

**City of Puyallup
Special City Council Meeting
January 28, 2014**

(These minutes are not verbatim. The meeting was recorded, and copies of the recording are retained for a period of six years from the date of the meeting and are available upon request.)

COUNCILMEMBERS PRESENT: Mayor Knutsen, Deputy Mayor Hopkins, Councilmember Door, Councilmember Palmer, Councilmember Shadko, Councilmember Swanson, Councilmember Vermillion

APPROVAL OF THE AGENDA

Council Action: A motion was made by Councilmember Shadko, second by Deputy Mayor Hopkins to approve the agenda. The motion passed 6-1 (Vermillion).

In response to a question from a member of the audience, City Attorney Kevin Yamamoto explained that the purpose of the executive session is to discuss potential litigation; a formal announcement will be made prior to the session.

CITIZEN COMMENTS

Mr. Gil Hulsmann questioned the purpose of the moratorium and if it is justified, fair and the correct process. He asked if it would affect the trail project or PSE's current work in the area and said the moratorium would violate the trust between property owners and the City as well as impact both future development and property sales. Explaining that it previously took 15 months to complete development agreements for this area, he asked that councilmembers be honest and state their reasons for supporting this.

Mr. Steve Shores voiced disbelief with the moratorium and recalled the labor-intensive process which resulted in an agreement on how the area would be zoned, with no apparent citizen outrage resulting. He listed several lawsuits which reflected badly on the City, objected to legally risky behavior, and asked that Council not approve the moratorium.

Mr. Jeff Harmer, representing Schnitzer West, noted that Council's last direction was to delay the moratorium to allow for additional discussion on the future of this area. He spoke of his efforts to communicate with Councilmembers and staff to determine the process and what set of rules must be followed, voiced surprise at the suddenness of the special meeting, and referred to a lack of information. He asked that Council provide direction, transparency, and a decisive set of rules upon which development can proceed.

Mr. Tom Maskell questioned the reason behind the moratorium and characterized the decision to revisit it as cartoonish. Pointing out that affected property owners have actively worked on this process since 2004, he noted that the zoning had been agreed upon by all involved parties. He believed the previous city attorney/city manager had usurped the Planning department's

authority but did not provide the necessary guidance. Saying that builders are not able to proceed with confidence when each council wishes to revisit the issue, he urged Council to consider the image it portrays.

Ms. Dixie Gatchel believed that the problem stemmed from a lack of communication. Noting that Mr. Harmer approached the Rails-to-Trails Coalition to obtain its view, she said while the Coalition does not oppose development, it is uncertain if the proposed structure would affect the trail. She believed the moratorium reasonable, as it would allow time to more fully research impacts.

Mr. Hollis Barnett identified his letter of January 13th as part of the record and stated that the moratorium would change Mr. Van Lierop's pre-annexation agreement with the City. Adding that Schnitzer West was forced to file development plans for a project which should vest, he pointed out that the moratorium likely cannot delay Schnitzer's plans although it will prevent property sales. Voicing his distaste for lawsuits, he pointed out that the City would be liable if the Van Lierops suffered damages from the moratorium.

Mr. Neil Van Lierop stated this was the most disgusting thing that had ever happened to him in his entire career. He claimed this same type of shenanigans had occurred during Mr. McLean's tenure and was something he would never forget.

Ms. Nicole Martineau reminded Council of the members of the public who previously spoke in favor of the moratorium, asked that Councilmembers not base their vote on the threat of a lawsuit, and encouraged support of the moratorium.

EXECUTIVE SESSION

At 6:20 p.m., Mayor Knutsen announced an executive session expected to last 40 minutes, the purpose of which was to discuss potential litigation. City Manager Bill McDonald, City Attorney Kevin Yamamoto, Development Services Director Tom Utterback, Deputy City Attorney Steve Kirkelie, City Clerk Brenda Arline, Mayor Knutsen and the councilmembers recessed into executive session. Mayor Knutsen extended the executive session an additional 20 minutes at 7:00 p.m., and extended an additional ten minutes at 7:20 p.m. Those attending the executive session returned to open session and the meeting reconvened at 7:36 p.m.

Second reading of an ordinance pertaining to a moratorium for the Shaw Pioneer area, the purpose of which will be to allow the City to determine whether to extend a zoning overlay, known as the Shaw Pioneer Overlay zone to the area

Deputy Mayor Hopkins supported the moratorium and hoped that the necessary work could be accomplished in a short timeframe.

Councilmember Palmer referred to concerns by community members regarding how this area is developed, in particular the parcels zoned for Light Manufacturing. He explained the purpose of the moratorium is to allow time to consider extending the overlay zone and whether doing so could facilitate quality development and help make it compatible with adjacent zones.

Emphasizing that the process is meant to be collaborative, not to prevent development, he said the rezone approved last year had disrupted the agreement which was reached in 2008. He noted that Schnitzer West submitted an application to construct a building of nearly a half-million square feet in size and wondered about the effect on adjacent properties if that project proceeds as proposed. He believed that buffers and landscaping could help achieve a project that would be compatible with the CMX zone to the south, felt that the applicant may have been reluctant to engage in negotiations prior to receiving confirmation that its project was vested, and expressed his interest in collaborating to achieve a different site design than what has been proposed.

Councilmember Vermillion did not blame Schnitzer West for having submitted a project directly in response to a moratorium possibly being enacted. He believed the developer's business park on Valley Avenue to be aesthetically satisfactory; spoke to trust, collaboration, and design standards; and felt that the developer had been forced to submit a design which some now deem incompatible. He pointed out that the City risks communicating a highly negative message that Puyallup is not development-friendly towards projects that create jobs, and concluded that the process had been ludicrous.

Mayor Knutsen believed the moratorium would be a huge step backwards for the City's reputation with the development community, potentially causing the City as a whole to suffer. Saying that the City gave its word regarding what could be developed when it zoned the area, he was embarrassed by the proposed ordinance and suggested that this matter could be concluded as early as this evening. He questioned the purpose of the moratorium, understood why a developer would use a vested project as leverage, and suggested that other parties would not now trust the City to work fairly with them.

Councilmember Palmer emphasized that he had not supported the rezone of this property that was approved in December to facilitate the construction of warehouses. While he believed Puyallup to be generally pro-business, he felt this small area stood to have a significant impact.

Councilmember Swanson said the action having a profound impact was not the rezone approved last December but rather the partial rather than total annexation of this area some years ago. He explained that although pre-annexation zoning was approved for 380 acres; only 70 to 80 acres were annexed, leaving the large majority of the area outside of the City's jurisdiction and authority. He did not support the moratorium as he believed the City should annex the entire area as originally envisioned, which could result in its being a mixed-use area (including a 45 to 60 acre park with a sports complex facility) rather than a sea of warehouses. He was concerned that implementing the moratorium would decrease the likelihood of annexing this area and achieving this vision.

Council Action: A motion was made by Councilmember Palmer, second by Deputy Mayor Hopkins, to approve second reading of the ordinance. With a roll call vote, the motion passed 4-3 (Swanson, Vermillion, Knutsen).

ORDINANCE NO. 3057

AN ORDINANCE of the City Council of the City of Puyallup, Washington, imposing a one-hundred-twenty (120) day moratorium with respect to the acceptance or processing of any and all land use or building applications or plans, or issuance of permits, and approvals in the General Commercial (CG), Shaw-Pioneer Community Mixed-Use (CMX), and Limited Manufacturing (ML) zones located in the general vicinity of Shaw Road and E. Pioneer in the City of Puyallup.

ADJOURNMENT – 7:58 p.m.