

**City of Kenmore, Washington
City Council Special & Regular Meeting
Minutes
February 25, 2013**

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:31 p.m.

EXECUTIVE SESSION

Mayor Baker adjourned the special meeting at 6:31 p.m. to an executive session to discuss Property Disposition, pursuant to RCW 42.30.110(1)(c). He stated that the executive session will last for approximately 30 minutes and that action may be taken when the meeting is reconvened.

POSSIBLE ACTION RESULTING FROM EXECUTIVE SESSION

Councilmember Van Ness moved to Authorize the City Manager to Execute Amendment No. 4 to Contract No. 12-C1037 with James and Martha Donovan. Councilmember Rogers seconded the motion. The motion passed unanimously.

ADJOURNMENT – Mayor Baker adjourned the special meeting at 7:06 p.m.

CALL TO ORDER – Mayor Baker called the regular meeting to order at 7:06 p.m.

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; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Director of Community Development; Bryan Hampson, Development Services Director; Jennifer Gordon, Public Works Operations Manager; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Cub Scout Troop 622 led the flag salute.

AGENDA APPROVAL

It was Council consensus to approve the agenda as submitted.

PRESENTATION

Regional Tolling Update – Craig Stone, Assistant Secretary, and John White, Director of Tolloed Corridors Development, from the Toll Division of the Washington State Department of Transportation (WSDOT) were present to provide an overview on the background and status of an I-90 tolling option. They gave a PowerPoint presentation and were available to answer any questions.

Craig Stone stated that tolling I-90 was recommended by the 2009 Legislative Work Group for the purpose of managing traffic and filling the gap in funding for the unfunded part of the 520 corridor. He noted that the environmental assessment to review the effects of tolling on I-90 between I-5 and I-405 was kicked off in January of this year and is going to be a year-long process. John White spoke about the process of gathering input from stakeholders and the public regarding how the tolling might impact them and about specifics of what is being studied in the environmental assessment. Craig Stone spoke briefly about the effects of tolling SR 520. John White discussed tolling options being looked at and stated that tolling I-90 will require legislative action and the governor will have to sign off on it as well. He explained that, while the Federal Highway Administration (FHWA) does not generally allow tolling on interstate highways, the State of Washington is one of 15 states that are a part of the FHWA's Value Pricing Pilot Program (VPPP), which allows the State to consider this as an option.

CITIZEN COMMENTS

Dennis Mendrey, 6410 NE 182nd Street, Kenmore, was present to thank the City for obtaining the dioxin testing results and to state his concerns regarding tolling on I-90.

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his concerns regarding tolling and to suggest that the City televise Council meetings.

Mayor Baker thanked the citizens for their comments.

CONSENT AGENDA

Councilmember Sperry moved to approve the consent agenda as submitted.

Councilmember Curtis seconded the motion to Approve the Minutes of the February 11, 2013 Special and Regular Meeting; Approve Check Nos. 27328 - 27408 in the Amount of \$365,222.44 and Electronically Transferred Payroll Funds Totaling \$60,288.85 for the Period Ending February 15, 2013; Cancel the March 11, 2013 Regular Council Meeting; Adopt Ordinance No. 13-0354 to Update the Flood Hazard & Insurance Map; Authorize the A Regional Coalition for Housing (ARCH) 2013 Administrative Budget & Work Program; Approve Resolution No. 13-213 Authorizing the Funding of A Regional Coalition for Housing (ARCH) Housing Projects; Authorize Contract No. 13-C1108 with the King County Department of Adult & Juvenile Detention (DJAD) Community Work Program (CWP); Approve the 61st Avenue/181st Street Culvert Project Budget Amendment; Approve the Revised 2013 State Legislative Agenda; and Approve a Motion to Reappoint Kenmore Library Advisory Board (KLAB) Members. The motion passed unanimously.

PUBLIC HEARING

Public Hearing to Present Public Testimony on a Motion to Allow Indoor Storage as a Temporary Use for up to a One-Year Period in Downtown Commercial-Zoned, City-Owned Kenmore Village Property, Subject to Conditions – Nancy Ousley, Assistant City Manager, was present to give a brief staff report.

Mayor Baker opened the public hearing to receive public testimony on this issue at 8:11 p.m

The following citizens spoke:

Dennis Mendrey, 6410 NE 182nd Street, Kenmore, was present to state his opinion that the City should gain as much income as possible from our asset until we have better solution.

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his opinion that, if this will be profitable for the City, we should go for it.

As there was no further testimony, Mayor Baker closed the public hearing at 8:16 p.m.

BUSINESS AGENDA

Motion to Allow Indoor Storage as a Temporary Use for up to a One-Year Period in Downtown Commercial-Zoned, City-Owned Kenmore Village Property, Subject to Conditions – Nancy Ousley, Assistant City Manager, was available to answer any questions.

Councilmember Rogers moved to Allow Indoor Storage as a Temporary Use for up to a One-Year Period in Downtown Commercial-Zoned, City-Owned Kenmore Village Property, Subject to Conditions. Mayor Baker seconded the motion. The motion passed unanimously.

Kenmore Village Proposals Update – Rob Karlinsey, City Manager, gave a brief recap of the Kenmore Village process thus far. He stated that the City has been very pleased with the response from developers, and Kenmore is viewed as a good place to invest. The City is planning to choose four finalists per parcel from among the developers who submitted proposals and negotiate with those finalists over the next few weeks in order to gather more information on which to base a final decision. Nancy Ousley, Assistant City Manager; Rod Stevens, Spinnaker Strategies; Seth Heikkila, Jones Lang LaSalle; along with Paul Sleeth and Billy Sleeth, Colliers, were present to give a brief report on proposals the City has received from developers and the interviews with those developers. They were also available to answer any questions.

Seth Heikkila provided an overview of developer interest in the Kenmore Village upper parcel. He briefly explained the marketing campaign that the brokerage used to reach developers. He stated that, of the four developers chosen as finalists for the upper parcel, two would like to provide apartments for rent, and two would like to provide townhomes for sale. The number of units would range from about 80 to 160. He gave a brief background of each of those four developers.

Rod Stevens emphasized that in choosing developers there are three important criteria to keep at the top of the list, the track records of the firms, their financing, and the nature of their projects. In addition, City staff need to be able to work closely with the chosen firms.

Mayor Baker opened the meeting to allow the public to comment on proposals for the Kenmore Village upper parcel at 8:46 p.m.

The following citizens spoke:

Janet Quinn, 17012 72nd Avenue NE, Kenmore, was present to state her opinion that the downtown core should be attractive to outsiders as well as Kenmore residents.

Dennis Mendrey, 6410 NE 182nd Street, Kenmore, was present to state his preference for brick-façade townhomes over apartments.

Roger Limke, 19404 65th Place NE, Kenmore, was present to state his preference for townhomes over apartments.

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his concerns regarding providing affordable housing.

As there were no other citizens wishing to comment, Mayor Baker closed this public comment segment at 8:55 p.m.

City Manager Karlinsey stated that all the investors are aware that there is an affordable housing component of this project.

Paul Sleeth and Billy Sleeth provided an overview of developer interest in the Kenmore Village lower parcel. Paul Sleeth briefly explained the marketing campaign that the brokerage used to reach developers. He stated that eight proposals were received, which was narrowed down to four. He gave a brief background of each of those four developers. He stated that each is capable and willing to provide a mix of retail and office space. Billy Sleeth pointed out that the specific mix is market driven and is unclear at this stage. He noted that all of the developers have incorporated the town green concept, which is important to Kenmore citizens.

Assistant City Manager Ousley stated that the City has deliberately not dictated the size or exact location of the town green and that collaboration between the developers of the upper and lower parcels could be a possibility.

Mayor Baker opened the meeting to allow the public to comment on proposals for the Kenmore Village lower parcel at 9:11 p.m.

The following citizens spoke:

Dennis Mendrey, 6410 NE 182nd Street, Kenmore, was present to inquire as to whether any tenants have expressed an interest in the Kenmore Village development.

Billy Sleeth, Colliers, responded that each developer had preliminary talks with some tenants, but they are unable to negotiate or get specific without having control of the property.

Roger Limke, 19404 65th Place NE, Kenmore, was present to ask about height or height restrictions and to recommend Trader Joe's as a prospective tenant, as well as other restaurants and retail businesses.

Mayor Baker responded that the City has been actively seeking Trader Joe's for quite some time. The current height restriction is 65 feet; however, it could be altered with the new development ordinance.

As there were no other citizens wishing to comment, Mayor Baker closed this public comment segment at 9:16 p.m.

December 2012 Financial Report – Joanne Gregory, Finance & Administration Director, was present to give a brief report on the end of the year financials. She stated that the biennium ended on a positive note, and generally economic indicators for the coming biennium are not as dreary as last year. She gave details of revenues and expenditures and noted that approximately \$598,000 was added to the General Fund reserves. The City's agreement with Snohomish County for jail services saved a considerable amount of money over the biennium. She was also available to answer any questions.

Councilmember Sperry moved to accept the December 2012 Financial Report.
Councilmember Van Ness seconded the motion. The motion passed unanimously.

King County Countywide Planning Policies (CPP) – Debbie Bent, Community Development Director, was present to give a brief staff report in which she stated that these policies provide the framework for guiding development in all King County jurisdictions, and they were adopted by the King County Council in December of 2012. This is the first major overhaul of these policies since 1992. They address changes that have occurred in the Growth Management Act and in regional policies such as Vision 20/40, and they also include direction on three new policy areas, climate change, healthy communities, and social equity. She stated that Kenmore's Comprehensive Plan needs to be consistent with the Countywide Planning Policies, regional policies, Vision 20/40, and the State Growth Management Act requirements. All sections of the Kenmore Comprehensive Plan will require some update by the next State-mandated date of June 2015. She stated that staff recommends Council ratify the Policies, and she explained the ratification process. She was also available to answer any questions.

Councilmember Curtis moved to ratify the King County Countywide Planning Policies (CPP) and send a statement that the City would like mitigation related to tolling. Deputy Mayor Hensel seconded the motion. The motion failed 2-5, with Councilmembers Sperry, Rogers, Van Ness and Smith and Mayor Baker voting no.

Councilmember Van Ness moved to not ratify the King County Countywide Planning Policies (CPP). Councilmember Rogers seconded the motion. The motion passed 5-2, with Deputy Mayor Hensel and Councilmember Curtis voting no.

Councilmember Van Ness moved to send a statement explaining why the City is not ratifying the King County Countywide Planning Policies (CPP), relating to policy number T-17, promoting the use of tolling. Councilmember Rogers seconded the motion. The motion passed 4-2-1, with Deputy Mayor Hensel and Councilmember Sperry voting no and Councilmember Curtis abstaining.

STAFF REPORT

City Manager Karlinsey announced that the UBIT (under bridge inspection truck) was out today installing prisms and crack gauges to monitor the Sammamish River Bridge.

CITY COUNCILMEMBER COMMENTS/REPORTS

Councilmember Van Ness gave a brief report on the Economic Development Committee meeting that he and Assistant City Manager Nancy Ousley attended last week.

Mayor Baker announced that he received a request today to sign an Alliance for Aviation Across America petition regarding the Obama administration's proposal for a new \$100-per-flight tax on general aviation (GA) business flights and that a number of Washington communities have already signed. He will pass it along to the other councilmembers and sign it in a couple of days unless he hears anything negative from them.

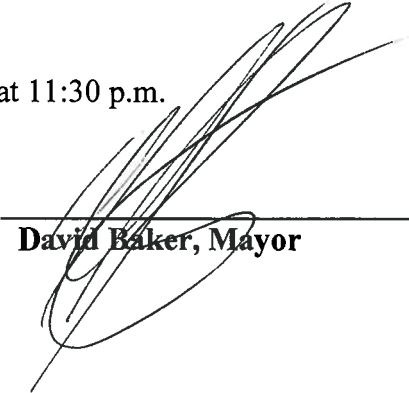
EXECUTIVE SESSION

Mayor Baker adjourned the regular meeting to an executive session at 10:00 p.m. to discuss Property Disposition, pursuant to RCW 42.30.110(1)(c). He stated that the executive session will last for approximately 60 minutes and that action may be taken when the meeting is reconvened. Mayor Baker extended the executive session by 30 minutes at 11:00 p.m.

Mayor Baker reconvened the regular meeting at 11:30 p.m.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 11:30 p.m.



David Baker, Mayor

ATTEST:



Patty Safran, City Clerk