

CITY COUNCIL MEETING
TUESDAY, MAY 13, 2003
7:00 PM - CITY COUNCIL CHAMBERS

- A. CALL TO ORDER: at 7:00 p.m. by Mayor Cooper in Council Chambers.
- B. ROLL CALL, DETERMINATION OF A QUORUM. Present: Mayor Cooper and Council members Vanover, Fish, Pippel, Combs, Hanson, and Carrington. Also present: City Manager Tom Healy, Attorney Jack Snodgrass, and Recording Secretary Pam Whitehead. A quorum was established.
- C. APPROVAL OF AGENDA: The agenda was approved as amended. Mayor Cooper moved New Business items M1, M2, M4, and M5 to Consent Agenda items F3, F4, F5, and F6. There were no objections.
- D. PLEDGE OF ALLEGIANCE: led by Council member Vanover.
- E. MINUTES OF PREVIOUS MEETINGS:

The minutes of the Regular Meeting of April 22, 2003 were approved as amended. Corrections were: page 9, item number 3, 3rd paragraph, correct word to read "turbine-powered aircraft," not turban-powered.

The minutes of the Special Meeting of April 29, 2003 were approved as amended. Corrections were:

page 2, 3rd paragraph, correct typo: "happing" to "happening;"
page 3, item number 3, first paragraph, correct name to read: Cari Ann Ketterling.
page 5, under Gaye Vaughn, last bullet, insert word: ". . . enjoys being *the* City Clerk . . ."
page 6, correct Council member Hanson's comment to read: ". . . emphasized that he is adamantly opposed to the restriction of the ability to turn left *off of* Evergreen . . ."

- F. CONSENT AGENDA:
 - 1. Authorize Advertisement for Bids: Public Works Welding Bay Addition.
 - 2. Authorize Advertisement for Bids: Sherrod Ball Field Concession Stand renovation.
 - 3. Authorize City Manager to Execute Change Order No. 2 to Hankal Construction for Wastewater System Improvement Project.
 - 4. Authorize Locating Temporary Office Trailer at Public Works Shop.
 - 5. Authorize City Manager to Purchase a Dump Truck Under a Cooperative Purchase Arrangement.
 - 6. Authorize City Manager to Negotiate and Enter Into an Annexation Agreement with the First Baptist Church.

MOVED PIPPEL, SECONDED HANSON, to accept the consent agenda. MCU.

- G. COMMUNICATIONS AND APPEARANCE REQUESTS:

1. Dan Contini – Fire and Building Department Report.

Chief Contini reported:

- *Building Dept.* – 44 building permits have been issued with a year-to-date valuation at \$4,711,898 – see April, 2003 Building Department Report for details. Brief questions followed.
- *Fire Dept.* – compared to last year, the fire department has doubled its responses so far this year with 119 calls; the department is still recovering from the larger fires – ladder truck has been out of commission since February, hopefully repairs will be completed this week; other trucks are waiting for various parts. As a result of FEMA’s visit, it appears the city may recover some of the costs from the windstorm – personnel time, repair work, apparatus use compensation.
- *Todd Russell* – is doing well and anxious to get back to work; reported that Todd started a fund-raising project and has raised \$15,000+ soliciting donations from businesses for a self-imaging camera (\$7,900); checks are still coming in and it looks as though the department will be able to buy two cameras.

H. BOROUGH REPRESENTATIVE’S REPORT: None.

I. AUDIENCE PARTICIPATION: The following persons came forward with comments on the new Fred Meyer (FM) store:

Bob Woolsey, 2560 Hazen Bay, property owner at 340 W. Evergreen (Subway Building), addressed the council regarding the FM traffic flow issues; expressed great concern with the proposed offset intersection at Burger King in terms of public safety entering and exiting Dimond St; thinks there will be numerous fender benders and bottlenecks with the way it is proposed; spoke strongly in support of a right-in and right-out on Dimond; also consideration should be given to installing a traffic light at the intersection by First National Bank. He had serious concerns that the businesses on the other side of the street along Evergreen will be affected if customers have a difficult time coming and going because of traffic.

Jean Holt, HC01, Box 6472, Palmer, owner of the Darin Building (School District Federal Programs), echoed the concerns raised by the previous speaker regarding the effect on businesses on the other side of Evergreen; spoke to concerns regarding landscaping and the traffic pattern; encouraged that FM be pushed to factor in the uniqueness of Palmer in the architecture of the its building.

Mayor Cooper explained for the benefit of the audience that later in its agenda, the council will be authorizing the city to do its own traffic study to, among other things, verify the numbers submitted by FM; explained also that FM has listened to the comments from the open house and will be changing the architecture of its building to fit into Palmer’s town motif (much like what they did in Ellensburg, WA); mentioned that he expects the new drawings to be submitted fairly soon.

Cindy Bettine, PO Box 87000, Wasilla, owner of property at 234 W. Evergreen, spoke to concerns about the traffic on Evergreen; is very much opposed to the FM plan of eliminating a lane into Palmer; doesn’t think the driveway (Dimond) should be allowed; talked about the size of the store; thinks it is great FM is coming to Palmer, but thinks the location is wrong; hopes that the council will not start redoing city streets for this one business; discussed screening and suggested that it be

passed on to FM that something be done to screen the unsightly view of storage vans in the parking lot; suggested a 4-way stop at Evergreen & Cobb; suggested that ordinances be passed to deal with large developments such as FM and to do it right in the beginning.

Michelle Church, HC01, Box 6218, Palmer (2131 Church Street), spoke on behalf of Friends of Mat-Su, was glad to hear that FM planned to change the design of its building to be more in character with the community; said she would like to see the Ellensburg, WA design; asked that another public meeting be held when the new drawings are submitted and that it be in presentation style so everyone gets the same information at the same time; noted that it makes FM and the audience more accountable for what is being said; spoke to the storage vans in the parking lot issue – suggested FM be encouraged to invest in a warehouse in Alaska in order to avoid the visual impact of storing inventory in vans in its parking lot; also raised concerns about the traffic and landscaping; suggested the building be rotated so the front of the building is closer to Cobb St, which would make it easier to walk to, and have the parking more in the back with another entrance.

Jim Clauder, P.O. Box 524, Palmer, agreed with the comments of the previous speakers; voiced concerns regarding lighting; wants the lighting such that it will light the building and parking lot but not the whole city; was glad to hear that the design of the building will be changed; was also happy to hear that Palmer will be doing its own traffic study; does not believe FM traffic planners have the city's interests as a first priority.

Kathy Wells, P.O. Box 3331, Palmer, addressed landscaping; noted that FM in Wasilla didn't put in the water system they said they would and they haven't maintained the landscaping; encouraged the council to ask FM for money for landscape maintenance.

Gary Wolf, 610 S. Bailey, Palmer, noted that he was pleased to be sitting in a room full of Palmer advocates who care about the character of the city; expressed his feeling that FM is a big corporation that is very good at marketing and is putting a store in Palmer for the main reason of making money; thinks that FM has an important civil responsibility to do as good of job as it can in terms of the building, as it will have a big impact on the community for many years to come. His biggest concern is how the building is sited; thinks it will be problematic as it is proposed. He displayed his own drawing, which places the building on the east side of the site, and noted reasons why he thought it would be a better design solution than Fred Meyer's. By placing the entries on the south and west sides, not only will it protect it from the prevailing winds, but it would also allow an opportunity for an addition towards Cobb to where the street can actually be addressed; in addition it allows a more handsome face to the traffic on the Glenn Highway and provide a good opportunity for FM to advertise; also, the loading dock area would be on the north side of the building where it could be screened and allow enough room for truck access; pointed out also that accessible parking could be made so that you don't have to go across two lanes of traffic to get there. He believes his solution does a better job at being a better neighbor to the surrounding areas and encouraged the council to pass on his ideas to FM. Mr. Wolf's drawing was given to the council and passed around for view by the audience.

Denise Statz, 208 W. Cottonwood, Palmer, pointed out that she will be a close neighbor to the new store and while she is delighted with the new shopping opportunity, she is not pleased with its location; echoed concerns raised about lighting and hopes it will be muted; also had concerns about

landscaping; said she was disappointed in the design of the FM stores in Wasilla and Anchorage; pointed out that we are incredibly fortunate to live in one of the most beautiful places in the country; had concerns about signage and doesn't want it to be large and overhead; owns a small business in downtown Palmer and they have been very cautious about keeping signs attractive; suggested FM consider a monument style sign as opposed to a big overhead lit sign; spoke to the Wasilla FM parking lot as being truly dangerous in terms of walking; encouraged that landscaping be designed in such a way that it will restrict speed and avert such dangers at the Palmer store.

Chris Whittington-Evans, 610 S. Bailey, Palmer, who owns a quiet professional small business at that location fronting onto Dogwood, had concerns about the increased traffic and changes to the character of the street in general, especially if the Dogwood extension goes through; believes it will turn into a major thoroughfare if Evergreen is plugged. He was very disappointed by the proposed design of the building presented at the open house; echoed Mr. Wolf's comment about FM being here to make money; emphasized a building design unique to the character of Palmer and not somewhere else; agreed with the comments regarding the quality of landscaping and continued maintenance of landscaping; suggested putting in healthier trees and keeping them that way; also encouraged another public meeting to review the new design and provide opportunity for additional comments.

Mimi Peabody, HC04, Box 9110, Palmer, briefly commented about lighting; encouraged that it be focused on the store and not the night sky; suggested matching the style to tie in with the rest of the lighting in Palmer.

Dan Dryden, HC03, Box 8118, Palmer, agreed with the concerns raised by previous speakers; noted his primary issues are with the traffic, appearance, and the impact on our small town of Palmer; thinks some good ideas have been presented regarding landscaping; pointed out with regard to lighting, that we have a good opportunity to be proactive in "directing light to be shined only where needed." He thinks that globe lights should be outlawed except by special use permit; likes the idea of focusing the light on the building and tying it in with the rest of Palmer lighting; proposed that the storage vans be kept in Palmer's industrial park; spoke to the already serious traffic problems on Evergreen; suggested the only solution is another access on the Glenn with another traffic signal at the south end of town (Anchorage side); expressed appreciation for the council hearing his comments.

Charlotte Sartor, HC02 Box 7635, Palmer, lives in the Butte but shops and works in Palmer; supported the previous comments on lighting, traffic, design, landscaping; was glad to hear about the traffic study; believes the location is terrible; but encouraged everything possible be done to mitigate the problems and expressed appreciation for the effort.

The Mayor thanked everyone for their comments.

J. HEARINGS, ORDINANCES, AND RESOLUTIONS:

1. Public Hearing and Certification of Assessment Roll for Improvement District 01-1-ST.

Mayor Cooper opened the public hearing and asked for comments from the audience. There being no persons to come forward, the public hearing was closed at 7:50 p.m. and the matter brought back to the council.

2. Resolution No. 1303 – A Resolution Confirming Special Assessments for Street construction Improvements on Property Specially Benefited in Improvement District Numbered 01-1-ST, Setting Date of Payment and Providing Penalties and Interest in the Event of Delinquency.

Mayor Cooper introduced the item.

MOVED PIPPEL, SECONDED VANOVER, for adoption of Resolution No. 1303.

The Mayor pointed out that attached to Resolution 1303 in the packet is a chart showing the original assessment, the proposed adjustments, and the resulting new assessment figures, in addition to the assessment roll.

Question on Motion: MCU.

3. Ordinance No. 603 – An Ordinance Regarding the Establishment of Neighborhood Parks and Providing a Method for Partial Funding Thereof. (Public Hearing and Second Reading)

Mayor Cooper opened the public hearing at 7:55 p.m. and asked for comments from the audience on Ordinance No. 603.

Michelle Church expressed appreciation in support of the ordinance; noted that it is a very good move for Palmer to jump ahead of the development train to set aside land for neighborhood parks; believes it will be of enormous benefit to the community in the future.

There being no others wishing to speak, the public hearing was closed and the matter brought back to the council. Mayor Cooper pointed out that Ordinance 603 was tabled at the April 22 meeting for further revision.

MOVED PIPPEL, SECONDED VANOVER, to bring the motion for approval of Ordinance 603 from the table back to the council for discussion. MCU.

Lengthy discussion ensued. Council member Combs argued that he thinks the ordinance provides a good vehicle by which to establish neighborhood park development fees and to involve the developers, the city, and homeowners in the establishment of neighborhood parks. The fee schedule is such that would allow the developer or builder to offset the fees by assigning a piece of property

within the subdivision to the city, with the city making up the difference in cash if the fee does not equal the cost of the property. What still needs to be determined is a formula or guideline by which to set aside the land – a land conveyance program that will establish up front what land within a development will be reserved. Council member Pippel stated that he views it as two separate functions – one collecting an impact fee, and two, developing or actually building the parks; argued that specifically dedicating a piece of land for a park carved out of a big development would make it more complicated; that the two should be kept separate and the city have the discretion to build the parks where appropriate.

Attorney Snodgrass explained the structure and intent of the ordinance; that it is set up as a fee ordinance as opposed to a land ordinance for the reason that the courts are more likely to uphold fee ordinances; advised that it would be better to keep the two functions separate and leave it to the discretion of the council to set criteria and determine park locations on a case-by-case basis. Further discussion continued.

Council member Carrington favors doing parks, however, thinks this may be turning into too much of a “super-ordinance” and would rather see the council give itself a mandate by consensus to do more parks, actively pursue where we want them, and commit budget money toward it; suggested coming up with a methodology by which to encourage developers to include parks in other ways. Council member Pippel further argued strongly in favor; compared it to paving streets, where the people who will most benefit are required to pay a small portion of the costs; that here the proposed fees probably represent less than 25% of the costs to develop a park. Council member Hanson argued that it would be better to have participation up front with the developer, but if that is not possible, then we need the impact fee; noted that he favors the ordinance because there is flexibility to determine the best locations for neighborhood parks.

Manager Healy asked for a later effective date to at least July 1, 2003, to allow time to set up administrative provisions, or January 1, 2004, if it could wait until after this building season. Council member Combs noted support within the community to establish ordinances that address the fact that our community is growing – more people, more houses, more construction, etc.; noted that it was never his intent that the impact fee should be borne totally by the developer or builder, that it would ultimately be passed on to the homeowners with the city contributing the major portion; spoke strongly in support because it puts it up front when new developments are being built a mandate to establish green spaces and parks; pointed out that we have an unusual opportunity here to get ahead of the curve and that 10 years from now, people will be saying it was a good idea.

MOVED PIPPEL, SECONDED COMBS, to amend Ordinance 603 to become effective July 1, 2003, as opposed to “immediately upon its adoption” and to change the date of April 23, 2003 everywhere it appears in the ordinance to July 1, 2003. MCU.

Mayor Cooper understood that this is an impact fee, but firmly believes, if the city is serious about parks, that the developer should be required to, as opposed to voluntarily, set aside a certain amount of land for parks to be determined by the city manager. The attorney cautioned against making it mandatory; noted the courts are more likely to support “voluntary,” whereas “required” says eminent domain. Brief further discussion continued.

Question on Motion [approving Ordinance 603, as Amended]: PASSED [6/1, Carrington opposed].

4. Resolution No. 1304 – A Resolution Setting the Fee Schedule for partial Funding of New Neighborhood Parks.

MOVED PIPPEL, SECONDED COMBS, to bring the motion for approval of Resolution 1304 from the table back to the council for discussion. MCU.

Council member Pippel agreed with Council member Hanson's earlier comment that the fees were too high, and offered the following amendment:

MOVED PIPPEL, SECONDED COMBS to amend Resolution 1304, reducing the fees from the stated amounts to: \$250 single-family; \$175 multi-family; \$175 mobile home.

MOVED HANSON, SECONDED CARRINGTON, to amend the amendment, to reduce the fees further to: \$150 single-family, \$100 multi-family, \$100 mobile home.

Council member Hanson argued that the city committed \$20,000 of general fund money towards the establishment of parks; that it should be a continued commitment in the future; thinks the proposed cost figures are too high and as a result, the impact fees are too high; questioned the basis on which the numbers were derived. Further discussion continued with Mr. Koch regarding the costs involved in building a park.

Question on Amendment to Amendment: FAILS UNANIMOUSLY.

Following brief further discussion, Council member Pippel withdrew his first amendment and offered a new amendment:

MOVED PIPPEL, SECONDED COMBS, to amend Resolution 1304, reducing the fees to: \$200 single-family, \$150 multi-family; \$150 mobile home. MCU.

Question on Motion [approving Resolution 1304, As Amended]: MCU.

K. BIDS:

1. Well House Improvement Project.

MOVED PIPPEL, SECONDED HANSON, to accept the bids of Weldin Construction, Inc., declare the bid from Rockford Corporation to be nonresponsive, and award the contract to Weldin Construction in the amount of \$408,005.

Brief questions and discussion followed. It was noted that since the number of bids received were less than three, a unanimous approval of the council would be required.

Question on Motion [awarding to Weldin Construction]: MCU.

[The meeting recessed at 8:50 p.m. for a break; called back to order at 9:05 p.m.]

L. OLD BUSINESS: None.

M. NEW BUSINESS.

1. [Moved to Consent Agenda, item F3]
2. [Moved to Consent Agenda, item F4]
3. Authorize City Manager to Purchase a Refuse Collection Truck and Related Equipment Under a Cooperative Purchase Arrangement.

MOVED PIPPEL, SECONDED FISH, to authorize the City Manager to purchase a refuse collection truck and related equipment under a Cooperative Purchase Agreement.

Manager Healy gave an overview, called attention to his agenda memo regarding the particulars of the purchase, and recommended the council's approval of an award to Western Peterbilt of Alaska for the Oak Harbor bid price of \$190,981.22, which includes transportation to Palmer. In addition, since the bid amount exceeds the 2003 Solid Waste Collection fund budget amount of \$185,000, the manager recommended adding \$6,000 to the budget line item. The manager noted that the purchase includes Curotto Can front loading equipment which automatically picks up and dumps the refuse and returns the container to the curb; pointed out that the capital project plan includes \$125,000 in 2004 to purchase refuse containers that fit the Curotto Can system and distribute them to residential customers; pointed out that this mechanical loading system will reduce the risk of employee injury and improve collection efficiency; also pointed out that the current refuse truck can be retrofitted next year to perform the same function.

Questions and further discussion followed. Mr. Koch explained more of the details how the new system would work.

MOVED PIPPEL, SECONDED FISH, to amend the motion for approval to include the price of \$190,981.22 and direct the city manager to at the same time amend the 2003 Solid Waste Collection budget by adding \$6,000 for the New Garbage Truck line item. MCU.

Question on Motion, As Amended: MCU.

4. [Moved to Consent Agenda, item F5]
5. [Moved to Consent Agenda, item F6]
6. Discussion of Planning and Zoning Commission Recommendation Regarding Proposed Multiple Use Transition District and Direction to City Manager.

Manager Healy reported in his memo that the P&Z Commission conducted a hearing on the proposed MUTD (T-zone) (Ordinance 602) and voted unanimously against recommending its

approval. The manager asked for direction on how to proceed; options could include: 1) revise the ordinance to address the Commission's concerns and send it back for further hearing and comment; 2) schedule Ordinance No. 602 for introduction at the next council meeting; or, 3) abandon the ordinance and continue to follow the existing annexation zoning ordinance (PMC 17.16.060). He emphasized the importance of making a decision soon because of the fast-approaching annexation effective date; that the city needs to be able to inform residents of the annexed areas as to the zoning regulations that will apply.

Council member Carrington favored leaving the current code as is in the short term, but recognize that revisions will be needed for the long term; suggested directing staff to draft a document containing information on what property owners can expect when they are annexed into the city; pointed out that most of the people who testified at the P&Z hearing didn't have questions related to the MUTD directly so much as whether or not they can keep their horses, discharge firearms, or whether they can have burn barrels. He would like to keep it as simple as possible for this first annexation, as P&Z thinks they can handle it within the 60 days; thinks that might be a bit optimistic for future annexations, however.

Council member Pippel also favored keeping the code as is and drafting informational zoning guidelines to answer the people's questions; surmised that there will only be a few problematic land uses; recommended that the current nonconforming use ordinance be amended to be less onerous (such as more flexibility in the rebuilding when a building burns down); also recommended that a time limit be imposed within which to rezone; suggested one year from date of annexation.

Council member Hanson spoke in favor of the T-zone stating that one of the reasons he liked it was because it was less onerous; pointed out that there would be no double standard with the current nonconforming use, that it allowed for businesses to expand; thinks some of the language could be "tweaked" to address the concerns; still thinks the T-zone is the appropriate direction to go.

Council member Vanover brought up height limitation requirements (such as for church steeples); Mr. Healy suggested amendments could be made to the current ordinance to specifically address height requirements.

Council member Combs spoke in favor of the MUTD; argued that it addresses objectives of the comp plan in terms of uses by right as opposed to nonconforming, which P&Z perceived as having a negative connotation; argued that the ordinance recognizes that annexation is a special situation and gives a two-year breathing period for property owners to continue to use their property without any interference from the city unless it was a hazardous situation; believes the MUTD is a good ordinance and pointed out that there is some support among P&Z commissioners, according to the minutes, that it has merit; does not think it should be abandoned.

Council member Fish favored keeping the code as is for the short term and work on the T-zone for the future. Council member Pippel reiterated that he thinks the MUTD is just another form of nonconforming use; stated that it creates two years of uncertainty for the property owner and the surrounding properties not knowing what the zoning will be; reiterated the importance of a time limit to zone absent the request of the property owner; spoke in favor of revising the current NCU ordinance to address the issues.

Further discussion and debate continued. Mayor Cooper spoke in opposition to the MUTD; believes the same thing can be accomplished by the current code; pointed out that the P&Z vote was 6/0 to recommend against Ordinance 602; argued that it will be self-evident as to zoning classifications when the annexed properties come into the city; advocated having an open house to inform the people and address their issues prior to the effective date; suggested a special meeting to update the current NCU code; agreed that the T-zone would create uncertainty for at least two years, if not longer.

The Mayor called for a decision by the council and asked that the agenda be amended to put the issue before the council. There were no objections.

MOVED VANOVER, SECONDED FISH, to abandon proposed Ordinance 602 and follow the existing code for annexation zoning under PMC 17.16.060.

Council member Hanson spoke in opposition; discussed why the T-zone was created in the first place – to address the use-by-right issue raised by P&Z; believes the MUTD accommodates those uses and argued that the current code doesn't take into consideration many of the concerns raised. Further discussion continued. The attorney pointed out that the MUTD was an attempt to address language in the comp plan; suggested that this process has made everyone aware of the issues and perhaps the best solution would be to revise the comp plan.

Question on Motion [by roll call vote]: PASSED [5 in favor; 2 opposed (Hanson; Combs)]

7. Authorize City Manager to Negotiate and Enter Into a Subdivision Agreement with the Matanuska-Susitna Borough for the Palmer Airport, to Include Approval to Appropriate City Funds for Development Costs for Airport Lease Lot Access and Utility Improvements.

MOVED PIPPEL, SECONDED CARRINGTON, to authorize the City Manager to negotiate and enter into a Subdivision Agreement with the Matanuska-Susitna Borough for the Palmer Airport, to include approval to appropriate city funds for development costs for airport lease lot access and utility improvements.

Manager Healy gave an overview; reported that in order for the city to lease property at the airport, for which there has been numerous requests, it must provide the MSB with assurance through a subdivision agreement that the water, sewer, and road improvements will be completed within a reasonable time. The draft is the borough's standard agreement; whereby the city agrees to place the total estimated cost of improvements plus 20% into a controlled account to guarantee completion. The majority will be funded with Utility Fund money for water and sewer, and the remainder by General Fund money for road improvements. The manager recommended approval of the subdivision agreement for Palmer Airport lease lots 1 through 13 in addition to directing the manager to amend the 2003 budget to include funds from the utility and general funds for the purpose of guaranteeing completion of the utility and road improvements. *See* Memo on the table regarding estimated costs.

Questions and discussion continued whether the city, as a responsible government entity, would be considered exempt from subdivision rules and/or fees and not have to deposit funds for use as a guarantee. The manager had no official response from the borough on that. Council member Hanson asked if the \$75,000 in the airport fund could be used to cover cost of the road access to the lease lots. The manager will check.

Question on Motion: MCU.

8. Discussion of Lease Agreements for Airport Lands and Minimum Annual Lease Rate.

Manager Healy recommended a review of the city's approach to leasing airport lands in anticipation of development in the near future of lease lots (1-13) at the airport. He noted that city code currently requires that lease of city property be for no less than the appraised fair rental value, but none of the existing airport leases are subject to this value or rate. Instead, the city set a rate which is currently \$0.05 per square foot per year. The manager recommended setting the fee at not less than \$0.06 per square foot per year (matches Wasilla's) if the council wants to continue the policy of setting rates. He pointed out that Palmer's Airport has more to offer and informed, by way of comparison, that the state's statute rate for paved airports of the size of Palmer's would be \$0.14 per square foot per year.

Discussion ensued regarding airport lease rates, with the council coming to a consensus of increasing the rate to \$0.08 per square foot per year. Discussion continued re renewal of existing leases and how to rank the demand for airport space. The manager will set up a rate and a leasing program to include such criteria such as value of investment, proposed development time schedule, number of employees, and bring it back to the council for approval. Council member Pippel recommended that the policy should also be to choose lessees that will enhance economic development at the airport.

9. Authorize City Manager to Amend a Professional Services Agreement with Lounsbury & Associates for Environmental and Design Services for Urban Revitalization Project.

MOVED PIPPEL, SECONDED COMBS, to authorize the City Manager to negotiate and amend a Professional Services Agreement with Lounsbury & Associates for environmental and design services for the Urban Revitalization Project.

Council member Hanson wanted this pulled from the consent agenda in order to question whether the proposed fee was too high. The manager took the proposal of \$16,985 at face value and suspected it was in the ball park, however, said he would take it back to Lounsbury for further negotiation if that's what the council wished. Council member Pippel spoke in favor of approval now rather than wait another month; feared losing another construction season. Council member Hanson also questioned whether approving this contract obligates the city to award them the design contract. Manager Healy responded that although it is not automatic, the RFP 60-day process would probably have to be done again if the council wanted to award to another firm. He will do his best to negotiate a lesser amount to complete the environmental and design study report.

Question on Motion: MCU.

10. Authorize City Manager to Negotiate and Enter Into a Professional Services Agreement with Hattenburg, Dilley and Linnell for Traffic Study Services.

MOVED CARRINGTON, SECONDED COMBS, to authorize the City Manager to negotiate and enter into a Professional Services Agreement with Hattenburg, Dilley and Linnell for traffic study services.

Manager Healy called attention to the proposal from HDL on the table to perform traffic counting and analysis for traffic on W. Evergreen and Cobb Street. The purpose is to gather data on traffic volume and peak hour traffic activity to give the city information to use to compare against the traffic information provided by Fred Meyer's traffic consultant. The work will also review the traffic impact study submitted by Fred Meyer's to determine if the recommended improvements and proposed access plan are acceptable. The manager noted that this is a matter of due diligence for the city to verify that the numbers are correct and plan accordingly.

Brief questions and discussion ensued; all comments were in support of the traffic study.

Question on Motion: MCU.

11. Authorize City Manager to Negotiate and Enter Into a Professional Services Agreement with Alaska Rim Engineering, Inc. for Surveying Services.

MOVED PIPPEL, SECONDED FISH, to authorize the City Manager to negotiate and enter into a Professional Services Agreement with Alaska Rim Engineering, Inc. for surveying services.

Manager Healy reported that the city must survey and subdivide the property at S. Chugach and Springer Loop Road to divide out a 2-acre parcel to transfer to the Alaska Family Resource Center, which survey will be submitted to the borough and the property taken through the replatting process.

Question on Motion: MCU.

12. Authorize City Manager to Advertise for Bids for Building Moving Services.

MOVED HANSON, SECONDED COMBS, to authorize the City Manager to Advertise for Bids for Building Moving Services.

Manager Healy noted this is on the agenda because of interest among council members in obtain the Baptist Church building, which must be removed from the Fred Meyer property by June 21 or it will be demolished by Fred Meyer to make way for the new store. Mr. Healy described the work involved to include the cost of moving the building, install utilities, build a foundation pad, construct site improvements, and renovate or remodel the building for future use. He estimated this work would cost between \$300,000 and \$500,000 depending on where the building were relocated. Mr.

Koch estimated about \$660,000. If the council wished to proceed, it must approve an advertisement for bids which would open on May 27 and award at the council meeting of May 27. The council must also approve directing the manager to amend the 2003 budget by appropriating \$100,000 for building moving services from the general fund reserves to the capital project fund. The manager asked for the council's direction on how to proceed.

Fairly lengthy discussion ensued. Mr. Koch detailed the work and breakdown of the costs amounting to his \$660,000 estimate. Council comments all were that the cost was too much and that it was regretful.

Question on Motion: FAILS UNANIMOUSLY.

N. CITY MANAGER'S REPORT: Manager Healy reported on:

- *Agenda* – advised the council can expect to see more items on the consent agenda in order to shorten the length of the meetings. Council member Pippel suggested a change to the charter to give the administration authority over higher amounts of money.
- *Wage Study* – consultant is in the process of reviewing job descriptions and classifications and will report back in a couple of weeks with recommendations.
- *Urban Revitalization Project* – noted he recently received the Memorandum of Agreement from the State covering the design and environmental phase of the project which will allow the consultant to proceed on these tasks; that the delay in approval was caused by federal budget restrictions.
- *S. Chugach St.* – reported that staff met with DOT officials last week to discuss plans for improvements to S. Chugach in 2005. The preferred option will have two 12-foot driving lanes, 4-foot paved shoulders, a 5-foot sidewalk and street lighting on the east side of the road and a 5-foot sidewalk on the west side, from Cope Industrial Way to Springer Loop.
- *Sales Tax Legislation* – noted the sales tax issue is one of extreme importance to Palmer and other municipalities; informed that he and the Mayor have spoken in opposition to House Bill 293; see copy of his testimony attached to his Manager's Report along with a copy of the proposed bill.

Mayor Cooper announced that the hour was rapidly approaching 11:00 p.m. and called for an extension of one hour.

MOVED COMBS, SECONDED VANOVER, to extend the council meeting for one hour.
MCU.

O. AUDIENCE PARTICIPATION:

Cindy Bettine, had additional comments concerning Fred Meyer; said that if she had not sat through the entire meeting, she wouldn't have known about the boulevard proposal for the Glenn; pointed out that a lot of people that were here earlier would have liked to have known that; also just by looking at the agenda, it was not clear that the church removal was a related item; same thing with the traffic study. She suggested that it would help community participation at council meetings if there was a little more detail on the agenda and displays on the board so everyone in the audience knew what the council is talking about; suspected there was more information that she should be made aware of. She still doesn't have an answer to her question of whether the City of Palmer has an ordinance that deals with driveway permits. She suggested having more public meetings and getting more information out to the general public related to the Fred Meyer project.

Jeff Johnson addressed the council regarding the Downtown Merchants Association; announced that the Friday Fling will be starting back up beginning this Friday; outlined some of the details and encouraged all to attend. In addition, he advised that he recently purchased and renovated a building in the Industrial Park; noted that in the next year, he would like to see on the agenda an expansion of the industrial area; spoke to the jobs created in the industrial and commercial centers and encouraged the city to do what it can to keep the job growth going.

P. COUNCIL COMMENTS:

Council member Combs thanked everyone for their input on the neighborhood parks ordinance and believes it will be something very much appreciated in the future; noted appreciation for the audience comments regarding Fred Meyer; stated he is glad Fred Meyer is coming to town, but he also hasn't been excited about the location; commented that he has concerns about Evergreen and the impact to the businesses, that he is hopeful the highway access and boulevard concept will fall into place; thanked the Mayor and Mr. Healy for their work and testimony on the sales tax issue.

Council member Pippel suggested the city needs a "big development" ordinance; that there has been enough public concern that we need to look into powers and ability to mitigate problems; said we're probably lucky that Fred Meyer is the first because they have a history of being reasonable and accommodating; asked for a second council member to support having the attorney or administration work on such an ordinance; noted the fact that so many testified shows that they are concerned and it would behoove the city not be shy about relaying to FM what the city wants; likes the ideas that Mr. Wolf presented, especially regarding reorientation of the building, suggested that those ideas be relayed as soon as possible.

Council member Fish voiced concerns about the proposed driveway out onto Evergreen; does not agree and thinks it will cause more problems; supported Council member Pippel's request for a "big development" ordinance in order to help eliminate potential problems that arise when large businesses come into the city.

Council member Carrington updated on the library forums; informed he has received no negative comments; noted the majority of those surveyed so far favor expanding the library.

Council member Vanover appreciated the Fred Meyer comments from the audience; concurred with most of the comments, that some pointed out things she hadn't thought of, such as lighting; echoed the comments on the dangerous condition of the Wasilla Fred Meyer parking lot; recommended that the city send a thank you to Todd Russell for his work in collecting funds for the fire department to buy the heat detector cameras.

Mayor Cooper encouraged attendance at the Friday Fling; thanked Public Works for the grate protectors around the trees; noted unfortunately that a car has already run into and bent one of them; thanked PW also for putting up the banners, sweeping the streets, and getting ready for spring; spoke to the sales tax issue – sat in on a teleconference today for three hours; pointed out the public is only getting part of the information; emphasized that it is a very serious issue for municipalities; found out while they were in Juneau that the bill is moving very rapidly and no one wants to listen to the people who have had the experience in collecting sales tax; explained that the legislature has a mandate from the top to get a sales tax out; explained the details of how the state sales tax will work at this point; pointed out the problems and discussed the concerns that the cities have; announced on a happier note, that the city received an extra \$200,000 in capital improvement money; advised they decided to put the extra money into the Eagle Street project for paving next year; informed that he will be gone for the next two meetings.

Q. ADJOURNMENT: at 11:25 p.m.

For a signed copy – contact the City Clerk.