

City of Kenmore, Washington
City Council Special Meeting Minutes
May 1, 2017

CALL SPECIAL MEETING TO ORDER — The Kenmore City Council special meeting was called to order by Mayor Baker at 6:00 p.m.

Councilmembers present: Mayor David Baker and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Stacey Denuski. (Deputy Mayor Allan Van Ness participated by phone for the executive session portion of the meeting).

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

RECESS TO EXECUTIVE SESSION:

The Council recessed to executive session at 6:00 p.m. to discuss potential litigation per RCW 42.30.110 (1) (i) for approximately 1 hour.

At 7:00 p.m., Mayor Baker extended the executive session for 5 minutes.

At 7:05 p.m., Mayor Baker extended the executive session for 10 minutes.

RECONVENE TO REGULAR SESSION

The meeting reconvened to regular session at 7:15 p.m.

FLAG SALUTE

The Council led the flag salute.

STUDY SESSION

Kenmore Village/Spencer Square Update

-Rob Karlinsey, City Manager

-MainStreet Property Group

City Manager Karlinsey explained that since the City's incorporation in 1998 and adoption of the Kenmore Downtown Plan in 2003, the City has been working toward developing a vibrant downtown and "sense of place". In 2003 and 2005, the City assembled several downtown properties known as Kenmore Village. In 2012, the City involved the community to create a position statement for Kenmore Village and a process by which to sell the properties for redevelopment. After listing the properties for sale, the City negotiated with Main Street Property Group LLC for the acquisition and redevelopment of the former park and ride parcel. MainStreet has subsequently acquired the parcel and constructed high density housing units, known as Spencer68 Apartments and Lofts.

In 2014 and into early 2015, MainStreet acquired the remaining commercial portion of Kenmore Village and entered into a development agreement with the City to construct the LINQ and

another 20,000-square foot, single story commercial building next to and just south of the LINQ. The LINQ building has been constructed and the 94 residential units on the upper four floors are in the process of being occupied by new residents. The LINQ's main floor on 68th Avenue will be medical office space. Evergreen Health has signed a lease with MainStreet for this space and is in the process of constructing its tenant improvements. These improvements should be complete and the main floor (or portions thereof) should be ready for occupancy by the end of this year (perhaps as soon as this fall).

The City's 2015 purchase and sale agreement with MainStreet gives MainStreet an option to purchase the "restaurant pad" adjacent to and just west of the Town Square. MainStreet cannot exercise this option until they have entered into a lease with a "sit-down" restaurant. This purchase option was set to expire at the end of last month but contained a provision that MainStreet can extend the option another six-month for a cash payment of just under \$10,000. MainStreet has exercised this extension provision; as a result, MainStreet's option to purchase the restaurant pad has been extended to October of this year.

MainStreet representatives gave a status update on Spencer Square, including their efforts to acquire a restaurant tenant. They also discussed other plans for Spencer Square, including a mixed use building fronting 68th Avenue between the LINQ and the City's Hangar community building. MainStreet also discussed potential plans for the restaurant pad.

Council and MainStreet property group engaged in a discussion on the project status.

STAFF REPORT

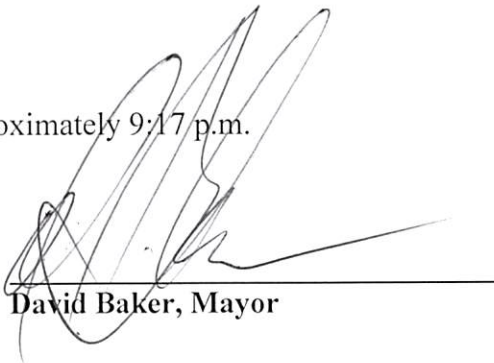
City Manager Karlinsey reported that the Council meeting of May 15 would be canceled due to the Affordable Housing Forum that evening at City Hall.

RECESS BACK INTO EXECUTIVE SESSION

The meeting recessed into executive session at 9:07 p.m. to discuss potential litigation per RCW 42.30.110 (1) (i). for approximately 10 minutes.

ADJOURNMENT

Mayor Baker adjourned the meeting at approximately 9:17 p.m.



David Baker, Mayor

ATTEST:



Kelly M. Chelin, City Clerk