City of Kenmore, Washington
City Council Regular Meeting Minutes
January 22, 2018

CALL REGULAR MEETING TO ORDER — The Kenmore City Council meeting was called to order by Mayor Baker at 7:30 p.m.

Councilmembers present:
Mayor David Baker
Deputy Mayor Nigel Herbig
Councilmember Joe Marshall
Councilmember Milton Curtis
Councilmember Debra Srebnik
Councilmember Stacey Denuski
Councilmember Brent Smith

Staff present:
Rob Karlinsey, City Manager
Nancy Ousley, Assistant City Manager
Joanne Gregory, Finance and Administration Director
Debbie Bent, Community Development Director
John Vicente, City Engineer
Lauri Anderson, Senior Planner
Dawn Reitan, City Attorney
Kelly Chelin, City Clerk

FLAG SALUTE
The Council led the flag salute.

AGENDA APPROVAL
The agenda was approved as submitted.

CITIZEN COMMENTS
There were no comments from the audience.

CONSENT AGENDA

MOTION: Deputy Mayor Herbig made a motion to approve the consent agenda, Mayor Baker seconded the motion. The motion passed unanimously.

The consent agenda included the following:

<u>The Following Checks and Electronic Payments are Approved for Payment:</u>
<u>Total Check #38783 through #38896 in the amount of $486,674.13.</u>
<u>Total Payroll/Taxes/Flexible Spending and Health Savings Account Electronic Deposits Dated: 1/5/08 in the amount of $92,196.10.</u>
<u>Payroll Check #10085-10086 Totaling $678.99.</u>

<u>Receive and File the September 2017 Financial Report for the City of Kenmore - Joanne Gregory, Finance and Administration Director</u>

PUBLIC HEARING
Consideration of Ordinance 18-0458 to Include the Relocation and Removal of Utilities in the Right of Way - Nancy Ousley, Assistant City Manager and John Vicente, City Engineer

Staff explained that the purpose of this ordinance is to include language in the Kenmore Municipal Code (Code) that addresses the removal and relocation of utilities within the right of way. The Code does not clearly address removal and/or relocation of utilities with the City's right of way. The added language will enhance the City's ability to ensure that utilities within the right of way are managed efficiently.

Ordinance 18-0458 would add the following changes to the Code:

- 12.05.015 Construction intent: adds new section to clarify the intent of this section of the code regarding compliance
- 12.05.030 Definitions: adds the definition of "utilities"
- 12.05.040 Removal of facilities/equipment: adds new section regarding requirements for removal, relocations and rerouting of utilities in the right of way
- 12.05.050 Violation: adds new section providing authority to City Manager to enforce Title 12
- 12.35.030 Permit - Addition al requirements: adds language that permits issued are subject to Chapter 12.05
- 12.55.110 Construction permit - Form: adds language that forms are also subject to Chapter 12.05.

Mayor Baker opened the public hearing for public comment at 7:35 p.m.

There were no comments from the public.

Mayor Baker closed the public hearing at 7:36 p.m.

BUSINESS AGENDA

Ordinance 18-0458 to Include the Relocation and Removal of Utilities in the Right of Way - Nancy Ousley, Assistant City Manager and John Vicente, City Engineer

MOTION: Councilmember Curtis made a motion to approve Ordinance 18-0458 to Include the Relocation and Removal of Utilities in the Right of Way, Councilmember Denuski seconded the motion. The motion passed unanimously.

Ordinance 18-0456 Approving a Non-Exclusive Dual Franchise Agreement with Puget Sound Energy, Inc. and Contract No. 18-C1820 Memorandum of Understanding with Puget Sound Energy, Inc. on Performance and Reliability Reporting - Nancy Ousley, Assistant City Manager

Julien Lou, Government Affairs and Raelynn Asah, Municipal Relations from Puget Sound Energy presented to the Council. They explained that the proposed agreements work in concert to: 1) permit and set the conditions for Puget Sound Energy to locate its electrical and natural gas facilities in the public right of way and 2) require actions to report on and identify ways to improve electrical service reliability in Kenmore. The current Franchise Agreement between the City of Kenmore and Puget Sound Energy was approved in 2005. The proposed Agreement is for a five- year term, with the ability to extend an additional five years by mutual agreement. As a privately-owned utility, PSE is regulated by the Washington Utilities and Transportation Commission.

Right of Way provisions in the Franchise Agreement that have been updated and strengthened include: improved mapping of PSE facility locations; reporting on known third party users of PSE facilities; detailed procedures for relocating facilities that interfere with City public works projects; and accelerated vegetation patrols and trimming to reduce contact with electrical wires. Procedures requiring disabling decommissioned natural gas facilities have also been added.

Declining electrical reliability and increasing incidences of outages caused widespread inconvenience, loss of business productivity and health concerns for Kenmore residents and businesses in recent years. The Administration and Council have called for a turnaround in electrical service reliability, and PSE has made some investments in 2016 and 2017 to improve electrical service in certain areas of the city. Information on the projects is available through this link to the PSE website: https://pse.com/inyourcommunity/pse-projects/system-improvements/Pages/Kenmore-electric-system-improvements.aspx.

The Memorandum of Understanding (MOU), which must be approved in order for the Franchise Agreement to take effect, requires annual detailed reports to the City Council and community on the frequency and duration of outages and how those metrics compare to the PSE system as a whole as well as neighboring jurisdictions served by other utilities. The MOU also covers identifying investments to improve reliability, improved ways of communicating with property owners who have utility easements that PSE needs to access for maintenance and repairs, and detailed procedures for emergency services and City long range planning cooperation.

The City of Bellevue is one other city that has a MOU with PSE, but the proposed agreement with Kenmore covers more topics in much greater detail.

The City commissioned an Electrical System Reliability Assessment in 2016 from Exponent Failure Analysis Associates, Inc., which confirmed the crisis in reliability in Kenmore in comparison to the overall PSE system and recommended actions that could improve power reliability in Kenmore. The report notes that seven of the ten electrical circuits in Kenmore performed in the lowest quartile of the entire PSE system.

Council and staff engaged in a discussion.

Staff will continue to work with Puget Sound Energy on the need for metrics and finalizing the franchise. This item will come back to another meeting for further discussion.

<u>2018 Annual Docket for the Planning Commission - Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner</u>

Director Bent and Planner Anderson reviewed the proposed 2018 annual Planning Commission docket to the Council. Staff recommends that Council assign four projects to the Planning Commission for review:

- Housing Strategy Plan: Finish work on mobile home park policy recommendations
- Critical area rules update
- Rewrite/consolidate floodplain rules
- Shoreline Master Program (SMP) update.

The Planning Commission has been working since last fall on land use strategies related to preservation of existing affordable housing in the mobile home parks. It is anticipated that they will complete their work on the project this spring and forward a recommendation to the City Council.

The critical area, floodplain and SMP updates would be combined into a single project in front of the Planning Commission to be taken up upon completion of the mobile home park project. The City is required by State law to update the SMP by June 30, 2019. The critical area and floodplain rules updates are closely tied to the SMP update.

The annual docket review process, outlined in Chapter 19.20 of the KMC, determines which amendments to the City's Comprehensive Plan and related development regulations will be forwarded to the Planning Commission for their review and recommendation during the year. Private applicants have the opportunity to submit requests for amendments during an open docket application period, which, for 2018, occurred in November of 2017. The City received no private requests for docket amendments during this period.

A number of projects have been identified by staff, the City Manager, the Planning Commission, the City Council, and others as work program or potential docket items.

Threshold criteria for inclusion on the annual docket are established in KMC19.20.080. The criteria are:

1. The City has the resources, including staff and budget, necessary to review the proposal; and
2. It has been more than two years since the proposed amendment has been considered unless a compelling reason for changed circumstances can be made; and
3. The proposal would correct an inconsistency within or make a clarification to a provision of the comprehensive plan; or
4. All of the following:
    a. The proposal demonstrates a strong potential to serve the public interest by implementing specifically identified goals and policies of the comprehensive plan; and
    b. The public interest would best be served by considering the proposal in the current year, rather than delaying consideration to a later subarea plan review or plan amendment process.

KMC 19.20.060.D.3 states that the City Council's options for each docket proposal are as follows:

- Accept application for review by the planning commission in the current amendment cycle;
- Recommend delay of the amendment to the next amendment cycle; or
- Denial of the amendment request based upon criteria set for in KMC 19.20.080 or other findings of fact.

Once the City Council sets the 2018 annual docket work program, the Planning Commission would spend the year reviewing and discussing the proposed docket amendments before making their recommendations to the City Council.

MOTION: Deputy Mayor Herbig made a motion to approve the Planning Commission's annual docket, Councilmember Curtis seconded the motion. The motion passed unanimously.

Municipal Code Amendments Related to School Impact Fees - Debbie Bent, Community Development Director

Representatives from the Northshore School District were present to make the District's case for school impact fees and to answer Councilmember questions about those fees. Although the District may request school impact fees, it is a City Council decision to assess them. The Council also would determine the appropriate amount of the fee after reviewing the fees as calculated in the District's Capital Facilities Plan.

Proposed school impact fees based on the 2017 Northshore Capital Facilities Plan (see Attachment 1) are as follows:

Single-family and Townhome: $10,573
Multifamily: $0

The Capital Facilities Plan provides more detail on the fee calculations beginning on page 30.

After the School District's presentation, staff is looking for direction from the Council on whether or not to draft Municipal Code amendments that could require school impact fees. The City first adopted the King County school impact fee ordinance provisions by reference upon incorporation in 1998 and amended those provisions in 1999. For several years thereafter the City assessed school impact fees on behalf of the School District. The City stopped assessing fees when the School District did not request a fee due to declining enrollment and/or lack of a growth-related capacity project. The School District's most recent Capital Facilities Plan provides a basis for the current fee request. If the Council wishes to consider the current proposal for school impact fees, staff will identify policy issues to be discussed at a future meeting, prior to the Council taking final action. If the Council ultimately chooses to assess fees, an existing interlocal agreement, executed in 1998, with the School District is in place but may require amendment.

In January 2017, the Northshore School District requested that the City assess school impact fees. As language in the Comprehensive Plan stated that the District was not eligible to collect any impact fees for growth, the City Council assigned related Comprehensive Plan amendments to the Planning Commission as part of the 2017 docket. The Planning Commission's task was to "set the table" to make the City Council's ultimate decision on school impact fees (whether or not to assess them) consistent with the Comprehensive Plan.

As part of the Planning Commission deliberations on the Comprehensive Plan changes, they asked staff and the District for responses to several questions. The following is that information:
1. Would the school impact fee apply to ADUs? Response: According to the School District, this is a City policy decision. However, the District is not aware of any other jurisdiction

that has applied impact fees to ADUs and the District does not calculate a fee applicable to ADUs.

2. Does the City have to assess and receive the fees? Response: Per State law, the local jurisdiction (city, county) must assess the fees on behalf of a school district and may act as the point of collection of the fees. Transfer of funds to the school district can be handled through an interlocal agreement. Most jurisdictions receive school impact fees directly from building permit applicants and then transfer the fees to the school district. The 1998 Interlocal Agreement requires the District to receive fees directly from building permit applicants.

3. What is the formula the School District used for the impact fee calculation? Response: See the Northshore School District Capital Facilities Plan for the methodology. The formula is identical to the formula adopted in the King County Code and used by jurisdictions throughout the state.

4. The numbers provided are District-wide, but are the multifamily/single-family ratios appropriate for Kenmore? Response: The student factors are calculated District-wide, but are based on actual student generation rates from new construction in the previous five-year period.

The Planning Commission suggested that the City Council consider the following during the school impact fee discussion:

1. Will there be an unintended consequence of encouraging multifamily development and discouraging new single-family development in the city with this strategy? (The School District representative will be addressing the possibility of school impact fees for multifamily development at the Council meeting.)

2. How/will the State school funding formula impact this proposal?

Council and staff engaged in a discussion. This item will come back to the Council at a future meeting.

STAFF REPORT

<u>68th Avenue NE Pedestrian and Bicycle Safety Improvements Project – Incorporating Bike lanes at Stream Crossing Pinch Point</u>

<u>NE 181st Street Sidewalks (65th Avenue NE – 67th Avenue NE) Design Update</u>

City Manager Karlinsey and City Engineer Vicente gave an update on each of the reports above.

COUNCIL REPORTS

Councilmember Srebnik thanked Traffic Engineer Brett Schock for all his assistance on the traffic calming issues/questions around the City. She also thanked staff for coordinating the recent meeting at Arrowhead Elementary.

Councilmember Smith thanked City Manager Karlinsey for his great speech and performance at the recent State of the City address.

Mayor Baker reported on a few recent meetings he attended.

ADJOURNMENT

Mayor Baker adjourned the meeting at 10:04 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk