

**City of Kenmore
City Council Special Meeting
Minutes
September 11, 2018**

CALL TO ORDER - Mayor David Baker called the meeting to order at 6:00 p.m.

Mayor David Baker
Deputy Mayor Nigel Herbig
Councilmember Joe Marshall
Councilmember Milton Curtis
Councilmember Debra Srebnik
Councilmember Stacey Denuski
Councilmember Brent Smith

RECESS TO EXECUTIVE SESSION

The meeting recessed to executive session at 6:00 p.m. to discuss Potential Litigation per RCW 42.30.110(1)(i) for approximately 60 minutes.

RECONVENE BACK TO REGULAR SESSION

The meeting reconvened to regular session at 7:00 p.m.

ROLL CALL

FLAG SALUTE

AGENDA APPROVAL

The agenda was approved.

STUDY SESSION AGENDA

Lakepointe Update:

- Introduction Update - Rob Karlinsey, City Manager
- Lakepointe Feasibility & Benefits Study Report - HR&A Advisors
- Comments from Dean Weidner, President of Weidner Apartment Homes
- City Council Discussion and Next Steps

On August 13, 2018, HR&A Advisors (HR & A) presented the Feasibility & Benefits Findings to the City Council. At the August 13th Council meeting, HR&A, Dean Weidner and city staff presented and discussed the findings with City Council. HR&A's findings concluded that there is a defined and quantitative financial gap. Public financial participation

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will likely be needed to help close the gap and would need to be in return for public infrastructure and benefit.

At this meeting, HR&A, Dean Weidner and his team, and the city staff presented the Feasibility & Benefits Findings to the City Council for a second round of questions and discussions.

As authorized by Council and the Extension and Funding agreement pertaining to the Lakepointe site Commercial Site Development Permit (CSDP), the City contracted with HR&A Advisors (HR&A) to analyze the economic impacts that may result from the proposed Lakepointe project. The City consulted with other experts to review, analyze and provide additional input on the materials and study prepared by HR&A. Brian O'Connor, with O'Connor Consulting Group, LLC, assisted with the market analyses, valuations and rates. Adam Wirthlin, with Wirthlin Consulting Group, assisted with the horizontal and infrastructure costs.

The Feasibility & Benefits Study analyzed three development scenarios:

1. The existing 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 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 office, 126,000 retail, no hotel, and 3,284 parking spaces, with only one 25-story high rise building for office.

With the exception of the undercrossing of SR-522 at 67th Ave the analyses did not include off-site transportation mitigation costs.

The Feasibility & Benefits Study conducted by HR&A demonstrated a financial gap. The next steps for both the City and the developer is to negotiate a general parameter agreement and evaluate ways to potentially reduce the financial gap. For example, the developer can review alternative phasing, or the City could investigate financial tools available to help reduce the gap.

BUSINESS AGENDA

Possible Action to Accept HR&A Advisors Feasibility and Benefits Study and Direction on a Parameter Agreement with Weidner Apartment Homes on a new Lakepointe Project - Bryan Hampson, Development Services Director

Council gave their comments to staff in order to negotiate a parameter agreement with Weidner. The parameter agreement will come back to the Council at a future meeting.

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ADJOURNMENT

The meeting adjourned at 8:49 p.m.



David Baker, Mayor

ATTEST:



Kelly M. Chelin, City Clerk