

**Regular City Council Meeting
Tuesday, February 16, 2010, 6:00 p.m.
City Hall – Council Chambers**

CALL TO ORDER Mayor Slowik called the meeting to order at 6:00 p.m.

INVOCATION Chris Reiter, Church of the Nazarene

ROLL CALL

Jim Slowik, Mayor	Paul Schmidt, City Administrator
Seven Members of the Council,	Margery Hite, City Attorney
Rick Almberg	Doug Merriman, Finance Director
James M. Campbell	Steve Powers, Development Services Director
Scott Dudley	Ethan Spoo, Senior Planner
Jim Palmer	Cathy Rosen, Public Works Director
Beth Munns	Eric Johnston, City Engineer
Danny Paggao, Mayor Pro Tem	Rick Wallace, Chief of Police
Bob Severns	Mark Soptich, Fire Chief
	Mike McIntyre, Senior Services Director
	Renée Recker, Executive Assistant to the Mayor

MINUTES

MOTION: Councilmember Munns moved to approve the minutes of the 2/2/10 regular meeting. The motion was seconded by Councilmember Campbell and carried unanimously.

NON-ACTION COUNCIL ITEMS

Employee Recognition – Rich Rogers, 35 years, OHFD

Fire Chief Mark Soptich introduced Officer Rogers and Mrs. Rogers and noted that Officer Rogers had served on the department with 4 mayors, 4 fire chiefs, and 37 council members. He was the Firefighter of the Year in 1978 among other awards, and was the first paramedic with OHFD. He has been an EMT, first aid, and CPR instructor. Mr. Rogers thanked his family for their support, and talked about the rewarding career he has had with OHFD and that he is proud to be a part of this Department. Mayor Slowik, on behalf of the City's employees and the people of Oak Harbor, thanked Officer Rogers for his faithfulness, diligence, and sacrifice.

Public Comments

Mayor Slowik called for public comments but there were none.

**Island County Commissioner – Angie Homola, follow-up to January 21, 2010
Presentation on Island County Government and Financial Basics**

Commissioner Homola gave a follow-up presentation in answer to Council Members' questions generated from the January 21st meeting. Ms. Homola's remarks are attached to these minutes as Exhibit A. Ana Maria Nunez, Island County's Chief Deputy Treasurer also addressed January 21st questions regarding Friday office

closures, interest accrual and when funds are deposited, the two banks and how accounts are used, salaries and office closures, and sales tax revenues.

Mayor Slowik thanked Commissioner Homola and Chief Deputy Treasurer Nunez for their presentation this evening.

COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING MATTERS

Consent Agenda

- A. Excused Absences for Council Members and Mayor
- B. Excused Absence for Councilmember Campbell from the March 23, 2010 Council Meeting
- C. Council Memberships – Committees and Boards
- D. Approval of Accounts Payable Vouchers

MOTION: Councilmember Palmer moved to approve Consent Agenda Items A through D with Item D paying accounts payable check numbers 140333 – 140341 in the amount of \$1,089.56, accounts payable check numbers 140342 – 140540 in the amount of \$614,401.60, and payroll check numbers 93584 – 93593 in the amount of \$89,690.00. The motion was seconded by Councilmember Severns and carried unanimously.

Public Hearing – Sub-Division Code Amendments

Staff requested that this item be continued to the March 2, 2010 meeting in order to allow additional time to respond to questions and issues raised at the February 2, 2010 City Council hearing. Prior to the City Council action on the requested continuance, staff will brief the Council on their review of Councilman Almborg's proposal regarding the affordable housing density bonus provisions of the Planned Residential Development Code. At the conclusion of the briefing, staff will seek direction from the Council regarding this matter.

Mayor Slowik opened the public hearing at 6:30 p.m., but there were no comments.

Council Discussion

Discussion followed about Councilmember Almborg's presentation at the February 2, 2010 City Council meeting, the effectiveness of this proposed ratio and density bonus, the Planning Commission's proposed ratio, and staff's review of each. Development Services Director Powers gave a PowerPoint presentation on the density bonus which is attached to these minutes as Exhibit B noting that staff did not account for a developer's profit margin; the attachment solely represents the costs to develop land and build the units. The conclusion reached was that to break even, the ratio would need to be increased and the attachment does not account for profitability and does not provide incentive. Staff is comfortable with the 5 to 1 ratio as discussed during Council's February 2, 2010 meeting. Discussion continued about affordable housing and that this language is not intended to build an affordable housing program for Oak Harbor, the practical use of 80%/50% 30% numbers (80% of median income), and the use of contributed lots which is the process, as example, that is used by Habitat for Humanity.

Mr. Powers noted that affordable housing is not always defined as a new, detached family unit, but can also be multi-family units or town homes. Discussion followed about incentives/units per acre and that density is not the only restriction that is met by developers. Council asked about the process to continue consideration of the Sub-Division Code Amendments. The proposed amendments do not return to the Planning Commission; Council's public hearing is kept open and this agenda item will return to Council again.

MOTION: Councilmember Almberg made a motion providing direction to staff on the preferred affordable housing density bonus ratio to be included in the Planned Residential Development Code. The motion was seconded by Councilmember Munns and carried unanimously.

MOTION: Councilmember Almberg made a motion to continue the public hearing on the Sub-Division Code update to the March 2, 2010 meeting. The motion was seconded by Councilmember Palmer and carried unanimously.

Public Hearing – Ordinance, Stormwater Management, OHMC 12.30

City Engineer Eric Johnston presented this agenda bill and ordinance which amends Title 12 of the Oak Harbor Municipal Code related to stormwater management and development regulations in the City of Oak Harbor. The ordinance was introduced on February 2, 2010. The proposed code changes are required by the National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit issued to the City of Oak Harbor by the Washington State Department of Ecology. Council action will not be requested until May 4, 2010 due to other regulatory steps that will occur by that date.

Mayor Slowik opened the public hearing at 6:50 p.m. but there were no comments. The February 15, 2010 letter from Cory Ertel, SICBA Government Affairs Director, has been added to the record as written comment. It is attached to these minutes as Exhibit C.

Council Discussion

Discussion followed about the areas of the NPDES Permit which do not apply to Oak Harbor, who the director is as called out in Section 12.30.610 (Mr. Johnston is the director), stormwater best management practices (BMPs), experimental BMPs, the Department of Ecology and flexibility, and the appeals process.

MOTION: Councilmember Munns moved to continue the public hearing to the May 4, 2010 City Council meeting. The motion was seconded by Councilmember Campbell and carried unanimously.

Introduction – Speed Limit Ordinance

City Engineer Johnston presented this agenda bill which introduced proposed changes to Chapter 10.08 of the Oak Harbor Municipal Code related to speed limits. The modifications are largely related to changes in City limit boundaries resulting from annexations over the last several years. Also included is a reduction of the speed limit along Heller Street and N. Oak Harbor Street for consistency and safety.

Mayor Slowik called for public comments but there were none.

Council Discussion

Discussion followed about consideration of other streets and speed limits beyond those proposed in this ordinance, SR-20 (City does not have the authority to set speed on SR-20), the impact of this ordinance on residential areas from Heller to Crosby and Swantown, digital speed limit notification, grace period for speed limit adjustment, and the need for crosswalks in the Heller Road area which has been requested at other meetings. City Administrator Schmidt noted that the crosswalks will come before the Public Works and Public Safety Standing Committees.

MOTION: Councilmember Dudley moved to set March 2, 2010 for a public hearing to consider the ordinance. The motion was seconded by Councilmember Munns and carried unanimously.

Interlocal Agreement – Agreement with Island County for Roadway Maintenance

City Engineer Johnston presented this agenda bill for renewal consideration of the interlocal agreement with Island County regarding maintenance of certain shared roadways along jurisdictional boundaries. The City of Oak Harbor and Island County established an interlocal agreement in 1983 to maintain roadways that have either a jurisdictional boundary along the centerline or where efficiencies in costs and operation are achieved through continuity of maintenance responsibilities. The proposed agreement is a renewal of the agreement last signed in 2000. Changes to the agreement reflect changes in City limits that have occurred during the last ten years.

Mayor Slowik called for public comments but there were none.

Council Discussion

Is NE 16th the same as Cemetery Road? Official name is 16th Street. Mayor Slowik would like to see a cemetery directional sign installed on SR-20.

MOTION: Councilmember Munns moved to authorize the Mayor to sign an interlocal agreement with Island County for the maintenance of public roadways. The motion was seconded by Councilmember Campbell and carried unanimously.

Contract Amendment with Moffett and Nichol – 42-inch Outfall

City Engineer Johnston presented this agenda bill which requested approval of an amendment totaling \$99,938.00 to the Consultant Agreement with Moffat & Nichol, Inc., for services pertaining to the 42-Inch Outfall Replacement Project. The amendment provides for geotechnical and archeological investigation, design of a new pedestrian path, path lighting design, parking lot design, landscape design, and surveying. The amendment will increase Phase I of the agreement to a new total of \$383,037.00. Since there are a number of questions related to this amendment and project, Mr. Johnston recommended that the contract amendment be referred back to the Public Works Standing Committee for more discussion.

Mayor Slowik called for public comments but there were none. Council members also felt that additional standing committee review was warranted.

MOTION: Councilmember Almberg moved to not take action on this contract amendment and remand it back to the Public Works Standing Committee for further discussion. The motion was seconded by Councilmember Munns and carried unanimously.

Contract Award – North Oak Harbor Street

City Engineer Johnston presented this agenda bill which recommended awarding a contract for construction of the North Oak Harbor Street Improvement Project to G & G Excavation, Inc., in the amount of \$1,539,957.58. The project was advertised for bidding in the Daily Journal of Commerce and Whidbey New Times. Staff received and opened 12 sealed bids on February 1, 2010. The bid totals are tabulated below (amounts include Washington State Sales Tax in the amount of 8.7%):

Contractor	Location	Bid Total
G&G Excavation, Inc.	Anacortes, WA	\$1,539,957.58
Krieg Construction, Inc.	Oak Harbor, WA	\$1,622,529.56
Colacurcio Bros. Const., Inc.	Blaine, WA	\$1,743,590.70
Marshbank Construction, Inc.	Lake Stevens, WA	\$1,760,633.75
Interwest Construction, Inc.	Burlington, WA	\$1,768,344.60
Plats Plus, Inc.	Marysville	\$1,862,636.93
Precision Earthworks, Inc	Mukilteo, WA	\$1,890,737.00
C. Johnson Construction, Inc.	Oak Harbor, WA	\$1,892,840.33
Thomco Construction, Inc.	Lake Stevens, WA	\$1,982,631.22
Mountain West Const., Inc.	Port Orchard, WA	\$2,020,777.71
Construct Company, LLC.	Sumner, WA	\$2,040,522.89
Johansen Excavating, Inc.	Buckley, WA	\$4,277,741.48
<i>Engineer's Estimate</i>	<i>Oak Harbor, WA</i>	<i>\$2,476,911.50</i>

Most construction projects involve change orders and modifications to the contract plans. Delays in processing change order requests can result in costly delay claims against the City. To minimize the possibility of delays and the resulting claims, staff requests that the City Engineer be authorized to administratively approve up to \$155,000.00 approximately 10% of the contract amount, for change orders. Mr. Johnston noted that City staff will be able to do construction management for this project.

Mayor Slowik called for public comments but there were none.

Council Discussion

Discussion followed about staff taking on this additional work, grant and TIB funds, the \$155,000 contingency (this does not apply to a bid's lack of inclusion; this amount would cover changes that the City discovers), and that any needs for additional staff would come before Council. Discussion continued about the road dip at Oak Harbor Road and Columbia Road, the system for neighbor notification when construction begins, and the elimination of some on-street parking.

MOTION: Councilmember Dudley moved to authorize the Mayor to sign a contract with G & G Excavation, Inc., in the amount of \$1,539,957.58, and authorize the City Engineer to administratively approve changes to the construction contract totaling not more than \$155,000.00. The motion was seconded by Councilmember Munns and carried unanimously.

Mayor Slowik thanked Mr. Johnston for his five agenda presentations this evening.

Municipal Court – Four-Year Interlocal Agreement

City Attorney Margery Hite presented this agenda bill and talked about the history of court services. The City currently contracts with Island County for court services as a municipal department of the Island County District Court, pursuant to Ch. 3.46 RCW. The Legislature repealed Ch. 3.46 RCW in 2008, and the City gave notice of intent to terminate the existing interlocal agreement so that other options could be considered and negotiated. When no reduction in costs could be negotiated with Island County, the City gave notice that it would establish a separate municipal court beginning in January of 2011. Since that time, the County has agreed to eliminate the charge for "rent" which totaled almost \$36,000 per year. The City and County agree that some overhead costs are attributable to the City's use of the district court facility and settled on a flat rate of \$17,200 per year. This represents a reduction of over \$18,000 annually. The proposed interlocal agreement will extend the period of the district court operation of the City's municipal court for four years – to December 31, 2014 – leaving the City the option to terminate at that time.

Mayor Slowik called for public comments but there were none.

Council Discussion

Discussion followed about the percentage of filings, quarterly payments to the court, and many thanks to especially City Attorney Hite, along with Judge Strow, and Island County Commissioners for their work on this interlocal agreement.

MOTION: Councilmember Munns moved to authorize the Mayor to sign the interlocal agreement. The motion was seconded by Councilmember Palmer and carried unanimously.

Agreement – Oak Harbor Police Associations, Commissioned and Non-Commissioned Units

Chief of Police Rick Wallace presented this agenda bill. On January 26, 2010, the City of Oak Harbor Mayor's Administration, the Oak Harbor Police Association of Commissioned Officers, and the Oak Harbor Association of Non-Commissioned Officers tentatively agreed to a three (3) year collective bargaining agreement(s). The agreements are considered tentative until approved by City Council. The two agreements are practically the same regarding most terms and conditions, with notable exceptions being salary compensation and work shifts. Those significant contract items negotiated are as follows:

- Term of Agreement – January 1, 2010 through December 31, 2012.
- Cost of Living Adjustment – 2% for 2010, 90% of CPI for 2011 and 2012, no more than 4% and no less than 2%. (2% for 2010 is within the current budget.)
- Longevity – 15 years = 1% of base salary, 20+ years = 2% of base salary. (Net annual increase of longevity cost is \$5,076.)
- One year trial of 9/80 Work Schedule for Records Division (Non-Commissioned only).
- Definition of Work on Holiday (clarification of language).
- Schedule Adjustment – paid overtime for travel to and from required training (clarification of language).
- Non-Discrimination/Gender – revision to non-discrimination clause.
- Arbitration Clause – clarifying that arbitration is the sole remedy under the collective bargaining agreement.
- Agreements are retroactive to January 1, 2010.

These agreements did not come before the Public Safety Standing Committee since collective bargaining issues are exempt from public meetings and as such came before the entire City Council in a non-public meeting setting.

Mayor Slowik called for public comments but there were none.

Council Discussion

Discussion followed about budget impact (none), Kelly days and their use, definition of a regular day off, drug testing (based on probable cause and not subject to random testing), how overtime is treated if a staff member is not available for their shift, longevity percentages, education and incentive pay. Council complimented the negotiation team for their diligence in finalizing these agreements.

MOTION: Councilmember Munns moved to authorize the Mayor to sign the agreement by and between the City of Oak Harbor and the Oak Harbor Police Association – Commissioned Unit for the term of January 1, 2010 through December 31, 2012. The motion was seconded by Councilmember Severns and carried unanimously.

MOTION: Councilmember Severns moved to authorize the Mayor to sign the agreement by and between the City of Oak Harbor and the Oak Harbor Police Association – Non-Commissioned Unit for the term of January 1, 2010 through December 31, 2012. The motion was seconded by Councilmember Palmer and carried unanimously.

City Administrator Comments

City Administrator Paul Schmidt talked about upcoming meetings including the joint City Council/Marina Advisory Committee meeting on 2/18/10 and Council's retreat on 2/27/10. As presented in this evening's consent agenda, Council's 3/16/10 regular meeting will be held on 3/23/10.

Council Members' Comments

Council Members gave their respective standing committee reports. Councilmember Campbell talked about recent AWC emails, stormwater efforts, and funding possibilities. Councilmember Palmer simply said, "Shop Oak Harbor." Councilmember Severns thanked the Engineering Department for taking on in-house work for the Oak Harbor Road project. Councilmember Munns talked about AWC, HB 3179 and SB 6424 that address local flexibility, and noted that Island County is the only county in Washington that made money on tourism; figures are not yet available. Councilmember Almberg talked about the Whidbey Chamber Orchestra and performances at Oak Harbor High School. Councilmember Dudley talked about the Puget Sound Blood Center and Oak Harbor Lions Club sponsorship. Blood donations are scheduled for Monday, ~~2/22/10~~ 3/1/10 at First United Methodist Church. Mr. Dudley also noted that Councilmember Campbell had been named the Island County Republican of the Year.

Mayor's Comments

Mayor Slowik thanked David Encinas, a government class student, for staying through the entire meeting. Mayor Slowik also mentioned the loss of Ms. Recker's mother-in-law. He thanked Ms. Recker for her hard work and expressed his gratitude and respect.

ADJOURN

With no other business coming before the Council, Mayor Slowik adjourned the meeting at 8:30 p.m.

Connie T. Wheeler
City Clerk

17 Feb 2010 City of Oak Harbor - Clarification to Power Point
Presentation 21 Jan 2010

Angie Homola – Commissioner Dist 2

The following are answers or clarification to answers provided on 21
Jan:

Sales Taxes

What assumption did the county make for the sales taxes in 2010?

Per the County Budget Director and Clerk of the Board:

No increase in sales tax revenue is forecasted for 2010.
Approximately, 10% of the County's Local Sales & Use Tax revenue
comes from sales within Oak Harbor. About \$500,000

Response to new question: The County will conduct 1/4ly budget
reports and is actively working on forecasting – I have asked for a 5
year forecast which the Budget Director presented last week. With
two scenarios, (1- a 2% cost increase per year and no augment to
our staff, 2 – a 3-4% annual increase with modest COLA's or possible
staff restoration, at the end of 5 years in both scenarios the county
will have to dip into the fund reserves to the extent that cash flow will
be a real problem.

Medical Premiums

Expense for employees and the goal to change the medical plan

Employer share 85% and Employee 15% based upon Group Health
Coop (4-tier rate) for represented employees. For non-represented
employees, Employer share 85% and Employee 15% based upon
WCIF Value Plan (composite rate). Not 90% as I had previously
indicated.

Commissioner District Boundaries

When will the county next redistrict the voter boundaries?

At the last meeting I indicate we had just completed an update. I was incorrect as this was only a precinct map update – Correct answer per the Auditor Sheilah Crider:

Congressional and Legislative redistricting will be conducted by Federal and State officials after completion of the Census. Direction to Island Co will come from the Sec of State if and when we are required to redistrict in 2011.

General Fund

How is the 57% Law and Justice allocation of the General Fund divvied?

Per the County Budget Director and Clerk of the Board:

Law and Justice pie 57% of General Fund allocation by department:

Sheriff 24%

Jail 9%

Pros Attorney 6%

Clerk 2%

Coroner 1%

Public Defense 4%

District Court 5%

Superior Court 3%

Juvenile 3%

LEOFF payments <1%

Civil Services <1%

Dog Control 1%

Subjects related to Treasurer:

Junior Taxing Districts

Per the County Budget Director and Clerk of the Board:

Is Island Transit a Junior Taxing District? Why don't we charge a fee to JTD's for processing?

Island Transit is a special purpose district which is commonly called a junior taxing district, which deposits its funds with the County Treasurer.

Counties are not allowed to charge back costs to Junior Taxing Districts for accounting, treasury and appraisal services. There are a few exceptions where counties are allowed to recoup costs, such as elections, special assessments tax statements, and a small charge on investment activities.

Are Tourism sales tax funds Junior Taxing Districts?

Tourism monies are specifically those funds collected as hotel motel taxes. They are divided into 2 categories and have separate administrative bodies and procedures for their allocation.

1st - 2% Lodging Excise Tax Advisory Committee – 2% of taxes collected is returned from the state to the county then divided up to appropriate jurisdiction. There is a committee to determine where the money goes.

2nd - 2% Locally charged and locally specific, (still goes to the state first then back to us) Hotel Motel tax 2% Joint Tourism Board allocates the monies – OH now keeps all but \$20,000 of this money. Per the 2009 revised interlocal agreement.

The County deposits these monies in separate County funds in order to provide a separate accounting for their use.

Real Estate Excise Taxes – answered by Anamaria Nunez Chief Deputy Treasurer

Suggestion/question: The county should stay open or keep a staff person at the counter on Fridays to handle the deposits of REET because we are losing interest money on those deposits.

(I do not have a copy of what she stated for the record)

County Charter Adoption Process

Per the County Budget Director and Clerk of the Board:

The state constitution, in Article XI, § 4, specifies the procedure for a county to adopt a "home rule" charter. Any county may adopt a charter. There is no minimum population requirement. There are two methods to begin the charter adoption process - initiation by the county commissioners or initiation by voter petition. Under either method, a board of freeholders is elected to draft a proposed charter, which is then submitted to a vote of all the people for adoption or rejection. (Excerpted from MRSC website)

The county once tried to establish a charter form of government and the people voted it down

In mid 1995 10% of the voters who voted in the last general election presented the BOCC with a valid petition calling for the election of a Board of Freeholders for the purpose of framing a county charter. The Special Election to elected freeholders was held along with the General Election in Nov. 1995. The voters elected the Board of Freeholders which consisted of 15 persons, with 5 persons coming from each of the 3 commissioner districts. The Board of Freeholders developed a proposed charter. In 1996 the proposed charter appeared on the ballot but was not approved by the voters.

The voters elect a board of Freeholders.

How would we obtain a County Administrator, and would it be costly?

The Board would decide to adopt an Administrator – estimated cost \$120,000 to \$140,000 (SWB + associated costs) plus any additional staff necessary to support their position.

Why not implement expedite fees for the Auditor, Treasurer or Planning Department?

The dollar amount for certain fees are set forth in the enabling statute, particularly with regard to the Auditor and Treasures offices. For example, the \$5.00 fee for the first pay of a document recorded with the Auditor is specifically called out in **RCW 36.18.010**

Expedite Fees for permitting was discussed by the Board there was a lot of concern that this creates an unlevel playing field and would more than likely exacerbate the problem if balancing the already meager staff.

How do we handle the “cash flow” i.e. what happens with the 2.2 million during the year when we are waiting for the biannual property taxes to come – how do we pay our bills without dipping into the reserves? Please help me understand the difference between county and city cash flow.

Per the County Budget Director and Clerk of the Board:

*** The following is based upon very preliminary estimates.*****
At the beginning of this year, the Current Expense fund had roughly \$5.9 mil cash. Usually the lowest cash point is during October and there should be about slightly less than \$4.0 mil cash. By end of 2010, cash should be somewhere around \$5.0 mil. These amounts do not include the additional “float” which comes from checks written on the current fund but not yet cashed, which might be a couple of hundred thousand or more on a given day. However, the Treasurer invests the majority of the float to maximize interest revenue to Current Expense.

Junior Tax (cities, towns and special purpose) districts are required to deposit their cash into the County’s main bank account. Any monies

not specifically directed for investment goes into what's called the "residual". The residual cash is invested by the Treasurer. Interest earnings from the residual go into the Current Expense fund. The Treasurer does not allow junior tax districts to ride the float.

FYI

Elaine M. Marlow
Island County Budget Director
& Clerk of the Board of Commissioners
Office 360-679-7397
elainem@co.island.wa.us

Density Bonus – The Math

AFFORDABLE HOUSING DENSITY BONUS REVIEW

Cost	
Unit Cost	\$226,416

Sales Price	
Median Sales Price (Market Rate)	\$264,604
Sales Price (Affordable - USDA Loan)	\$180,000

Net	
Market Rate	\$38,188
Affordable	(\$46,416)

Density Bonus – The Math

AFFORDABLE HOUSING DENSITY BONUS REVIEW

Example (5-acre site with R-1 zoning)

Base Number of Units	30
Market Rate Units	24
Affordable Rate Units	6
Bonus Ratio (1 Market Rate Unit: 1 Affordable Unit)	1
Bonus Units	6
Unit Cap (30% + Base)	39
Actual Bonus	6
Total Units Allowed	36

Revenue (w/ affordable & density bonus)

Market Rate Sales Price	\$	7,938,120
Affordable Sales Price	\$	1,080,000
Total Sales Revenue	\$	9,018,120
Total Costs	\$	8,150,976
Net Revenue	\$	867,144

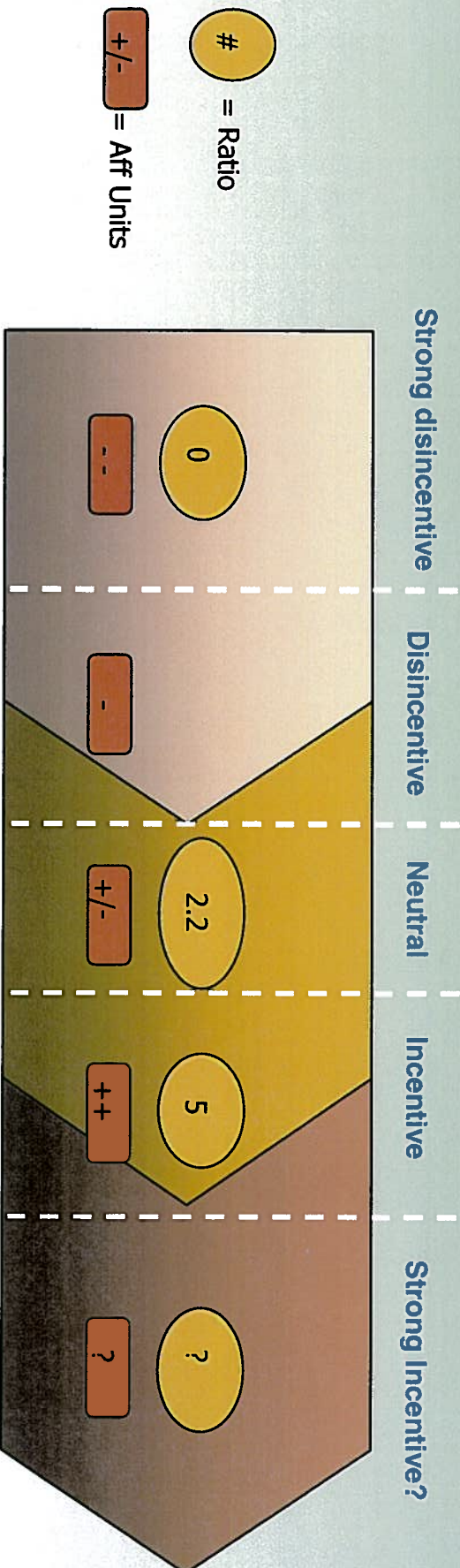
Revenue (w/o affordable or density bonus)

Market Rate Sales Price	\$	7,938,120
Affordable Sales Price	\$	-
Total Sales Revenue	\$	7,938,120
Total Costs	\$	6,792,480
Net Revenue Minus Costs	\$	1,145,640

Revenue Difference: Market versus Affordable \$ 278,496

Additional Units Needed (Beyond 6 unit bonus)	7.3
Additional Ratio Needed (Beyond 1:1 bonus)	1.2
Break-even Ratio	2.2
Proposed Ratio	5 to 1

Density Bonus - The Spectrum





15571-A Peterson Rd., Burlington, WA 98233 • Phone (360) 757-6916 • Fax (360) 757-0604

February 15, 2010

Mr. Eric Johnston, City Engineer
City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277

Mr. Johnston:

This letter is to express the Skagit/Island Counties Builders Association's (SICBA) input regarding the city of Oak Harbor's draft Stormwater Ordinance update. SICBA is a roughly 600-member association representing the voice of the local building industry. Please consider this letter as SICBA's written public input on this draft ordinance and share it with Mayor Slowik and the City Council.

For background, the typical SICBA builder-member only builds a few houses each year, and these members have limited resources to navigate the complicated and costly maze of land use and environmental regulations in Washington. This fact along with the present economy and current tight lending practices make development and building in our region particularly challenging. Because of these realities, SICBA requests as much flexibility as possible from Oak Harbor in adopting and administering the updated Oak Harbor Stormwater Code while still becoming compliant with the NPDES permit.

We thank the city for what appears to be a draft update to the Oak Harbor Stormwater Code which meets Department of Ecology mandates through the NPDES Phase II permit adoption process, but does not go beyond them in an overly onerous fashion. That being said, we have a few requests regarding the draft update.

First, SICBA urges the City whenever feasible to limit the amount of site inspections required prior to actually beginning development. We understand the amount of site inspections can depend on the type of permit being sought, however time is money, and in our present economy delays are even more detrimental to business than usual. Please strive to limit the number of site inspections prior to development as much as possible while still fulfilling your obligations.

Second, SICBA also requests the city to limit and streamline the reporting requirements for Stormwater plans prior to the start of construction as much as possible while still fulfilling your obligations.



Finally, when the draft code refers to pre-development condition, SICBA has concerns about the term "pre-Euro-American settlement," which is found in item 56 towards the bottom of page 11 of the draft ordinance (page 85 of the council packet). We understand that this definition and requirement comes straight from the NPDES Phase II permit verbiage, but we would like to request as much flexibility as possible from the city in this matter. We believe the city should evaluate this matter in terms of striking an appropriate balance between environmental protection and what is economically feasible in order to not over-burden the start of potential projects.

Thank you for your work on Oak Harbor's Stormwater Code update, for your attention to our feedback and our request for flexibility for our local Oak Harbor builders and developers. If you have any questions regarding this feedback, please contact me at the SICBA office at (360) 757-6916 or via e-mail at cory@sicba.org.

Sincerely,


Cory Bertel
SICBA Government Affairs Director

CC: Oak Harbor Mayor Jim Slowik
Oak Harbor City Council