 6:15 p.m., followed by the Pledge of Allegiance. The following councilmembers were present: Ray Teter, Lee Kessler, Earl Queen, and Ellen Rose. Councilmember Davis was absent.

Staff attending: Clerk-Treasurer Ryana Covington, Librarian Vicki Selander, and Planner T.J. Keiran (arrived at 6:41 p.m.).

Mayor Helenberg stated the purpose of the special meeting was to discuss the following two issues:

- 1) Review current fees associated with land use issues as compared to actual costs for those services. Discussion will include a regional comparison for similar fees. Staff is seeking council direction relating to amendment of the current adopted fees for land use issues.
- 2) Review of options available to financially support library services. Some options considered for discussion will include comparisons between an excess levy and library use taxing districts. Castle Rock Library Board has requested city council take action to request voters consider an excess levy in 2014 for collection in 2015.

Councilmember Teter reported on his recommendation to pursue the option of developing a library taxing district. He explained the levels of protection for junior taxing districts. If the district included the entire Castle Rock School District area; an assessment of 12¢/\$1000 would bring in as much as the current excise tax revenue. If the district were to include the area based on the Castle Rock/Toutle school districts; an assessment of 7¢/\$1000 would bring approximately the same revenue.

The boundaries of the proposed district would need to be identified as part of the process for establishing the district; then voters would need to approve formation of a new taxing district. In answer to Councilmember Kessler's question, Teter stated a simple majority of the voters is required.

In answer to Mayor Helenberg's question, Councilmember Teter stated the fire district can tax up to \$1.00/\$1000 valuation; however they are only taxing at 39¢/\$1000. Teter said they still would have a level of taxing protection of 15¢/\$1000 for the medical and 25¢/\$1000 for fire protection.

Councilmember Teter stated it is too late this year to bring this in front of voters. Librarian Vicki Selander stated she has been told that a petition is required to even get the issue on the ballot. Councilmember Teter stated there is a petition requirement, however only 10% of the registered voters in the proposed district would need to sign. He stated this using the Castle Rock School district boundaries (as an example), would require approximately 200 signatures.

Councilmember Kessler suggested using the boundaries of the fire districts, instead of the school district. He noted that Castle Rock School District includes the Vader area and they might not be interested in supporting a library district. Mayor Helenberg and Councilmember Teter agreed this may be a good alternative to look at.

In answer to Councilmember Teter's question, Covington stated December 26th is the last day to file a resolution for the February 2015 Special Election. Covington noted that if there are not any other issues slated for that Special Election, the city would bear the entire cost for the election.

Councilmembers discussed timelines for submitting issues to the voters. Councilmember Teter agreed that 2015 would allow for better timing and preparation.

Representatives from the Library Board and Friends of the Library were present. Mayor Helenberg asked for their comments on forming a library district. Selander stated it was her understanding that a separate board would be required if a library district is formed and it would contact services with the Castle Rock Library. Covington asked if it would be possible to integrate the new service area into the city service area and deed over assets through an interlocal agreement. This is what was done when Fire District 6 incorporated the city into the fire district. Covington stated the city cannot initiate a petition for this purpose. Mayor Helenberg suggested this may be something the Friends of the Library could work on.

Councilmember Teter made a motion, seconded by Rose to approve Resolution No. 2014-05, a resolution to submit to voters the question of whether or not a special excess levy on real property shall be had for the purpose of funding library services during the year 2015, on first reading. By roll call vote, unanimous 'Aye'.

City Planner T.J. Keiran provided councilmembers with the following documents:

- copy of current land use planning fees outlined in Resolution No. 2006-18
- copy of Chapter 16.37.100 Table of required information for short plat, subdivision, boundary adjustment and binding site plan requirements
- chart comparing permit fees and types with Castle Rock, Kalama, Kelso, Longview, Woodland and Cowlitz County

Keiran stated he tries to find an average for permit fees between county-wide entities, but was unable to do so because of the range of fee structures. Keiran stated planning costs are separate from building permit fees. At this time, there are many permit types specified in the city's adopted fee schedule which do not cover the actual costs to process the permit. Another pressing issue is that the city does not have a current fee for processing applications for recreational marijuana development.

Keiran stated the city's current fee schedule sets a base fee and then allows for additional costs to be billed to the applicant to allow the city to recover costs which exceed the base fee. He noted these cost recoveries do not reflect the administrative time for his office to prepare separate documentation for his time for that specific use, nor does it include the city's staff time to track, invoice and collect the additional fees. Covington noted, another problem in billing additional costs to developers is that the base fee is paid at time of application; however there have been several instances when the developer decides to abandon the project and does not pay for those additional staff hours/costs that were billed to them. The city currently does not have a means to pursue collection of those unpaid costs, based on the current municipal code.

Keiran explained that the city clerk's office accepts all of the permits. Then they are reviewed by a development review committee. Members of the development review committee include the public

works director, city clerk, city engineer, city planner, police and fire chiefs, building official and city attorney. Of that list, only three are city employees; the remaining members consist of contracted employees. Of this list, most often permits require review by public works, city planner and city engineer. Keiran stated much of staff's time is spent trying to get the applicant to submit a complete application. He noted that staff has handouts in the clerk's office that are provided to the applicant, but many times staff still must spend time walking them through the application. Covington provided several examples where staff took several hours assisting the applicant to provide the needed information. Keiran stated staff would like council direction on the amount of time to spend interacting with applicants.

Keiran distributed samples of permit application packets with checklists developed by staff for Type 1, Type 2, Type 3, Annexation, Shoreline, and Short Subdivision that the developer can use to assure they have submitted all required information for their project. Keiran stated staff has tried to develop these application packets, as time has allowed. Land use requirements for projects are taken directly from adopted city municipal code, or state law. Keiran stated once an application is submitted, staff is required to 'red-line' items that are missing and then return to the applicant for correction. These staff reviews are what create additional costs to the city, but also slow the project down.

Keiran provided a sample of what is required for review of a conditional use permit. The city's adopted fee for this permit is \$250. He outlined average hours required for the various members of the Development Review Committee to do their processing, which averaged 39 to 56 hours of staff time. In addition, there are costs for legal noticing and for the Hearing Examiner. Keiran estimated the city's actual cost for the total processing and hearing time is actually between \$1,200 and \$1,500. Councilmember Kessler asked why costs are not being paid fully at time of application. Covington stated application fees are paid at time of application, however the majority of those fees are outdated and do not allow the city to recover full expenses. For those permits that allow for additional costs to be charged to the developer, the city must wait until an invoice is received from the contracted services and then submit an invoice to the developer outlining what those costs were. Keiran stated staff recommends that a fee schedule be adopted to incorporate a flat application fee. This would be based on the average true cost for processing each type of application. However this is not easy, since time spent on applications may vary based on if the applicant is a commercial or non-commercial use. Many times permit applications for commercial establishments (such as Chevron service station) have hired development firms to handle the application and environmental requirements. In answer to Councilmember Kessler's question, Keiran stated he has been unable to find an 'industry standard' for land use. However he will continue to research this through Municipal Research Service Center (MRSC).

Mayor Helenberg stated he has received a lot of comments on the services provided from the city to promote development. Councilmember Kessler stated the service provided by city departments make a difference.

Keiran stated council can consider two approaches for amending the land use fees;

- estimate the average of costs between local jurisdictions, or
- do a true cost recovery. This could potentially be phased in over time and could begin at 50% or 75%. With this option, the city council could also look at permit types that would directly benefit the city as a whole versus a permit that would benefit only a single property owner. For those permits that would benefit the city (such as one that would increase employment potential) it might be better for the city to

seek a lesser percentage of cost recovery.

Keiran also made the following recommendations for reducing staff time in permit reviews:

- automate application forms. Keiran stated his office (CWCOG) has the capability to provide this service.
- use of online mapping tools. Keiran noted this is already available through the Cowlitz County GIS department, however the county has placed a 'mask' over all in-city properties within the county so that currently this is not available for in-city properties. Keiran stated he would prepare a letter for the mayor's signature addresses to Terry McLaughlin at Cowlitz County, asking for this mapping to be made available to cities.
- amend the city's code enforcement ordinance. Incorporating the ability to double fees when development is done without a permit is a standard practice in the industry.

Mayor Helenberg recommended staff need to evaluate the true cost for each permit and then bring up the cost from that point. Councilmember Kessler stated there is a difference between a resident coming in and needing assistance with their application, compared to a contractor that does this for a living and is getting paid for time associated for the job. Mayor Helenberg agreed with Kessler. Keiran also noted that our current code allows for amendments to be requested, upon application. He noted agencies planning under Growth Management (GMA) limits amendments to the comprehensive plan and zoning ordinance to only once per year. Covington stated it would be easier to plan for land use costs and to develop yearly work plan priorities if amendments would be limited under the same terms used in GMA entities. Keiran strongly recommended placing a limit to how many times amendments can be requested.

Keiran stated GMA entities also are required to address amendments to the comprehensive and zoning codes at the same time. He noted there are provisions to allow planners to differentiate between major and minor amendment requests. He suggested that minor amendments could be considered on a more flexible timeline; such as scheduling those to twice a year and major amendments to only once per year. Councilmember Kessler agreed that allowing these changes under current code expends a lot of staff time.

He summarized council's goals as:

- move toward true cost recovery
- create more opportunities to automate the permit process
- evaluate amending the code relating to updates requests to the comprehensive and zoning codes; based on guidelines for determining a difference between major and minor amendments
- request Cowlitz County GIS to free up mapping ability for city use. Keiran will prepare a letter for the mayor's signature to be completed by end of this week.

Mayor Helenberg noted it is also important to amend city code to allow for code enforcement. Covington stated this is extremely critical in enabling staff to enforce fees and codes; from business licenses, to issuance of various permits. Current municipal code establishes non-compliance as a criminal offense. City Attorney Frank Randolph stated animal control is the only exception; which allows for civil infraction enforcement. Keiran suggested possibly the city attorney could contact Carol Morris, from Association of Washington Cities for assistance in amending city code to allow for civil infractions. Randolph stated at one time Ms. Morris was considering developing model ordinances for use by cities. He will follow-up on this research.

Keiran recommended the city also consider not doing legal publications for SEPA notices. State law only requires the notice to be provided to property owners located within 300 feet of a site specific project. Then the city has options for additional noticing, which include: posting the property, posting in public place, and to send a notice (not legal notice) to the newspaper. This possibly could be a cost saving measure for the city. Covington stated several years ago the city only sent notices to property owners and then posted the property. Keiran stated there are a few instances when a SEPA is required to be submitted as a legal notice and possibly this is the reason for the city moving toward publishing all SEPA notices.

Keiran recommended city council take immediate action to amend the zoning fees to include a fee for recreational marijuana development, which will involve both a conditional use permit and licensing permit. Keiran strongly suggests council consider a starting fee of \$5,000 based on the time required of staff and contracted personnel for review and processing. Councilmember Kessler asked if the city could charge a cannabis surcharge.

Patti McVey, city resident, stated she is more worried about federal ramifications relating to recreational marijuana licensing and asked if city council has been following issues that the community of Vader has been considering. Keiran stated there are a number of cities that have adopted a recreational marijuana licensing fee. This information is available through Municipal Research and Service Center.

Keiran anticipates permit applications for recreational marijuana will require considerable staff time especially from public works, the city attorney and city engineer. Council-member Kessler stated this is why he feels a surcharge would be appropriate. Randolph stated he would research if this is allowable.

In response to Covington's question, Keiran concurred that other permit fees such as critical area determination are also inadequate; however he recommended focusing primarily on adopting a fee for recreational marijuana at this time. Keiran stated the city already knows the cost estimate for processing such a permit and this would serve as a good basis for establishing the fee.

City Attorney Randolph noted according to Washington State Liquor Control Board fifty percent of the persons who apply for a recreational marijuana license will fail within the first few years. These are demanding businesses. Keiran stated staff will be working to provide a resolution to adopt fees for recreational marijuana only. Then staff will work to determine actual costs for other land use issues and determine actual costs for processing. This information will be brought back to city council and amended separately.

Mayor Helenberg presented T.J. Keiran with a plaque thanking him for his service as city planner. The mayor stated the city will miss his service and wished him luck with his move to Ohio.

ADJOURNMENT

There being no further business, Mayor Paul Helenberg adjourned the special meeting at 8:00 p.m.

Mayor Paul Helenberg

Clerk-Treasurer Ryana Covington