

**City of Kenmore
City Council Regular Meeting
Minutes
July 8, 2019**

Note: At 6:00 p.m., the Council and Staff met at the waterfront at Rhododendron Park for a presentation to Senator Frockt.

CALL TO ORDER - Mayor David Baker called the meeting to order at 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
Councilmember Brent Smith

FLAG SALUTE

AGENDA APPROVAL

The agenda was approved as submitted.

CITIZEN COMMENTS

There were no comments from the audience.

CONSENT AGENDA

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

The consent agenda included the following:

Total Checks #42498 through #42598 in the Amount of \$1,868,840.68. Total Payroll/Taxes/Flexible Spending/Retirement and Health Savings Account Electronic Deposits Dated: 6/7/19 in the amount of \$144,390.50.

Authorize the City Manager to Execute Contract 15-C1484 Amendment No. 3 with KPFF Consulting Engineers

PUBLIC HEARING

Ordinance 19-0493 Authorizing the Acquisition by Negotiation or Condemnation of Certain Real Property Interests Needed for the Juanita Drive NE Pedestrian and Bicycle Safety Improvement Project - Kent Vaughn, Senior Civil Engineer

Engineer Vaughn explained that the Juanita Drive NE Pedestrian & Bicycle Safety Improvements Project (Project) is one of the projects included in the City of Kenmore Walkways & Waterways Public Bond Measure approved by voters in November 2016. The project consists of continuous ADA accessible sidewalk (east side) and buffered bike lanes (both sides) along Juanita Drive NE between NE 143rd Street and NE 170th Street with additional turning lanes, pedestrian crossing treatments, storm drainage, landscaping, irrigation, street lighting, in-line bus stops and paving. The total project length is approximately 7,700 feet (1.46 miles). The design is currently at 90% completion.

The City has initiated right of way acquisition where necessary on the Project. The Project will be acquiring property rights from 24 individual parcels (See Exhibit 1) at an estimated cost of \$1M. Parcel acquisitions areas and locations have been identified based on design drawings. Administrative Offer Summaries (for acquisitions under \$25k) and appraisals (for acquisitions over \$25k) are being prepared and formal offer letters will be presented soon. The right of way phase includes the acquisition of fee simple land (7*), permanent slope easements (2) and temporary construction easements (19). *City staff is pursuing a quit claim deed for the Northshore School District owned parcels to donate portions of the property where existing Juanita roadway and sidewalk encroach onto school property. Discussions with the school district staff are ongoing.

To date, all property owners have received invitations to meet with City Staff and our right of way consultant, HDR. Every property owner has also been sent a certified letter notifying them of the requested Council action and Council meeting information. The scheduled adoption of the Ordinance has also been advertised in the Seattle Times.

Staff will work closely with all property owners; however, in the unlikelyhood that agreements cannot be reached, use of eminent domain will be necessary to meet our construction schedule. The attached condemnation ordinance (Exhibit 2) authorizes the City Manager to pursue condemnation if negotiations reach an impasse. Note that condemnation is a tool that the City will utilize if needed as a last resort.

Other effective tools/strategies that will be utilized include: in-person property owner meetings, formal offer letters, utilization of Possession and Use (P&U) Agreements, and negotiation. The Possession and Use Agreement (P&U) is a powerful tool and staff will encourage property owners to enter into this agreement. P&U's are signed when the property owner agrees to the property rights sale but does not agree to the price. Signing the P&U allows the City to pay what has been offered (appraised value) and allows the City to go to construction. Negotiations would then continue until a settlement is reached. It is typical to

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file condemnation if the property owner will not sign a P&U Agreement, but much success can be achieved through mediation.

The right of way process for this project complies with State regulations. Right of Way acquisition generally follows the same steps for all properties:

- Meeting with property owners and tenants when appropriate to discuss project schedule, acquisition needs, and right of way acquisition process;
- Administrative Offer Summaries prepared (for property acquisitions less than \$25,000);
- Appraisals prepared (for property acquisitions estimated to exceed \$25,000);
- Independent 3rd party review of all appraisals;
- Offers presented to property owners;
- Negotiations (includes Possession and Use Agreements);
- Condemnation (as needed);
- Settlement.

During negotiations, the project team will make every reasonable effort to reach agreement on acquisition. Our right of way consultant understands the right of way acquisition process and the need to provide property owners with the time to consider offers and ask questions. We will also share appraisal information with property owners upon request.

Through Ordinance 19-0493, Council would authorize the use of eminent domain for all project needs at the same time. This strategy makes sense for several reasons: efficiency of process, fairness to all property owners, and protection of privacy for property owners. It also avoids delays to the project and demonstrates the City's intent to acquire land and proceed with the project. Without the condemnation ordinance at this time, the City would wait until an impasse is reached with a property owner and then schedule consideration of a condemnation ordinance for the specific property. This process would interject several months into the project schedule and would also single out a specific property owner that has elected to go through condemnation proceedings.

Mayor Baker opened the public hearing at 7:05 p.m.

There were no comments from the audience.

Mayor Baker closed the public hearing at 7:06 p.m.

BUSINESS AGENDA

Ordinance 19-0493 Authorizing the Acquisition by Negotiation or Condemnation of Certain Real Property Interests Needed for the Juanita Drive NE Pedestrian and Bicycle Safety Improvement Project - Kent Vaughn, Senior Civil Engineer

MOTION: Councilmember Curtis made a motion to adopt Ordinance 19-0493 Authorizing the Acquisition by Negotiation or Condemnation of Certain Real Property Interests Needed for the Juanita Drive NE Pedestrian and Bicycle Safety Improvement Project, Deputy Mayor Herbig seconded the motion. The motion passed unanimously.

Authorize the City Manager to Enter into a Contract with O'Connor Consulting Group, LLC to Conduct a Feasibility Study on an Alternate Lakepointe Project - Bryan Hampson, Development Services Director

Director Hampson explained that for approximately 5 years, Weidner analyzed the Lakepointe site in an effort to develop a mixed use, (residential, office, retail, and a 150-room hotel) project. In February 2019, Weidner notified the City they were halting their proposed Lakepointe project, due to the infeasibility or financial gap.

In 2018, the City contracted with HR&A Advisors (HR &A) to conduct the Feasibility & Benefits Study that analyzed three development scenarios:

1. The existing Commercial Site Development Permit (CSDP) project with 1,200 residential units, 175,000 sf of office, 277,000 sf of retail, 150 room hotel, marina and 3,532 parking spaces;
2. Weidner's proposed project with 2,000 residential units, 600,000 sf office, 126,000 sf of retail, 150 room hotel, and 5,003 parking spaces, includes three 25 story high rise buildings;
3. HR&A Alternative with 1,650 residential units, 357,000 sf of office, 126,000 retail, no hotel, and 3,284 parking spaces, with one 25 story high rise building for office.

The study demonstrated all three of the projects had a substantial financial gap. Both the developer's and the HR&A projects had a financial gap that ranged from \$130,000,000 \$160,000,000. The original CSDP gap was too big to calculate.

Numerous developers have analyzed the Lakepointe property over the past 20-30 years, none of which went beyond the planning stage. All had one thing in common, massive scale.

Given all the developers that have attempted to develop a Lakepointe project, perhaps it is time to look at this differently.

Brian O'Connor with O'Connor Consulting Group, LLC assisted the City through the HR&A Feasibility & Benefits Study. His firm is familiar with the Lakepointe site, having been involved since the original Caffison, CSDP project and also conducted a market study back in 2000. Mr. O'Connor believes that perhaps other alternatives, including a less dense development option might work.

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City staff would like to explore this “less is more” idea and consult with the O’Connor Consulting Group, LLC to perform a feasibility study, focusing on the highest and best use that considers alternative development options.

The O’Connor study would need to generate multiple development options in order to test what works best. This could be up to 5-6 options to test. The options will include a variety of size and mix of open space, parks, residential, office, retail, and perhaps a hotel.

Staff also plans to use some limited consulting time of SkipStone Consulting, currently under contract, for advice on office/commercial aspects of the assessment.

MOTION: Councilmember Srebnik made a motion to authorize the City Manager to Enter into a Contract with O'Connor Consulting Group, LLC to Conduct a Feasibility Study on an Alternate Lakepointe Project, Councilmember Denuski seconded the motion. The motion passed unanimously.

Resolution 19-324 Approving the 2019 King County Comprehensive Solid Waste Management Plan for the King County Solid Waste System - Nancy Ousley, Assistant City Manager; Dorian Waller, Government Relations Administrator and Division Director Pat D. McLaughlin with King County Solid Waste Division

The King County Council approved the 2019 King County Comprehensive Solid Waste Management Plan in April, 2019. Under State law and interlocal agreements, approval of the 2019 Plan requires action by King County, partner cities and the WA Department of Ecology. The 37 cities who are parties to the Solid Waste System Interlocal Agreement (all King County cities except Seattle and Milton) have the opportunity to review and act on the Plan by resolution by September 16, 2019. With approval by 75% of the population of cities who have acted on the on the plan review by the deadline, King County will forward the plan to the WA Department of Ecology for a 45 day review period, as required by State law. Final approval of the Plan is expected by November 2019.

The Plan focuses on: Disposal, Transfer and Processing, and Recycling.

Disposal: The Plan calls for using the existing Cedar Hills Landfill footprint and maximize the capacity within the footprint, which should be sufficient until the late 2030’s. A work plan is due in 2021 to update the plan by 2026 to identify methods for disposal when Cedar Hills full capacity is reached. Potential options could include: waste to energy, export by rail, or other emerging technologies.

Transfer: A new transfer station for the Northeast area of King County is recommended, to replace the existing Houghton Transfer station in Kirkland. The new station would be completed by 2025 and a siting process beginning in 2019 is outlined.

Recycling: Strategies to improve recycling practices and deal with markets for recycled materials are identified.

The full plan document can be accessed at: <https://your.kingcounty.gov/dnrp/library/solid-waste/about/planning/2019-comp-plan.pdf>

MOTION: Councilmember Smith made a motion to approve Resolution 19-324 Approving the 2019 King County Comprehensive Solid Waste Management Plan for the King County Solid Waste System, Councilmember Curtis seconded the motion. The motion passed unanimously.

STAFF REPORT

Northshore Park and Recreation Services Area Proposed Ballot Measure - Ryan Lancaster, Graduate Intern

Potential Lodging Tax - Ryan Lancaster, Graduate Intern

RECESS TO EXECUTIVE SESSION (Confidential Session of the Council)

The meeting recessed to executive session at 8:35 p.m. for up to 30 minutes pursuant to RCW 42.30.110(1)(i), litigation. There will be no action.

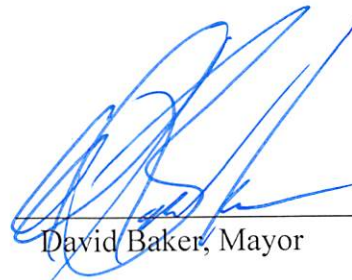
ADJOURNMENT

The meeting adjourned at 9:04 p.m.

ATTEST:



Kelly M. Chelin, City Clerk



David Baker, Mayor