

**Skagit County Planning Commission**  
**Public Hearing and Deliberations: Capital Facilities Plan 2015 Quarter 1 Update**  
**Public Hearing: Permanent Regulations for Marijuana Facilities**  
**April 7, 2015**

**Commissioners:** Josh Axthelm, Chair  
Keith Greenwood, Vice Chair  
Annie Lohman  
Kevin Meenaghan  
Tammy Candler  
Kathy Mitchell  
Amy Hughes  
Robert Temples  
Matt Mahaffie (absent)

**Staff:** Dale Pernula, Planning Director  
Ryan Walters, Civil Deputy Prosecuting Attorney

**Public Remarks**  
**Commenters:** Randy Good  
Ellen Bynum, Friends of Skagit County

**Public Hearing**  
**Commenters –**  
**CFP Q1 Update:** Pat Hayden, Attorney for City of Sedro-Woolley  
Mark Freiberger, City of Sedro-Woolley Public Works Director  
Carol Ehlers  
Kevin Rogerson, City Attorney for Mount Vernon

**Public Hearing**  
**Commenters –**  
**Marijuana Regs:** Michael Brown, Guemes Island Planning Advisory Committee  
James Hanson  
Barb Hendrickson  
Lori Scott  
John Boisen  
Sharyn Sowell  
Patty Van Wagner  
Carol Ehlers  
Delinda Baughn  
Joan Schleh  
Ellen Cooley  
Ellen Bynum  
Elizabeth Schleh  
Mary Brennan

Chair Josh Axthelm: And I call this meeting to order (gavel). There. The Planning Commission's absence tonight is just –

Annie Lohman: Matt.

Chair Axthelm: Is it Matt Mahaffie? Everybody else is present. Okay. Please refer to a copy of tonight's agenda, and are there any changes from the Planning Commission?

Several Commissioners: No.

Chair Axthelm: Okay, I would have one proposal that we add five minutes between the marijuana – well, at least five minutes – between marijuana public hearing and deliberations for the Capital Facilities Plan. All in favor?

(sounds of assent)

Chair Axthelm: Okay. I guess the proper way to be \_\_\_ and we'll add that to the agenda. Okay. There's a sign-up – there's some sign-up sheets in the back – just informational. Make sure that you signed up for the right sheet because there's two different hearings. So you might want to double-check that and make sure that you're on the right one.

Okay, so with that, I'd like to go on to the Public Remarks portion of our agenda. I'd like to read this section here. It says: "This time in the agenda is an opportunity for anyone to speak to the Planning Commission about any topic except items that are scheduled on the agenda for public hearing" today – or "that same day, or items that have had public hearing and are still under Planning Commission deliberations. Public Remarks, which is not part of the formal public participation process for any development regulation or Comprehensive Plan amendment project, is limited to three minutes per speaker and up to 15 minutes total."

So with that we'll proceed to the – if you would – if there's any public remarks, if you'd approach the microphone. Please give your name and address and –

Randy Good: My name is Randy Good, 35482 State Route 20, Sedro-Woolley. My comments are on the 2016 Comp Plan Transportation Element Update. At the March 15<sup>th</sup> Planning Commission workshop, a public comment period was not held, time was limited at group sessions, some comments did not get written down. A public comment period would have provided a chance for the public to know their voice was heard instead of filling out a small feedback card that asked one question, and it *may* be read. Was the Planning Commission aware of a lobby display at the workshop identifying the Centennial Trail, Sedro-Woolley to Snohomish, that has never gone through any public process? The trail goes through private property without landowners' knowledge or approval and is a discredit to this process. Looks like – really looks like Planning Department staff has put the Planning Commission in the role of forcing projects onto the citizens without the citizens' knowledge and input. Presentations before the public must be kept credible and honest by requesting information and dialogue from informed citizens the same way as you do from County staff. The Planning Commission is its own entity and responsibilities to represent the citizens because you *are* the voice of the citizens. The Planning Commission should solicit and encourage public input with public meetings where interaction and dialogue is permitted. There must be ample time after public meetings for the citizens to comment to the Planning Commission before the Planning Commission considers and deliberates on these citizens' input, and then to make recommendations to the County Commissioners. Planning Department staff's duty is to provide

support information to the Planning Commission members, not discredit citizens' input or promote staff's agenda. During the December 2014 budget TIP hearing, County attorney Walters misled and manipulated the Planning Commission members by inviting the Parks Director and a Parks board member for over a 30-minute conversation on obsolete Cascade Trail issues that were completely off-topic. Audience members informed on the issues with the correct information were not asked for any rebuttal. Citizens attend the Planning Commission deliberations prepared to answer any questions from the Planning Commission. The Planning Commission did not consider or deliberate testimony citizens presented on environmental, safety, financial issues which were the issues that needed to be addressed. Two attached documents I have here demonstrate how misled and misinformed the Planning Commission was by Walters and the Parks Department personnel. A training session for all County advisory committees – not just the Planning Commission – all boards and this \_\_\_ is desperately needed. A training session to inform all citizens on the proper functions, duties, responsibilities, and the requirements the Chairperson and members need to follow to make it a successful entity, committee, or board. And I have attachments from the Town of Concrete and one from the Washington State Department of Transportation. Thank you for your time.

Ellen Bynum: Good evening, Commissioner. Ellen Bynum, 110 North First Street, Friends of Skagit County. On March 28<sup>th</sup>, we invited the public to come and talk about land use and we did that because a number of people were expressing concerns about the Comprehensive Plan not being thoroughly reviewed as is required in the seven-year review. We had – about 22 people came, including Commissioner Wesen and Kathy Mitchell, who both listened and sort of answered our questions but didn't participate. One of the issues that's come up is that you have a lot of work to do before the end of the year. And I'm coming to ask you to consider appointing your own set of committees that work with you individually to do sections of the review that's needed for the Comprehensive Plan Update. I read the formation language which we had spoken about when we read the Planning Enabling Act and we were discussing the role of the Planning Commission, and I didn't see anything in there that would prohibit you from creating informal working groups or citizen committees, either individually – and I assume up to four of you if – Mr. Walters might correct me – but could work together to do those kinds of reviews. And I'm expressing this to you now so that you can think about perhaps getting some of the people that attended the public workshop that we did. We'd be very happy to assist you in putting a group together or thinking about ways that you can do that.

Another suggestion that has come up is that the Planning Commission come and hold informal information sessions either here or in the lobby to get people up to speed about what is required and not required on the Comp Plan Update. I think doing the open houses is a good idea, but the open house doesn't give you any dialogue, and as we talked about public participation what we're doing now is public information and it's usually a one-way street. You're either giving it to us or we're giving it to you, but we're not having any discussion about it. And I would like to urge you to either have a discussion at some point amongst your members or with staff or with the County Commissioners as to how you can – or, perhaps, just have you self-organize your subcommittees so that citizens can have more of an input as to what does get reviewed.

So I'll leave it at that. You'd be welcome to talk to me further. Thanks.

Chair Axthelm: Are there any other Public Remarks?

(silence)

Chair Axthelm: Okay. Seeing none, we'll proceed on to the next item on the agenda, the public hearing for the Capital Facilities Plan. A thought that I had to remind the Commissioners is that it's on the agenda for us to deliberate the hearing later tonight – you know, deliberate on this hearing. If there's any clarification questions, I just request because of the agenda that we keep those things a little bit – keep it short and to the point so that we can move on to the deliberations properly and give it enough time. And let's see, the Department – do you have a –

Dale Pernula: I can give a brief introduction and Ryan Walters can supplement that if it's appropriate.

This is a legislative proposal. It's actually a Quarter 1 Update of the Capital Facilities Plan for 2015 through 2020. The proposal would amend the Comprehensive Plan's Capital Facilities Element to incorporate by reference the Capital Facility Plans for the City of Mount Vernon, the City of Sedro-Woolley, and the Mount Vernon and Sedro-Woolley School Districts. And that would include an update of the impact fees. In the proposal there's also some code changes. The proposal would delay the adoption by reference of Mount Vernon codes in SCC 14.02; delete the incongruent definition of "district" in SCC 14.04; and amend chapter 14.30 to make the timeline for expenditure of impact fees consistent with the statute; delete a superfluous section for school district impact fees; and allow for the collection of impact fees on behalf of the Cities and Towns for their urban growth areas.

Ryan Walters: To provide a little further background, the Mount Vernon and Sedro-Woolley School Districts let us know late last year that they were adopting updated capital facilities plans for their school districts. That occurred late in the game after we had already adopted the Capital Facilities Plan for the County. So we told them that once they had done that and they could forward us their capital facilities plans we could bring them forward to be added to the Capital Facilities Plan. We can amend the Capital Facilities Plan concurrent with amendment of the County budget, so that's why this is occurring now because there will be a Quarter 1 amendment of the County budget coming up shortly.

Maybe two days before we released the proposed update, the Board asked that we also look at adopting impact fees for the City of Sedro-Woolley, which has been a long-standing issue with the City of Sedro-Woolley. There's a long history there that I will not go into but you might hear more about it later. So what we did then is to change the proposal to not just a couple of lines amending the proposal to add the capital facilities plans for the school districts, but also to add the capital facilities plans for the City of Mount Vernon and the City of Sedro-Woolley and amend the code so that our impact fee code is not limited to districts, that it also would allow for impact fee collection for Cities and Towns. And that's why you see the code changes along with the Capital Facilities Plan changes.

The totality of the proposal, though, is all about impact fees. It's all about collecting the impact fees for those two school districts and for those two Cities. We already were collecting impact fees for the City of Mount Vernon, but in my view we were not doing it quite the right way, so that deletion that you see from 14.02 of the incorporation by reference of their codes is handled by the changes to our public facilities impact fee code chapter. There will also be in the ordinance that the Board of County Commissioners finally adopts adopting these changes a schedule of those impact fees for the Cities. And that was provided on the CFP Update webpage – the proposed impact fee schedule. We're not asking you to recommend the impact fee schedule, just the Comp Plan change and the code change.

But all of this is a package. There are many other issues related to capital facilities planning and funding of infrastructure, some of which you may hear about tonight. I think that this is maybe a baby step toward addressing all of those issues, and we'll probably address it again when we do the Capital Facilities Plan Update later in the year – the annual update. But the action before you tonight will enable the County to start collecting those impact fees right away for the – the updated fees for the school districts and for the City of Sedro-Woolley.

Briefly, impact fees are fees on new development in the following areas: streets and roads; parks and recreation; schools; and fire protection. They're only available for those areas. We're only proposing to collect them for those areas. Each of the cities here have adopted an impact fee schedule. They have done the work of calculating how much any particular proposed development has as an impact on the infrastructure of their jurisdiction, and they have shown their work through those calculations, some of which are quite lengthy, and then incorporated them into their own capital facilities plans. And the same with the school districts. So if you look at the impact fee schedule that's on the website, you do see that it is broken down by single-family residence or multi-family residence because it each has different impacts. And then there are more detailed schedules for commercial development because it has significant impacts for fire protection and for streets and roads that are different from residential development. And it's our job to review all of that, make sure it's consistent with the statute, incorporate it into our plan, and then begin collecting those fees for those jurisdictions and pass those fees along. So there are a couple of other steps after your action tonight, and that would be to adopt interlocal agreements with the jurisdictions, providing that they use the fees in the right way and they provide us the schedules on timelines and that kind of thing. But we anticipate that that will go relatively smoothly because everyone's interested in collecting these impact fees so that new development pays for itself.

So, with that, if anyone has any questions about impact fees generally or the proposal I could answer them; otherwise, we could proceed to the public hearing.

Chair Axthelm: Any general questions?

(silence)

Chair Axthelm: Okay. I don't have the list. It's still back there.

Mr. Walters: Let me get that for you.

Chair Axthelm: Okay, next we'll open the meeting to public testimony for the hearing for the Capital Facilities Quarter 1 Update. I'll be taking the names in order as they are on the list. And the same situation: If you will state your name and then actually if you'll spell your last name and state your address in the microphone, and then three minutes is typical procedure. So the first on the list is scratched out. Okay, so Pat Hayden.

Pat Hayden: Thank you. My name is Pat Hayden and I'm from Sedro-Woolley and I'm here representing the City of Sedro-Woolley, together with Mark Freiburger, who is a City Engineer.

First of all we'd like to thank the County and particularly Ryan Walters for moving this issue forward. We sincerely appreciate it. We'd like to give you a little bit of background and explain how the omission of Sedro-Woolley's impact fees and development ordinances have impacted Sedro-Woolley financially so that you have a little bit more background. We have some

suggested changes to the ordinance but perhaps also we're on the same page as Mount Vernon with those changes.

First of all, in 1998 Sedro-Woolley and the County, along with other Cities and the County, signed an agreement where the County committed to collecting our impact fees and also adopting our development standards for that portion of the urban growth area outside our city limits. For a number of reasons the County never did adopt our fees. I believe the reasons were largely political. There's no point in discussing personalities at this stage. But we have not had our impact fees collected for the last 15 years, nor have we had our development ordinances applied to projects outside our city limits but inside the unincorporated urban growth area. The County either first refused to adopt our more stringent GMA-compliant ordinances and also gave variances for development standards for every single project, so almost all of our projects – all of the residential subdivisions – are on septic tanks rather than on sewer, do not have urban standard roads, and that creates other problems I'd like to mention.

The City appealed the County's decisions to the Growth Management Hearing Board, and after about five years of hearings and argument and other matters the Board finally said that the County's actions were not GMA-compliant, and the Cities and County negotiated a resolution. That resolution had two components. First of all, the ordinances of other Cities and Sedro-Woolley would be adopted by the County, but not Sedro-Woolley's, and, second, there could be no subdivision inside Sedro-Woolley's urban growth area smaller than five acres. And that effectively stopped all residential development in our urban growth area. We had few parcels that were larger than five acres so no one really wants to put one house on five acres. The whole point of this is that having five acres to develop gives you enough economic depth that you could afford to put in infrastructure. When you're putting houses into one-acre lots, you don't have the financial foundation to afford to be able to pay for sewer and urban streets and other things which compose concurrency, as required by the Growth Management Act.

For the last 15 years we've been asking that the County remedy this problem and it does look like that will happen. We have some comments. We think that the County's adoption of our impact fees should be in the ordinance in the same format as Mount Vernon's.

Keith Greenwood: Mr. Hayden, that's three minutes.

Mr. Hayden: We also think they should be mandatory. One comment to close: The County's actions have left us with basically a Chinese Wall of development in our urban growth area that we can't afford to annex because it's already developed and there's no infrastructure. If we annex it, we then have to subsidize the developer's infrastructure.

Mr. Freiberger is also here. He's a City Engineer and he will address this matter as well.

Mark Freiberger: Good evening. Thank you for having this meeting tonight. I am Mark Freiberger, the Director of Public Works for the City of Sedro-Woolley. I reside at 150 North Murdock, Sedro-Woolley.

I also want to thank the County and Ryan Walters in particular for bringing this matter to a head after these many years or unfruitful negotiations between the County and the City. This is an important matter to us. As Pat so well stated, the horse is pretty far out of the barn after 15 years. We are left with a situation where much of the development that has already occurred has built up most of the available land in the urban growth areas on the southeast part of the city. So we have some further issues to bring to the County following this, but we just want to

state our appreciation and our support for this effort to begin collecting the impact fees that have so long been foregone. So we support that effort and thank you for considering that tonight.

I'll be available for any questions that you have later on regarding the actual impact fee methodology that is in your packet. Hopefully I can address those properly for you. So thank you.

Chair Axthelm: Next on the list is Carol Ehlers.

Carol Ehlers: I'm Carol Ehlers. I live in west Fidalgo Island. We don't have impact fees but I understand how absolutely crucial they are in a city. What I'm here to talk about tonight is two kinds of impact fees, one that deals with sewer and roads and things of that sort, which clearly apply to everyone, and one which I have seen improperly applied in past years and I'm hoping that the Planning Commission does not do it – although I didn't realize you were going to make a decision right after all this and so you probably won't have time to even look at what I'm talking about. But what I'm giving you are the census data from the Northwest Council on the Aging, which I picked up a year or so ago.

It turns out that in this county 23% of us are 60 or older. That's 26,600. And what I'm raising tonight is the kind of development that occurs in cities for senior citizens, for the over 55 group, who should not be having to pay school impact fees. Because the way the over 55 housing is developed, children aren't welcome. And one of the basic problems that happens as you get older is that in many cases because of what happens in the financial situation you may lose everything you have – your 401K, your pension, all kinds of things can disappear and you may desperately need affordable housing when you get old.

And the other problem is that the County has a tradition of caring very little about the kinds of private roads that are used for much of the residential development down which Dial-A-Ride will not go, down which other people who might help will not go. So the people in my neighborhood who have had to leave – because most of us don't want to – the people I know who've had to leave have had to move into town because it was the only way that they could survive because the services that are otherwise available are not available *practically* in the county. And I've brought this to this hearing because of the subject, but also I will expect you, the Planning Commission, to pay attention to this over-60 group in everything else you do in the 2016 Plan. Because having been in your position for a long time, the over-60 group is invisible and I think it's time that ended – partly, of course, because I'm in it.

(laughter)

Chair Axthelm: The next one on the list is Kevin Rogerson.

Kevin Rogerson: Thank you, members of the Commission. My name is Kevin Rogerson. My business address is 910 Cleveland Avenue, which is City Hall, Mount Vernon. I'm the City Attorney for Mount Vernon. Thank you for allowing the City an opportunity to comment tonight. I'll just note for the record we have a dual Planning Commission right across the street. Rebecca Lowell, our Planning Department, and Bob Hyde, who is the Director, wishes they could be here and as soon as that Commission hearing is terminated, if you're still deliberating (I) hope they will be here to answer any specific questions regarding impact fees. And to address the last comment, I believe – and hopefully Ms. Lowell will be here to confirm this – that our impact fees related to school impact fees carves out an exception for communities 55 and older – to address that particular issue.

The City of Mount Vernon wishes to thank the County. We have a little different of a fact pattern than Sedro-Woolley. You have been assessing and collecting in some fashion impact fees in urban growth areas in the city of Mount Vernon. And the City of Mount Vernon is in large part in terms of population the largest city. And in terms proportionately to urban growth areas that are unincorporated adjacent that we will be annexing in in the 20-year planning event horizon, it's a fairly large urban growth area extending all the way to in some places Highway 9. So the City's interest in the collection of impact fees is high, and that the County's policy continue to collect and assess, the City of Mount Vernon strongly supports that policy.

A particular concern, however, is some text changes that we've identified in terms of the code. Whereas once it looked like it was a mandatory collection it may be permissive, and the City submitted comments on Monday addressing that particular concern. I've since had a discussion with legal staff and I think they've identified the issue. But I don't want to get into the almost a decade-long history of litigation involving concurrency, but one of the issues is we want to see a strong legislative mandate that when the City does its due diligence and duly adopts the impact fees that will pay for development, the County has development regulations ensuring that those fees necessary to pay for development and growth – which is required in the Growth Management Act; concurrency is required under previous cases that Mr. Hayden had cited generally – that those commitments be mandatory. If the City duly adopts it and shows its work and is compliant under statute, we would ask that that be a mandate of the County. We do not want this to be a political decision of a “may” of a Board of Commissioners later on. That's how we got into litigation in the past. It was very acrimonious. It was very costly. And we'd like to see a firm commitment that's required under the Growth Management Act that development pay for itself. And that's as simple as that. Thank you for your time.

Chair Axthelm: Are there any others that wish to testify in the audience that have not that weren't signed up on the list?

(silence)

Chair Axthelm: Seeing none (gavel), this hearing's now closed.

Mr. Pernula: I may wish to point out that according to the notice that went out this is a little bit of a departure from our normal way of taking input. Both written and oral comments are to be completed at the end of this hearing, so we're not going to be receiving additional written testimony after this point.

Chair Axthelm: Thank you. Okay, so proceeding with the fourth item on the agenda, the public hearing for the Permanent Regulations for Marijuana Facilities.

Mr. Pernula: I'll give a brief introduction of the issues. First of all, because of a lot of comments that the Board of County Commissioners were receiving about the locations of and impacts of marijuana production and processing, on December 15<sup>th</sup>, 2014, the Board adopted a partial moratorium on new recreational marijuana production and processing facilities in quite a number of zones. They amended that interim ordinance on December 22<sup>nd</sup>, 2014, and they adopted a third one on March 3 of this year, and that's the one that we're currently operating under at this time. And the proposed ordinance fairly closely follows that, our current interim ordinance.

I'll go over some of the provisions.

- First of all, it would prohibit outdoor growing of marijuana countywide.
- It would allow only those marijuana facilities that are licensed by the Liquor Control Board.
- Medical marijuana facilities, which are illegal under existing law, are likely to be rolled into a recreational system during the current legislative session. I'm not sure how that's proceeding, but it's still proposed that we allow only those medical – or those marijuana facilities that are licensed by the Liquor Control Board.
- It would provide that we would prohibit the use of flammable or combustible liquids or gasses for marijuana extraction in the Ag-NRL zone. Non-flammable CO2 systems are available alternatives, but we would also allow only closed loop systems in other zones where processing is allowed – not in the Ag-NRL, but in other zones.
- We would require all marijuana production or processing facilities to employ ventilation systems such that no odors from the production or processing are detectable off the premises.
- We would require that any Liquor Control Board-required security cameras be aimed so as to view only the facility property, not public rights-of-way or neighboring properties.
- And when required, Special Use Permits must address the impacts on surrounding properties, including the distance of the facility from residences, schools, day care facilities, public parks, other public facilities, and other marijuana facilities, and include appropriate controls on odor; screening, or other requirements to avoid lighting impacts; protections against security cameras infringing on neighbors' privacy; controls on hazardous processing methods; and mitigation of other impacts. The Special Use Permit provides us the opportunity to review the facilities on a case-by-case basis.
- Now I-502 facilities would be permitted only in the following zones by type:

Retail would be permitted in the Rural Business zone, Rural Center, Rural Freeway Service, Rural Village Commercial, and the Urban Reserve Commercial-Industrial zones.

Production and processing in an opaque structure would be permitted in the following zones: It would be permitted in the Ag-NRL zone, only in existing structures that were existing as of January 1<sup>st</sup>, 2014; would be permitted in Bayview Ridge Light Industrial zone; would be permitted in the Bayview Ridge Heavy Industrial zone; permitted in the Hamilton Industrial zone; permitted in the Natural Resource Industrial zone; would be permitted in the Rural Resource-Natural Resource Lands zone, except it would be prohibited on Guemes Island. In the Rural Village Commercial zone, production and processing would be permitted with an Administrative Special Use Permit, and they would be permitted in the Urban Reserve Commercial and Industrial zone.

Now the production and processing in a transparent structure would be permitted in the following zones: In the Ag-NRL zone as a Hearing Examiner Special Use Permit, and only in structures existing as of January 1<sup>st</sup>, 2014. It would be permitted in the Bayview Ridge Light Industrial zone, except it would be a Hearing Examiner Special Use Permit when it's within 1000 feet of a residential zone. Would be permitted in the Bayview Ridge Heavy Industrial zone; be permitted in the Hamilton Industrial zone; permitted in the Natural Resources Industrial zone. And in the Rural Resource-Natural Resource Lands zone it would be an Administrative Special Use Permit, except it would be prohibited on

Guemes Island. And in the Urban Reserve Commercial and Industrial zone, they would be a Hearing Examiner Special Use Permit.

And that's pretty much the extent of my presentation.

Chair Axthelm: Did you give me the sheet for the – the other sign-up sheet? Thank you. So the same situation as the previous hearing. Please limit your – limit it to three minutes, and first state your name – your full name – and your address. Thank you. And the first one in the agenda is Michael Brown.

Michael Brown: Thank you. My name is Michael Brown. I reside at 4366 Clark Point Road, Guemes Island, although technically it says Anacortes because that's how we get our mail. I'm speaking on behalf of the Guemes Island Planning Advisory Committee. This is a committee that is an elected body approved by the County's Board of Commissioners, whose primary goal is preserving the water resources and rural character on Guemes Island.

In January when the Commissioners were considering a moratorium on marijuana production and processing operations in the county, we raised concerns about the amount of groundwater such an operation on Guemes would use. The Commissioners listened when they passed the interim ordinance that banned marijuana production and processing on Guemes, and we appreciate their doing so.

I'm here this evening to support the proposed permanent regulations which would continue this ban on a permanent basis. I want to be totally clear that we are not against marijuana growing or sale. That issue was resolved when the Washington voters passed Resolution I-502.

Our concern with the industrial scale of a Tier 3 marijuana production and processing operation, such as was licensed by the Liquor Control Board for Guemes Island, is the impact such a facility would have on our scarce and fragile groundwater resources, and on the island's rural character. We would have identical concerns about *any* crop grown at this scale with similarly intensive water demands.

Water consumption is a very big concern on Guemes Island because groundwater is the principle source of fresh water used by the residents of Guemes. In '97, the federal Environmental Protection Agency designated the island's aquifer system as a "Sole Source Aquifer." Wells provide water to nearly all the island's residents and all the island's wells rely on the aquifer. Unfortunately, we already have a problem with the seawater contamination of wells in some parts of the island, a problem worsened when the island wells pull water from the aquifer faster than the aquifer can recharge.

Guemes Island also has been designated as a Category I Aquifer Recharge Area, warranting special protections to avoid infiltration of surface contaminants. This is a critical concern because once the groundwater's contaminated it is extremely difficult to get rid of the contamination. Marijuana production normally uses hydrogen and phosphorous as fertilizer on the plants, which could have a significant negative impact by introducing them into the island's groundwater if the facility's waste water is released onto the ground.

A recent study – attached is an article which I will give to the Commission or to the planning committee – looked at water consumption associated with marijuana growing in

northwestern California. The study concluded that marijuana is a high water-use plant. Planted at a density of one plant per square meter consumed up to six gallons of water per day. At that rate, an industrial building of 14,000 square feet, which is permitted in a Tier 3 facility, would use 28,000 gallons of water a day. That's a lot of water for a fragile resource single aquifer to bear.

Mr. Greenwood: Mr. Brown, that's three minutes.

Mr. Brown: Two seconds. A facility of this size would also be incompatible for the low scale of development and the rural character of Guemes Island.

For these reasons, we support the proposed permanent regulations you are considering this evening. Thank you for your consideration.

Chair Axthelm: Thank you. The next on the list is James – so the next on the list is James Hanson.

James Hanson: Yes, I'm James Hanson. I'm a resident of Skagit County for 72 years and my address is 17080 Dunbar Road, Mount Vernon. I've been there since 1976. I understand that there's a facility down the road that's trying to be approved or is approved or whatever that is impacting our residential area. I feel that it's a degradation of our property. Devaluation is going to happen because of that type of facility in a rural, residential area of Dunbar and surrounding area. Now I know you have like areas other around the county that you're probably looking at, but this area of Skagit County on Dunbar Road is not a place to have a marijuana-growing facility and I'm here to oppose that. There are other places they can have it where – I've listened to Dale over there and his comments about areas that they *can* have them, and I feel that they should be strictly stricken from residential areas. Even though the facilities were there to grow flowers in the past, flowers are a whole different subject than marijuana. So thank you very much.

Chair Axthelm: Thank you. The next on the list is Barb Hendrickson, followed by Lori Scott.

Barb Hendrickson: I'm having a copy passed out of what I'm going to be saying, and this is going to be very short compared to what all the others were that I've been speaking about since December.

My name is Barb Hendrickson. I have resided at 17289 Dunbar Road in west Mount Vernon for 43 years. I have seen all of the things that have been presented before then and included. These are my additional requests for the latest and final document on this marijuana growing and processing in Skagit County.

Number one: I would like to have a method of verification that these seven new regulations are actually being applied correctly.

Number two: I would like to see a listing of the consequences for the failure of those who do not abide by these seven new regulations.

I would like to see the implementation of lot size and setback restrictions so that we can avoid additional residential conflicts.

And finally, the neighborhood notification of an application for a special use permit, and then the allowable input by the neighborhood before a final decision is reached.

Thank you for your time.

Chair Axthelm: Now Lori Scott, followed by John Boisen.

Lori Scott: My name is Lori Scott. I live at 3351 Old Highway 99 North Road in Burlington – Alger area – and I, too, have been part of this from the beginning. And I appreciate what has been done so far – the moratorium, the ordinances, et cetera, and my comments are what we would like to see included that I don't think have been.

The current staff report does say that in that special use situations impact on the surrounding area will be assessed and considered when evaluating the issuance of a permit. I'm recommending that an assessment such as that for the special use permit be completed for *any* application so that it does give opportunity for notice to neighbors, and so that the County actually does take a look at what impact will be there.

Additionally, the original take by the County was that this – that marijuana I-502 permitting was to be considered agriculture. Now it seems to have switched and is to be viewed as industrial. But the draft code amendments don't seem to define those issues – only the staff department report. I would think that the code should reflect that.

In the two prior moratoriums there were setbacks from residences or setbacks from property lines. In the new information that is out I don't see that, and it's recommended that specific setbacks of 250 feet from neighboring property lines unless those neighbors want to waive that should be delineated in the code so that it's clear all the way through.

In the original ordinance, production in Ag-NRL was limited to parcels five acres or larger. The new ordinance doesn't contain that clause and it would be recommended that that be included.

Marijuana requires intensive water. You've just heard from Guemes county with lots of facts. And we are recommending that water usage be considered and that we recommend that a review of water availability, including a review of low-flow zones, be included on each potential permit for marijuana production and processing, and we think that legal notice and opportunity to comment by neighboring properties should be standard process when considering permits.

Any marijuana production or processing facility considered to be legally established but which would not now be allowed in the specific zones that have been delineated because the codes and ordinances weren't in existence when this all started, should be required to develop appropriate landscape screening or other requirements so that they would be subject to some of the codes that are now in effect or will be in effect. It would be much more appropriate than what happened in the beginning with no oversight at all.

And additionally, Skagit County Code should contain some specific enforcement provisions to monitor the production and processing. Although these functions are licensed by the State of Washington, they're not – those folks are not concerned with land use issues here in Skagit County and they don't have the same expectations, so they have the ability to go onsite and look at things but they don't care what Skagit County residents or the county

itself wants or needs. So we would like to see that that be carried out – be able to be carried out through the County, not just through the State.

In order to avoid future –

Mr. Greenwood: Ms. Scott, that's over three minutes.

Ms. Scott: I'm done – future uncertainty and confusion, we just think the code and the ordinances and everything should reflect the same elements. And we really appreciate everything everyone has done to this point. Thank you.

Chair Axthelm: The next one on the agenda is – based on the list – is John Boisen. After that is Sharyn Sowell.

John Boisen: I'm John Boisen. I live at 14857 Dunbar Lane. This is next door to the current marijuana grow facility at 14971 Dunbar Lane.

I have read the draft of the marijuana grow and processing and have some concerns. There are no restrictions on size of lot for commercial growing facilities. Thus, these facilities may be placed in residential neighborhoods. The property around 14971 Dunbar Lane is currently zoned Ag-NRL; however, the current density of housing on Dunbar Road between Memorial Highway and Avon Allen is residential, in my opinion. Each neighborhood should be reviewed by actual housing, not by just zoning alone. I don't think the zoning has changed in our area for the 40 years that we've lived there.

I suggest that all facilities applying for growing and processing should be required to have a public hearing prior to the issuing of any permits or licensing. Thus the neighbors have a chance to voice their concerns. In the case of the grow facility at 14971 Dunbar Lane, the grower was very deceptive on what he was going to do with the property that he purchased. He told the neighbors all kinds of different things but never once mentioned that there would be marijuana growing there.

There should be some type of a fee added to the license that will provide the funds to have periodic and random inspections, and I think random is the key.

Facilities must be in compliance with all current County codes. Failure to do so should result in immediate removal of their permit to grow and process until in compliance with codes. The facility at 14971 has been out of compliance for an extended period of time and still is not in compliance. Thank you.

Chair Axthelm: Sharyn Sowell, and after that is Patty Van Wagner.

Sharyn Sowell: Hi. I'm Sharyn Sowell. I have a vocal disability. I hope my voice holds up for this. I live at 14922 Valley View Drive in Mount Vernon. I love what you've done in trying to – the staff – in trying to draft this, but I do think there're some glaring omissions that need shoring up.

I agree that there needs to be a conditional use permit and that neighbors definitely need input and the right to comment to avoid misunderstandings and conflict. I agree that it's vital that we have either a minimum lot size or a setback requirement in the Ag-NRL. You may not be aware, but originally Ag-NRL stipulated one house for every 40 acres. That has not

changed, though the County has permitted lots on small – houses on small lots. Some of them are city-size lots and some of those are neighbors of the Dunbar grow, which has resulted in a problem. Without a lot size or a setback, you could theoretically have a city-size lot with another city-size lot having a permitted marijuana facility.

I also ask you to consider the financial impact on residential property owners and on the County budget itself. You may or may not be aware, but the County Tax Assessor's office has already reduced the value of properties bordering marijuana grows, and realtors say that some of those properties are not salable at any price. That reduces – if we reduce the property values it impacts the property owners but it also impacts the County's revenue.

I would further ask you to include school bus stops on the list in item number six. Currently children are being picked up and dropped off literally in front of – on the doorstep of the Dunbar Lane grow, a situation that parents and children alike find frightening.

I would ask you to include provisions for verification and enforcement at random. Without verification and enforcement, the regulations are a joke. It's like having a speed limit with no police to ever ticket anybody. The Dunbar Lane situation has been and continues to remain out of compliance. They have processed at their, quote, "medical marijuana" grow during the moratorium and nobody is doing anything about it. They cut their fence down partially. They're still out of compliance with the fence. When people don't obey the law, now it makes us wonder what makes anybody think that they're going to obey after the regulations are permanently in place.

And I further would refer you to today's Notice of Decision from the Hearing Examiner – Mr. Walters can speak to it – regarding the Alger grow. The Hearing Examiner specifically said "Agriculture" – he referred back to the original documentation the County has in place – "Agriculture means outdoor soil-based operations." County documents already state that, quote, "Indoor production does not qualify as agriculture." And that holds true for all zones in the county, even Ag-NRL. Thank you.

Chair Axthelm: Patty Van Wagner is next on the list, followed by Carl Bruner.

Patty Van Wagner: My name is Patty Van Wagner and I reside at 14762 Dunbar Lane.

And so I want to take you on a journey. Last year I had custody of my great-nephew, and he's five and he was going to school in Mount Vernon and he was in kindergarten. And the grow facility that is currently there – that is the big issue for us, at least, you know, in the Dunbar area – is located right there at the bus stop literally. So I would drive him down there and I would get out of the car and wait, and you have cameras and you have people who are like watching you, and I'm standing there with a five-year-old, you know, waiting to send him to school.

And this, to me, so clearly isn't an appropriate location for a marijuana facility. It's a residential area. It's a school bus stop. I mean, the idea that it would even be an option to me is incredible because it's so clearly not the right location. And this isn't saying that the marijuana shouldn't happen and that the grow facility shouldn't happen. You know, that's fine, that's done. But those are industrial businesses and they should be located in industrial areas, just as we would for any other type of business, you know, of that scope. And so I really would encourage you to come out there – you know, to come out to the intersection of Dunbar Road and Dunbar Lane – because it is very much a neighborhood and it could be

*your* kid's school bus stop. And if some of these loopholes don't get wrapped up with the setbacks and the lot sizes and the special use permits and the five-acre minimums for the Ag-NRL – those things which started out to be included are getting dropped, and they're very relevant issues. They're what will protect our neighborhoods and protect our children and protect the school bus stops and things like that that I think we really need to address on a level of community.

And so I really do kind of encourage you to take that journey to see what we're talking about because it very much could be your neighborhood. And if we're not careful and we don't close some of the loopholes and bring in some of the things that were left out in this final draft, that could happen in your neighborhood. And so that's all we want. Really I think that's all any of us want, is just to make sure that we're protecting the integrity of our neighborhoods and still allowing for the growth because the revenue stream is obviously beneficial to the county, which benefits all of us. And so it's about appropriate location to have those facilities. So there are some things.

And another thing that hasn't come up that I think should is the whole issue of hemp oil production. What does that look like and where are you going to allow that? And because the person who is at the end of Dunbar Lane was heavily involved in that industry up in Canada, and so where does that fall in? Because there have been some very serious accidents that have occurred as a result of the production of hemp oil that have injured people. I mean, and once again you're in a residential neighborhood at a school bus stop. So think about those things.

Mr. Greenwood: In fairness to everybody else, you're –

Ms. Van Wagner: So anyway, thank you very much. And thanks for what you *have* done.

Chair Axthelm: Next on the list –

Carl Bruner: I signed up on the wrong list. My \_\_\_\_.

Chair Axthelm: Okay, so the next on the list is Carol Ehlers, followed by Ellen Cooley.

Carol Ehlers: Carol Ehlers, west Fidalgo Island. I don't know where the idea got started recently that you regulate by memo instead of code, but I don't know how you do it. Because if you're going to enforce a law, it has to be specific, it has to be in a framework, it has to have a context, it has to be connected – one thing attached to the next. One of the basic problems of this entire process has been originally you tried to regulate marijuana by memo and, fortunately, you and the County Commissioners have responded to the testimony of people who are very specific about what they needed and what they didn't need. Let me say that I agree with every additional thing that Lori Scott says should be added. That'll save me at least a minute.

The second thing: This discussion of Dunbar Lane raises an issue about rural that is not covered in the Rural Element of the Comp Plan. Dunbar Lane is clearly an area that whatever it's supposed to be is far more heavily inhabited for a long, long period of time than Ag zone of 40-acre. The other one that comes to mind is Blanchard, which is one of the historic towns in this county, one of the original towns, and the Planning Department and the Planning Commission didn't even get around to looking at it when we did the Comp Plan. So it's a perfect example of a LAMIRD, a limited area of current development where the lots are

tight together and it looks in every way like any other village that we recognized in this county. Because it wasn't a store, we didn't recognize it as existing. Boy, how narrow-minded we were when you come up with something like this, because we've given them no protection at all. Now they could apply in the Comp Plan process to become a Rural Village and that would protect them, and I told them about it when I had cause to meet with some of them this last month. But just because someone tells you you can do something doesn't mean that you understand at all how to do it. And that form that you have is a nightmare for figuring out what you might do with anything except a piece of property.

So my final comment: Whenever you have one of these things that's perfectly legal but that can cause a lot of trouble to the neighbors, make it a special use so there is a due process. Out there in Alger there was no process. I was looking from the beginning. When it was considered Agriculture, I saw a special use permit notice – a legal notice – in the paper and I thought, Ah, that's the way it should be. Then I started coming to these hearings and, lo and behold, when it was in a residential area there was no special use permit. When it was in a tightly built up area, they weren't supposed to need to know. That's not the way things are done here. It's not fair at all.

Mr. Greenwood: Okay, Carol. That's three minutes.

Ms. Ehlers: And the issue of property, that's something we'll bring up at another time.

Chair Axthelm: Thank you, Carol. So Ellen has declined, so the next on the list is Delinda Baughn.

Delinda Baughn: Good evening. My name is Delinda Baughn. I reside at 17153 Dunbar Road in Mount Vernon. I've been a resident there since 1993 and I've been employed with the Mount Vernon School District since 1995. Hence I'm going to voice a couple of my concerns.

The school bus stop. We have an elementary school, Washington Elementary School. The proximity is 1.4 miles from the Dunbar Lane grow. We have young children being picked up and we have numerous busses passing by that grow facility every day. It's a concern of mine, being with the District for so long. I love kids. They're my concern. My children have grown. Our children have grown and left the house but I'm still very concerned about this. I'm also concerned about the chemicals in our water and in our air. We've been gardening for 21 years. We have an organic garden. We have a sand point well that feeds our ponds that we've put in in the back yard with our fish. I'm very concerned about chemicals, both in our air, due to my health concerns, and also in the water. I'm concerned about the inability for inspection for safety and the number of plants that are being grown. I'm concerned that the fence is not in compliance. It's not neighborly. You should take a look at it. It doesn't go with our neighborhood, a great big fence like that. It looks like a compound. I'm concerned that it was permitted for seasonal hanging baskets. That's what the permit was. This is not seasonal. This is year around. The garage that's being used is being used for commercial purposes. That's not okay. I can't sell things out of my garage. Other people shouldn't be able to sell things out of theirs. Not only is this not seasonal but when we say it's considered ag, I don't believe our federal government considers marijuana growth an ag crop. So it's not being taxed like an ag crop would be, so let's not consider it an ag crop since our federal government doesn't. The smells from the processing – those aren't ag-related. Ag smells smell like dairy farms. They smell like chicken farms. They don't smell like skunk. You don't

need to go into your house in the middle of a barbeque because somebody's processing marijuana like you have to now.

Our property values: I've been to County Commissioner meetings and the business owners – I understand they have a big concern because they have a big investment in their business. I have a big investment in my home. That's our retirement. So they lose their business, but if I can't sell my home for what the value is I've lost my investment. I've lost our – my husband and my retirement.

This doesn't have to do with being opposed to marijuana. It doesn't have to do with being opposed to recreational or medical. It just has to do with making sure that the production and the processing is in the best area possible. Our neighborhood is not the best area possible for this to happen. I understand this all came about very quickly for our county to act on once the law was passed, or once the – we passed 501 (*sic*). The thing is, we need to make sure that we have everything in place not only from this point forward but for the people who are living with what's happened to us as residential owners. We're not in an ag area. Drive down Dunbar. It's a beautiful residential area. It's an area you'd like to live, too, but you wouldn't want to now because your property value won't be worth anything and you won't be able to get out.

I thank you so much for your time. I'm sorry I got whatever that yuck is that's going around so my voice isn't real good, so stay away! But please come by Dunbar and take a look and see for yourselves. We'd really welcome you. Thanks for your time.

Chair Axthelm: That was the last on our list. Are there any other public who would like – please go ahead and state your name at the microphone.

Joan Schleh: My name is Joan Schleh. I live at 17198 Dunbar Road. I have also been here from the very beginning going through this whole process. I appreciate all the work that you, Dale and Ryan, have put into this and bringing our interests to the forefront. I agree with everything that has gone before.

Just to give you the idea again and underline, we saw this coming in. We didn't know what it was. We gave them the benefit of the doubt – became obvious was it was. We had to go and do our homework. We had to go and find out what was happening. We had to bring it in front of you to say, Hey, this is what's happening and it's not okay. We've had to stay on it doggedly, because otherwise where would we be? We'd be back where you guys left us last summer with nothing, with no protections for our neighborhood. And that's not right, and so you – I just urge you to listen to everybody who has spoken here today. These are real people in real homes facing this day in and day out.

I live across the street from this grow operation and it's frustrating to know that they have been out of compliance, that they – even under the old rules, they were breaking laws right and left but nobody was checking on them. Nobody was forcing them into compliance. There wasn't any of that. We would smell the stuff. We just smelled it again recently. You know, it's like they're just spitting in your eye about any kind of rules you have. They're just going on and doing what they want to do. I understand they have an investment, but as you've heard this room is full of people who've had investments. If you're going to invest in a marijuana grow operation that's a little dicey, so you might not come out of it quite as secure as if you thought you were just going to open up a local store or something like that. So looking at people who have been here for a while, people who are living with it day to day –

stand behind us. Help us. Put some teeth into this rule. Make sure that this cannot happen in another tightly knit area. Just because maybe our particular neighborhood does not fit the exact definition of what Ag-NRL is – I don't even know what that is really. All I know is I have neighbors all around us and we look pretty residential to us, and I don't think that's supposed to be allowed in a residential area. So I just urge you to please take this into account and put some teeth into it, protect us, give us the setbacks, give us the verifications, and just really help us move forward. And put these operations where they should be. There are places for them to be and they should go there. Don't look at these as another grandfathered situation – Oh, well. There they are. No, *not* oh-well-there-they-are. They're only there because there were no rules in place. So please help us in making that stronger. Thank you very much.

Chair Axthelm: Joan, how do you spell your last name?

Ms. Schleh: Schleh, S-c-h-l-e-h.

Chair Axthelm: Thank you. Are there any other comments from the public?

Ellen Cooley: My name is Ellen Cooley, 16340 Lookout Lane in Bow. Thank you for the opportunity to comment. After listening to all these concerned people who have school kids and who have this facility in their neighborhood, it occurs to me that the description the place looks like a compound – well, it probably looks like a compound for a reason, because they're expecting other people that may not be on the right side of the law. And having that kind of crime bait next to a school bus stop is really not in the best interest of the taxpayers – the other taxpayers and people who are having their property values lowered. Thank you.

Chair Axthelm: Are there any other public comments? Ellen?

Ellen Bynum: Ellen Bynum, and I'm speaking on behalf of myself. I live in La Conner. I wanted to say that one of the reasons that you have this situation is because we didn't anticipate what was needed for Initiative 502 or whatever preceded that. We didn't have things in place. One of the things I'd like to urge the Commission to do is to make recommendations in this particular instance that anticipate things that are going to happen in the future. And as part of that, one of the things that you'll be considering is any solution for operations that have been grandfathered in or that the code is written in such a way they will be considered an exception. Let me suggest that one of the answers to solving some problems in some instances happens to be buying out people who live in situations that they've been either illegally permitted or they have not been appropriately placed. I am not – as a taxpayer I'm not opposed for the County to use whatever resources they have to offer buyouts when that's an appropriate and acceptable solution for the proponents who have also been investors. I also feel like we use that less. We use litigation more. But there is this opportunity to come in and take a look and say, you know, What does the opportunity cost to fix this situation? Is that less than, you know, 18 years of litigation? So I just want to urge some creative thinking on the part of the Planning Commission, and whether you can put solutions for settlements for grandfathered things I don't know, but just thinking of other ways to fix the problem. I think there are people here who sincerely need some firm answers. They need certainty that's on both sides – the growers and the neighbors – and I think that it's time for us to provide that.

Chair Axthelm: Thank you, Ellen. Yes?

Elizabeth Schleh: My name is Elizabeth Schleh and I live at 17198 Dunbar Road. And I just wanted to say that I agree with statements that people have made before me. And I also wanted to address the fact that you have the requirement that the security cameras not be aimed at neighbors' property or at public roads or places like that. But without the lot requirement and the setback requirement it would be virtually impossible for those security cameras to not pick up on the neighbors' property. I can see the cameras at our neighbors' property and I cannot picture a way that they could aim them so that they were able to catch what they needed to catch of the fence and not be picking up on the neighbors on either side or of the bus stop right at their corner. So that's all. Thank you.

Chair Axthelm: Yes?

Mary Brennan: My name is Mary Brennan. I don't live on Dunbar Lane. I'm at 1208 5<sup>th</sup> Street, Anacortes, Washington. And the only reason I was speaking is that I'm a former assistant county attorney for land use in another state and I have – Daytona Beach; actually, Volusia County – and I have a bit of concern about this issue after being asked by the Guemes Island Planning Commission to look at the situation for them, and learning that a property that I had sold to someone has now apparently got a license to grow on Guemes Island to grow from the state, but not from the County. And I'm concerned about what the Dunbar Lane people are saying about lack of enforcement. And recalling my own county attorney days in land use where fine after fine after fine piled up against a landowner without really anything but a lien against the property, that might be a concern in a marijuana operation where the idea is to get in as quickly as possible, grow as much as possible, ignore every fine, every lien because you're going to make so much in the early years before R.J. Reynolds comes in that it doesn't matter that you can walk away from the property and leave hundreds of thousands of dollars' worth of liens – more than the property is worth. That doesn't help the neighbors at all. And these may be short-term operations. I don't know if it's two years, ten years, 20 years short-term, but you might want to consider some criminal penalties for violating your zoning laws for this particular type of operation.

Chair Axthelm: Are there any other comments from the public?

(silence)

Chair Axthelm: Seeing none, this hearing is now closed. The public comment period is still open until the 9<sup>th</sup> for written submittals – Thursday, April 9<sup>th</sup>, at 4:30 p.m., and you can find out the information on the County website at the – it's the Notice of Availability that states the information. At this time we'd like to recess – give us a recess before we go on to the deliberations. Thank you.

(recess)

Chair Axthelm: Thank you. So he asked me to hit the gavel to open it up (gavel). There we go. We're back open again. Okay. The one thing, Dale, before I get started was the pamphlets that people passed around. Did you get copies of each of those?

Mr. Pernula: Yes.

Chair Axthelm: Okay. And are those going to be posted as public comments?

Mr. Pernula: I believe so, yes. We'll scan them and post them.

Chair Axthelm: Okay, thank you. So the next item on our agenda is the deliberations, so deliberating on the Capital Facilities Plan 2015-2020 Quarter 1 Update. And we'll deliberate on the issue – sorry. The Planning Commission will deliberate and issue a recommendation to the Board of County Commissioners on adoption of the Capital Facilities Plan 2015-2020 Quarter 1 Update. I'd like to remind the public that the public hearing is over and that this is the time for the Planning Commissioners to talk about it and, however, we may call on individuals from the audience on an individual basis but the public comment is over.

So to get started –

Mr. Walters: So I'd first ask if you have any questions about the proposal or about the subject matter in general.

Kevin Meenaghan: I have some questions, if I can jump in.

Chair Axthelm: Yeah, go ahead and start.

Mr. Meenaghan: I think you covered some of these, Ryan, already. Just to clarify: We're doing this *now* because there's a quarterly budget amendment coming up and this fits into this as part of the budget. Is that right?

Mr. Walters: Yeah, the Capital Facilities Plan is part of the Comprehensive Plan. We're not allowed to modify the Comprehensive Plan whenever we want. We can only modify the Comprehensive Plan essentially once per year; however, there's an exception to that rule for amendments to the Capital Facilities Plan when they occur concurrent with the budget and with budget amendments. So we're doing a budget amendment here shortly –

Mr. Pernula: In two weeks on the 14<sup>th</sup>. That's one week – excuse me.

Mr. Walters: So we're doing the Capital Facilities Plan amendment concurrent with that, so we get your recommendation, we take it to the Board and have the Board do its budget amendment at the same time.

Mr. Meenaghan: Yep. Okay. You talked about the impact fees. The County is collecting it on behalf of the Cities and the school districts.

Mr. Walters: Yes.

Mr. Meenaghan: And is it a pass-through back to the Cities and school districts, or is it kept – does it go into the County?

Mr. Walters: It's passed through.

Mr. Meenaghan: Okay.

Mr. Walters: So we collect it because we're issuing the permits, and we're issuing the permits in unincorporated Skagit County. So inside the city itself, the City processes and issues permits. They collect impact fees. School districts never issue any permits so someone's always got to collect the impact fee for the school district. Inside a city, the City collects the impact fee and then gives it to the school district. Outside the city, the County

issues the permit; the County collects the impact fee; the County distributes it to the school district. The slight difference is for a city, the City also doesn't issue permits outside of the city, but in the UGA – in the urban growth area for that city, the expectation is that the City's going to be providing urban levels of infrastructure in the urban growth area, so we would collect the impact fee for only properties and permits issued within the urban growth area (and) pass it to the City.

Mr. Meenaghan: Okay. Is that an administrative burden on the County?

Mr. Walters: There're some administrative costs obviously. Our code provides for a \$35 fee for each dwelling unit. And that is a declining fee, so if you're doing a multifamily development there's a \$25 fee after a certain number of units.

Mr. Meenaghan: Okay. And my last question is – at least for now – are there any cons? We talked a lot about the pros of doing this – why we want to do it. Are there any negatives to it?

Mr. Walters: The negatives are just the cost of the fee on development. That's a negative incurred only by development because, obviously, the flip side of that is development brings costs and someone's got to pay for it.

Mr. Meenaghan: Yep. Okay. Thanks.

Chair Axthelm: Any other general comments from the Commissioners?

Mr. Greenwood: With regard to questions or clarification, you mean? Information?

Chair Axthelm: Yeah, before we get into actual making a motion and deliberations.

Mr. Greenwood: Okay. I do. Now we're looking to collect impact fees in the UGA – is that correct? – for the Cities –

Mr. Walters: For these two Cities.

Mr. Greenwood: Okay. Although I thought several Cities' capital facilities plans were to be incorporated into our Capital Facility Plan. What were those – whose plans were those?

Mr. Walters: Just these two Cities, Mount Vernon and Sedro-Woolley.

Mr. Greenwood: Okay. I thought La Conner was included. Be that as it may, it would be collecting impact fees for – currently we've been collecting them for schools, right? And the current Capital Facilities Plan collects them for schools, and –

Mr. Walters: And the City of Mount Vernon.

Mr. Greenwood: Okay. *Only* the City of Mount Vernon?

Mr. Walters: *Only* the City of Mount Vernon.

Mr. Greenwood: Okay. Even though there're school districts across the entire county, we collect impact fees for the schools in all the districts that are outside of the city boundaries: Is that not correct?

Mr. Walters: Not all the districts, because not all the districts have adopted impact fees, notably Anacortes and Burlington School Districts do not have impact fees. And Anacortes doesn't \_\_\_.

Mr. Greenwood: Then how do they pay for their capital facilities then?

Mr. Walters: I don't know. Anacortes doesn't even have a capital facilities *plan*.

Mr. Greenwood: A school bond – that's what I was thinking. There's a different approach to funding some of these things, but...

Mr. Walters: Yeah. If you have declining enrollment – which, arguably, Burlington has – if you have declining enrollment, then you're probably not able to show that you have a need that you have impacts from development. And if you don't have impacts from development, you can't choose to levy an impact fee.

Mr. Greenwood: So even if you're beyond capacity, as I think was stated in the staff report –

Mr. Walters: If you're beyond capacity, it sounds like you missed an opportunity to collect an impact fee.

Mr. Greenwood: But you're trying to correct a *past* problem, and I think the impact fees are for *new* issues, not necessarily –

Mr. Walters: Yes.

Mr. Greenwood: You can't correct deficiencies. Is that correct?

Mr. Walters: Exactly.

Mr. Greenwood: So just think about not the school part but the other – these impact fees that we're now looking to address would be beyond school impact fees. Is that correct?

Mr. Walters: Yes.

Mr. Greenwood: \_\_\_\_\_ sewer and transportation, perhaps.

Mr. Walters: Not for sewer. Sewer is not an allowed impact fee, but there are other fees associated with sewer. Connection fee covers sewer, so Cities still have a way to recoup the cost of providing sewer but it's just not an impact fee. But fire, parks, streets, and schools are the allowed impact fees. And we would we collecting all three of those – fire, streets, and parks – for each of the Cities.

Mr. Greenwood: Okay. And we haven't seen the schedule – perhaps some have – but does that schedule address the condition that the roads, perhaps, are not at the same standard as the cities that they're perhaps to be annexed into?

Mr. Walters: It might be helpful –

Mr. Greenwood: Say, curbs, gutters, sidewalks versus – and pavement – versus a chip-sealed rural road.

Mr. Walters: This is the schedule of impact fees on your screens there for the school districts and the two Cities. Each of these entities needed to go through a process for developing the fees. They needed to identify what their needs were. They needed to identify what those were expected to cost, and do a calculation. And if you look, for example, at the Mount Vernon School District Capital Facilities Plan, there is \_\_ spreadsheet at the back. It's simpler than the City's but it's an example of how that's done. There's a spreadsheet that shows how the calculation is arrived at so that you can see that they are adding up their costs, determining their projects that are required to serve their expected populations, and then dividing it by how many additional people or what additional impact for each use that you would levy an impact fee against. So each jurisdiction is going to have standards for their roads, for street construction, and new development would be required to construct to those standards or pay an impact fee. So I think your question about addressing streets that aren't up to par isn't relevant for the question of impact fees, because impact fees is only going to come into play when you're talking about wholly *new* development.

Mr. Greenwood: Okay. I see a hole – I mean, there's been a hole obviously in the UGA where – for the addressing of some of the impacts and so I guess I just still have a question outstanding is when we adopt a capital facilities plan into our Capital Facilities Plan, that has gone through a process but it's a City process.

Mr. Walters: Right.

Mr. Greenwood: And we don't necessarily verify its accuracy or approval on the County, right?

Mr. Walters: Yes. Correct.

Mr. Greenwood: We're just incorporating it as it is.

Mr. Walters: Correct. And our code provides that before we actually start collecting the impact fees – and I'm not saying that we've always followed this in the past – but our code provides that we would adopt an interlocal agreement with the jurisdiction that we're collecting the impact fees for that will cover the necessary components. And if I had it here quickly I would read it to you, but the essential elements are that the District or the City would promise us that they did their math correctly, that they would indemnify us for any developer who later appeals and says that their impact fee was collected improperly, et cetera. They did the math, we incorporated by reference, but we're not trying to redo their work for them.

Mr. Greenwood: Okay. That makes sense. That's enough for now for me, Josh.

Chair Axthelm: Okay. Go ahead – Tammy?

Tammy Candler: My question is along those same lines. My issue was with, you know, who's setting these fees and how the County would retain any control of that and whether we would. The way that I read this particular language, the City submits a – if they properly submit a schedule and necessary documentation of the plans with the statute, those are the fees. We don't have any say further. So I can't tell if that's an issue or not.

Mr. Walters: Yes. So part of the concern raised by Sedro-Woolley and Mount Vernon was that if we do adopt these code changes, would the County have the ability to reject their impact fee schedules. And what we're suggesting to you in the draft recorded motion that's in front of you is that you make a recommendation to the Board saying that, yeah, that section should require the County. If the County receives a compliant capital facilities plan that we can then incorporate into our plan and we get the schedule and it looks at face value that they've done the work, that we would adopt their fees and that we wouldn't modify their fees or refuse to adopt their fees. And the reason for that is because in the urban growth areas we are expecting to see urban levels of development. GMA requires that if there is urban levels of development that there be urban infrastructure to go along with it. And there're a whole series of things that need to happen in order to make sure that urban infrastructure is provided.

Sedro-Woolley alluded to some others, for instance, requiring through development regulations that developers physically provide infrastructure when they develop, and that has admittedly been a problem in the past for the County. But the other component is impact fees so that when another unit is added, when another individual building permit is added, we're not going to require one individual building permit to build a road but we may require that building permit to pay an impact fee, which represents a portion of the cost of that future road or a road that's already been provided. So we have multiple mechanisms for making sure that urban levels of infrastructure are provided, but if we don't use those mechanisms then it won't get provided. No one will provide urban levels of infrastructure and we will be in the situation that portions of Sedro-Woolley are in now where they don't have urban levels of infrastructure but they do have urban levels of development just outside their city borders in the urban growth area. So it is rather important that each of these mechanisms be provided so that these problems don't occur.

Ms. Candler: And I can certainly see that we need that but my question is, What happens if the City submits a schedule that we don't agree with? What mechanism do we have to change it or –

Mr. Walters: Well, let me give you two examples. In the fee schedule that's on your screen you'll see impact fees listed there for Conway and La Conner School Districts. And Conway and La Conner both have capital facilities plans, they both have fee schedules, and they both have calculations. But their capital facilities plans – let me get this right – La Conner's, I think, is completely out of date. So it's a six-year plan and the six years expired a little while ago. Conway's capital facilities plan is current – they recently adopted it – but it doesn't have any projects in it so there's nothing to spend the impact fees on. And their calculation is from 2001. So my recommendation to the Board of County Commissioners when this comes forward to them is that they not adopt those two impact fee line items on the schedule for those two entities, because those submissions are clearly not compliant with the statute.

But I guess what I'm suggesting is that where at face value without trying to redo all the math and evaluate whether a jurisdiction is actually going to do the project, et cetera, that we give some perfunctory look at the documents they submit and if they look okay – if we cannot divine any problems with them – that we do adopt those fees and collect them for the jurisdiction. And the jurisdiction will have to promise through interlocal agreement that they will spend them consistent with the statute. And there is a mechanism for refunding them if they don't spend them within the statutory timeframe on an allowed project. So I don't think

that the County should be adopting an impact fee that is different from the impact fee schedule that a jurisdiction submits. I think that's problematic.

Ms. Lohman: So you're – excuse me, Josh.

Chair Axthelm: Okay.

Ms. Lohman: I have a question – a follow-up question.

Chair Axthelm: Okay. You still have more or are you okay?

Ms. Candler: I'm fine.

Chair Axthelm: Okay. Okay, go ahead.

Ms. Lohman: So are you saying then that you would just say “no” rather than try to dicker on the impact fee – you would just categorically just say reject it?

Mr. Walters: For Conway and La Conner we would just say “no” because they just are not compliant with the statute. We think we can probably help them get there maybe in time for the CFP update later this year. But yes, for right now we are – I'm suggesting that we just simply stop collecting impact fees for them. And the impact fee schedule is not actually before you. It would be adopted by the Board. But for Conway and La Conner, yes. For Mount Vernon, for Sedro-Woolley – and if you look at these, some of these fees are substantial, especially for school districts. Mount Vernon School District's single-family fee is \$6700. There is a provision in the statute where we could adopt an exemption for affordable housing, so we could take their fee and adopt an affordable housing exemption up to 80%, and in some cases more than 80%. But the school district would have to agree. The statute specifically provides that the school district would have to agree with that. So I don't know exactly what we're getting at in terms of why we would want to modify the impact fee schedule. Maybe just to reduce the burden on development? Or to incentivize affordable housing. I know that came up at a Housing workshop a couple meetings ago. So there are mechanisms for doing that kind of thing, but they are prescribed by statute so we'd have to look at those quite carefully.

Chair Axthelm: Okay. Tammy, do you have anything else?

Ms. Candler: No other questions.

Chair Axthelm: And, Kathy?

Kathy Mitchell: I'm good. Thank you.

Chair Axthelm: Annie, do you have any comments? Annie? Questions, Annie?

Ms. Lohman: On the reasons or just in general? No, no.

Chair Axthelm: Just any general questions as far as – so we can get into the motion.

Ms. Lohman: No.

Mr. Walters: The other detail on that that I might point out, as Mount Vernon pointed out in its comment letter: We do have interlocal agreements. An interlocal agreement with Mount Vernon that says that we will adopt their impact fees.

Chair Axthelm: That says we *will* or –

Mr. Walters: That we *will* adopt their impact fees.

Chair Axthelm: Okay. So we really don't have a – it doesn't matter what we say. It's already decided in that case. Is that correct?

Mr. Walters: Well, we have – yes. It's somewhat complicated, because that provision in their interlocal agreement said – yeah. Our interlocal agreement is a contractual obligation for the County to do what the interlocal agreement says, and as far as we know it's a very old interlocal agreement. That interlocal agreement hasn't been rescinded. It also says that we would spend those funds on joint City-County projects, and I don't think that we really have any additional text that fleshes out what those projects are. I will be proposing that we replace that interlocal with a new interlocal that prescribes more how the calculations get submitted, on what schedule, and when we do each of these things. But, yes, I mean we have a lot of weight behind our need to impose impact fees that the Cities decide are appropriate for their urban growth areas. We've got interlocal agreements, we have got Growth Management Board Hearing decisions, and we have state law.

Mr. Greenwood: I have a clarifying question, too. You can go ahead if you –

Chair Axthelm: Yeah, I have a couple questions. One was, let's see, urban growth areas: They do not vote with the city. Is that correct?

Mr. Walters: That's right.

Chair Axthelm: Okay. And as far as like, road improvements, does the City go beyond the city boundaries into the urban growth area to improve roads or do they stop at the city?

Mr. Walters: The City I don't think in any case is going to be improving roads outside of its boundaries.

Chair Axthelm: Okay.

Mr. Walters: Except that ultimately those roads become City roads when they are incorporated and those roads should be being built to urban standards when land divisions occur.

Chair Axthelm: Okay. And when these fee schedules are put into place, can the Cities – or Cities or jurisdictions – change their fees without our approval – the rates?

Mr. Walters: Well, what's happening right now that I have not felt very comfortable with is that Mount Vernon sends us a fee schedule and we simply start collecting the fees on the new fee schedule. And what we're proposing is a more formal system where we adopt their fee schedule each year. So they would – the City of Mount Vernon, the City Council would adopt a fee schedule; it would get forwarded to the County; we would then adopt it. So we

would be using their fee schedule but it wouldn't happen automatically. It would require action of the Board to make that happen each time.

Chair Axthelm: On the Bayview Ridge, there was a section of housing – or they were looking at a section of housing and they said without being in the urban growth area you couldn't put sewer out to it. There's a restriction.

Mr. Walters: There's a general prohibition in GMA about extending sewer outside of urban growth areas, so outside of a city or –

Chair Axthelm: So it *could* go into the urban growth area.

Mr. Walters: It can go into the urban growth area but it shouldn't be going *outside* of the urban growth area. Technically the urban growth area includes the city itself, but usually when we talk about urban growth area we're just talking about the unincorporated area because that's the only place the County has jurisdiction.

Chair Axthelm: Okay.

Mr. Greenwood: The schedule that's up on the screen identifies for Mount Vernon UGA and City of Sedro-Woolley UGA impact fees specific to specific areas or types – fire and parks and transportation. Are those the same impact fees that the development within the city pays or is it different? Or do we know?

Mr. Walters: Yes, that's the same.

Mr. Greenwood: It's the same? Okay. So the same impact fee, not the same level of service, because they're not getting that service at this time but perhaps they will in the future. Is that – am I understanding that right?

Mr. Walters: Yes. The impact fee is also not paying for the service. It's not paying for the operations. It's paying for the public facility, the infrastructure.

Mr. Greenwood: So that money gets set aside into a specific account and it's either spent on when that impact is felt and the services are provided, or it gets refunded.

Mr. Walters: I think as a general matter it really never gets refunded, but that theoretically could happen. The money goes into an account and the jurisdiction can immediately spend that money on the projects it's identified in its plan that are related to that impact. So the fire impact fees, traffic impact fees, parks impact fees are tracked separately and you can only spend them on the appropriate projects. But they could spend them immediately. They don't have to wait for when the impact is felt. And they have to spend them within ten years. And it used to be six years. That's another reason for one of the code changes because our current code says six years and the state law changed to allow it to be spent in ten.

Mr. Greenwood: Okay. I don't mean to imply that they don't get any of the services, because when they live on the outside of town they go into town, so I understand that. And they go to the schools and they – so I'm not saying –

Mr. Walters: Schools definitely are providing the service simultaneously.

Mr. Greenwood: I just thought I remember in our Capital Facilities Plan – our current one – that it says it – there's a specific account that is set up for those specific collections. And maybe because it was identified for schools at that time and not other districts or other plans. But does that sound familiar to you?

Mr. Walters: I'm not sure exactly what –

Mr. Greenwood: I think that's on –

Mr. Walters: It's in the code.

Mr. Greenwood: – page 55 or 56, I think, on our Capital Facilities Plan, but I can look it up.

Mr. Walters: Our code does provide that money go – impact fee collections go into a special account with the County Treasurer and then they're dispersed every 30 days.

Mr. Greenwood: Okay. But if they're not earmarked, they won't be refunded because we won't keep track of it.

Mr. Walters: Right. See, we need – this is one of the reasons for interlocal agreements – we need protocols in writing on what development is collecting impact fees, the data that goes along with the amounts. There should also be a protocol for us checking with the jurisdiction to make sure that the amount is right before we collect it, et cetera. And I think we're doing a lot of those things now but I'm not aware of a protocol for doing it.

Chair Axthelm: So you have a – are you done?

Mr. Greenwood: Yes.

Chair Axthelm: Okay. You have, like, a fire impact fee. In that situation, is – so they aren't receiving services for the fire. They're still using Skagit County fire, right? Or whichever district they're in?

Mr. Walters: In the urban growth areas, there's typically a fire district that's providing fire service but the City – all the Cities are going to have mutual aid agreements with those fire districts. I mean, those mutual aid agreements also might extend outside the urban growth area, but I don't think it's completely correct to say that they're not receiving fire service because the City will be responding. And also the City will be building up its fire service capacity for lands that are incorporated into the city at some point.

Chair Axthelm: Okay. As far as those funds, there's no guarantee that that – let's say, you take Mount Vernon. If impact fees are charged for west side yet that money might go to a new fire station on the other side of town.

Mr. Walters: I'm not 100% sure on that. I think in Sedro-Woolley they have divided their impact fees into a complicated schedule by zone. I think the other jurisdictions have not done that. But, for instance, this is the City of Sedro-Woolley's schedule of transportation impact fees and they have a separate impact fee listed for each district. So they have done a calculation by each district. And I don't know if they have a restriction for how they spend the fees – if they have to also spend them by district.

Mr. Freiberger: I can elaborate on that, if you would like.

Mr. Walters: Do you want to come to the podium?

Chair Axthelm: Please, yes.

Mr. Freiberger: So the City of Sedro-Woolley's transportation impact fees in particular – it's not fire; that's a different matter – are based on our transportation plan. We've identified arterial streets throughout the city and including the urban growth area that need to be updated to urban standards as growth occurs. And we've established a value for those improvements and based on the total of the valuation for all of those arterial street network improvements – and we do it by 15 zones in our case, as you see on your screens – we determine – cost per residential unit is the base we use for developments that would occur in those zones. Now we collect those impact fees and then we have those funds in a single fund. They're available for using anywhere within the city on qualified road system streets, you know. So if we have, say, Fruitdale Road, that is in that category and we develop a project, it doesn't matter where within the 15 zones it comes from. We can use it towards that project, the theory being the road system is, in fact, a system. It's not an individual thing that benefits an individual property necessarily. And in the case of an urban growth area, if the County is one side of the street and the City is on the other, the traffic is coming from both sides and using that street system. And so that's how we establish those.

Chair Axthelm: Thank you. Okay. Yes?

Amy Hughes: While you're here, in the case of a fire department, though, if there's a fire department outside of the city taking care of that neighborhood, the impact fees wouldn't go into Sedro-Woolley. It would stay with that fire department for the fire department portion.

Mr. Freiberger: Well, I'm probably speaking out of school. Pat, do you know better how the fire fees are handled?

Mr. Hayden: Yeah. I believe that fire fees in the urban growth area would go to the City of Sedro-Woolley Fire Department, but they need to be spent to build capacity to serve the urban growth area upon annexation.

Ms. Hughes: Okay.

Mr. Hayden: As was mentioned earlier, fire departments are a different animal. There are different statutes about how you annex a fire district into a city that are beyond what we're talking about. But the short answer is that all these impact fees are basically raising capacity in anticipation of annexation, which is going to – it's technically required to occur as the urban growth area develops. So ultimately the burden's going to be the City's. We either get the fee or we don't. But we've got to pay for it one way or the other, or pay for the services for the physical facilities necessary to provide the service. But the fees anticipate annexation. In fact, this is the only area that *can* annex.

Chair Axthelm: Okay, are there any further general questions?

Mr. Meenaghan: Just one little quick one.

Chair Axthelm: Okay.

Mr. Meenaghan: On your draft motion, does that incorporate the inputs from the two Cities that you had mentioned, or do we need to modify it?

Mr. Walters: Yes. When we get to that, in the draft recorded motion that we prepared for you we added a recommendation that we make the collection mandatory, so that's what you see the last line before the vote tally. So it's a recommendation from the Planning Commission that the Board adopt the proposal plus make the collection mandatory for any district that has properly submitted their plan and fee schedule and calculations.

Ms. Lohman: I have a question.

Chair Axthelm: I think before we start this, how does the Planning Commission feel on our ability to deliberate on this? Do we have the information we need? Do you feel like there's been enough time for the public?

Ms. Candler: When does this have to be done, Ryan?

Mr. Walters: If we are to adopt it with the budget, the budget public hearing is next week and the Commissioners are expected to adopt any budget amendment at the same time after the public hearing next week.

Robert Temples: Mr. Chair, at this time would you even – are you comfortable with us doing a motion?

Chair Axthelm: Yes, I'd like to.

Ms. Lohman: I have a question.

Chair Axthelm: Sorry, let's – Annie, get the question.

Ms. Lohman: My question was, How long do these UGA areas stay in it's almost like limbo before they become incorporated by the City?

Mr. Walters: Well, that can depend. If there's no development, then it might be quite some time.

Ms. Lohman: But I'm thinking if you're collecting an impact fee is there a schedule to incorporate them? Because if they're paying an impact fee – when does it trigger an annexation, I guess? Or does that matter to us?

Mr. Walters: Do you want to address that?

Chair Axthelm: If you do, you have to approach the microphone.

Mr. Hayden: What I heard you ask is: What is the relationship between the impact fee process and annexation?

Ms. Lohman: Mm-hmm.

Mr. Hayden: For the urban growth area. And a little help also from Mount Vernon planner – but I believe that these are a combination of five- and twenty-year plans that are – they're updated on five-year increments. And the setting of the urban growth area is supposed to be based on the ability of the City to provide services and the need for that area for additional population, commercial, or industrial growth, which are adopted into a comprehensive plan. So – and please interrupt me if I'm wrong, planner – but the short answer is that these are the areas where growth is anticipated because of capacity and infrastructure and historic trends, so in theory the City has a 20-year window to annex these areas. But the areas that pay the impact fees also need other services like sewer, more comprehensive police services, and most Cities are conditioning that level of development on actual annexation. Because sewer really is the most expensive product that Cities provide. So it's a combination of actual need, the same level of politics or lobbying that goes on, you know, here for changes, and it's based on comprehensive plans that have not been appealed but which were either accepted because they weren't appealed or, if they were appealed, were affirmed through the Growth Management Hearing Board process.

So it isn't – there is no one simple answer to that, but there is a process one step beyond what you've asked that I think is relevant. Impact fees are not cast in stone. All of these impact fees can be appealed by the applicant. They could do an individual study arguing that they don't apply to their particular structure because perhaps it's a 55 and older or a nursing home that doesn't have transportation impacts. Maybe it doesn't have children so there might be an appeal process to get out of school fees. If the applicant is required to build road improvements that affect the projects that are on the list, they get a complete credit for every dollar spent on improvement. If they donate right-of-way for these improvements at a future date as some do they have to – you may have seen projects where people donate an additional 10 feet of right-of-way so a street can be widened to urban standards or a new turn lane can be put in. Even if it isn't built at the time, they get a credit for the value of that land. So it sounds like, oh, there's an impact fee and you just have to pay it, but the actual process is much more complex.

The City of Sedro-Woolley's never collected an impact fee outside its city limits, so some of these questions need to be worked out in the future. But when I was fulltime City Attorney for Sedro-Woolley for five years we collected very, very few commercial impact fees inside the city because all of the applicants had to do physical improvements to bring the infrastructure up to standard and receive credits equal to or greater than the actual impact fee. So it isn't just a cut and dried formula. If a developer puts in an intersection to facilitate a development maybe further up the street but might be required to put in pavement or wider road or put in sidewalks going to a school, those costs usually get written off against the actual impact fee. But, again, we are without a history for impact fees in the unincorporated urban growth area so I don't have experience in that area.

Mr. Walters: The other thing I'd say with respect to annexation is where Cities are able to force annexation that's where most of the annexations, I would say, are likely to occur. Annexation statutes are very complicated and I am familiar with none of them. But the proviso to that is that the County sets the urban growth area boundaries. So we do that in consultation with the Cities, but if we were concerned about where this urban growth was happening or where cities were expanding, we have some ability to control that through setting up the urban growth area boundaries which we do every ten years with our Comprehensive Plan update. So I'm not sure if that addresses the concern or questions or not, but it maybe provides some useful background.

Chair Axthelm: Annie, is that everything?

Ms. Lohman: Mm-hmm.

Chair Axthelm: Tammy?

Ms. Candler: I withdraw my question at this time.

Chair Axthelm: Is there any other questions?

(silence)

Chair Axthelm: Okay. The reason – I just want to clarify – the reason I kind of wanted to do it this way, I felt like there were enough questions that if we started the motion that it would get stuck in all the details, so this is better just to clarify it and now we can start with the motion. So if the Commission so wishes...

Mr. Temples: I would like to make a motion that we approve the draft that's been presented to us on the Capital Facility Plan 2015Q1 Update regarding item 1 to modify the proposed text in SCC 14.30.020 to make the County collection of impact fees mandatory for those jurisdictions and properties properly submitted as scheduled to impact fees necessary to the documentation of compliance with the statute.

Chair Axthelm: Are you reading that off a page?

Mr. Meenaghan: Yeah. It's the draft recorded –

Chair Axthelm: Okay. Okay, I've got it buried in here somewhere.

Ms. Hughes: Mr. Chairman?

Chair Axthelm: Yes?

Ms. Hughes: I don't know if I'm remembering my Robert's Rules correctly, but I would propose an amendment to this motion.

Mr. Greenwood: We need to have a second first.

Chair Axthelm: First we need to have a second. Yes?

Mr. Meenaghan: I'll second that.

Chair Axthelm: So the motion has been made to approve the proposal with the following changes or with the – do I have to restate the whole thing?

Mr. Walters: If you want.

Chair Axthelm: If I want?

Mr. Walters: You have it written in front of you so...

Mr. Greenwood: You're supposed to.

Chair Axthelm: Okay – to approve the proposal with the following changes: 1. Modify the proposal text as Skagit County Code 14.30.020 to make County collections of impact fees mandatory for those jurisdictions that properly submit a schedule of impact fees and necessary documentation of compliance with the statute – or with statute.

Do I have a second?

Mr. Meenaghan: I'll second it.

Chair Axthelm: Okay. I'm not very good at this!

Mr. Temples: Discussion.

Chair Axthelm: The motion has been seconded so –

Ms. Lohman: Discussion.

Chair Axthelm: – discussion.

Mr. Greenwood: You had a motion to revise, perhaps.

Chair Axthelm: Okay, and that's part of the discussion so – okay, so discussion on the motion?

Ms. Candler: Shall I start?

Chair Axthelm: Yeah. Let's go ahead and do round-robin. I think that works pretty good for starters.

Ms. Candler: Okay. I don't have an issue with impact fees per se. I think that we should adopt something like this. My concern is the language: Having the data and necessary documentation for the impact fees and doing a cursory check of the reasonableness of those fees doesn't do anything for the County if ultimately there's no way to reject the fees if we don't think they're reasonable on our cursory check. So I don't know if this is language that we're actually proposing be adopted, or if we're just saying we want some type of language adopted.

Mr. Walters: The latter.

Ms. Candler: Okay, then I don't have any further issues with it. I think that as far as discussion goes I –

Mr. Walters: Yeah, we came up with this at about 4:30 so we're suggesting you make the recommendation and then we will come up with the language.

Ms. Candler: Okay. So I don't – I don't know what "properly submit a schedule of impact fees" means in terms of their process, and that's probably okay if this is just our suggestion that we adopt some – you know, make them mandatory and require some things. But I

would like the County to keep the flexibility to not be stuck with a fee that they don't agree with at some point. That's it.

Mr. Walters: Could you expand on that a little bit? What do you mean by that we don't agree with?

Ms. Candler: Well, for example, I'm not saying Sedro-Woolley is going to do this, but Sedro-Woolley has apparently about 15 years of not having fees that they may feel needs to be made up for somewhere. So if they are starting to put their impact fees to include that stuff – what would that be? That's sort of the eastern – no, the western area that we were talking about earlier. I'm just concerned about whether or not the County is going to want the same fee schedule as the City is going to want. And maybe it's not a real realistic concern, but we're requiring a properly submitted schedule and we're requiring necessary documentation of compliance with the statute, but, assuming those two things are met, we have to accept the fee. And I don't know if that's what we want.

Mr. Walters: So in that hypothetical – completely hypothetical – the City of – call it Woolley-Sedro – would have decided to have rigged their schedule, right?

Ms. Candler: Well, I don't know if it's rigged if they get to make their schedule. They can make it based on things that they need. They need things. I mean, they don't have this infrastructure in that area, you know, so where's the cost going to come from?

Mr. Walters: Yeah.

Ms. Candler: Is it going to be an increased fee schedule for the developers who are developing on the \_\_\_\_? What's – you know. So maybe that's what we want to do, but I think the County should be able to look at the fee and decide if that's what we want to do at the time that they see the schedule. That's all. Does that make sense?

Mr. Walters: On any – so I guess what I'm getting at: Do you think the County should be able to reject it on any basis or on a limited basis, where we don't think it's compliant with the statute?

Ms. Candler: On the basis where we don't think it's compliant with the statute, I guess.

Mr. Walters: Okay.

Ms. Candler: Yeah.

Chair Axthelm: So how would you more simply phrase that amendment?

Ms. Candler: Well, this requires necessary documentation of compliance with the statute, so I think as long as we're not saying that this *is* going to be the language, I'm fine with adopting – supporting this at this time.

Chair Axthelm: Do we need to phrase that somehow? Or how –

Mr. Walters: Well, I think the text of the motion as drafted there says that your recommendation is to modify, and then it ends in quotes so we wouldn't be modifying it precisely as presented. We'd be modifying it to accomplish what's presented there.

Chair Axthelm: Okay. Thank you.

Ms. Hughes: Regarding the modification, wouldn't the appeal process take care of that?

Mr. Walters: Well, you would think. I mean, certainly that would be one way. Any individual development could appeal an impact fee and demonstrate that the calculation is in error. That would only apply to that particular development, but then the next development obviously would do the same thing, assuming the schedule would get changed –

Ms. Hughes: So that might be the check and balance that we're looking for.

Ms. Mitchell: Unless I'm missing something, but we can already do that, like the way you assessed what we can and can't do with Conway and La Conner situation if they don't meet the statutes. That language already exists, right? If they're not meeting the state statutes. So this would mean that, right?

Mr. Walters: Well, in the text of the proposal that we put out for public comment that is before you, it just says "may" – "we may" do that, and what we are suggesting is that we make it mandatory so long as they submit the proper documentation. So, yes, in either case we could handle the La Conner/Conway situation.

Chair Axthelm: Kathy, Tammy, anymore?

Ms. Candler and Ms. Mitchell: No, thank you.

Mr. Greenwood: Okay, I think we already have a lot in place. I see a lot in place already. The incorporation of Cities and Towns into the Capital Facilities Plan and its amendment – I think it's clear that it does not require anything more than their inclusion. And then, I would, however, like to retain the authority in the house of the County itself when it does its process for budget approval and approval of Capital Facilities Plan to not be mandated to collect impact fees but to collect those. I think that – so I'm not in favor of this revised change to require them. I think that gives the County authority to do the appropriate thing, which would be to be consistent on the development of UGAs consistent with the city that they're adjacent to. So I like the change. I like the incorporation of additional information of facilities and capacity analysis pertaining to the school districts and their underperformance of capacity and how they've addressed it to date. I think that's inadequate short-term. So I like the change in that regard. So, other than that, I like the proposal as stated to that point. That's it for me.

Chair Axthelm: Okay. Annie?

Ms. Lohman: Kind of a question maybe of Tammy is, Are you thinking that the people in the UGA – they can't vote in the City, so how are they going to have any voice in that impact fee? I understand the City. They're looking to the future where they need to make some serious investments in their infrastructure, and it's limited to certain things they can charge up to impact fee. I think as long as the County keeps control of it through the budgetary process and potentially can say, This is out of compliance with whatever the statute is, and that language in the interlocal and within the code reflects that so that we don't leave people without a voice. They're in the UGA but they are a county resident, vote in the county process. They're not part of the city process but someday they will. I don't want to cause a

conflict there. So I did read the letters from the Cities and I understand that the Hearing Board says that it has to be – it can't be a political decision, that it has to be an affirmative kind of mandate, if you will. I hate using that same word. But there still should need some checks and balances that it's not just a – unchecked.

Mr. Walters: And that has been my concern with how we have currently been doing it for Mount Vernon, where we just get their revised schedule and we just begin collecting the impact fees from that schedule. I'd much prefer that we have a more formal system where they send us the schedule; we adopt the schedule – so that we know when that's occurring, we know the date on which we should be starting to collect those impact fees, and so that we're reviewing it as that process occurs, and so it's the same process for all of the Cities, at least the two that we're collecting impact fees for or will be, and for the school districts.

Chair Axthelm: Kevin?

Mr. Meenaghan: I have nothing further.

Chair Axthelm: Amy?

Ms. Hughes: So you want that, but that will come at the Commissioner level, because it's not in here right now?

Mr. Walters: The adoption of the fees themselves will come at the Commissioner level.

Ms. Hughes: Yeah, but as far as a *process* for the County to get a schedule for adoption.

Mr. Walters: That text –

Ms. Hughes: Is that in – that text is here or it's the next to come?

Mr. Walters: It's here in the code.

Ms. Hughes: Okay.

Chair Axthelm: I have a hard time with having a fee given without having the right to vote on that, and I wish it would allow them to vote within the city. They're in the urban growth area because if they're being taxed or being charged fees – I guess it's not tax, is it? It's just a fee?

Mr. Walters: It's a one-time fee on the development, like when development occurs.

Chair Axthelm: Yeah.

Mr. Walters: I might say it's actually – it's so much worse than that. Because in Mount Vernon, in La Conner, and in Anacortes's UGAs, the County adopts those City's development regulations to govern development that occurs in the UGAs. And we're obligated by interlocal agreement to use – and our own code – to use those development regulations from those jurisdictions. And this has been a complaint from Sedro-Woolley and Burlington that we don't treat them the same way for reasons that I don't – I'm not familiar with, but we might be moving in that direction in the Comp Plan Update. The urban growth areas are supposed to be time-limited. They're supposed to be areas where urban

development occurs and then gets incorporated. They maybe haven't always worked out that way. But it's referred to as "transformance of governance," where governance changes from the County to the City, so you get to vote for your County Commissioners but you have to comply with the City's development regulations and maybe you have to pay the City's impact fees. So there's a little of both in those gray areas between rural County and urban City.

Chair Axthelm: And I can't say you don't have the right to vote on it because you do, in essence, with our meeting here. People can voice their opinions so there's still the opportunity.

Mr. Walters: Yes, and with – as I pointed out before – that the County gets to set the boundary of the urban growth area. So there *is* that check at the County level.

Chair Axthelm: And then the other question is, If you have impact fees where the City – or, sorry – where the County develops outside the urban growth area, are there impact fees for the County the opposite direction?

Mr. Walters: There *could* be, but there are none. The County has no impact fees. I think because –

Chair Axthelm: So a city development impacting county roads, which happens significantly.

Mr. Walters: I don't think we've thought of that.

Chair Axthelm: It goes both ways, though. Why shouldn't it?

Mr. Greenwood: So do we need to make a – does there need to be a second on my proposed revision to Robert's motion?

Mr. Walters: You should make a motion.

Mr. Greenwood: So I'd like to move that we revise –

Ms. Lohman: Amend.

Mr. Greenwood: Amend? Okay. That sounds fine. I was thinking of revision because it's deletion of the aspect pertaining to the requirement of impact fees to be collected by the County. I'd like to remove that element of his motion.

Mr. Walters: Basically delete paragraph 1 on your screen?

Mr. Greenwood: 1, yes. Mm-hmm.

Chair Axthelm: Okay. So the motion or the amendment has been proposed – excuse me. An amendment has been proposed to eliminate item number 1, the modified text. The whole thing? Is that what you're going to take out?

Mr. Greenwood: Yeah. I'd like to make the motion that we not modify the text in 14.30.020 to make County collect some impact fees mandatory for those jurisdictions.

Chair Axthelm: Do we have a second on the amendment?

Mr. Greenwood: Okay, can I restate it?

Chair Axthelm: Is there any further discussion on the motion?

Ms. Lohman: Are we just going to go through the Findings of Fact?

Mr. Meenaghan: Do we need to go through the Findings of Fact?

Mr. Walters: I would say that your motion is as it appears on the screen right now, so you can go through them or not.

Mr. Greenwood: I'd like to hear what they are. I didn't get a chance to read them because I didn't see them until just when I sat down.

Chair Axthelm: Okay. Are we in agreement?

Ms. Lohman: To go over the Findings of Fact?

(sounds of assent from Commissioners)

Chair Axthelm: Let's review.

Mr. Walters: Do you want me to lead the –

Chair Axthelm: I feel awkward, so if you would.

Mr. Walters: So the first Finding of Fact and Reason for Action on the first page there under the heading just states that the Planning Commission recognizes the purpose of the County's proposal is to facilitate the collection of impact fees for the school districts and Cities that have submitted schedules of impact fees and supporting documentation.

The second notes that impact fees are an important mechanism for Cities and school districts to be able to finance the infrastructure necessary to serve new development.

The third restates a section of RCW 82.02.090 which provides that impact fees must be demonstrably and reasonably related to the new development that creates the additional demand and the need for public facilities, they have to be a proportionate share of the cost of the public facilities, and they have to be used for facilities that reasonably benefit the new development. That is from the statute.

Number 4 says that the County should collect impact fees within the unincorporated areas on behalf of the cities and the school districts that have properly established them to ensure that the costs of new development are not paid by existing residents.

Ms. Lohman: Excuse me. Josh?

Chair Axthelm: Yes?

Ms. Lohman: Do you *want* it to say "should"?

Mr. Walters: Simply because it's a Finding. It's just your expression so, yeah, I'm okay with that.

Ms. Lohman: Okay. All right.

Chair Axthelm: How about if he goes through them and then if we would like to go through and talk about each of those?

Ms. Lohman: I don't want to make a should show, must, may.

Mr. Walters: I don't think it matters for just the Findings.

Ms. Lohman: But I just wanted – because of the recommendation, I wasn't sure if they needed to match. Sorry.

Mr. Walters: Number 5: The proposal properly incorporates by reference the updated capital facilities plans of the Cities of Mount Vernon and Sedro-Woolley and the Mount Vernon and Sedro-Woolley School Districts.

Number 6: The proposal makes useful organizational changes to the County code to apply the Public Facilities Impact Fees chapter to all impact fees, including those collected for cities' urban growth areas, and to update the statutory period for spending those impact fees to comply with revisions to state law. That's that six- to ten-year thing.

And then the final Finding is that the County received written comments on the proposal from the City of Mount Vernon and the City of Sedro-Woolley asking, among other things, that the county's collection of impact fees within the cities' urban growth areas be mandatory.

So you could add additional Findings or delete any of these or change any of these or proceed.

Mr. Greenwood: I think these Findings are fine.

Chair Axthelm: Let's go ahead and run down – if we just run down the line, if you have any issues with any of the Findings –

Ms. Candler: I do not have issues with the Findings.

Ms. Mitchell: It's okay as is.

Mr. Greenwood: I'm all right.

Ms. Lohman: Fine.

Mr. Meenaghan: (unintelligible)

Ms. Hughes: I'm fine.

Chair Axthelm: I'm the bad one here. I actually had a question, and maybe it's just the way it's phrased. Because number 2 says – let's see – "...to finance the infrastructure necessary to serve new development." So it doesn't say specifically to serve *that* development. It just says to serve new development in general. But the way it kind of looks is that impact fees are an important mechanism for school districts to be able to – oh, now that one's not so bad. Sorry. So to serve new development: So is this generally new development?

Mr. Walters: It's to serve the development that is paying the fees.

Chair Axthelm: Okay. And then number 3, it's the "must" in there. It says "...a proportionate" – it's the last two lines – "...a proportionate share of the cost of the public facilities, and must be used for facilities that reasonably benefit the new development."

Mr. Walters: That's from the statute.

Chair Axthelm: Yeah, and that's what we were talking about – is if it was used across town, how do we guarantee that that's used for that area? Is that what that's requiring?

Mr. Walters: It is. I think, as Mr. Freiburger pointed out, the road system is used everywhere. Your fire district example, I don't know exactly how that works and apparently –

Chair Axthelm: Although with the fire district – the City fire district – there's no division.

Mr. Walters: You have the City fire department – but the Finding doesn't change because it's the statute's language. But I agree that is a question in my mind about exactly how that works.

Chair Axthelm: I can understand the City of Mount Vernon because I know they have certain vehicles at certain fire stations, so they can go across town – it may be a fire across town closer to another fire station but the equipment that they need is at one location, keeping the cost down for the fire district.

Mr. Walters: Yeah, there are all kind of mutual aid and interlocal agreements with fire districts. The City of Mount Vernon in particular is special because they have a fire district that uses their fire station – is that right? Well, we don't have any firefighters here in the room with us, but I actually think it is reflected in the Capital Facilities Plan. There's information on the fire districts.

Ms. Mitchell: Well, I am a first responder but it is in the county. I don't think I've ever seen a situation where if there was a call that went out that mutual aid didn't go anywhere for any reason really. So it's one of those things that would be a service that would be a bonus, if you will. We've had calls before where there's been eight different departments that have come out to one location before, so they would cross boundaries regardless of wherever. If the need was there, they would come out.

Chair Axthelm: So there's more clarifications than it was against it, so I am \_\_\_\_\_.

Mr. Walters: Fire District 1 is the one that I was thinking of. Fire District 1 – and I'm reading from our Capital Facilities Plan – serves a very small area of the county outside the Mount Vernon UGA, does not have a station and relies on apparatus from the City of Mount Vernon.

Chair Axthelm: Okay.

Mr. Greenwood: I wonder if – oh, go ahead. You're still working on Facts, right, Josh?

Chair Axthelm: Oh, no. I'm done.

Mr. Greenwood: I was just going to propose an 8<sup>th</sup> Finding that interlocal agreements between the City and the County are necessary to implement this proposal. I think that's an essential element that has been talked about but is missing here. There's no attempt or interest on anyone's part to not have agreement between the County and the City on this urban growth area and its development. Everybody's saying that's what's supposed to happen so how we want to do it and how the funds get allocated and who does the collecting and how much, I think that's where the County and the City need to enter into an agreement, whether it's a memorandum or –

Chair Axthelm: So would you like to make an amendment to the motion?

Mr. Greenwood: No, it's just a Finding of Fact, I think, that those are necessary elements.

Mr. Walters: So we could have a Finding that says consistent with SCC 14.30.020, interlocal agreements are essential to facilitate the collection and distribution of impact – the proper collection –

Chair Axthelm: With spelling corrections?

Mr. Greenwood: It's just a Finding of Fact. There's no change in the language or anything like that. I just want to make sure that that gets done and that there is agreement.

Mr. Walters: How's that?

Mr. Temples: It's \_\_\_\_, correct?

Mr. Greenwood: Yeah, good. Okay, I think that helps me a little bit.

Mr. Walters: Our code does recognize that, and other guidance on collection of impact fees for other jurisdictions does recognize that interlocal agreements are really essential to making the whole system work.

Mr. Greenwood: Right. Okay.

Chair Axthelm: Okay. So that still goes into the motion. It's kind of an amendment to the motion, isn't it? Because we're adopting the Findings of Fact and –

Mr. Walters: Yes. You should agree by unanimous consent or by vote on that Finding.

Mr. Greenwood: It either is or isn't a fact.

Chair Axthelm: Okay. So do we have an agreement to add – or –

Mr. Walters: Add number 8?

Mr. Meenaghan: Keith, why don't you amend it?

Mr. Greenwood: What's that?

Mr. Meenaghan: Why don't you amend it and we'll second it and –

Chair Axthelm: There you go. Thank you.

Mr. Meenaghan: – we'll vote on it.

Mr. Greenwood: Okay, my amendment is to include as a Finding of Fact that we want to be consistent with Skagit County Code 14.30.020 – interlocal agreements, in that interlocal agreements are essential to facilitate the proper collection and distribution of impact fees for other jurisdictions.

Mr. Temples: I'll second that.

Chair Axthelm: So the motion has been made to amend the motion – right? I guess that's not the way to phrase it.

Mr. Walters: By adding a Finding of Fact.

Chair Axthelm: By adding item number 8, consistent with Skagit County Code 14.30.020: Interlocal agreements are essential facilities – are essential to facilitate the proper collection and distribution of impact fees for other jurisdictions. Shall we take a vote?

Ms. Hughes: Can we have discussion on that?

Chair Axthelm: Yes.

Ms. Hughes: Can I ask a question that direction?

Chair Axthelm: Yes.

Ms. Hughes: What happened today with the Cities? Would this be an acceptable statement – item 8 – for your conversations you've had with the Cities if we throw in interlocal agreements? Will that work, or what happens?

Mr. Walters: Oh, yes, I think so. I had conversations earlier with Mount Vernon's Planner and Sedro-Woolley's City Attorney – not Mr. Hayden, but Mr. Berg. So, yes, I think they understand that interlocal agreements are part of the plan.

Ms. Hughes: Okay.

Chair Axthelm: Seems like it would benefit both parties.

Mr. Walters: Exactly. Relationships work better when they're in writing.

Chair Axthelm: Okay. Any further discussion on the amendment to the motion?

Mr. Greenwood: Just that the addition of this element makes me feel more comfortable with the recommended modification in one in that, you know, just to say we're going to require you to do what we pass, I think it leaves me feeling uncomfortable with the County giving up its authority without a memorandum of understanding on some level. So I think this helps. Thank you.

Chair Axthelm: Is there any opposition from the Commission – to not include? If there's no opposition, then it passes. Is that correct?

Ms. Lohman: But it being an amendment, you'd normally ask for a vote.

Chair Axthelm: I guess you could or you – okay. It's appropriate still. So, all those in favor of adding the amendment to the motion? Aye.

Ms. Candler, Ms. Mitchell, Mr. Greenwood, Ms. Hughes, Ms. Lohman, Mr. Meenaghan and Mr. Temples: Aye.

Chair Axthelm: Those opposed, say "no."

(silence)

Chair Axthelm: The vote is unanimous.

Mr. Greenwood: You should have opposed it just out of principle, Amy, just to prove a point!

Chair Axthelm: Okay, so any further discussion on the motion?

(silence)

Chair Axthelm: Call for a vote? Okay, so there's a call to vote on the motion. Do we need to restate the motion?

Mr. Walters: I would just say that the motion is as appears on your screen.

Chair Axthelm: Okay. The motion is as written on the screen with the added number 8. Well, I guess it was a part of the motion now at this point. All those in favor, say "aye."

Ms. Candler, Mr. Temples, Mr. Greenwood, Ms. Lohman, Chair Axthelm, Mr. Meenaghan, Ms. Mitchell and Ms. Hughes: Aye.

Chair Axthelm: All those opposed, say "no."

(silence)

Chair Axthelm: The vote is unanimous in favor of the motion.

Mr. Greenwood: So I'm not abstaining anymore, huh?

Ms. Hughes: No. \_\_\_\_\_.

Chair Axthelm: Oh, I guess I should write it down here. It says \_\_\_\_\_. Okay. So that would close – there's no further deliberations then. Okay, and I will close the deliberations for the motion or \_\_\_\_\_ motion regarding the Capital Facilities Plan 2015 thing. Thank you.

Okay, so the next item on our agenda is the Department Update.

Mr. Pernula: As you know, we've got many projects that we're working on, and so I'm just going to go over our schedule for the next three or four meetings because there's a lot of things that are going on.

First of all, your next meeting is April 21, in two weeks from now. You have a couple of big items. The first one will be the deliberations on the marijuana ordinance. The second thing's going to be the second installment of the work session on the Shoreline Master Program. You had one. This'll be the second one. Hopefully we can get through the entire thing. If not, it will be carried over to either April 28 or May 5. Then on May 5 we will hold a public hearing on a new Stormwater Management Ordinance, which you've had a number of presentations on over the last several months. And we may include a carryover of the Shoreline Master Program. Hopefully we can get through with it by that date. Then on May 19 we'll be holding another public workshop. This time it'll be on Rural Character and Public Uses. Then on June 2<sup>nd</sup>, going back to the Stormwater issue, we'll be doing the deliberations on the Stormwater Management Ordinance and developing a recorded motion and so on. And then from there it's getting a little too far out to speculate how far we'll get, but most of these projects are still on schedule.

Ms. Lohman: Josh, I have a question.

Chair Axthelm: Okay.

Ms. Lohman: On that April 21<sup>st</sup>, do you think it's doable to have the Shoreline Update *and* the marijuana deliberations on the same night?

Mr. Pernula: I think we can get through the marijuana deliberations and at least get into the Shoreline Master Program. I don't know if we'll get through it. That might be very difficult.

Mr. Walters: We have another meeting scheduled for it.

Ms. Lohman: What elements – do you know in advance what elements on the Shoreline Update you're thinking?

Mr. Walters: I do. Public Access is one of them.

Ms. Lohman: A nice thorny one.

Mr. Pernula: Very thorny.

Ms. Lohman: I mean, that's partly why I'm asking, because –

Mr. Walters: Jurisdiction, part 1 – I think all of part 1. I think there's another section in part 3 that we were planning to revisit, Vegetation conservation. Yeah, so part 1 and part 3, I think is what we were planning on, which is a relatively short amount of material actually. Part 4

and 8 are what remain after that and I don't think we are anticipating to have much from part 4 or part 8 in this next meeting. We would save that for the following.

Chair Axthelm: Kathy, did you have anymore?

Ms. Mitchell: No. Nothing.

Chair Axthelm: Okay. Well, after the Department Update I guess the last thing on the agenda is the Comments from the Commissioners – Planning Commissioner Comments and Announcements. Any comments or announcements?

Mr. Meenaghan: Can I make a comment?

Chair Axthelm: Yes.

Mr. Meenaghan: Regarding the marijuana ordinance, after really digging into this over the last week or so I am personally feeling very overwhelmed at the amount of information that's out there and what we're trying to do deliberations on next week. And so I do have – I'm going to have a lot of questions about some technicalities and just understanding everything there is to do with I-502 and what we're trying to do here at the County level. This is the first time that the Planning Commission has really been involved in anything to do with the marijuana ordinance because it's been handled at the Board of County Commissioners. And I think most of us have probably kept up with it a little bit with the Cities and even the County to see what's going on, but I think the level of detail that all of us have been involved in is probably not as detailed as we would like. So, you know, I am personally feeling overwhelmed with the amount of information to try to dig through on this topic. So that was just my comment.

Mr. Pernula: I think you can feel free to call and ask some questions. We can dig into it and get back to you. Stay away from a group consultation, but you can contact staff and we'll help you.

Mr. Meenaghan: Yep, thanks. I know. Thank you.

Mr. Walters: We can try to amalgamate those – if that's the right word – those responses and send them out as a supplemental staff report in advance of the meeting, too. If we're planning for April 21, if you could get us – if you want the staff report a week ahead of time, that would be April 14<sup>th</sup>, so if you could get us your questions in the next several days –

Mr. Meenaghan: If we get questions to you by Friday, that gives you a chance to turn something around by the Tuesday, the week prior.

Mr. Walters: And then if you have questions after that we'll still answer them, but the more you get it ahead of time the more we can put in the staff report for everybody.

Mr. Meenaghan: Okay.

Ms. Lohman: Kind of the same thing: On the marijuana website, I think it needs to be fixed.

Mr. Walters: I fixed it earlier tonight.

Ms. Lohman: After – well, I don't remember what time. I printed it today sometime.

Mr. Walters: Yeah, we realized.

Ms. Lohman: To be honest with you, you had to have a fairly high level of tech savviness to navigate the chronological order on here. It's all messed up.

Mr. Walters: Yeah, we realized that earlier. The changes aren't reflected until our webmaster manually makes the changes, but we sent them off to him to edit.

Ms. Lohman: And if you could ask – I don't know why, but down at the very bottom on the website where the links are where it says "Latest," the hyperlink is very, very faint, so unless you know that that should be a hyperlink it doesn't look like a hyperlink.

Mr. Walters: Under what word?

Ms. Lohman: Where it says "Latest" and it has the current interim ordinance and a list of links. They're not the traditional blue hyperlink color. They're kind of a very pale – just a pale version of the regular text.

Mr. Walters: We can hopefully fix that.

Mr. Temples: Mr. Chair?

Chair Axthelm: Yes, Robert?

Mr. Temples: Ryan, I think what we're all probably dealing and feeling like – what I think of sometimes is like walking out on a big plank of ice and we're just all kind of wondering where the cracks are going to start forming. I imagine you guys feel the same way.

Mr. Pernula: Well, remember in the introduction to the ordinance this started with a fairly substantial partial moratorium on the entire thing, and that was something that just happened very suddenly. We found out there were some problems with it and we made two additional adjustments to that interim ordinance. We're operating on the third one right now. So I think we've kind of cracked the ice a couple of times already and I think we can help you see what some of those pitfalls are.

Mr. Temples: Well, we sure heard a lot from people on that darn Dunbar Road, that was for sure. And nobody was here tonight that even was promoting the marijuana issue at all. They're probably out spending their money.

Mr. Walters: We think that we have sort of isolated the areas where marijuana is appropriate and allowed it under the interim ordinance and also under the proposed regs, where marijuana doesn't have the impacts, where the growing and processing facilities don't have the impacts. It is outright allowed in the – both the latest interim ordinance – not in the previous one, but in the latest one – and that's why you didn't see a lot of marijuana proponents here. They came to the Board of County Commissioner public hearings on the interim ordinance and there were two of those and those are available on the website, and we could – I don't think they're currently linked from the marijuana page, but we could link them from the marijuana page –

Ms. Lohman: They are.

Mr. Walters: – so that you could – oh, are they? – so you could watch those, as well, because those people did participate in the earlier sessions and their input, I think, is reflected in the ordinance but wasn't reflected here, maybe because people don't come very often to tell us what they like.

Mr. Pernula: A few of those individuals were here tonight. They did not speak.

Ms. Lohman: Are you going to make the Commissioners' – Planning Commissioners' – questions available to all of us so we can all see the question?

Mr. Walters: Yes, if you –

Mr. Meenaghan: If we submit the question you're going to put it into the staff report and blast it to all of us.

Mr. Walters: Yeah.

Ms. Lohman: Okay.

Chair Axthelm: But we don't discuss it.

Mr. Meenaghan: Correct.

Ms. Lohman: Right.

Chair Axthelm: We just receive it. Is it – any other comments down that direction? Okay. My concern is you take marijuana and it's such a – it's an issue that us doing a hearing on it and approving it doesn't really mean we personally believe in it or want it at all.

Mr. Walters: Right.

Chair Axthelm: You know, that's a very difficult thing and I just – personally I just don't want to be – I want people to understand that there's a big difference in that.

Then the other comment I had, question I had was about the citizen committees. We got an e-mail on that one and that we – basically we can't appoint committees.

Mr. Walters: You cannot appoint citizen committees.

Chair Axthelm: Okay. But we can suggest something to that effect if that's what – no? As a recommendation?

Mr. Walters: I think you can suggest whatever you want.

Chair Axthelm: Okay. So it doesn't mean we can't be a part of that but we can suggest, Okay, we would like to see this, and make it as a recommendation. Okay.

And then I also got the other one. I'll talk to you on this one afterwards. That's fine. It's a trespass e-mail that got sent around. I just had a question on something.

Mr. Greenwood: Can I raise a question? Since I read the comments from Mount Vernon City and – or representing them – and representing Sedro-Woolley, do I have an understanding that there's an improved relationship between the County and the City when it comes to management of the urban growth areas? Is that a fair characterization – I mean, from the Department's standpoint?

Mr. Pernula: From our –

Mr. Walters: We have no questions.

Mr. Greenwood: You might say it's always been great, but from – according to their letter, it hasn't always been great so can we assume then that at least it's good now? Do you get the sense that it's good now?

Mr. Pernula: I think it's all right.

Mr. Walters: If we're working there he's from city to city.

Mr. Greenwood: Okay, should we pick off a city?

(laughter)

Mr. Greenwood: I mean, we're telling them where the urban growth area is and so we do want to work with them on it, right? I mean, so I guess what I'm looking for is if there isn't good, then let's work towards establishing good. And that's not something that we do necessarily. It's something that the Commissioners do.

Mr. Walters: I think from my perspective I think that the Cities of Mount Vernon and Sedro-Woolley – and Sedro-Woolley is still here – but I think that they will be satisfied with what we come up with for the impact fee issue. There are outstanding issues –

Mr. Greenwood: There's other issues. I understand that. Sure.

Mr. Walters: Right. Yeah. There are outstanding issues that will not be addressed in this venue. Maybe they won't get addressed at all. I don't know. They're outside of sort of my realm of responsibility and understanding. But there're just a lot of different issues with respect to interactions between the County and the City, and not just with UGA, not just with development. So we're just trying to do our best for this narrow slice.

Mr. Greenwood: Okay, so “for this narrow slice” – it sounds like we're working on the same little page. It might be an index card but it's –

Mr. Walters: Yeah. I think we'll be good here.

Mr. Greenwood: Okay. All right.

Chair Axthelm: Anything further from the Commission? Do we have a motion to adjourn?

Ms. Lohman: I move to adjourn.

Mr. Greenwood: I'll second it.

Chair Axthelm: Moved and seconded. Do we have to vote on it? Yeah. All those in favor?

Ms. Candler, Ms. Mitchell, Mr. Greenwood, Ms. Hughes, Ms. Lohman, Chair Axthelm, Mr. Meenaghan and Mr. Temples: Aye.

Chair Axthelm: (gavel) Meeting is adjourned.