ROLL CALL was answered by Councilmembers Barry, Bassett, Bennett, Collins, Sowards, and Mayor Perrie.

Others present were City Manager Barkley, City Attorney Pidduck, City Clerk Reno, Community Development Director Witkowski, Finance Director Carpenter, Budget and Accounting Supervisor Snider, Energy Services Director Titus, Executive Assistant Gigstead, Daily Record Reporter Muir and approximately 25 members of the audience.

AWARDS AND RECOGNITIONS

City Manager Barkley recognized the gift from the Bert and Ellen Betassa Estate to the Senior Center and Life Support Fund.

AGENDA APPROVAL

Approve agenda. Barry

Affirmed

CONSENT AGENDA

Items listed under the Consent Agenda were distributed to Councilmembers in advance for study and were enacted by one motion with separate discussion to the extent any items were removed from the Consent Agenda at the request of a Councilmember.

Approve the Consent Agenda as follows: Barry

A. Approve Minutes - November 5, 2001, Regular Session

B. Acknowledge Minutes of Boards and Commissions

(1) Downtown Task Force - September 28, 2001

(2) Library Board - October 9, 2001

(3) Lodging Tax Advisory Committee - November 7, 2001

I. Accept $10,000 from Bert and Ellen Betassa Estate for Senior Center and
Authorize Mayor to Sign Letter of Appreciation

I. Approve Street Closure Requests for Moments to Remember on November 23 and 24, 2001

I. Authorize City Manager to Sign Renewal Contract with Premera Blue Cross

II. Accept Resignation from Nancy Lillquist, Library Board and Authorize Mayor to Sign Letter of Appreciation

I. Approve November 19, 2001 Claims Fund Voucher Numbers 51121 Through 51343 in the Total Amount of $856,748.84 and Payroll Fund Check Numbers 42603 Through 43023 in the Total Amount of $646,486.98 Affirmed

BOARDS AND COMMISSIONS APPLICATIONS

Reopen applications for Energy Advisory Committee and set new deadline for next week Perrie with appointments at next regular meeting. Affirmed

PETITION TO ALLOW DOGS OFF-LEASH AT IRENE RINEHART PARK

Larry Melampy submitted a petition to the City Council requesting off leash time for dogs at Irene Rinehart Park. The issue has already been referred to the Parks and Recreation Commission and will be considered by Council the second meeting in January.

ORDINANCE NO. 4305 - PUBLIC HEARING - 2002 BUDGET

Mayor Perrie opened the public hearing for the 2002 proposed Budget.

City Manager Barkley reviewed the agenda report.

There being no public testimony, Mayor Perrie closed the public hearing.

Read for the first time, Ordinance No. 4305. Bassett

An ordinance adopting the Annual Budget for the City of Ellensburg, Washington, for the year 2002. Affirmed

ZONE CHANGE REQUEST FROM PUBLIC RESERVE TO RESIDENTIAL OFFICE AT 814 EAST THIRD AVENUE (OLD HOSPITAL)

Mayor Perrie opened the public hearing for the zone change request from Fritz Glover and Mollie
Edson for the Old Hospital building located at 814 East Third Avenue. The proposal is to change the zoning from Public Reserve (P-R) to Residential Office (R-O).

Community Development Director Witkowski summarized the agenda report. The SEPA Official reviewed the zone change request and issued a Mitigated Determination of Non-Significance with the requirement of the construction of at the minimum an eighteen space parking lot. The memo from the City Attorney on pages 66 and 67 of the agenda addresses the criteria to be considered for the zone change request. Mr. Witkowski answered some of the questions asked by Nancy Lillquist in her memo dated November 19, 2001.

Mayor Perrie admitted into the record pages 33-67 of the agenda. City Clerk Reno entered into the record the following letters received tonight from: Mary Young-Ness, Not Just Main Street Ellensburg dated October 22, 2001; Louis and Faye Kollmeyer dated November 16, 2001; Forrey Eastham dated September 25, 2001; Dr. Greta Merwin, Ellensburg School District No. 401 dated November 19, 2001; Elizabeth Zentner dated November 17, 2001; Sandra Martensen dated November 19, 2001; and Nancy Lillquist dated November 19, 2001.

City Attorney Pidduck advised councilmembers elect Nancy Lillquist and Louis Savidge that when they take office on the Council on December 3 it would be appropriate for them to hear this matter. He advised they will have to familiarize themselves with the record of tonight’s testimony and materials.

Fritz Glover, 2217 Payne Road, submitted the following items into the record: Document titled “Zone Change: Public Reserve to Residential Office”; letter from Chamber of Commerce dated November 19, 2001; Application No Z00-02 Findings of Fact Request for Rezone - April 4, 2000 and Responses dated November 19, 2001; Ellensburg Municipal Code, Chapter 13.26; Memorandum from Central Washington University Re: Potential Sale of the “Old Hospital”; Memo from Ryan Lyyski to Bob Witkowski Re: SEPA Checklist and vehicular traffic dated October 2, 2001; and The Use of the Historic Hospital Building Since 1918. A summary of Mr. Glover’s presentation is as follows: In August 2001, Mollie Edson and Fritz Glover acquired the limited liability company currently holding an agreement to purchase the Old Hospital Building from Central Washington University (CWU). The intention of the LLC is to convert this historic landmark to a professional office building for attorneys, accountants, financial planners, architects, engineers, insurance companies with conference room and other common office amenities. They believe this would promote a use that will have a minimum impact on the surrounding neighborhood.

Mollie Edson, P.O. Box 834, submitted the results of a neighborhood survey as part of the record. The survey shows that the majority of the residents in the neighborhood are in favor of the zone change request.

Jamie Carmody, Attorney with Velikanje Moore & Shore in Yakima, speaking on behalf of the applicants, stated the zone change requested does not change the structure or usage or anything fundamentally about what has been on the ground or in the neighborhood for 81 years. This request is
actually scaled back from the current use. He believes it is inappropriate discrimination to allow government to use the building in a certain way and not allow a private party to use the building in the same way. He agrees with staff that this is not spot zoning as this is not introducing a new use and there are public benefits associated with the request. He discussed traffic and level of service standards. He agrees with staff’s memo regarding changed circumstances and believes the deterioration of price and usability of the building fits this definition. He urged Council to approve the zone change request.

Debbie Strand, Executive Director of Phoenix Group, submitted a letter of support into the record.

Mike Posada, 809 East Third, stated he is strongly against the rezone request. This request for R-O zoning is right in the middle of a single family neighborhood. He questioned what conditions have really changed from the previous zone change request at this location since the applicants are still asking for an R-O zone with offices and other uses.

Colin Condit, 215 East 9th, read the letter from Marcia Williams, President of Historic Ellensburg, on pages 46 and 47 of the agenda into the record. He reviewed the historical use of the Old Hospital Building by CWU.

Martin Kaatz, 309 North Poplar, stated this property has always been a spot zone as it is a P-R zone in a residential zone. He is concerned with fulfilling the objectives of the City Code and Comprehensive Plan relating to historical significance. The P-R Zone allows virtually unlimited uses. If the building is designated as historical and has to be preserved, that will impose great limitations on flexibility of use of the building. As a Downtown Task Force member, he does not feel the downtown would suffer if this building is converted to office use.

Doug Mitchell, Planning Commission member, rose to speak. City Attorney Pidduck informed Mr. Mitchell that he may not want to be taking a specific position either for or against the zone change at this meeting.

Doug Mitchell, Planning Commission member, asked if there is anything in this application which would ensure that the building is not torn down. He would like some direction on parking requirements. The questions will be forwarded to staff.

Lisa Caples, 804 East Tacoma, read the letter from Not Just Main Street into the record.

Stuart Boersma, 813 East 3rd, stated he is concerned with increased traffic, parking and signs and is opposed to the zone change.

Elizabeth Smith, 805 East 3rd, stated CWU has not had meetings or classes at the Old Hospital for many years. The traffic is already backed up for blocks during certain times due to the high school and there is no parking on one side of the street. She is opposed to the zone change.
Kaye Forsyth, 701 East 1st, spoke in support of the zone change request.

Gerard Vander Schaw, 901 East 2nd, stated he is speaking for himself, his wife and others who could not be here tonight. They are opposed to the zone change for a proposed office use. A duplex or museum would be acceptable. He is concerned that if the zone change is granted, the applicants could sell their interest to another investor and there is no guarantee of what that investor would do with the property and the implications this could have on the neighborhood.

Fritz Glover stated they have applied for a registration on the historic register which restricts what can be done to the building. Also, the uses in the R-O zone are more restrictive than the uses in the P-R zone.

Jamie Carmody stated the proposed use is a significant scale back of what is there now. The traffic, parking, and roads are all less than outright permitted uses now. Mr. Carmody stated there is case law in the State that says where your proposal is less than outright permitted uses, there is not a basis for denial. If there is a concern about uses that are in the proposed zoning and what the applicants have committed to, the Council can qualify its approval by cutting out the uses that are offensive to the Council. If there are proposals or ideas that staff has that they would like the applicants to consider, that would be appropriate. Mr. Carmody also stated he is troubled by comments from a Planning Commission member tonight and then having that individual participate in the Planning Commission review process.

Council asked questions of staff and the applicants.

In response to a question from Council about what would happen if the property was not rezoned, Mr. Glover stated they would step away from the deal and Bruce Porter, CWU stated they would continue to market the property.

There being no further testimony, Mayor Perrie concluded tonight’s portion of the public hearing.

Refer the zone change to the Planning Commission. Barry

Amend to also refer zone change to the Landmarks and Design Review Board. Sowards

Affirmed

Vote on main motion. Affirmed

Continue public hearing until Council’s regular meeting of January 7, 2002. Barry

Affirmed

Council took a brief recess at 9:28 p.m. and reconvened at 9:34 p.m.

RESOLUTION NO. 2001-20 - DECLARE WHITNEY PARK AS SURPLUS PROPERTY
Mayor Perrie opened the public hearing for the resolution declaring Whitney Park surplus property.

City Attorney Pidduck reviewed the agenda report. The proposed resolution declares Whitney Park as surplus to the City’s needs and that an intergovernmental transfer of the property to Ellensburg School District will best serve the common public benefits. The resolution also authorizes the Mayor and City Manager to execute the documents required to complete the transaction.

Louis Savidge, 402 South Walnut, stated he supports the proposed project.

There being no further testimony, Mayor Perrie closed the public hearing.

**Adopt Resolution No. 2001-20. Bassett**

A Resolution declaring as surplus to the City of Ellensburg’s needs the real estate commonly known as Whitney Park, including the buildings, appurtenances and improvements thereto, except property and easements reserved to the City for utilities. Affirmed

**ORDINANCE NO. 4304 - PROPERTY TAX LEVY**

The proposed ordinance sets the levy for property taxes to be collected in 2002 for municipal purposes. Ordinance No. 4304 was given first reading at the November 5, 2001 meeting.

**Read for the second time, Ordinance No. 4304. Barry**

AN ORDINANCE levying taxes for municipal purposes of the City of Ellensburg, Washington, for the year 2002 according to the assessed valuation as determined in the year 2001. Affirmed

Adopt Ordinance No. 4304. Barry

Barry

Bassett

Bennett

Collins

Sowards

Perrie

Motion approved.

**ORDINANCE NO. 4306 - THIRD QUARTER SUPPLEMENTAL BUDGET**

The proposed ordinance provides for supplemental appropriations in various funds.
Read for the first time, Ordinance No. 4306. Barry

AN ORDINANCE amending the 2001 Annual Budget of the City of Ellensburg as set forth in Ordinance No. 4261 and amended by Ordinance No’s 4277 and 4290 to provide additional revenue and appropriations in the General Fund, Sales Tax Reserve, Capital Projects, Park Acquisition, Library Trust Fund and Holmes Memorial Fund and Gas Construction. Affirmed

AGREEMENT WITH CHELAN COUNTY PUBLIC UTILITY DISTRICT (PUD)

The City entered into an agreement with Chelan County PUD to purchase 1 MW of power every other hour from October 1, 2001 through September 30, 2002. The agreement assumed that both parties were part of the Western Systems Power Pool (WSPP) and for that reason did not include many standard provisions that are part of a WSPP agreement. Chelan County PUD asked that the City enter into an enabling agreement that incorporates terms and conditions found in the WSPP Agreement.

Authorize Mayor to sign enabling agreement with Chelan County PUD. Barry

Affirmed

AMENDMENT TO GAS AGREEMENT WITH AVISTA ENERGY, INC.

Avista Energy has proposed an amendment to the base gas agreement in order to clarify procedures already being followed regarding daily and monthly balancing of gas supply.

Authorize Mayor to sign the First Amendment to Base Agreement with Avista Barry

Energy, Inc. Affirmed

STATE GRANT APPLICATIONS FOR FEASIBILITY STUDY FOR WEST ELLENSBURG PROPERTY

Staff proposes a feasibility study element as part of the overall development and engineering study planned for the City’s property in West Ellensburg. Inclusion of a feasibility element would allow the City to submit a grant request to help pay for a portion of the consultant costs and provide a more complete base of information for future actions. Washington’s Community Economic Revitalization Board (CERB) administers a number of economic development programs, one of which funds economic feasibility grants for local communities. The maximum amount is $50,000 and the request must be matched with local financial participation. Staff is also proposing to submit an application for a Rural Incentives Program Grant.

Authorize staff to submit a CERB Grant application and Rural Incentives Program Grant Barry

application for a feasibility element to be added to the West Ellensburg property
development effort. Affirmed

**MANAGER’S REPORT**

**Fleet Management Review**

The Public Works Department is planning to use outside consulting services to conduct a review of the City’s fleet management practices.

**RECESS**

Council recessed to executive session at 10:16 p.m. to discuss labor negotiations for approximately 15 minutes. Council did not expect to reconvene to take action.

**ADJOURN** Adjourn at 10:30 p.m. Bennett

Affirmed

Mayor

Attest:

Month 2001-12

December