

**City of Kenmore  
City Council Regular Meeting  
Minutes  
July 22, 2019**

**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 (Absent)  
Councilmember Debra Srebnik  
Councilmember Stacey Denuski  
Councilmember Brent Smith (Absent)

**FLAG SALUTE**

**AGENDA APPROVAL**

The agenda was approved as written.

**PRESENTATION**

Introduction of Rob Sayre-McCord, Parks Project Manager - Debbie Bent, Community Development Director

**CITIZEN COMMENTS**

John Hendrickson  
5919 NE 202<sup>nd</sup> Lane  
Kenmore, Washington 98028

Mr. Hendrickson spoke about the City's financial situation, feasibility and surplus.

**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:

Authorize the City Manager to Execute Contract 19-C2012 with Osborn Consulting, Inc. for Engineering On-Call Support for Surface Water and Parks Projects

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Total Check #s 42707 through 42866 in the amount of \$276,624.32.  
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic  
Deposits Dated: 7/5/19 in the amount of \$209,288.93.  
7/5/19 Payroll Checks #10139-10143 in the amount of \$5,426.60.  
7/9/2019 Bank Wire in the amount of \$882,925.65.

Cancel all Regular Council Meetings in the Month of August, 2019

Receive and File the April 2019 Financial Report for the City of Kenmore, Washington

Receive and File the May, 2019 Financial Report for the City of Kenmore, Washington

**PUBLIC HEARING**

Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal  
Code 20.47 - Debbie Bent, Community Development Director and Maureen Colaizzi, Parks  
Project Manager

Staff explained that tonight's hearing was scheduled to receive feedback on Ordinance 19-0483 relating to park impact fees and amendments to KMC Chapter 20.47. Staff recommends that following the public hearing, Council pass a motion approving Ordinance 19-0483.

At the 5/20/19 Council meeting, staff presented the methodology and the results of the 2019 Park Impact Fee Rate Study. Park impact fees are charges paid by new residential development to reimburse the city for the costs of new public park facilities and improvements that will reasonably benefit the occupants of the new development. At the 5/20/19 meeting, Council directed staff to schedule a public hearing and bring back an ordinance that would establish new park impact fee rates effective 1/2/20 at rates lower than the maximum rate calculated in the 2019 Park Impact Fee Rate Study, but comparable to and representing an average of park impact fee rates collected by six nearby municipalities. The new rates are summarized in the following table and included in Ordinance 19-0483:

**Park Impact Fees for Residential Development Effective 1/2/20**

| Residential Development Type | Recommended Fee | Conditions Fee Applies per Dwelling Unit Type                                                                                                             |
|------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Single-Family                | \$3,885         | <u>On a Lot:</u> <ul style="list-style-type: none"><li>• Single Detached (KMC 18.20.840)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul> |
| Multi-Family                 | \$2,980         | <u>Attached:</u> Multi-Family                                                                                                                             |

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|             |         |                                                                                                                                                                                                                                            |
|-------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |         | (KMC 18.20.835) *                                                                                                                                                                                                                          |
| Mobile Home | \$1,942 | <u>Detached in a Mobile Home Park</u> (KMC 18.20.1750): <ul style="list-style-type: none"><li>• Mobile Home (KMC 18.20.1750)</li><li>• Manufactured Home (KMC 18.20.1675)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul> |

Mobile Home \$1,942 Detached in a Mobile Home Park (KMC 18.20.1750):

- Mobile Home (KMC 18.20.1750)
  - Manufactured Home (KMC 18.20.1675)
  - Designated Manufactured Home (KMC 18.20.695)
- \*includes owned or leased apartments and townhomes

Ordinance 19-0483 also includes several minor amendments to KMC Chapter 20.47 as follows:

- KMC 20.47.010 Findings and Authority: Adds references to new studies.
- KMC 20.47.020 Definitions: Amends the definition of rate studies for parks and transportation to reference the latest rate studies on file with the City Clerk.
- KMC 20.47.050 Credits: Clarifies that to receive credit for park improvements they must be adjacent to other publicly owned park or open space land.
- KMC 20.47.060 Tax Adjustments: Includes the reference to Transportation Study to be consistent with the amended definition section.
- KMC 20.47.110 Review: Includes language to allow adjustment of park impact fees annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index ("CCI").
- KMC 20.47.120 Transportation Impact Fee: Amends the reference to Transportation Study to be consistent with the amended definition section and clarifies fees established by Council resolution.
- KMC 20.47.130 Park Impact Fee: Clarifies fees established by Council resolution.
- KMC 20.47.140 Independent Fee Calculation: Amends the reference to Transportation Study to be consistent with the amended definition section.

The 2019-2020 biennial budget anticipates a beginning Park Impact Fee fund balance of \$333,931 and receipts of \$486,892. Park Impact Fees are budgeted by project in accordance with the approved Capital Facilities Plan and transferred to the Park Capital Fund as a resource for new capital park improvement projects that expand the park system. Park Impact Fee funds cannot be used for maintenance, or repair/renovation of existing park facilities. The total 2020 ending fund balance is anticipated to be \$478,795. Receipt estimates are based on the current impact fee rates.

Mayor Baker opened the hearing for public comment.

There were no comments from the public.

Mayor Baker closed the public hearing.

**BUSINESS AGENDA**

Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal Code 20.47 - Debbie Bent, Community Development Director and Maureen Colaizzi, Parks Project Manager

**MOTION: Councilmember Denuski made a motion to approve Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal Code 20.47, Deputy Mayor Herbig seconded the motion. The motion passed 5-0.**

Revisions to the 2019-2024 Capital Improvement Program for Parks, Transportation and Surface Water - Rob Karlinsey, City Manager; Joanne Gregory, Finance and Administration Director; John Vicente, City Engineer; Debbie Bent, Community Development Director and Richard Sawyer, Environmental Services Manager

The 2019-2024 Six Year Capital improvement Program (CIP) was adopted by Ordinance 18-0469 on September 17, 2018 and the first two years of the Program (2019 and 2020) were incorporated into the Biennial Budget. The following recommended updates and amendments provide for carryover of unspent funds from 2018 as well as adjustments to project budgets based on current information.

Also, at the time of adoption of the 2019-2024 CIP, the Surface Water Program Fee Analysis was not complete and the impact on various Surface Water, Transportation, and Park projects was not determined. The Analysis was completed and presented to the City Council in November 2018.

Although the Fee Analysis anticipated that the fee increase would provide funding for surface water components of transportation and park projects, it also recognized that cash flow within the next few years would be insufficient. Based on the recommended rate increases, a cash flow gap of up to \$8.2M was anticipated between 2019 and 2021. The rate increases adopted by the City Council were less than the recommendation.

At the time of adopting the rates, no determination was made as to how to solve the cash flow issue. Therefore, to avoid incurring additional debt, Staff is recommending that the Surface Water components of the Parks capital projects be funded with available park impact fees where appropriate. Staff is also recommending that the Surface Water components of the two Walkways and Waterways capital projects be funded with available Strategic Opportunity funds. Only the West Sammamish River Bridge project would be allocated \$1.2M of surface water fees. These actions result in reducing the cash flow gap to \$3.4M needed to fund new Surface Water projects identified in the Fee Analysis. Staff recommends applying for a Public Works Trust Fund Loan in 2020 for that purpose. One or more of the Surface Water projects may qualify for grant funding which could potentially reduce the \$3.4M.

Complete Proposed Park, Transportation, Surface Water, and City Facility Capital Improvement Programs are illustrated with cash flow projections for Park Impact Fees, Transportation Impact Fees, Real Estate Excise Tax, and the Strategic Opportunities Fund. No changes are currently proposed for the City Facility Program.

Revisions to this CIP may result in Budget Amendments to the 2019-2020 Biennial Budget during the Mid- Biennium review this fall.

Projects added to the proposed CIP or substantially changed include:

#### TRANSPORTATION

- T35 Pavement Preservation (Overlay). This ongoing project includes a federal grant request in 2019 (\$355,351). Requests for 2021 (\$65,750) and 2022 (\$753,650) were not awarded. City Real Estate Excise Taxes are programmed to this project in the amount of \$450,000 annually. \$442,000 was identified from 2019-2020 budget savings and has been allocated to this program.
- T37 West Samm Bridge. This project has been updated for current budget estimates as previously presented to the City Council. This project is funded by a Federal BRAC Grant, Federal STP Grant, WA State Connecting WA Grant (including \$4M additional previously programmed for SR522 West B), TIB Grant, City Transportation Impact Fees and Surface Water Management Fees. The SR522 West B project reflects the \$4M reduction.
- T41 Juanita Drive Pedestrian &: Bicycle Safety. This project is funded with Walkways and Waterways Bonds, WSDOT Grants, a DOE Grant, TIB Grant (requested), Sound Transit Grant (requested), City Real Estate Excise Taxes, Transportation Impact Fees, and Strategic Opportunity Funds.
- T42 68th Ave Pedestrian &: Bicycle Safety. This project is funded with Walkways and Waterways Bonds, a DOE Grant, City Real Estate Excise Taxes and Strategic Opportunity Funds.
- T43 SR522 Pedestrian Crossing Study. This \$500,000 project is funded by the State of Washington supplemental transportation budget.
- Other transportation projects such the Sidewalk projects are relatively unchanged from the prior CIP.

#### PARKS

- P1 Twin Spring Interim Use. The adopted CIP (Ordinance 18-0469) includes \$100,000 of park impact fees allocated in 2019 to develop a plan and minimal improvements for opening the park. The proposed CIP includes an additional allocation in 2020 of \$151,900 state appropriation funds. Total budget in the 2019-2024 CIP is \$251,900, with an additional \$53,269 spent prior to 2019, giving a total project budget of \$305,169.
- P27 Squires Landing Park Waterfront and Mitigation. The 2016 Walkways & Waterways bond measure estimated a \$5.1 million total project cost. The estimated total project cost presented to Council 3/19/18 was \$6.6 million (\$6.2 million project cost through construction plus \$400,000 for project mitigation monitoring through 2034). The adopted

2019-2024 CIP (Ordinance 18-0469) allocated \$5.75 million, with an additional \$538,287 spent prior to 2019, giving a total project cost of \$6.3 million.

The total project cost is now estimated at \$7.9 million which includes: \$538,287 spent prior to 2019; \$6,985,533 proposed allocation in the 2019-2024 CIP; and \$382,500 for mitigation monitoring allocated in future CIPs 2025-2034, potentially Swamp Creek Basin Funds.

The proposed 2019-2024 CIP allocation of \$6,985,533 includes: \$500,000 RCO grant funding; \$5,005,464 bond funds; \$185,000 King County Conservation District grant funds (unsecured, application 2020); \$651,968 Swamp Creek Basin Funds; \$393,101 Park Impact Fee funds; \$250,000 state appropriation (unsecured, application 2020) or Park Impact Fees.

- P28 Log Boom Park Waterfront Access and Mitigation. The 2016 Walkways & Waterways bond measure estimated a \$3.2 million total project cost. The estimated total project budget presented to Council 2/12/18 was \$3.34 million (\$2.94 million project cost through construction plus \$400,000 for project mitigation monitoring). The adopted CIP 2019-2024 (Ordinance 18-0469) allocated \$2.74 million, with an additional \$447,227 spent prior to 2019, giving a total project cost of \$3.18 million.

The total project cost is now estimated at \$3.9 million which includes: \$447,227 spent prior to 2019; \$3,122,535 proposed allocation in the 2019--2024 CIP; and \$340,000 for mitigation monitoring allocated in future CIPs 2025-2032, potentially REET funds or King County Park Levy funds. The proposed 2019-2024 CIP allocation of \$3,122,535 includes: \$2.43 million bond funds; \$316,112 RCO ALEA grant funds; King County Trail Levy funds; \$80,000 REET funds; \$193,888 Park Impact fee funds.

- P29 St Edward Ballfield Improvement. The adopted CIP Ordinance (18-0469) allocates \$300,000 in 2019 for an Environmental Impact Statement (EIS) funded by Park Impact Fee Funds and an RCO grant. \$500,000 of REET funds allocated in 2024 as a placeholder to begin the project. The estimated project cost presented to council 5/18/18 was \$5.4 million. The proposed 2019--2024 CIP allocation of \$700,000 includes: \$200,000 in 2019 for an EIS funded by Park Impact Fees and RCO grant. Phase 1 of the EIS is estimated to cost \$64,000, Phase 2 is estimated to be \$136,000. \$500,000 of Park Impact fee funds remains allocated in 2024 as a placeholder to begin the project.

- P30 Rhododendron Park Boathouse Pavilion. The adopted CIP Ordinance (18--0469) allocates \$487,000, with an additional \$56,800 spent prior to 2019, giving a total project cost estimate of \$543,800 plus a concrete pad that could accommodate a larger 40' x 70' building (\$50,000). Project cost estimate of \$529,959. Total cost estimate including prior year expenditures (\$56,800) was \$586,759. At the 1/14/19 Council meeting, Council direction to staff was to seek reallocation of the \$611,000 King County Youth and Amateur Sports grant funding from the St. Edward Ballfield Project to the Rhododendron Boathouse project to support construction of the 40' x 70'-foot boathouse. The project cost estimate provided to Council 10/15/18 for the 40' x 70' boathouse was estimated at \$850,000. The current project cost estimate is \$1,185,019 plus \$56,800 spent prior to 2019 giving a total project cost estimate of \$1,245,018.

The proposed 2019-- 2024 CIP allocation of \$1,185,019 includes: \$23,469 Park Impact Fee Funds; \$611,000 King County grant funds; \$242,500 state appropriation funds; \$250,000 Northshore School District Funds; \$45,250 RCO grant funds; \$12,800 REET funds.

- **P31 Squires Landing Park Land Acquisition.** As a condition of the P26 Squires Landing Park Waterfront Project, land acquisition was needed to satisfy the RCO Land Conversion requirements. The adopted CIP Ordinance (18-0469) allocates \$1.7 million including \$850,000 King County Conservation funds and \$850,000 REET funds. The total project cost is now estimated at \$1,205,690 which includes: \$50,959 spent prior to 2019; and \$1,154,731 proposed allocation in the 2019-2024 CIP. The proposed 2019-2024 CIP allocation of \$1.25 million includes: \$850,000 King County Conservation funds and \$400,000 Swamp Creek Basin funds.

#### SURFACE WATER

- **SWS Surface Water Project 190th Culvert at 61st.** This \$1.6 Million project will install a new box culvert at NE 190TH ST and 61st AVE NE, repair sections of sidewalk along 61st AVE NE and repair/enhance sections of Tributary 0056. The project will be funded with a Public Works Trust Fund (PWTF) Loan, which has been approved. Design is planned to commence in 2019 with construction in 2021, depending on environmental permitting requirements. Annual repayments of approximately \$81,650 are anticipated and will be included in the Surface Water Management Fund beginning in 2020.
- **SW 17 Little Swamp Creek Relocation.** In 2002, City Council passed Resolution 02-061, which directed staff to create a 100-foot stream buffer along the west side of 80TH AVE NE so that Little Swamp Creek could eventually be relocated to the center of the buffer thereby enhancing the stream environment and completing installation of sidewalks along the west side of 80TH AVE NE between NE 198TH ST and NE 193rd PL. Since that time, multiple developments have created the necessary tracts and easements needed to complete the stream relocation project and only three properties remain which require acquisition of either land or easements. Staff have begun the process of acquiring the remaining area of land needed for the project. Design and construction of the project is scheduled for 2022--2024 at an estimated cost of \$1,364,300.
- **SW28 Northlake Heights LID Retrofit.** A 2015 grant provided by the Department of Ecology provided funds to design a stormwater project that incorporated the use of low impact development (LID) techniques. The City used the funds to design a project that incorporated LID to manage surface water on NE 185TH ST between 64TH AVE NE and 68th AVE NE, which currently has little to no surface water management in place. The project would provide flow control and water quality treatment to a 65-acre basin that at an estimated cost of \$1,587,863.
- **SW29 Infiltration Tank Retrofit at 61st Ave NE/NE 190th St.** A 1970's stormwater detention system is deteriorating and near failure. A design to replace the existing system is underway with construction scheduled in 2020 at an estimated cost of \$500,000. The new system will improve flow control capabilities and also include water quality treatment. Additionally, access for operation and maintenance of the facility will be improved.
- **SW30 Drainage Improvements at 153rd/NE Arrowhead Dr.** The existing stormwater conveyance system on NE Arrowhead Dr. is undersized resulting in periodic flooding during heavy rain storms. The City is increasing the capacity of the existing system in order to

eliminate flooding during heavy rain storms. Design of the project is complete, and construction will be completed in July 2019 at an estimated cost of \$175,000 funded by Surface Water Management fees.

- SW31 Drainage Improvements and Street Repair at 66th Ave NE/19Sth Pl. Road settlement issues, largely due to groundwater issues, will require repairs and upgrades to the existing stormwater system. This project is still under design with construction anticipated for 2020 in the amount of \$115,000 funded by Surface Water Management fees.
- SW32 61st Ave Stabilization. Road settlement issues, largely due to groundwater issues, will require upgrades to the existing stormwater system and slope stabilization of the adjacent steep slopes next to the road. This project is at 5% design stage with an anticipated budget of \$150,000 programmed for 2019/2020 funded by Surface Water Management fees.
- SW33 Drainage Improvements & Facility Retrofit. The City has many aging surface water management facilities which are reaching their expected life span, which need to be repaired or replaced. There are also areas of the City which currently have no surface water management facilities providing flow control or treatment. The City reserves funds to address these areas and facilities, which are identified through annual inspections. The location for SW33 will be determined in 2019/2020 with design and construction scheduled for 2020/2021 at an estimated cost of \$600,000.
- West Sammamish River Bridge. Construction costs related to the Surface Water components of the West Sammamish River Bridge project have been included in this revised CIP update. The funds will be needed within the next four years and will not yet be available in the Surface Water Fund. The Surface Water Management contribution is currently estimated to be \$1,200,000 and will be updated once the formal bidding process is complete in late 2019.

Council and staff discussed the CIP. The proposed revisions to the CIP for 2019-2024 will come back to Council at a future meeting.

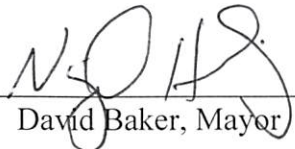
#### **STAFF REPORT**

Low-income Utility Tax Relief Program - Ryan Lancaster, Graduate Intern

#### **COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES**

#### **ADJOURNMENT**

The meeting adjourned at 8:12 p.m.

  
\_\_\_\_\_  
David Baker, Mayor

ATTEST:

  
\_\_\_\_\_  
Kelly M. Chelin, City Clerk