

**City of Kenmore
City Council Meeting
Regular Meeting Minutes
Monday, November 27, 2023**

These minutes are created to capture Council action. This is not a verbatim transcript.
Meeting video and audio is available on the City YouTube channel.

PRESENT:

Councilmembers: Mayor Nigel Herbig
Deputy Mayor Melanie O’Cain
Councilmember David Baker
Councilmember Joe Marshall
Councilmember Angela Kugler
Councilmember Corina Pfeil
Councilmember Debra Srebnik – Excused by unanimous consent

Staff: City Manager Rob Karlinsey
Deputy City Manager Stephanie Lucash
City Attorney Dawn Reitan
City Clerk Anastasiya Warhol
Deputy City Clerk Michelle Kang
Development Services Director Samantha Loyuk
Housing and Human Services Manager Tambi Cork
Finance and Administration Director Melinda Merrell
Community Development Director Debbie Bent
Events Specialist Nicole Suarez

Speaking Guests: Karen Peterson, Plymouth Housing Chief Real Estate Officer
Elizabeth Murphy, Plymouth Housing Senior Real Estate Developer
Elsa King, ARCH Representative

Public Comments Speaking Guests:
Carl Michelman, Brier Resident
Patrick O’Brien, Kenmore Resident
Laurie Sperry, Kenmore Resident
Janet Hays, Kenmore Resident

Public Hearing Speaking Guests:
Bob Donovan, Bothell Resident

Josh Kurcinka, Kenmore Resident
Carl Michelman, Brier Resident
Jeffrey Pooley, Kenmore Resident
Patrick O'Brien, Kenmore Resident
Laurie Sperry, Kenmore Resident
Andrea Carnes, Kenmore Resident
Jon Culver, Kenmore Resident

CALL REGULAR MEETING TO ORDER

Mayor Herbig called the regular meeting to order at 7 p.m.

LAND ACKNOWLEDGEMENT

Mayor Herbig read the Land Acknowledgement Honoring First Peoples.

FLAG SALUTE

Mayor Herbig led the Council in the flag salute.

AGENDA APPROVAL

The agenda was approved as presented.

WHERE'S THE FUN?

City Manager Rob Karlinsey highlighted Tracy Banaszynski's consistent effort to support habitat restoration in the City of Kenmore. Photos from the Swamp Creek Restoration Project were highlighted from this past Friday's volunteer event celebrating the Sno-King Watershed's fourth birthday.

PUBLIC COMMENTS

The City Council took comments from the public.

Timestamped link here:

<https://www.youtube.com/live/cRzfGb6fM5I?si=BB3WJnh6jMMd9BjP&t=1054>

PRESENTATION

Plymouth Housing Update, introduced by Housing and Human Services Manager Tambi Cork, and presented by Plymouth Housing Chief Real Estate Officer Karen Peterson and Plymouth Housing Senior Real Estate Developer Elizabeth Murphy

[Presentation - Plymouth Housing](#)

The Plymouth Housing Team highlighted the progress of the project. The model is housing first, and housing before everything else. The proposed Kenmore project includes a six-story building with five stories of residential units and the ground floor including commercial space; 100 residential units with a mix of one-bedroom and

studio units; Plymouth will provide onsite resident services for tenants and property management; and a courtyard area will be constructed and available for residential tenants.

The project team also highlighted an important requirement dictated by the funding agencies: to apply for a space, you must have an income is 30% or less of the Area Median Income (AMI) and be homeless at entry (staying in a shelter, hospital, transitional housing, "couch surfing").

CONSENT AGENDA

- A. Approve the City Council Special and Regular Council Meeting Minutes from November 13, 2023.
[City Council Special and Regular Meeting Minutes from November 13, 2023](#)
- B. Adopt Ordinance No. 23-0591 repealing and adopting a new Transportation Element; repealing and adopting a new Appendix D of the Transportation Element; adopting a new Climate Action Element; and amending the Public Services Element, the Utilities Element, and the Capital Facilities Element.
[Agenda Bill - Proposed Ordinance No. 23-0591, Comprehensive Plan Amendments Attachment 1 - Ordinance No. 23-0591](#)
[Exhibit A - Transportation Element](#)
[Exhibit B - Appendix D, Transportation Documentation](#)
[Exhibit C - Climate Action Element](#)
[Exhibit D - Table CF-C, Transportation Capital Improvements of the Capital Facilities Element](#)
[Exhibit E - Final Public Services Element](#)
[Exhibit F - Utilities Element](#)
- C. Authorize the City Manager to execute Contract No. 23-C2990, Consultant Services Agreement with Gordon Thomas Honeywell from January 1, 2024 through December 31, 2024.
[Agenda Bill - Contract No. 23-C2990 Gordon Thomas Honeywell](#)
[Attachment 1 - Contract No. 23-C2990](#)
- D. Approve Total Check #s 53247 through 53315 totaling \$2,121,265.50 and Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated 11/03/2023 in the amount totaling \$242,192.94 and ACH Payment to American Traffic Solutions in the amount of \$15,000.00.
[Voucher Certification and Approval 10/28/2023-11/10/2023](#)
- E. Approve Amendment No. 3 to the City Manager's employment agreement, Contract No. 16-C1631, effective January 1, 2024.
[Agenda Bill - Amendment No. 3 to Contract No. 16-C1631](#)

[Attachment 1 - Amendment No. 3 to City Manager's Employment Agreement](#)

MOTION: Deputy Mayor O’Cain moved to approve the consent agenda items A-E outlined above. Councilmember Kugler seconded the motion.

VOTE: Consent Agenda was approved by UNANIMOUS CONSENT. Councilmember Pfeil abstained.

PUBLIC HEARING

Plymouth Development Agreement, presented by Development Services Director Samantha Loyuk and Housing and Human Services Manager Tambi Cork, *for introduction and public hearing*

[Agenda Bill - Plymouth Development Agreement](#)

[Attachment 1 - Draft Development Agreement](#)

[Attachment 2 - Proposed Ordinance No. 23-0600](#)

[Attachment 3 - City Manager Letter of Recommendation](#)

[Attachment 4 - Conceptual Drawings](#)

[Attachment 5 - Northshore Utility District \(NUD\) Easement Letter](#)

[Presentation - Development Agreement for Property at 6532 Bothell Way NE](#)

City Attorney Reitan explained that state law and city code identify that a development agreement is a legislative decision. A development also has some elements of land use, it might also fall under the canopy of the quasi-judicial decision. To be conservative, we will be treating this as a quasi-decision means that the City Council must base the ultimate decision based on the presentation, documents, hearings, and the decision must be made fairly and objectively. The City Councilmembers confirmed to the City Attorney that they have no conflicts of interest.

There were two objections voiced from the audience. One member objected to Mayor Herbig’s participation. One member objected to Councilmember Baker’s participation. City Attorney’s recommendation is that no one need to recuse themselves from the public hearing this evening, based on the information provided by each Councilmember. Finally, it was mentioned that a second public hearing for this topic will take place on Monday, December 11, 2023.

Samantha Loyuk and Tambi Cork outlined the following relating to the development agreement being discussed:

- Legal Basis for Development Agreement
 - RCW 36.70B.170 and Chapter 18.110 KMC enable development agreements between local governments and property owners to outline standards, public benefits, and duration.
- Public Hearings & Approval Process

- Two public hearings (11/27/2023 and 12/11/2023) are set to gather feedback on a proposed development agreement for 6532 Bothell Way NE ("Plymouth").
- Staff recommends to the Council, after the second hearing, to adopt Ordinance No. 23-0600, requiring a super-majority vote due to modifications in residential densities.
- Background
 - In response to the priority of boosting affordable housing, Kenmore pursued a Request for Proposals (RFP) for affordable housing on city-owned property.
 - Plymouth Housing Group's proposal for a six-floor apartment building with 100 residential units received council approval.
- Threshold Decision & Development Agreement Details
 - The Council's decision in October 2023 allowed further processing of the Affordable Housing Project's development agreement.
 - Plymouth's proposed project requests modifications to the city's code regarding setbacks, parking, architectural elements, and fee exemptions (details outlined in the agenda bill).
- Fiscal Considerations
 - \$3.2 million in city funds and additional funds from ARCH have been allocated for this affordable housing development.
- Council Actions
 - The Council is recommended to approve the development agreement, enabling the execution by the City Manager, with certain modifications and considerations made.

Mayor Herbig opened the Public Hearing at approximately 8:44 PM.

The City Council received testimony from the public.

Timestamped link here: <https://www.youtube.com/live/cRzfGb6fM5I?si=zPQVrBC9It-edCRE&t=6820>

Mayor Herbig closed the Public Hearing at approximately 9:15 PM.

BUSINESS AGENDA

- A. Proposed Ordinance No. 23-0588, 2024 Regular Property Tax Levy, presented by Finance and Administration Director Melinda Merrell, *for adoption*
[Agenda Bill - Proposed Ordinance No. 23-0588 2024 Regular Property Tax Levy](#)
[Attachment 1 - Proposed Ordinance No. 23-0588](#)
[Presentation - 2024 Regular Property Tax Levy and Excess Property Tax Levy](#)

Finance and Administration Director Melinda Merrell noted that today marks the adoption of the regular property tax levy and excess property tax levy. Looking at the 2024 plan, the Proposed 2023-2024 Biennial Budget outlines a 3.28% increase in the

levy, drawing from unused tax capacity in previous years as per the recommendation from the 2020 Financial Sustainability Plan. This approach spans four years, starting in 2023, with the proposed 2024 levy tapping into \$129,326 of available banked capacity, leaving \$260,000 untapped. Preliminary figures suggest a 2024 property tax levy of \$5,884,218, inclusive of the 3.28% increase over 2023 (\$185,989) and new construction adding around \$31,929 to tax rolls.

Comparing the 3.28% levy to the 1% alternative, it yields an additional \$129,326 for the city in 2024 and promises compounded benefits in the future. Despite a 14.72% decrease in the city's assessed value from 2023, leading to a raised levy rate of roughly \$0.85 per \$1,000 of assessed value, the median home value has dropped from \$1.0M to \$850,000. For an \$850,000 home, with a 3.28% levy increase and the new rate, the annual tax would amount to \$725. Overall, the proposed 3.28% property tax levy aligns with the City Council's aim for financial sustainability and ongoing fiscal stability.

MOTION: Councilmember Kugler moved to adopt Ordinance No. 23-0588, relating to the 2024 Regular Property Tax Levy. Deputy Mayor O'Cain seconded the motion.
VOTE: 5 Yes – Kugler, O'Cain, Pfeil, Marshall, Herbig; 1 No – Baker; 0 Abstain.
MOTION PASSES

- B. Proposed Ordinance No. 23-0590, 2024 Excess Property Tax Levy, presented by Finance and Administration Director Melinda Merrell, *for adoption*
[Agenda Bill - Proposed Ordinance No. 23-0590 2024 Excess Property Tax Levy](#)
[Attachment 1 - Proposed Ordinance No. 23-0590](#)
[Presentation - 2024 Regular Property Tax Levy and Excess Property Tax Levy](#)

MOTION: Councilmember Kugler moved to adopt Ordinance No. 23-0590, Setting the 2024 Excess Property Tax Levy for the Purpose of Paying Debt Service on the Walkways and Waterways Bonds. Deputy Mayor O'Cain seconded the motion.
VOTE: 5 Yes – Kugler, Marshall, O'Cain, Pfeil, Herbig; 1 No – Baker; 0 Abstain.
MOTION PASSES

- C. Proposed Resolution No. 23-402, City of Kenmore 2024 Fee Schedule, presented by Development Services Director Samantha Loyuk, *for adoption*
[Agenda Bill - Proposed Resolution No. 23-402](#)
[Attachment 1 - Proposed Resolution No. 23-402](#)
[Exhibit A - 2024 Fee Schedule](#)
[Attachment 2 - Summary of Changes](#)
[Attachment 3 - Northshore School District 2023 Capital Facilities Plan](#)
[Attachment 4 - 2023 Fee Schedule \(version 2\)](#)

Development Services Director Samantha Loyuk highlighted the following major changes:

- Increase of 4.5% in most development and permit fees based on CPI-W.
- Addition of a new line item in mechanical permit fees to promote heat pump use, with the lowest fee among mechanical fees.
- Reduction in single-family residential school impact fee from \$17,963 to \$16,957, but an increase for multi-family units from \$2,625 to \$4,214.
- 1.43% increase in parks impact fee for single-family, multi-family, and mobile homes, with exemptions for affordable housing units.
- Reduction in transportation impact fees for single-family homes from \$11,773.39 to \$6,822.20, and for townhomes from \$7,314.04 to \$4,402.36.
- Addition of a new line item for "substantial engineering inspections" due to increased frequency.
- Inclusion of a new line item in Stormwater Capital Facilities for shelters or low-income housing projects with no stormwater fee.
- Reduction in significant tree removal permits fee to \$52.50 from approximately \$210 in 2023.

MOTION: Councilmember Baker moved to adopt Resolution No. 23-402, adopting the City of Kenmore 2024 Fee Schedule. Councilmember Pfeil seconded the motion.

VOTE: 6 Yes – Baker, Pfeil, Marshall, Kugler, O’Cain, Herbig; 0 No; 0 Abstain.

MOTION PASSES

D. Cozy Inn Property Options, presented by Community Development Director Debbie Bent, *for discussion and direction*

[Agenda Bill - Cozy Inn Property Options](#)

[Attachment 1 - 7/17/23 Staff Memo on Options for the Cozy Inn Property](#)

Community Development Director Debbie Bent shared the following proposals:

- Mid-term Strategy #4 (3-5 Years)—Selling the Cozy Inn Property Post Appreciation: The City considers selling the property in 3-5 years after its value increases. This period aligns with the launch of Stride Bus Rapid Transit and potential redevelopment nearby (such as Lakepointe). If sold within this timeframe, the City might impose conditions beyond existing zoning regulations.
- Long-term Strategy #5 (10-20 Years) for Cozy Inn Property—Future Partnerships and Opportunities: A staff-recommended approach, outlined in a memo during the June 2023 Council retreat, involves retaining the Cozy Inn property for a future partnership with adjacent property owners. Neighboring properties currently show no intent to sell, with businesses like Theorem (formerly Lakeview Yoga) and the Pho restaurant recently established. Even the vacant gas station is undergoing permit review for reopening. Although this strategy demands patience, it mirrors the City's previous purchase of the old Shell property at the northwest corner of 67th Avenue and Bothell Way, where redevelopment awaited

the right opportunity after its 2013 purchase. City Manager Rob Karlinsey mentioned that the demolition of the site is set to occur by end of year.

Councilmembers Kugler, Pfeil, O’Cain, Herbig, and Marshall approve of pursuing Option No. 4 (Mid-Term Strategy). Councilmember Baker was opposed.

STAFF REPORTS

Events Specialist Nicole Suarez provided a Farmer’s Market Recap. The Council agreed that the Farmer’s Market was a valuable and community - building program.

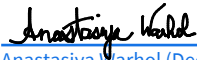
[Memo - Farmers Market 2023 Recap Summary and Future Planning](#)

ADJOURNMENT

Mayor Herbig adjourned the meeting at approximately 10:10 PM.


[Nigel G. Herbig \(Dec 18, 2023 08:55 PST\)](#)

Nigel Herbig, Mayor


[Anastasiya Warhol \(Dec 13, 2023 13:22 PST\)](#)

Anastasiya Warhol, City Clerk

City Council Regular Meeting Minutes from November 27, 2023

Final Audit Report

2023-12-18

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