

City of Kenmore, Washington
City Council Regular Meeting Minutes
April 17, 2017

CALL REGULAR MEETING TO ORDER — The Kenmore City Council regular meeting was called to order by Mayor Baker at 7:00 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Stacey Denuski.

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance and Administration Director; Kris Overlesse, Public Works Director; Debbie Bent, Community Development Director; Bryan Hampson, Development Services Director; Rod Kaseguma, City Attorney; Lauri Anderson, Senior Planner; Samantha Loyuk, Associate Planner and Kelly Chelin, City Clerk.

FLAG SALUTE

The Council led the flag salute.

AGENDA APPROVAL

The Council approved the agenda as written.

CITIZEN COMMENTS

Joe Marshall, 6210 NE 198th Street, Kenmore.

Mr. Marshall stated that he was in favor of the agreements on the agenda this evening.

Phyllis Finley, 5962 NE Arrowhead Drive, Kenmore.

Ms. Finley spoke to the Saint Edward Ballfield. She asked the Council why there was a rush on this project.

Susan Carlson, 13468 64th NE, Kirkland.

Ms. Carlson also spoke to the Saint Edward Ballfield. She would like to see the park stay peaceful and quiet.

John Hendrickson, 5919 NE 202nd Lane, Kenmore.

Mr. Hendrickson spoke to an email between Councilmembers and Mr. Levy regarding the Saint Edward ballfields.

Elizabeth Mooney, Kenmore.

(Not present)

Janet Hays, 6303 NE 181st, Kenmore.

Ms. Hays spoke to the Saint Edwards Ballfields.

CONSENT AGENDA

Councilmember Sperry moved to approve the consent agenda as submitted, Councilmember Curtis seconded the motion. The motion passed 7-0.

The consent agenda included the following:

Authorize the City Manager to Execute a Contract with Welwest Construction for the NE 202nd Street Safe Routes to Schools Project in the Amount of \$1,071,339.00.

Authorize the City Manager to Execute an Interlocal Agreement with Northshore Utility District for Utility Relocation Work for the NE 202nd Street Safe Routes to Schools Project.

Authorize the City Manager to Execute a Contract with Kamins Construction for the 62nd Avenue Sidewalk Project in the Amount of \$758,956.96.

Authorize the City Manager to Execute an Interlocal Agreement with Northshore Utility District for Utility Relocation Work for the 62nd Avenue NE Corridor Project.

Resolution No. 17-292 Approving Amendments to the Nationwide 401(a) Money Purchase Government Retirement Plan and Trust Agreement.

BUSINESS AGENDA

Commercial Site Plan for Lodge at St. Edward State Park - Samantha Loyuk, Associate Planner

Associate Planner Loyuk explained that on June 30, 2016, Daniels Real Estate filed a Type 4, Site Plan application to establish a lodge-type hotel with accessory uses at Saint Edward State Park. The project, known as “The Lodge at Saint Edward,” proposes to restore and reuse the existing deteriorated Saint Edward Seminary Building. The hotel is proposed for up to 100 guest rooms; meeting and conference rooms (including a 1,250 to 2,000 square foot area reserved for a State or State authorized non-profit organization or public institution); administrative spaces; an exercise facility and wellness spa; a restaurant; and a café. The project will preserve the historic and architectural integrity of the Building as much as possible.

The Building and adjacent area (“Project site”), approximately 5.5 acres in size, is owned by the Washington State Parks and Recreation Commission and is located between Juanita Drive NE and Lake Washington, with an address of 14445 Juanita Drive NE. The Project site is in the “Parks” zone of the City.

The proposed “hotel” use is classified within the Zoning Code, but is not designated as a “permitted”, “conditionally permitted”, or “prohibited” use in the Parks zone. See KMC 18.28.020, Table A. Therefore, pursuant to KMC 18.28.020, 18.28.060, and 18.105.020(A)(3), the proposed hotel must be approved through a site plan review.

As required by KMC 18.105.030(B) and 19.25.020(A)(4) (including Exhibit A), the application was processed as a Type 4 land use decision, which includes a recommendation by the Development Services Director to the Hearing Examiner; an open record public hearing by the Hearing Examiner; a recommendation by the Hearing Examiner to the City Council; and a decision by the City Council, based on the record established by the Hearing Examiner.

In connection with the application, the City completed State Environmental Policy Act (SEPA) review and issued Environmental Impact Statement (EIS) consisting of a draft EIS, final EIS, and Addendum. Citizens for Saint Edward State Park filed an appeal of the EIS pursuant to KMC 19.35.160(A). On March 1 and 2, 2017, the Hearing Examiner conducted the EIS appeal hearing concurrent with the open record public hearing for the Site Plan application.

STATUS OF CITY COUNCIL CONSIDERATION

During its consideration of the Hearing Examiner's recommendation on the application, the City Council will act as a quasi-judicial body. Acting as a quasi-judicial body, the City Council must base its decision only on the record before the Hearing Examiner, which is the transcript of the public hearings held by the Hearing Examiner, the Exhibits admitted into evidence at the public hearings by the Hearing Examiner, and the Recommendation and Decision of the Hearing Examiner. The City Council, therefore, should not accept testimony and comments on the application or the project from the applicant, the staff, or the audience during this item or any other part of the agenda for the meeting, including "citizen comments".

HEARING EXAMINER'S RECOMMENDATION (AND DENIAL OF SEPA APPEAL)

On March 24, 2017, the Hearing Examiner issued a "Final Site Plan Recommendation and Decision on EIS Appeal" (Recommendation and Decision), which recommends approval of the Site Plan application with conditions and denies the SEPA appeal of the EIS (Exhibit A). The Hearing Examiner's decision on the SEPA appeal is the final decision on the SEPA appeal. Under City code, the City Council cannot further rule on the SEPA appeal decision, but as discussed and recommended below, Council can consider additional SEPA mitigation recommended by the Hearing Examiner as a consequence of the SEPA appeal hearing and decision.

The Hearing Examiner's recommendation to approve the application (the "Recommendation" portion of the Recommendation and Decision) includes 29 recommended conditions on pages 52-54 of the Recommendation and Decision. Recommended condition numbers 1-27 are identical to the conditions that staff recommended to the Hearing Examiner. Staff supports and concurs with the Hearing Examiner's two additional conditions (Nos. 28 and 29). The Hearing Examiner's denial of the SEPA Appeal (the "Decision" portion of the Recommendation and Decision) recommends three additional SEPA mitigations on pages 54 and 55 of the Recommendation and Decision. Staff supports and concurs with the Hearing Examiner's three additional SEPA mitigations.

CITY COUNCIL DECISION

The Hearing Examiner has recommended that the City Council approve the Site Plan application, with 29 conditions and three additional SEPA mitigations. The City Council must decide whether to:

- Approve the application with the recommended conditions and SEPA mitigations; • Approve the application with modified conditions and SEPA mitigations; or • Deny the application.

If the City Council desires to approve the application, as recommended by the Hearing Examiner, the City Council should pass the Ordinance 17-0437. If the City Council desires to deny the application, it should pass a motion stating the reasons for the denial and a requesting City staff to prepare an appropriate ordinance for City Council consideration. If the City Council desires to approve the application, but desires to modify a condition or conditions, or modify a

SEPA mitigation or mitigations, it should pass a motion describing the modifications and requesting City staff to prepare an appropriate ordinance for City Council consideration.

For the City Council's information, on January 9, 2017, the Washington State Parks and Recreation Commission voted unanimously to execute a 62-year lease with Daniels Real Estate. Daniels Real Estate and the State of Washington, through the Commission, have executed the Lease. As part of the Lease, Daniels Real Estate agreed to purchase a 9.7-acre private property that lies adjacent to the Park, along Lake Washington (known as the McDonald Property), and transfer ownership to State Parks in exchange for re-use of the Building as the lodge which is the subject of the application. The transferred property Wi-Fi add to the park's acreage and Lake Washington shoreline.

Mayor Baker explained for the record that this is a quasi-judicial matter so any ex-parte contact with Councilmembers is restricted. Mayor Baker stated that he must begin by asking Councilmembers to place on the record any ex-parte contacts with either proponents or opponents of the proposal. Although the City Council's consideration of the proposal does not technically involve a "hearing," the City will apply this rule to this proposal.

Councilmember Smith stated that he spoke to Kevin Daniels in the past but not at length. Mayor Baker stated that he has talked briefly to the appellants and opponents at various times. Deputy Mayor Van Ness stated that he has attended a meeting where Kevin Daniels was presenting. Councilmember Herbig stated that he spoke to someone at his Dad's church that was supportive of the project and he told him he couldn't talk to him about it. Councilmember Denuski also said she attended an informational meeting at Bastyr.

Mayor Baker asked if there were any objections from citizens.

Elizabeth Mooney made some comments for the record. She stated that Mayor Baker specifically was prejudice and didn't listen.

John Hendrickson stated that he would like a review of Councilmember Smith's conversation at Kevin Daniel's presentation.

After listening to all that was said on the record about ex-parte conversations, City Attorney Rod Kaseguma stated that he believed all of the complaints were insufficient.

Discussion of Ordinance.

Councilmember Herbig asked that a sentence be added to the Ordinance under the parking impact section, on Page 34, to add the words "and City Council".

MOTION: Councilmember Denuski made a motion to approve Ordinance #17-0437 Approving the Commercial Site Plan for Lodge at St. Edward State Park, Councilmember Curtis seconded the motion.

AMENDMENT TO THE MOTION:

Councilmember Denuski made a motion to amend the Ordinance in Section 1, Page 34, to add the words “and City Council” to also receive the parking results, Councilmember Curtis seconded the motion. The motion passed unanimously.

MAIN MOTION VOTE: The motion passed unanimously.

2016 Year End Development Services Report - Bryan Hampson, Director of Development Services

Development Services Director Hampson explained that this report provides the Council and the community the opportunity to receive information on the City’s 2016 development activities in comparison with previous years. The Council thanked Director Hampson for the report.

Land Use Streamline Project - Debbie Bent, Director of Community Development

Director Bent explained that in 2014, as part of the Regional Business zoning review, the Planning Commission recommended and the City Council adopted a new set of standard land use definitions—consolidating existing use definitions from more than 200 uses down to about 50. For example, “florist shops,” “drug stores,” and “book, stationery, video and art supply shops” all were incorporated into “retail sales.” The new use descriptions were incorporated into the zoning charts for the Urban Corridor, Waterfront Commercial and Regional Business zoning districts. The goal of the changes was to provide more flexibility in use interpretations and also to simplify the code for applicants and permit review staff. Staff now is recommending that the new definitions replace the existing definitions in all of the City’s remaining zoning districts and throughout the Zoning Code.

The proposed changes for three zoning districts: R1-R6, Single Family Residential; CB, Community Business; and PSP, Public/Semi-Public (see Attachment 1). Attachment 2 contains the existing use allowance charts for these three zoning districts. The new set of land use definitions being used for the project is provided in Attachment 3.

Although the goal of this project is to translate the old uses into the new uses with as little change to the policy direction or intent of each zone as possible, the conversion of old uses to new uses did result in the need to make some policy choices. The most significant of these policy recommendations are presented in Attachment 4.

Attachment 5 includes all of the proposed chart revisions, as well as changes proposed for other Zoning Code sections to maintain consistency. These are provided for review in case the Council has questions that could be addressed at your next meeting on this topic (tentatively scheduled for May 8). Following completion of City Council review, a public hearing will be scheduled before ordinance adoption.

Senior Planner Anderson thanked intern Jennifer Lambrick for her work on this project.

Council and staff discussed the project. This item will tentatively come back on May 8.

Discussion of Twin Springs Preliminary Master Plan Approach - Debbie Bent, Director of Community Development

In 2008 the Berger Partnership prepared a Pre-Master Plan Site Assessment for potential park opportunities (see Attachment #1). In 2012 King County prepared an illustration showing a potential developable area for park use following final site grading (see Attachment #2). Staff recommends contracting with the Berger Partnership to develop a near-term interim plan. The staff requests Council input to ensure there is consensus regarding the scope for developing an interim plan and expectations regarding interim park facilities and public use. If Council reaches consensus, staff would bring forward a contract for Council authorization at the 4/24/17 Council meeting.

Developing an interim plan for the Twin Springs property is identified as a project in the adopted Parks Capital Improvement Program (see Attachment #3). Interim uses are temporary and would remain until the City can fund improvements consistent with the adopted Park Recreation and Open Space (PROS) Plan.

Potential scope/timing for development of an interim plan: 1. Inventory and Analysis (two months, April/June): Data gathering and review of existing documents to understand the sites physical assets and limits as well as regulatory realities. Development of a high-level inventory and analysis graphic that includes the physical limits of opportunity zones for development of park elements. This phase would also include public outreach including one public community meeting to explain the assets and limits of the site, build support based on realistic expectations and focus on honing a near-term program of modest investment improvements. Public feedback/ideas through an on line survey could also be obtained. A meeting to update council would also be anticipated.

2. Site Program Development (one month, July): Development of 1-2 scenarios for how various near-term opportunities can exist on the site and document higher investment longer-term ideas generated from the first public outreach effort. Second public outreach effort to obtain feedback on the near-term scenarios (comparable to the inventory and analysis public outreach phase). Interim Plan Documentation (one month, August): Develop a narrative and graphic package and a highlevel cost assumption document. The plan would also address parking, access and pedestrian routes. This package would also be a tool to help forward funding of future park improvements through grants and other opportunities.

Background: The Twin Springs 25-acre property was transferred to the City from King County on May 18, 2016 by Quit Claim Deed. The property must be used for public park, recreation or open space. The Interagency Agreement (Contract 16-C1509) and Surface Access Easement Agreement (Contract 16-C1509) between King County and the City (approved by Council 2/8/16) outline conditions of property transfer. Although the property now belongs to the City, King County continues to have certain maintenance responsibilities on the City property for several years. On 7/25/16 Council direction was to keep Twin Springs park closed to the public pending: 1. Development of an interim use plan; 2. Resources are allocated for implementation of the plan; 3. The recommendations of the Public Works Service Analysis in relation to bringing on a new park facility are available to consider in developing a maintenance plan for Twin Springs.

MOTION: Councilmember Smith made a motion to approve the outline and bring forth the contract with the Berger Partnership for development of an interim plan, Mayor Baker seconded the motion. The motion passed unanimously.

STAFF REPORT

City Manager Karlinsey asked the Council for an authorization to increase the Arrowhead curve project by \$20,000 in order to do a full asphalt overlay around the curve.

Council discussed the budget amendment request.

MOTION: Councilmember Herbig made a motion to approve the \$20,000 for a full asphalt overlay on the Arrowhead curve, Councilmember Denuski seconded the motion. The motion passed unanimously.

CITY COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

Deputy Mayor Van Ness thanked Kris Overleese and Brett Schock for their work on the traffic improvements. He stated that the City is going in the right direction and has had good intentions to making the City a safe place. He said the viciousness of the citizen responses have been over the top.

Councilmember Sperry reported that the Library Board may be disbanding in May. She will report back once they make a decision.

Councilmember Smith echoed Deputy Mayor Van Ness's comments. He said sometimes the City makes decisions that don't go perfect but we are on the right track. He thanked Traffic Engineer Brett Schock for all his work.

Mayor Baker reported that the ribbon cutting for the community farmers market is June 1 from 3:00-5:00 p.m. He also reported that the police think that the thief that stole the kayaks has been caught.

ADJOURNMENT

Mayor Baker adjourned the meeting at 9:37 p.m.


David Baker, Mayor

ATTEST:


Kelly M. Chelin, City Clerk