

**City of Kenmore, Washington
City Council Special & Regular Meeting
Minutes
July 8, 2013**

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:00 p.m.

EXECUTIVE SESSION

Mayor Baker recessed the special meeting at 6:00 p.m. to an executive session to discuss Property Acquisition, pursuant to RCW 42.30.110(1)(b), and Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately one hour and that action is anticipated when the meeting is reconvened.

POSSIBLE ACTION RESULTING FROM EXECUTIVE SESSION

Councilmember Van Ness moved that the due diligence contingency set forth in Section 2.1 of Contract No. 12-C1073 (Real Estate Purchase and Sale Agreement between the City and Daniel Reasoner and Eloise Strieck) dated November 7, 2012, as subsequently amended, be waived, and that the City Manager be directed to communicate such waiver to the Sellers and to undertake all administrative actions necessary on behalf of the City to effectuate the closing of the transaction in accordance with the Real Estate Purchase and Sale Agreement. The motion passed 5-2, with Mayor Baker and Councilmember Smith voting no.

ADJOURNMENT – Mayor Baker adjourned the special meeting at 7:12 p.m.

CALL TO ORDER – Mayor Baker called the regular meeting to order at 7:12 p.m.

Councilmembers present: Mayor David Baker (excused for executive session following the regular meeting), 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; Bryan Hampson, Development Services Director; Cliff Sether, Police Chief; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Mayor Baker led the flag salute.

AGENDA APPROVAL

Mayor Baker amended the agenda to add a public comment period following the presentation for Business Agenda Item B., Approve Kenmore Village Purchase and Sale Agreement with Main Street Property Group, LLC.

It was Council consensus to approve the agenda as amended.

CITIZEN COMMENTS

Kate Donaldson, 6401 NE 181st Street, #B-1, Kenmore, was present to state her concerns regarding the cement plant. She submitted a handout to Council, which she read her statements from.

Dave Crawford, 7534 NE 175th Street, Kenmore, was present to state his concerns regarding executive sessions for property purchases and regarding the City making additional property purchases.

Elizabeth Mooney, 5934 NE 201st Street, Kenmore, was present to state her concerns regarding the cement plant. She stated that she and Kate Donaldson met with the Cemex people today.

Ken Smith, 15816 70th Avenue NE, Kenmore, was present to state his concerns regarding discussions in executive session and having the financial report on the consent agenda.

Mayor Baker thanked the citizens for their comments. He explained that the law allows an executive session to discuss property purchase prices, or sale or lease prices, in order to protect the citizens if there is a likelihood that prices may increase, or decrease, due to public knowledge of the proposed pricing.

CONSENT AGENDA

Councilmember Rogers moved to approve the consent agenda as submitted. Councilmember Van Ness seconded the motion to Adopt the Minutes for the June 10, 2013 Regular Meeting and June 13, 2013 Joint Lake Forest Park/Kenmore Special Meeting; Approve Check Nos. 28012 - 28093 in the Amount of \$1,664,907.20 and Electronically Transferred Payroll Funds Totaling \$62,545.42 and Payroll Check No. 210257 in the Amount of \$405.77 for the Period Ending June 21, 2013; Receive and File April 2013 Financial Report; and Authorize Wallace Swamp Creek Park Sediment Pond Dredging, Contract No. 13-C1188. The motion passed unanimously.

BUSINESS AGENDA

Briefing on Sediment/Water Test Reports by Washington Department of Ecology (DOE) and Washington Department of Health (DOH) – Nancy Ousley, Assistant City Manager; Maura O'Brien, Professional Geologist/Hydrogeologist and Site Manager, DOE; and Lenford O'Garro, Health Assessor, DOH, were present to give a brief report. Assistant City Manager Ousley gave a summary of the process and stated that both DOE and DOH have prepared reports, which are now posted on their websites and linked to the City website.

Ms. O'Brien stated that the test results confirm that the near shore waterfront at Lake Washington and the lower reaches of the Sammamish River are protective of human health and aquatic environment, except at the two privately-owned marinas. The sediment and water characterization results indicate that there are no significant environmental issues at Log Boom Park in Kenmore and Lyon Creek Park in Lake Forest Park. She stated that Ecology has met with the private marina owners and the Department of Natural Resources (DNR) and have agreed to work together for the next steps in dredge planning and environmental evaluation.

Mr. O'Garro stated that the DOH evaluation is very protective of human health and looks at how people would be exposed, how long they would be in contact with a chemical, and what types of chemicals they would come into contact with. Their results showed that contact with the sediments or water is not expected to have any health effects on humans.

They also distributed copies of their reports to the Council and were available to answer any questions.

Approve Kenmore Village Purchase and Sale Agreement with Main Street Property Group, LLC – Resolution No. 13-222 – Rob Karlinsey, City Manager; Eric Campbell, MSPG, LLC President and CEO; Kim Faust, Development Manager; Chris Wilson, legal counsel; Corey Marx, City realtor with Jones Lang LaSalle; and Andy Symons, City legal counsel with Inslee, Best, Doezie & Ryder, were present to discuss the Kenmore Village Purchase and Sale Agreement with MSPG, LLC. They were also available to answer any questions.

City Manager Karlinsey stated that the current buyers have several key qualities, including offer price, experience and reputation, commitment to the City's goals, access to capital, and the ability to perform in a timely manner. He reviewed the main points of the agreement. The purchase price is \$3.6 million, which was the highest offer, although there were two other offers at the same price. There will be a 60-day environmental feasibility period and inspection before the agreement is final. A detailed development agreement is anticipated following the execution of the purchase and sale agreement.

Mr. Campbell gave a brief overview of the company and reviewed some of the projects the company has done or is doing currently. He stated that they do a great job with outreach to the community and listen carefully to the citizens. He added that they move quickly once they have a concept on which everyone can agree. Kenmore Village's connection to the lake, walkability, and using design elements from City Hall to create a sense of place will be emphasized.

City Manager Karlinsey displayed a slide showing a financial snapshot of Kenmore Village since 2003, with a net operating income to date for the City as landlord for Kenmore Village.

- **Public Comment Regarding the Kenmore Village Purchase and Sale Agreement with MSPG, LLC**

Mayor Baker opened the public comment period at 8:40 p.m.

The following citizens spoke:

Ken Smith, 15816 70th Avenue NE, Kenmore, was present to state that Council and staff should be very proud of what they have accomplished in the Kenmore Village process. He also stated his concerns regarding tax abatement reporting.

Charles Crouch, 7409 NE 200th Street, Kenmore, was present to congratulate the City and to state that citizens will be watching the Kenmore Village development process with excitement.

As there were no other citizens wishing to speak, Mayor Baker closed the public comment period at 8:44 p.m.

Councilmember Van Ness moved to Approve Kenmore Village Purchase and Sale Agreement with Main Street Property Group, LLC – Resolution No. 13-222. Councilmember Sperry seconded the motion. The motion passed unanimously.

STAFF REPORT

City Manager Karlinsey announced that the first Kenmore Summer Concert is scheduled for Thursday, July 11th at Bastyr University.

CITY COUNCILMEMBER COMMENTS/REPORTS

Councilmember Van Ness praised the Fourth of July fireworks show and thanked all the sponsors of the event. He noted that citizen Janet Hayes' mother gave a beautiful gardenia plant to the City. He reported on the recent Association of Washington Cities (AWC) Conference and the Municipal Award for Excellence given to the City by the AWC for excellence in innovative cost savings regarding our joint police services with the City of Shoreline. He noted that the cement industry is a necessity if we want to have asphalt roads. He distributed a handout to Council regarding a draft agreement with the Eastside Transportation Partnership (ETP).

Deputy Mayor Hensel also praised the Fourth of July fireworks event, at which he acted as MC.

Mayor Baker asked councilmembers to review the ETP handout and let them know by Friday if there are any objections to the agreement. He announced the Kenmore Summer Concert series and noted that parking for these events is free. He stated that he has been appointed to the State Shorelines Hearing Board to participate in shoreline appeals. He stated that he is leaving at the end of the meeting for Washington, DC, to accept recognition for Kenmore from the First Lady with regard to her "Let's Move" program.

EXECUTIVE SESSION

Mayor Baker recessed the regular meeting to an executive session at 8:55 p.m. to discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 45 minutes and that action is anticipated when the meeting is reconvened.

Deputy Mayor Hensel extended the executive session for 15 minutes at 9:40 p.m.

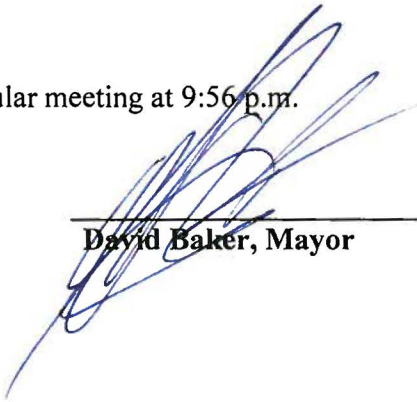
Deputy Mayor Hensel reconvened the regular meeting at 9:55 p.m.

POSSIBLE ACTION RESULTING FROM EXECUTIVE SESSION

Councilmember Curtis moved to approve the Settlement and Release Agreement, regarding State Route 522 Easements, between the City and Northshore Utility District; authorize the City Manager to sign the agreement; and authorize the City Manager, upon consultation with the City Attorney's office, to approve immaterial changes to the agreement prior to signing it. Councilmember Rogers seconded the motion. The motion passed 6-0.

ADJOURNMENT

Deputy Mayor Hensel adjourned the regular meeting at 9:56 p.m.



David Baker, Mayor

ATTEST:



Patty Safrin, City Clerk