

Town of La Conner

Town Council Meeting
May 11, 2004 – 6:00 p.m.

The regular meeting of the La Conner Town Council was called to order at 6:00 p.m.

Present: Mayor Everton, Councilmembers Edson, Perry, Taha, Wright

Absent: Councilmember Lam

Councilmember Wright moved to excuse the absence of Councilmember Lam. Seconded by Councilmember Perry. Carried 4-0.

Also Present: Town Administrator Rivera, Planning Director Doyle, Public Works Director Bell, Fire Chief Taylor

Review and Approval of Agenda: Mayor Everton stated the Public Hearing for the Comprehensive Plan will take some time and requested it be moved to the end of the agenda.

Councilmember Edson moved to place the Public Hearing for the Comprehensive Plan amendments at the end of the agenda. Seconded by Councilmember Taha. Carried 4-0.

Councilmember Taha moved to approve the agenda as amended. Seconded by Councilmember Edson. Carried 4-0.

Approval of Minutes:

Councilmember Wright moved to approve the minutes of the April 27, 2004 regular town council meeting as distributed. Seconded by Councilmember Perry. Carried 4-0.

Approval of Accounts Payable:

Councilmember Taha moved to approve vouchers 22904 through 22937 dated May 11, 2004, as distributed, in the amount of \$42,049.72. Seconded by Councilmember Perry. Carried 4-0.

Community Comments: Time was given for members of the audience to address the council regarding issues that are not on the agenda.

- Shirlee Dessert, 115 N. 6th Street, stated that approximately 3 years ago she proposed a second road exit through the marina. She explained in the early 1950's the road was proposed during the construction of the marina, but there were not enough people in the area at that time. She showed a map of the current marina exit, noting that over 350 people work there daily and 784 vehicles come into La Conner each day. If a disaster were to occur in La Conner a second exit from the marina would prove important. She also noted the fire station has been moved and it now takes longer to respond to calls in the marina area.

Ms. Dessert stated this would not cost the Town anything, as it is on the county side of the slough, and would in fact enhance La Conner. She requested a letter in support of this project.

- Dan O'Donnell, 328 N. 3rd Street, stated that since 1980 there has been a subliminal movement at the Port to get another access to the marina. He also commented on the flood threat for La

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Conner. Mr. O'Donnell recommended \$20,000 be allocated during the next budget cycle for engineering and feasibility study for a ring dike.

Mr. O'Donnell commented on the 2004 Annual Report, the tribal sewer billing for March has not yet been paid, he requested he be informed of any future WAB meetings and that the utility rates be placed on the website.

- Kelly Cook, 518 2nd Street, requested he be allowed to participate in any discussion regarding Fire District 13 this evening. Mayor Everton declined his request.
- Amy McFeely, 818 S 4th Street, introduced herself and requested council take into consideration this evening the S. 4th neighborhood is in loving hands and caring hearts, a place to continue the commitment to being a resident. She commented she is not certain how much more impact and stress this neighborhood can take and still maintain it's wonderful character.

Councilmember Wright moved to have the Mayor compose a letter expressing support of a second access road to La Conner. Seconded by Councilmember Taha. Carried 4-0.

Chamber Report: Bob Chase, La Conner Chamber President, thanked the Town Council and Public Works Department for agreeing to water the hanging flower baskets; they are now put up. He introduced Howard Downey, La Conner Regional Librarian, who gave a report regarding the search for a sister city for La Conner. Mr. Downey stated Kenmare, Ireland is very much like La Conner; it is a tourist destination of museums, art galleries, bed and breakfast houses, gift shops and a rainbow bridge. He commented the Chamber of Commerce Board has voted to work with Kenmare as a sister city and he is requesting council support. This is similar to having a pen pal that could increase cultural awareness and potential economic benefits could develop. Mr. Downey distributed a couple books from Kenmare for council to review.

Councilmember Wright commented the town currently has a sister in Russia and Japan; is there a limit to how many sister cities a municipality may have? Mr. Downey responded there is no limit he is aware of. Mayor Everton inquired if there was any cost to the Town. Mr. Downey stated there is no cost, simply a program of sharing ideas, information and exchanging in different ways.

Councilmember Taha moved to adopt Resolution 354; adopting Kenmare, Ireland as a sister city to the Town of La Conner. Seconded by Councilmember Wright. Carried 4-0.

Mr. Chase commented the Chamber's Beautification Committee oversees the purchase of the flower baskets. He stated there would be a fund raising spaghetti feed at Maple Hall on May 12, 2004.

Administrator/Department Head Reports:

- Ms. Rivera commented she has been working with the Public Works Director on developing criteria for a Small Works Roster. This should be ready for presentation at the next council meeting.

Mayor's Report:

- Skagit County Public Works Department has scheduled the official Morris Street ribbon cutting on June 10, 2004 from 10:00 a.m. to noon. This will take place at the new Morris Street street-end park. Mayor Everton suggested the Chamber have a contest to name this park. He noted the County Commissioners and other officials will be present from 10:30 to 11:30 a.m. and town officials are encouraged to attend. There should be no requirement of the Public Works or Sheriff's Departments.

Committee Reports:

Councilmember Perry:

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- Councilmember Lam had received some comments about the hours of the compost facility. It was recommended the facility remain open two Saturday's per month for 4 hours each day. This should be funded with the additional funding allocated for extra labor for the compost facility. Ms. Rivera commented this has been discussed briefly with Kelly Wynn, Water-Wastewater Services.
- A request was received from the Senior Center to set up and use Maple Hall to play Pickle Ball. The Facilities Committee recommended approval, with the stipulation that clean footwear be worn.
- The fireplace has been installed in the Garden Club.

Councilmember Wright moved to approve the use of Maple Hall by the Senior Center for Pickle Ball on Tuesdays if the facility is not rented; with the criteria that clean footwear only be worn during these matches. Seconded by Councilmember Taha. Carried 4-0.

- The cleaning of the Maple Hall is not being done "up to par". It is recommended the cleaning persons be spoken to about this.
- It was noticed that a significant number of cigarette butts are being left on the ground outside town buildings. The Facilities Committee is recommending an ordinance be drafted that would prohibit smoking within a given number of feet from a town owned facility.

Fire District 13: Mayor Everton stated the latest draft of the agreement between the Town and Fire District 13 is included in the council packets.

Councilmember Edson moved to authorize the mayor to sign the agreement with Skagit County Fire District 13 as presented. Seconded by Councilmember Taha. Carried 3-1; Councilmember Wright opposed.

Sacred Heart Church: Mr. Doyle explained in 2003 Sacred Heart Church submitted a proposal for an improvement to their property, with the primary focus being parking. He stated there have been several meetings since that time. John Ravnik, Ravnik and Associates, commented he has been working with Sacred Heart Church to meet some of the growth issues the church has endured over the years. He explained the church has some property they cannot use and there is a small section of undeveloped public right of way that has been historically used by church parishioners. He is proposing the church dedicate to the Town a little over 3000 square feet of property that adjoins an existing undeveloped right of way, in exchange the town would vacate the alley across from the church and dedicate it to Sacred Heart Church. Mr. Ravnik stated the goal of this meeting not to make a decision, but to discuss this proposal. Mr. Ravnik stated the proposal from Sacred Heart Church is to expand Mossman Hall and increase the area across the street for parking.

Councilmember Taha inquired if there was something the town could do with the public parking area to make it more suitable to the church, as an alternative to what is being proposed. Mr. Ravnik explained the proposed parking area would serve the elderly parishioners that are not able to walk from the existing town parking lot. He explained this parking lot would not meet all their needs but would meet their special needs. There was a discussion regarding handicap-parking areas.

Mr. Doyle stated the church currently has a pre-existing conditional use, with some non-conforming conditions. He also noted this parking proposal is in direct relationship of the requirement for parking for their proposed addition. Mr. Doyle explained that as an extension of conditional use a parking lot is allowed in a residential historic zone.

Councilmember Perry commented one of the reasons the town purchased land for additional parking was to ease some of the congestion of parking in residential areas and not to use historical property for parking.

Councilmember Taha inquired if the church had considered installing a moveable staircase from the town parking lot to Douglas Street. Mr. Ravnik responded he is not certain this has been researched, but the church has limited resources and funds must be raised from the parishioners. Mr. Doyle

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stated the church has had a community forum for a previous expansion proposal; he briefly reviewed the permitting process. The buildability and value of the alleyway was discussed.

La Conner Quilt Museum: Mayor Everton reviewed that on April 22, 2004 the La Conner Quilt Museum submitted an offer to purchase the Gaches Mansion. The offer was reviewed by the Finance/Facilities Committee and will be presented by Ms. Rivera.

Ms. Rivera stated the proposal from the Quilt Museum included an appraisal in the amount of \$380,000; which was reduced by 10% due to a restriction requiring public access through October 2006. The proposal then took into consideration the amount of funding required to restore the property, expenses incurred by the Town and what the Town had gained in income from the property to arrive at their offer of \$25,000. The Finance/Facilities Committee reviewed comparable sales and felt there were several factors that played into the ability to sell this property for the amount offered. Ms. Rivera explained the Committee stated part of the responsibility of the Town having public property is that there cannot be a gifting of property; it must be sold for fair market value. The Skagit County Assessors valuation, which is typically assessed lower, has a total valuation of \$353,000 for this property and \$80,000 for the land only. She stated the Committee felt the figures presented were not realistic and not in the best interest of the public.

Ms. Rivera commented the Town would not be good stewards of the property to selling something valued at \$353,000, for \$25,000. The mayor wrote a letter to the Quilt Museum outlining the reason for recommending rejection of their proposal (fair market value, public benefit and the offer was not reasonable based on the fair market value).

A letter was received from Rita Hupy, La Conner Landmarks Charter member, regarding the history of the property and requesting council take into consideration the Amendment to Articles of Incorporation of La Conner Landmarks and the deed restrictions. Ms. Rivera noted the amendment was submitted to the Town Attorney for review and a response has not yet been received (NOTE: A response was received and copied for council, but was inadvertently not distributed to council).

The Finance/Facilities Committee recommends the \$25,000 offer to purchase the Gaches Mansion be rejected and to request a counter-offer be submitted that would be more reasonable based on the fair market value.

Bob Chase commented several months ago the Quilt Museum Board requested he oversee the possibility of acquiring the Gaches Mansion. He stated sometimes it is important to go to the beginning to refresh our memories. Mr. Chase then read a letter from James Reeves, La Conner Landmarks Treasurer, dated January 9, 2001 regarding the dissolution of Landmarks Trust. The letter stated that enclosed was a check for \$2,956.33, which is the closing balance of La Conner Landmarks bank account. It further stated that, as was agreed these funds were forwarded to the Town for continued maintenance of the Gaches Mansion and also as agreed the new deed for the property would include wording that would insure the Gaches Mansion would forever remain public property. Mr. Chase requested a copy of the completed deed as verification of this agreement; he stated Mr. Reeves has indicated he has never received a copy of the deed. Mr. Chase stated he has previously made several requests for copies of the deed and has yet to receive one. He reminded council that "forever remain public property" does not mean through 2006.

Mr. Chase stated that last September 2003, previous mayor Eron Berg and the Town Council met with the Quilt Museum Executive Board and himself. Mr. Chase read the following statement made by Mr. Berg at that meeting as reported by the Skagit Valley Herald: We can select a buyer and negotiate a price as long as the price is defensible. The Town would likely place covenants on the land and building such as a requirement that it can only be used for public access, which would substantially lower the assessed value of \$353,000.

Mr. Chase continued the town council and Mr. Berg requested the Quilt Museum to hire a professional appraiser and get an appraisal on the property. That was done and the appraisal came in at \$380,000 with a reduction for public use; however the appraiser thought it was a two-year public

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use requirement not forever. He noted the current lease requires the Quilt Museum to be responsible for the inside of the building and the town to be responsible for the outside (which includes landscaping). The inside has been maintained, but the Town of La Conner has done virtually nothing to maintain the exterior. The Quilt Museum has obtained two estimates of approximately \$275,000 to bring the property back to proper repair and presence. Upon seeking grants for the necessary repairs, the Quilt Museum was told they needed to have a long-term (99 years) lease or own the property. Mr. Chase then reviewed how the offer was derived:

\$353,000	assessed valuation
\$ 52,950	15% reduction for public access
<u>\$275,000</u>	<u>necessary repair/maintenance</u>
\$ 25,050	Balance

Mr. Chase commented he does not understand why this offer is not fair. He then stated he does not see how a residential or commercial property can be compared when the agreement at the time the Gaches Mansion was acquired was the property would remain public property forever. He again commented he had not seen a copy of the deed, nor has anyone at Town Hall. Ms. Rivera noted a copy of the deed is included in the council packets and told Mr. Chase a copy is available for him at Town Hall. He inquired if it included language the property shall remain public property forever. Ms. Rivera stated it only contains the language from the WA State Historical grant requiring public access through October 2006.

(NOTE FOR THE RECORD: The Town of La Conner has been unable to locate any record of receiving a \$2,956.33 payment in January 2001.)

Councilmember Taha stated in her professional history she served as the Deputy Assessor for King County for personal property assessments/management responsibility, a licensed real estate appraiser and a real estate commercial sales. She explained there is three ways to establish value for a piece of property; 1) cost basis, based on construction costs; 2) income basis, based on income of building; and 3) comparables. She noted comparables do not fit this building, as it is used for public purposes and should remain as such. Councilmember Taha commented she took exception to the appraisers use of residential comparables as it is just not appropriate and discounting the value on a residential property by 15% to recognize public service is very questionable strategy for determining an appraisal. This leaves cost and income basis. The income basis would not merit a very high value. She stated language in the La Conner Landmarks Amendment to Articles of Incorporation indicates if the Town is unable or unwilling to accept the assets of the corporation, the assets shall be distributed to another organization that qualifies as exempt from federal income taxes; this seems to give the Town the wherewithal to directly negotiate with the Quilt Museum. Councilmember Taha commented with the Quilt Museum accepting the repair issues and bringing the building up to date the \$25,000 is a very acceptable offer.

Councilmember Taha moved to accept the offer of \$25,000 from the La Conner Quilt Museum for the purchase of the Gaches Mansion. Seconded by Councilmember Edson. Tied 2-2; Councilmembers Perry and Wright opposed. Mayor Everton to break the tie voted to accept the offer; motion passed.

Councilmember Perry commented the sale agreement should be written so the Town would have first right of refusal should the property (Gaches Mansion) ever be placed up for sale. Councilmember Taha concurred; stating the deed should state the property should be utilized for public purposes in perpetuity.

Ms. Rivera noted that some of the assets in the Gaches Mansion were dedicated to the Town and she is not certain those items can be sold. She requested an inventory be done and some certification whether those assets can be distributed or not. Councilmember Perry commented there should be an inventory on file.

Councilmember Perry requested clarification from the Town Attorney regarding La Conner Landmarks Amendment to Articles of Incorporation prior to proceeding. Councilmember Taha noted a motion has already been made and passed to accept the offer of the Quilt Museum for the purchase of the Gaches Mansion.

La Conner Performing Arts Institute: Mayor Everton stated at the last meeting the La Conner Performing Arts Institute requested the Town store a Steinway Piano at Maple Hall. Ms. Rivera stated the Facilities Committee has recommended the storage area on the Maple Hall stage be retrofitted to store a 7-foot Steinway Piano, provided the Town has no additional responsibility including rentals and insurance. She stated before council is a staff memorandum of explanation, an agreement for storage of a Steinway Piano and a rental agreement that lays out the footwork for anyone wanting to rent the piano (both have been reviewed by the Town Attorney). She explained the agreement as written provides the Town will provide the storage area only, care and maintenance, rentals and insurance are the responsibility of the Arts Institute.

There was some discussion regarding the cost of insurance. Councilmember Edson inquired about the cost of the retrofitting of the storage area. Mr. Bell responded it would cost approximately \$2,000.

Mayor Everton commented that some of the acoustical improvements at Maple Hall have been canceled. Therefore, would it be possible to utilize those funds for these improvements? Councilmember Perry responded that was the recommendation of the Finance Committee; as the draperies that have already been installed have resolved the acoustical problems.

Councilmember Taha commented she is agreeable to the \$2,000 for the retrofitting, but is not in favor of taking on the liability for the \$5,000 insurance deductible. If the Town were to insure the piano, she would want the Institute to pay for that deductible.

Councilmember Perry noted a few typographical errors in the agreement.

Councilmember Taha moved to authorize the mayor to sign the agreement with the La Conner Institute of Performing Arts for the storage of a 7-foot Steinway Piano. Seconded by Councilmember Edson. Carried 4-0.

First Street: Mayor Everton noted at the last council meeting council approved changing First Street to a two-way street year around. Ms. Rivera explained this ordinance repeals Ordinance 779; establishing temporary one-way traffic on First Street, in its entirety.

Councilmember Edson moved to adopt Ordinance 924; repealing Ordinance 779 in its entirety. Seconded by Councilmember Taha. Carried 4-0.

PUBLIC HEARING – Comprehensive Plan/Shoreline Amendments: Mayor Everton stated there is some uncertainty if this public hearing would be classified as a quasi-judicial proceeding. This has been discussed with the Town Attorney and the public hearing will be conducted as if it were a quasi-judicial proceeding.

Councilmember Wright inquired if the parking lot rezone were a part of this public hearing. Mr. Doyle responded it was. Councilmember Wright excused himself as he lives within 300 feet of the rezone. Councilmember Perry excused himself for the same reason. This resulted in lack of a quorum. Mr. Doyle stated that Doctrine of Necessity would allow Councilmembers Perry and Wright to stay. Councilmember Wright stated the Doctrine of Necessity applies only if a quorum were not possible without those councilmembers that excused themselves. Upon the return of Councilmember Lam a quorum is possible and therefore the Doctrine of Necessity does not apply.

Councilmember Taha moved to continue the Public Hearing to the May 25, 2004 town council meeting. Seconded by Councilmember Edson. Carried 4-0.

Miscellaneous:

- Mayor Everton stated a letter has been received from Don Wick, EDASC Executive Director. Ms. Rivera explained Mr. Wick is requesting a waiver of the fee for the use Maple Hall for a leadership training course graduation on June 25, 2004.

Councilmember Wright moved to authorize waiving the Maple Hall rental fee for the EDASC graduation program to be held June 25, 2004. Seconded by Councilmember Edson. Carried 4-0.

There being no further business the meeting was adjourned at 7:45 p.m.

Town Clerk

Mayor