

**City of Kenmore
City Council Special Meeting
October 1, 2012**

CALL TO ORDER – Mayor Baker called the special meeting to order at 5:39 p.m.

EXECUTIVE SESSION

Mayor Baker adjourned the special meeting at 5:39 p.m. to an executive session to discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 90 minutes and that no action is anticipated when the meeting is reconvened. At 7:00 p.m., Mayor Baker extended the executive session for 10 minutes.

Mayor Baker reconvened the meeting at 7:13 p.m. after a short break.

Councilmembers present: Mayor David Baker, Deputy Mayor Bob Hensel, and Councilmembers Brent Smith, Laurie Sperry, Allan Van Ness, Milton Curtis, and Glenn Rogers.

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Lauri Anderson, Senior Planner; and Patty Safrin, City Clerk.

STUDY SESSION

Proposed Mechanism to Market the Kenmore Village Property - Rob Karlinsey, City Manager, and Rod Stevens, Spinnaker Strategies, were present to provide a brief report regarding the mechanism for taking the Kenmore Village Property to market. They were also available to answer any questions.

City Manager Karlinsey recommended going forward with a hybrid process of request for qualifications (RFQ)/request for proposals (RFP) and being guided by a real estate broker to help us identify potential buyers and possibly help us get a slightly higher price for the property. He stated that the City will ask for qualifications from all potential buyers and then narrow them down to 4 or 5 that we will ask to submit formal proposals. He also recommended that we offer both the residential and commercial land at the same time. He requested Councilmembers to weigh in on the “must haves” and “like to haves.” He pointed out that we would need to have linking and coordinating with all buyers as well as with Kenmore Camera if there is more than one buyer. He stated that we need a broker who is not desperate to make a deal, someone who is doing well, is regionally known, and is not in a rush.

It was Council consensus that the retail portion of the development should be a “must have,” as many Kenmore residents have hopes and dreams for retail development in the City.

It was Council direction that staff move forward with the process as recommended.

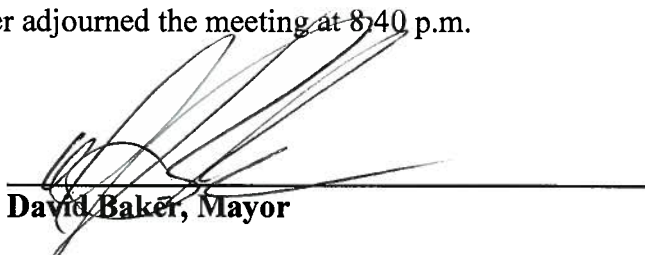
Property Tax Abatement – Debbie Bent, Community Development Director, was present to provide a brief report on tax abatement, what it is, how it works, and how it is applied, in response to Council's previous request for further information. She was also available to answer any questions.

She stated that staff recommends having tax abatements in place as an incentive. Rod Stevens, Spinnaker Strategies, stated that we are trying to get affordability but also trying to get some higher quality housing, so a balance needs to be found, and tax abatement on the upper end of development, with higher quality housing, can also be helpful. Director Bent pointed out that the City can change what the definition of affordability is through code or development agreement code. Setting affordability at a different level would still line up with the deed restriction. However, changing the percentage of affordable units would not be in keeping with the deed restriction. She explained that tax abatement is defined in State law. It is an 8-year, or sometimes 12-year, tax exemption for market rate on just the value of the residential improvements. Rod Stevens recommended keeping things simple, as the fewer requirements the City has, the more response we will get from investors.

Councilmember Curtis moved to continue forward with staff's recommendation to have tax abatements in place as an incentive. Deputy Mayor Hensel seconded the motion. The motion passed 6-1, with Councilmember Van Ness voting no.

ADJOURNMENT

There being no further business, Mayor Baker adjourned the meeting at 8:40 p.m.



David Baker, Mayor

ATTEST:



Patty Safrin, City Clerk