

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

July 1, 2014

1. Call to Order – The Chairperson called the regular meeting to order at 9:02 a.m.
2. Pledge of Allegiance – John Gerchack led the flag salute.
3. **Roll Call – Present: Commissioner District 1 - Randy Neatherlin; Commissioner District 2 – Tim Sheldon; Commissioner District 3 – Terri Jeffreys.**
4. Correspondence and Organizational Business
 - 4.1 Correspondence
 - 4.1.1 Olympic Region Clean Air Agency sent a letter regarding Mason County's clean air contribution for 2015.
 - 4.1.2 Ball and Treger sent findings regarding the audit on Hood Canal Coordinating Council.
 - 4.1.3 Fish and Wildlife sent a letter regarding the yellow billed cuckoo.
 - 4.1.4 The Washington State liquor Control Board sent marijuana license applications from EZ Concentrates and The Root Cellar and liquor license applications for Hood Canal Highland Celtic Festival Committee and El Campesino.
 - 4.1.5 The Washington State Dept. of Transportation sent notification that they have surplus property for sale in Mason County.
 - 4.2 News Release: Barbara Adkins read the news release regarding proposed changes to Title 16 of the Mason County code.

Cmmr. Jeffreys asked everyone to get involved in this as there are significant changes.

5. Open Forum for Citizen Input –
 - 5.1 Tom Davis commented that the people asked for a moratorium a few years back when marijuana became legal. He said there is a lack of consistency and it's very concerning. He told the Board he thinks they have made a big mistake. He added that he thinks they have hurt their long term economic prosperity and their credibility.
 - 5.2 Steve Bloomfield thanked the Commissioners and acknowledged that they have a tough job. He commented on item 8.11. He said drinking water has been discovered there. He added that he also has a problem with any effects on Mason County tax rolls.

6. Adoption of Agenda – Cmmr. Sheldon suggested moving the Action Agenda to the top of the agenda as he must leave at 10:15.

Cmmr. Sheldon/Neatherlin moved and seconded to adopt the agenda as amended. Motion carried unanimously. N-aye; S-aye; J-aye.

7. Approval of Minutes – Approval of the June 23, 2014 briefing minutes and June 24, 2014 regular meeting minutes.

Cmmr. Jeffreys stated that she would like her comment regarding a possible floater position to be reflected in the June 23, 2014 briefing minutes.

Cmmr. Neatherlin/Jeffreys moved and seconded to approve the June 23, 2014 briefing minutes and June 24, 2014 regular meeting minutes as amended. Motion carried unanimously. N-aye; S-aye; J-aye.

8. Approval of Action Agenda:

- 8.1 Approval of the resolution to sell Mason County surplus property located at 61 East Agate Beach Drive, Shelton, WA (Parcels 32024-53-01006; 32024-53-01007; 32024-53-01008) to Colleen Dugan for the amount of \$8,000. **Resolution 33-14 (Exhibit A)**

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 1, 2014 - PAGE 2

- 8.2 Approval of the resolution stating the intent of Mason County to designate residential targeted areas for the purpose of the Multifamily Housing Incentive Program and providing notice of a public hearing for July 15, 2014 at 9:30 a.m. **Resolution 34-14 (Exhibit B)**
- 8.3 Approval for Facilities and Parks Department to submit a historic courthouse grant application in the amount of \$165,000 to seek partial funding for a second courtroom in the basement of the Mason County courthouse and for the Board to sign a letter of support for the grant application. Total estimated project cost is \$330,000.
- 8.4 Approval to hold a public hearing on August 5, 2014 to consider amending the Utility Franchise agreement between the City of Shelton and Mason County to include the Public Works Drive water line from SR 102 to MP 0.23.
- 8.5 Approval for the Board to execute the Reimbursable Agreement for Mason County Public Works Department to provide maintenance, engineering, traffic count service, emergency assistance and fabrication of signs and material requested by the Port of Hoodspout.
- 8.6 Approval of Warrants:
- | | | |
|---------------------------------|-----------------|----------------|
| Claims Clearing Fund Warrant #s | 8007797-8008091 | \$1,517,207.83 |
| Salary Clearing Fund Warrant #s | 7000336-7000358 | \$ 392,527.59 |
| Direct Deposit Fund Warrant #s | 14069-14446 | \$ 596,675.34 |
- 8.7 Approval for the Board of Commissioners to authorize Parks and Facilities Department to advertise for bids for the Mason County Direct Services Unit (DSU) expansion project at the Mason County Jail, select a contractor and enter into an agreement with the contractor. Bid opening date is July 31, 2014. Contractor selection will be announced at a regular Commission meeting.
- 8.8 Authorization to release request for proposals (RFP) seeking real estate professionals to provide real estate services to Mason County for 2014-2015. The due date for the RFP is July 24, 2014.
- 8.9 Approval of the Veterans Assistance Fund applications for: Food \$300 and Utilities \$702.96 for a total of \$1,002.96 as recommended by the Veterans Assistance Committee.
- 8.10 Approval of the resolution for the distribution of the Public Utility District Excise Tax, per RCW 54.28.090. The Mason County Current Expense Fund will receive \$575,744.33 and the City of Shelton will receive \$76,376.78. **Resolution 35-14 (Exhibit C)**
- 8.11 Approval for the Board to sign the letter to Peter Goldmark, Commissioner of Public Lands, regarding the Kennedy Creek Natural Area Preserve-Conwell Investments Property. The letter is asking the Department of Natural Resources to acquire the property on Oyster Bay in Totten Inlet and include it in the Kennedy Creek Natural Area Preserve.
- 8.12 Approval to adopt a moratorium on the production and processing of recreational marijuana in rural residential and rural commercial zoning districts as established in Ordinance 62-13, and setting a public hearing to consider public testimony on Tuesday, July 22 at 6:30 p.m. pursuant to RCW 36.70a.390. **Resolution 32-14 (Exhibit D)**

Cmmr. Neatherlin/Sheldon moved and seconded to approve action items 8.1-8.11 with the removal of Item 8.12 for discussion. Motion carried unanimously. N-aye; S-aye; J-aye.

Item 8.12 Approval to adopt a moratorium on the production and processing of recreational marijuana in rural residential and rural commercial zoning districts as established in Ordinance 62-13, and setting a public hearing to consider public testimony on Tuesday, July 22 at 6:30 p.m. pursuant to RCW 36.70a.390.

Cmmr. Sheldon read an alternative motion.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 1, 2014 - PAGE 3

Barbara Adkins explained the 6 month moratorium. There will be a public hearing to hear concerns and evaluate further. The hearing will on July 22, 2014 at 6:30 p.m.

Kathy Gerchack asked which areas will be impacted by the moratorium.

Barbara Adkins answered the question and added that things may change at the hearing. She also explained vesting and qualifications for a completed application.

Iris Van Eckeren asked who issues building permits for marijuana buildings and asked if the intent is known at the time the permit is issued.

Barbara Adkins answered that Community Development issues building permits and explained the building application process. She added that the intent for the permits is known from the very beginning. She explained variations of building permits and said the State of Washington regulates clean air and clean water.

Cmmr. Sheldon/Jeffreys explained state control with would include Olympic Region Clean Air Agency (ORCAA) and the Department of Ecology and the Department of Health.

Tom Davis confirmed that the moratorium today will not affect Sells Drive.

David Vimont asked how and why this was ever permitted.

Kathy Gerchack asked about all the other farms that are popping up. She would like to weigh in on the number of farms allowed.

Cmmr. Jeffreys answered that the State of Washington is allowing 2 million feet of canopy statewide. She also reminded everyone that this is not a hearing.

Cmmr. Neatherlin reminded everyone that Mason County does not license people but they create the zoning.

Nick Sells asked if the moratorium will keep vested businesses from expanding.

Cmmr. Jeffreys referred to Barbara Adkins to answer.

Barbara Adkins stated this is unclear and needs to be researched and should be discussed at the hearing.

Jerry Cummings asked how many applicants are vested.

Barbara Adkins answered 11 are vested in various areas.

Comments:

Tom Davis said that the moratorium is radical and appears to be a knee jerk reaction. He said there are other options to a moratorium.

David Vimont asked how and why this was ever permitted. He asked if the Commissions went out and looked at the property on Sells Drive and asked the Board if they would want this next to their property. He added that he is worried about the re-sale values.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 1, 2014 - PAGE 4

Cmmr. Neatherlin responded that from a real estate point of view it may not affect the resale value. He reminded everything what the duties of the Board actually are and reiterated that they do the zoning.

Cmmr. Jeffreys stated that she doesn't share the same concerns as she feels that the business is following all the safety regulations and seems to have intense security. She added that is her personal opinion.

Cmmr. Sheldon stated he would not want it near or on his property.

Mr. Vimont asked if they went out to the property to see where it was.

Cmmr. Neatherlin stated that he did not go to the site but has seen it on the news. He also reiterated that the Commission does not have the authority to tell people what they can do on their own land or determine which land they can occupy just because someone doesn't like something the plan to do. He stated he feels that is a good thing.

Jim McElroy feels let down by the commissioners regarding the moratorium. He hopes they will prevent this from happening again.

Nicole Sells thanked the commission for taking swift action. She hopes for due diligence because her neighborhood is at stake.

Iris Van Ackeren feels the damage is already done. This is throwing a wrench in her future plans regarding her land. She asked how to get copies of permits.

Diana Griffey thanked the Commission for taking this situation very seriously.

Steve Andrewski hopes that the Commission is thinking about the repercussions.

Jerry Cummings asked if Mason County has taken into consideration that Marijuana is still illegal by federal law and asked if the Board has thought about the repercussions.

Cmmr. Jeffreys responded that the Federal government is taking a hands off approach. She also reminded everyone that Washington State voters voted to legalize marijuana and the Board is ordered to follow state law.

Commission Discussion:

Cmmr. Neatherlin stated that he feels he did his job and he did the best he could and based on his knowledge and public input. They took testimony and input and it was open to everyone. They did the best they could. He reminded everyone that even if you disagree with marijuana it is now legal in Washington and with that comes a responsibility to protect all citizens, including people affiliated with marijuana. He reminded everyone that the law has shifted and these people are now law obiding citizens. He stated to deny these people an opportunity to make a living doing everything legally is dangerous. He added that what is stupid to one person is not to another.

Cmmr. Sheldon reiterated that he did not vote for this although people are assigning perceptions of his thoughts and he doesn't feel that is fair. He commented that it is difficult to put zoning into a particular box. He feels that a lot of people are looking at Mason County as a marijuana gold rush now and he is concerned this community will drastically change. He commented that people live

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 1, 2014 - PAGE 5

here because they like the rural small town atmosphere. He would like a motion consistent with what we already have but to allow growing only in agricultural and industrial areas.

Cmmr. Jeffreys stated that she seconded this motion because she is not fan of picking winners and losers in industries. She stated that the marijuana industry is a brand new industry and they didn't know much and so they allowed these businesses where they thought was best. Now that she has more information her opinion has somewhat changed. She will firmly stand by vesting rights because that was the law at the time.

Barbara Adkins asked for clarification on vesting. There is a question regarding if Community Development can accept new applications on vested businesses.

Cmmr. Sheldon suggested she get legal advice on this situation.

Cmmr. Neatherlin stated he will be voting against this moratorium. He also stated that Cmmr. Sheldon didn't vote for this but he wants it very clear that he was involved in the negotiation process. He read excerpts from a past briefing. He stated "we can't just pretend that we're not fully aware of what's going on here". He stated that he still feels that they did a good job so he will be voting against this.

Cmmr. Sheldon/Jeffreys moved and seconded to adopt a 6 month moratorium on the production and processing of recreational marijuana allowing these activities only in agricultural and industrial zone districts as established in Ordinance 62-13, and setting a public hearing to consider public testimony on Tuesday, July 22 at 6:30 p.m. pursuant to RCW 36.70A.390. Motion carried. N-nay; S-aye; J-aye.

8. 9:30 a.m. Public Hearings and Items Set for a Certain Time – There are no public hearings scheduled.

9. Other Business (Department Heads and Elected Officials) –

Undersherfff Barrett introduced jail supervisors Sgt. Randy Newell and Lt. Cindy Cast to speak to the current conditions at the jail. He added that assistance with recruiting would be appreciated.

Sgt. Newell stated that corrections staff have done a professional and outstanding job in light of short staffing. Some of them work 80 hours per week.

Lt. Cindy Cast reiterated that they have done a great job although the Sheriff's office is going over their Overtime budget.

Cmmr. Jeffreys informed Undersheriff Barrett that Human Resources is working specifically on this for the Sheriff's office.

Cmmr. Neatherlin thanked the Undersheriff and all jail/corrections staff for holding this together.

10. Board's Reports and Calendar - The Commissioners reported on meetings attended the past week and announced their upcoming weekly meetings.

11. Adjournment – The meeting adjourned at 10:37 a.m.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 1, 2014 - PAGE 6

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON



Terri Jeffreys, Chair



Tim Sheldon, Commissioner

ATTEST:



Clerk of the Board



Randy Neatherlin, Commissioner

RESOLUTION NO. 33-14

DECLARATION OF SURPLUS PROPERTY AND APPROVAL OF SALE

WHEREAS, Mason County owns the real property listed and legally described in Exhibit A, Attached hereto; and

WHEREAS, certain parcels of the property are tax title property with delinquent property tax, penalties, interest and expenses owing; and

WHEREAS, other parcels were acquired for various purposes; and

WHEREAS, the Board of County Commissioners upon the recommendation of the Property Manager has determined that the property is surplus to the needs of the County; and

WHEREAS, Mason County has received an offer to purchase the property in the amount of \$8,000.00 from Colleen Dugan; and

WHEREAS, the Mason County Board of Commissioners, on February 11th, 2014 held a public hearing during which members of the public were able to testify before the Mason County Board of Commissioners regarding the property, the proposed declaration of surplus and sale.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Mason County Board of County Commissioners that the property described in Exhibit A, attached hereto, is declared surplus property and that sale of said property to Colleen Dugan, at a price of \$8,000.00, is approved; and

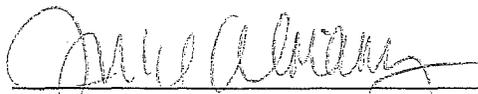
BE IT FURTHER RESOLVED, that the proceeds of the sale of said property are to be dedicated first to any delinquent property tax obligations and related penalties, expenses and assessments; and next to reimbursement of the Facilities and Parks fund for expenses of the Property Manager; and finally to the Reserve for Accrued Leave Fund; and

BE IT FURTHER RESOLVED, that the chair of the Commission is authorized to sign the related closing documents and the property manager initiate payment of 8% fee of sale price to the County's real estate agent.

DATED this 1st day of July, 2014.

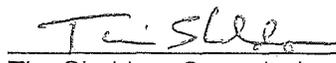
ATTEST:

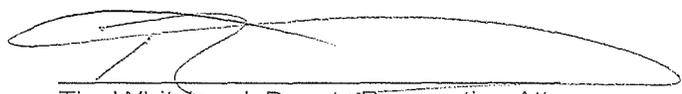
BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON


Julie Almanzor, Clerk of the Board


Randy Neatherlin, Commissioner

APPROVED AS TO FORM:


Tim Sheldon, Commissioner


Tim Whitehead, Deputy Prosecuting Attorney

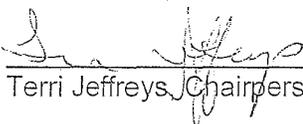

Terri Jeffreys, Chairperson

EXHIBIT A

61 E Agate Beach Drive, Shelton, WA 98584

32024-53-01006; Agate beach estates blk: 1 lot 6

32024-53-01007; Agate beach estates blk: 1 lot 7

32024-53-01008; Agate beach estates blk: 1 lot 8

Sale Price: \$8,000.00

Buyer: Colleen Dugan

RESOLUTION NO. 3414

A RESOLUTION STATING THE INTENT OF MASON COUNTY TO DESIGNATE RESIDENTIAL TARGETED AREAS FOR THE PURPOSE OF A MULTI-FAMILY HOUSING TAX INCENTIVE PROGRAM AND PROVIDING NOTICE OF A PUBLIC HEARING PURSUANT TO CHAPTER 84.14 RCW

WHEREAS, Washington State law, Chapter 84.14 Revised Code of Washington (RCW), provides for the exemption from ad valorem property taxation for the value of eligible improvements associated with qualifying multi-family housing located in residential targeted areas and authorizes the County to designate said residential targeted areas; and

WHEREAS, in regards to counties, the stated purpose of Chapter 84.14 RCW is to allow unincorporated areas of rural counties within urban growth areas to stimulate housing opportunities by providing special valuation for eligible improvements associated with the provision of multi-family housing in areas targeted as residentially deficient; and

WHEREAS, a "rural county"¹ is defined as a county with a population of between fifty thousand and seventy-one thousand and bordering Puget Sound; and

WHEREAS, Chapter 84.14 RCW requires that the legislative body state their intention to designate residential targeted areas for the purposes of the multi-family housing tax incentive program by Resolution; and

WHEREAS, RCW 84.14.040 requires that the legislative body hold a public hearing to consider the designation of residential targeted areas prior to adoption; and

WHEREAS, the Commissioners have determined that amendments to the Mason County Code are necessary to establish application procedures, standards and guidelines for a multi-family housing tax incentive program and for making determinations as required by Chapter 84.14 RCW; and

NOW, THEREFORE BE IT RESOLVED by the Board of Mason County Commissioners that:

1. The Commissioners hereby state their intent to establish residential targeted areas in the Allyn, Belfair, and Shelton Urban Growth Areas pursuant to Chapter 84.14 RCW. The boundaries of the proposed residential targeted areas are limited to those zoning districts wherein multi-family development is permitted and further restricted to

¹ RCW 81.14.010 (16) as amended effective June 12, 2014

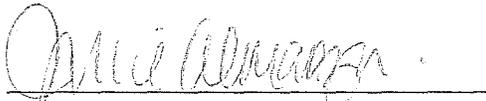
only those areas served by sewer. Attached are maps depicting the residential targeted areas for each urban growth area.

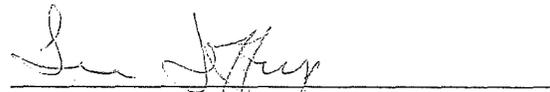
2. A public hearing to consider the establishment of the Residential Targeted Areas as attached will be held at the Mason County Courthouse Building I, Commission Chambers, 411 North Fifth Street, Shelton, WA 98584 on Tuesday, July 15, 2014 at 9:30 a.m.

Dated this 1 day of July, 2014

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

ATTEST:


Clerk of the Board


Terri Jeffreys, Chair

APPROVED AS TO FORM:


Tim Sheldon, Commissioner


Tim Whitehead, Chief DPA


Randy Neatherlin, Commissioner

RESOLUTION NO. 35-14

DISTRIBUTION OF PUD EXCISE TAX

WHEREAS, the P.U.D. Excise Tax Monies which have accrued to the credit of Mason County have now been received in the total amount of \$652,121.11.

WHEREAS, under Chapter 278, Session Laws of 1957, provision has been made for the distribution of said funds (RCW 54.28.090);

NOW, THEREFORE BE IT HEREBY RESOLVED by the Board of Mason County Commissioners that the following distribution of P.U.D. Excise Tax be made as follows:

RECEIPTS

P.U.D. NUMBER 1\$ 57,415.72
P.U.D. NUMBER 3\$594,705.39

DISTRIBUTION

City of Shelton\$ 76,376.78
Computed as 3/4 of 1% of Gross
Revenue from sales of electricity
in the City of Shelton

Current Expense Fund.....\$575,744.33

BE IT FURTHER RESOLVED that the Treasurer of Mason County is hereby directed to make the distribution as herein set forth.

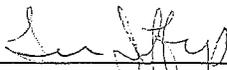
DATED this 1st day of July, 2014.

ATTEST:



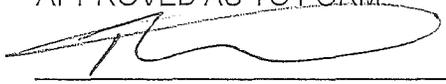
Julie Almanzor, Clerk of the Board

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON



Terri Jeffreys, Chair

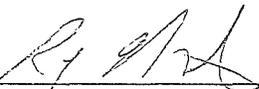
APPROVED AS TO FORM:



Tim Whitehead
Chief Deputy Prosecuting Attorney



Tim Sheldon, Commissioner



Randy Neatherlin, Commissioner

C: Clerk of the Board
City Clerk
Treasurer
J:\resolute\2014\pudtax

ORDINANCE NUMBER 32-14

ADOPTION OF A MORATORIUM ON THE PRODUCTION AND PROCESSING OF RECREATIONAL MARIJUANA IN ALL ZONING DISTRICTS WITH THE EXCEPTION OF AGRICULTURAL RESOURCE LANDS AND INDUSTRIALLY ZONED DISTRICTS AS ESTABLISHED IN ORDINANCE #62-13, AND SETTING A PUBLIC HEARING PURSUANT TO RCW 36.70A.390

WHEREAS, the Board of County Commissioners (“Commissioners”) adopted Ordinance #62-13 on November 12, 2013 adding Chapter 17.17 to the Mason County code allowing licensed producers, processors and retailers of recreational marijuana as permitted uses in some zoning districts; and

WHEREAS, the Commissioners are seeking to consider amendments to Chapter 17.17 in response to citizen concerns over the establishment of businesses that produce and process marijuana in or near residential areas; and

WHEREAS, RCW 36.70A.390 allows for the Commissioners to adopt a moratorium, whether or not a recommendation has been received from the Planning Commission, for a period of six months; and

WHEREAS, the Commissioners direct the Planning Advisory Commission to make recommendations for amendments to Chapter 17.17 as it relates to the production and processing of marijuana in all affected zoning districts;

WHEREAS, RCW 36.70A.390 requires that a public hearing be held within sixty (60) days of the adoption of this moratorium; and

NOW THEREFORE, BE IT HEREBY ORDAINED, that the Board of Commissioners of Mason County hereby ordain as follows:

SECTION 1. Moratorium Enacted. Pursuant to the provisions of RCW 36.70A.390, a zoning moratorium is hereby enacted in Mason County prohibiting the production and processing of marijuana, as allowed under RCW 69.50 (as amended) Chapter 314-55 WAC, in all zoning districts with the exception of Agricultural Resource Lands and Industrially zoned districts effective from the date of this Ordinance.

SECTION 2. Public hearing. A public hearing is set for July 22, 2014 at 6:30 p.m. in accordance with RCW 36.70A.390 to consider public testimony on the establishment of this Moratorium.

SECTION 3. Planning Advisory Commission. This Ordinance directs the Planning Advisory Commission to review and make recommendations to the Commissioners amendments to

Chapter 17.17 taking into consideration citizen concerns over the establishment of businesses that produce and process marijuana in all zoning districts and potential resource designated lands in Mason County.

SECTION 4. Washington Department of Commerce. Pursuant to RCW 36.70A.106, this Ordinance shall be transmitted to the Washington Department of Commerce as required by law.

SECTION 5. Findings of Fact. The Board of County Commissioners hereby adopts the recitals set forth above as their Findings of Fact as required by RCW 36.70A.390.

SECTION 6. Termination of Moratorium. This moratorium shall be in force and effect for six (6) months from the date below, and terminating on **January 1, 2015** unless extended by the Board of County Commissioners.

Dated this 1 day of July, 2014

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

ATTEST:



Julie Adams
Clerk of the Board



Terri Jeffreys, Chair

APPROVED AS TO FORM:



Tim Sheldon, Commissioner



Tim Whitehead, Chief DPA



Randy Neatherlin, Commissioner