City of Kenmore
City Council Regular Meeting
Minutes
March 25, 2019

6:20 p.m. CALL SPECIAL MEETING TO ORDER

RECESS TO EXECUTIVE SESSION
The meeting was recessed to executive session to discuss Potential Litigation or Litigation per RCW 42.30.110 (1) (i) for approximately 40 minutes. There will be no action.

RECONVENE BACK TO REGULAR SESSION
The meeting reconvened back to regular session at 6:45 p.m.

The Council took a break from 6:45 to 7:00 p.m.

7:00 p.m. ROLL CALL
Mayor David Baker
Deputy Mayor Nigel Herbig
Councilmember Joe Marshall
Councilmember Milton Curtis
Councilmember Debra Srebnik
Councilmember Stacey Denuski (excused)
Councilmember Brent Smith (excused)

FLAG SALUTE

AGENDA APPROVAL
The agenda was approved with no changes.

PRESENTATION
Bothell Kenmore Chamber of Commerce Update - Brittany Caldwell, Executive Director

Annual Police Services Report - Police Chief Peter Horvath

PROCLAMATION
Sexual Assault Awareness Month - April 2019

CITIZEN COMMENTS
Todd Prince (submitted a letter into the record)

Mike Vanderlinde
15213 61st Place NE
Kenmore, Washington 98028

Mr. Vanderlinde is a longtime resident. He is concerned about a rental house in his neighborhood that is throwing loud parties.

Linda Teri
15213 61st Place NE
Kenmore, Washington 98028

Ms. Teri is Mr. Vanderlinde's wife. She said the parties in the rental house have become terrifying. She urged the Council to do something.

Matt O'Neal
15029 61st Place NE
Kenmore, Washington 98028

Mr. O'Neal also spoke to the Air B & B rental "party" house. He urged the Council to pass an ordinance regulating these rentals.

Paula Huntington
15302 61st Place NE
Kenmore, Washington 98028

Ms. Huntington also spoke to the rental house. She said there is fighting and underage drinking going on at the parties.

Cynthia Gyger
10623 Beardslee Place
Bothell, Washington 98011

Ms. Gyger stated that she was an ally of the LGBTQ community. She said that she was concerned about the recent incident in Rhododendron Park.

Nadia R. Silver
18230 70th Lane NE
Kenmore, Washington 98028

Ms. Silver thanked the Council for acting so quickly about the incident at Rhododendron Park on behalf of the LGBTQ+ community. She thanked the City for taking it seriously.

Corina Pfeil
(Address on file)

Ms. Pfiel also spoke to the incident at Rhododendron Park. She thanked the City for their action however she feels there still needs to be more done.

Lori Jenson
7301 NE 175th Street
Kenmore, Washington 98028

Ms. Jenson spoke about affordable housing for seniors. She believes there is a crisis and most seniors will be forced to leave their homes if rent increases.

CONSENT AGENDA

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

City Council Meeting Minutes of February 25, 2019 and March 4, 2019

Total Check #s 41846 through 41940 in the amount of $745,318.36.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 3/1/19 in the amount of $140,449.89.
Payroll Check #s 10120-10121 in the amount of $2,554.64.

Authorize the City Manager to Execute a Contract with Low Bidder Welwest Construction Inc. for an Amount up to $548,500 to Construct the NE 181st Street Sidewalk Project

BUSINESS AGENDA

Third Amendment to Amended Interlocal Agreement Concerning the Governing of the Northshore Park and Recreation Service Area by Approving a One-Time Facility Repair Contribution to the Northshore Senior Center - Rob Karlinsey, City Manager and Brooke Knight, Chief Executive Director, Northshore Senior Center

City Manager Karlinsey explained that the Northshore Parks and Recreation Service Area (NPRSA) was established nearly 30 years ago to develop a permanent home for the Northshore Senior Center, ensuring the ability to continue to meet the growing needs of our community's disabled and older adults. NPRSA is a local taxing district that was established

by the voters in 1988. In 1989, King County, Snohomish County, and the cities of Bothell and Woodinville entered into an Interlocal Agreement in support of a bond issuance.

NPRSA successfully passed a local bond to fund the development of the Bothell Senior Center (opened in 1992) and passed subsequent bonds to fund the development of the Northshore Adult Day Health Center and a pedestrian bridge connecting the two facilities. These bonds were refinanced and consolidated in 2010 and are due to mature in 2021. Both facilities and the connecting pedestrian bridge are owned by the Northshore Parks and Recreation Service Area and are located in Bothell to serve the region. These facilities are near 30 years of age and an increasingly long list of capital repair and replacement needs have been identified by the Northshore Senior Center to ensure the sustainability of the buildings.

In 2001, the ILA was amended to include the City of Kenmore and provide representatives from each entity serve on the NPRSA Board. In 2007, the First Amendment to the Amended Agreement was approved that added more specific language to the Agreement including continuing an aggregated annual contribution not to exceed $8,000. The interlocal agreement states that the amount is allocated based on population, and the following percentage distribution has been used in recent years:

- King County: 27%
- Snohomish County: 18%
- City of Bothell: 29%
- City of Kenmore: 17%
- City of Woodinville: 9%

These funds are used to finance NPRSA's basic administrative costs. NPRSA has no staff and instead contracts for part-time administrative support. Without staff, NPRSA does not have the ability to perform any analysis, financial planning, or asset replacement evaluations.

In 2017 the Second Amendment to the Amended Agreement was approved by the NPRSA Board, but not the Bothell City Council, that increased the annual aggregated contribution from $8,000 to $16,000.

NPRSA contracts with the Northshore Senior Center to operate the Center. A new agreement between the Center and NPRSA was negotiated and finalized last year. NPRSA has the responsibility to properly maintain the buildings and the Center, as the tenant, is responsible for maintenance and repairs related to their use of the facilities.

The Northshore Senior Center is one of the largest senior centers in the Country. They focus on providing holistic services and support to older adults, adults of all ages with disabilities, and their family caregivers. Dedicated volunteers, welcoming facilities and nearly 300 programs create a vibrant "home away from home" for people in our community by meeting their social, emotional, recreational and health needs all in one spot. Each year, nearly 6,000

people are supported by the center to live full, healthy and inspired lives. In 2017, nearly 500 of the individuals served were veterans.

Previous Actions:
- 1989 Approved NPRSA Interlocal Agreement
- 2001 Approved NPRSA Amended Interlocal Agreement
- 2007 Approved NPRSA First Amendment to Amended Interlocal Agreement

Discussion:
The two buildings owned by the NPRSA and operated by the Northshore Senior Center are aging and in need of significant capital repairs and future improvements. With an annual budget just below $3M, the Northshore Senior Center is not in a position to fund the significant capital needs faced by the aging building, nor is this a financial obligation expected under the agreement between NPRSA and the Center. NPRSA did not establish an asset replacement fund for the facilities and therefore has no funds available to pay for these identify capital improvements or any other future capital improvements. At this time, NPRSA has a projected operating reserve ending December 2019 of $28,000.

The Senior Center is at risk of immediate closure for health and safety reasons and regulatory fines if the following three repairs are not completed totaling $39,092:

- Replacement of the fire monitoring alarm system: This system is 26 years old with an expected asset life of 20 years. Original parts are no longer available, so it must be replaced to continue functioning correctly. This will cost $17,242.
- Replacement of roller service door: One of three in the building must be replaced immediately due to it being a fire hazard. This will cost $5,000.
- Bioswale improvements to comply with Stormwater regulations estimated at $16,850.

The Center has not budgeted for these significant repairs but did pay for a few life and safety repairs last year that were required to keep the facility open. The Center reached out to NPRSA, as the property owner, to request funding for these emergency repairs. Since NPRSA has no asset replacement fund nor an adequate GF reserve, funds need to be provided by member agencies. At the February 6 NPRSA Board meeting, the Board voted to have the member agencies return to their respective Councils and request the funding.

For the City of Kenmore, this amount totals $6,646.00 (using the percent allocations listed above). If approved funds would be allocated from the City's General Fund Reserve and appropriated by the City Council in the next budget amendment ordinance.

The City Managers of Bothell, Kenmore and Woodinville are collaborating to identify next steps for both funding options for the capital facility needs and future of NPRSA. The City of Bothell is leading the effort and has agreed to recruit a graduate intern from the UW Evans School to work with NPRSA members, the Center, and NPRSA's pro bono attorney to analyze funding options, both operating and capital for NPRSA. At their February 6 Board meeting, the Board approved a $5,000 expenditure for the graduate intern. Since NPRSA is

not set up to hire staff, the City of Bothell will hire the graduate intern and invoice NPRSA for their time. The City of Woodinville is leading a facilities assessment Request for Qualifications process.

MOTION: **Councilmember Curtis made a motion to authorize the City Manager to Sign the Third Amendment to Amended Interlocal Agreement Concerning the Governing of the Northshore Park and Recreation Service Area by Approving a One-Time Facility Repair Contribution to the Northshore Senior Center, Deputy Mayor Herbig seconded the motion. The motion passed 4-0-0 with Councilmember Marshall recusing himself due to his affiliation with the senior center.**

PUBLIC HEARING

Ordinance 19-0481 Relating to the City's Manufactured Housing Communities/Kenmore Municipal Code Amendments - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Director Bent and Planner Anderson explained that on March 11, 2019, the City Council considered the draft Municipal Code amendments related to the City's existing manufactured housing communities.

Also, on March 11, Council asked whether or not a requirement restricting rent increases in the manufactured housing communities could be imposed if a landowner chose to take advantage of the transfer of density credit (TDR) opportunity. As drafted in the current amendments, a preservation covenant would be required if the TDR option was exercised; however, this covenant would not address rent increases. The City Attorney is looking into this question and staff will present his findings as soon as available.

After holding this public hearing, the Council may take action on the amendments that would rezone the City's existing manufactured housing communities to MHC and make other related changes. Changes to the ordinance may be necessary if the City Attorney determines that it is possible to control rent increases through TDR and if the Council so chooses.

A companion resolution related to future upzoning for the manufactured housing communities north of SR-522 is also on the agenda tonight as is an ordinance extending the existing redevelopment moratorium, if needed. The current moratorium expires on April 8, 2019.

Mayor Baker opened the public hearing at 8:09 p.m.

A letter from a resident in Lakewood Villa was entered into the record.

Stacey Valenzuela

Lakewood Villa

Ms. Valenzuela stated that she wants to be part of the solution on the mobile home parks.

Mark Lamb
Bothell, Washington

Mr. Lamb spoke against the ordinance. He believes this is a one-size fits all approach which doesn't work with all the parks. He urged the Council to continue the moratorium for another 6 months and come up with a development agreement rather than a single policy.

Mayor Baker closed the public hearing at 8:18 p.m.

BUSINESS AGENDA

Ordinance 19-0481 Relating to the City's Manufactured Housing Communities Municipal Code Amendments - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

MOTION: Councilmember Srebnik made a motion to approve Ordinance 19-0481 Relating to the City's Manufactured Housing Communities Municipal Code Amendments, Councilmember Curtis seconded the motion.

Council and staff engaged in a discussion.

Deputy Mayor Herbig stated that he believes the full Council should be present for this vote.

MOTION: Councilmember Marshall made a motion to table the motion until all Councilmembers are present at the April 15, 2019 Council Meeting, Deputy Mayor Herbig seconded the motion. The motion passed 3-2-0 with Councilmember Curtis and Councilmember Srebnik voting no.

Resolution 19-319 Directing the Planning Commission to Consider Future Zoning for Four Existing Manufactured Housing Communities - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

MOTION: Deputy Mayor Herbig made a motion to table the Resolution 19-319 Directing the Planning Commission to Consider Future Zoning for Four Existing Manufactured Housing Communities to the April 15, 2019 Council Meeting, Councilmember Marshall seconded the motion. The motion passed 4-1-0 with Councilmember Srebnik voting no.

PUBLIC HEARING

Ordinance 19-0482 (Possible) Continuation of the Mobile Home Park Redevelopment Moratorium - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Director Bent and Planner Anderson explained that on November 13, 2017, the City Council adopted Ordinance 17-0453 establishing a moratorium that prohibits the filing and acceptance of applications for development permits relating to mobile home parks.

The moratorium was adopted for a 6-month period from the November 13, 2017 effective date of the Ordinance through May 11, 2018. The moratorium was extended for 6 months on April 23, 2018 through Ordinance 18-0462, for an additional 6 months through Ordinance 18-0470, and now automatically expires on April 8, 2019 unless it is repealed, modified or extended after a public hearing and entry of findings. The Ordinance preserves the integrity of the City's development regulations while the City Council, and staff are reviewing, analyzing, and enacting the policies described in the Housing Strategy Plan related to preserving existing affordable housing in the mobile home parks.

The Planning Commission reviewed the issues surrounding mobile home park preservation beginning in October 2017 and held a public hearing on options for treatment on May 15 and 16, 2018. The Commission provided their recommendations to the City Council on July 9, 2018. The City Council has considered the recommendations at several meetings, most recently on March 11, when Council considered draft Municipal Code amendments for the project. Given that new regulations may not be finalized before the current expiration deadline of the moratorium, an extension is recommended.

Proposed Ordinance 19-0482 would authorize this extension to June 30, 2019.

Mayor Baker opened the public hearing at 8:30 p.m.

Stacey Valenzuela
Lakewood Villa

Ms. Valenzuela spoke to how important it is to protect the mobile home parks and urged the Council to vote yes on the moratorium.

Mark Lamb
Bothell, Washington

Mr. Lamb stated that she is in favor of the moratorium. He believes it will give time to have a dialogue about a development agreement.

BUSINESS AGENDA

(If needed) Ordinance 19-0482 to Extend the Moratorium Prohibiting the Filing and Acceptance of Applications for Development Permits Relating to Mobile Home Parks to and through June 30, 2019 - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

MOTION: Councilmember Srebnik made a motion to Approve Ordinance 19-0482 to Extend the Moratorium Prohibiting the Filing and Acceptance of Applications for Development Permits Relating to Mobile Home Parks to and through June 30, 2019, Deputy Mayor Herbig seconded the motion. The motion passed unanimously.

Receive and File the December 2018 Financial Report for the City of Kenmore, Washington - Joanne Gregory, Finance and Administration Director

Finance Director Gregory explained that the December 2018 monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2017-2018 adopted biennial budget. The budget was adopted on December 12, 2016 and amended July 24, 2017 and November 27, 2017. A final budget amendment was adopted on November 26, 2018 and those amendments are reflected in the December financial report.

December is the final month of the 2017-2018 biennium. As of December, revenues for the biennium exceeded expenditures in the General Fund by $1,066,814. Also, revenues were 98.9% of the biennial budget and expenditures were 94.7%. Not all interfund transfers have been recorded as of this date and additional revenue is expected to the General Fund for overhead charged to capital projects. Also, of the $854,150 budget for startup costs for the new public works operation, only $43,000 was spent and the balance will need to be carried over to 2019.

MOTION: Councilmember Curtis made a motion to receive and file the December 2018 Financial Report for the City of Kenmore, Washington, Mayor Baker seconded the motion. The motion passed unanimously.

COUNCILMEMBER REPORTS & COMMENTS & INITATIVES

Council discussed the concerns about the rental house brought up earlier and Air B & Bs. A management intern will research the issue and bring back a policy paper.

ADJOURNMENT

The meeting adjourned at 8:59 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk