



CITY COUNCIL AGENDA

15728 Main Street, Mill Creek, WA 98012 (425) 745-1891

Pam Pruitt, Mayor • Brian Holtzclaw, Mayor Pro Tem • Sean Kelly • Donna Michelson •
Vince Cavaleri • Mike Todd • Mark Bond

Regular meetings of the Mill Creek City Council shall be held on the first, second and fourth Tuesdays of each month commencing at 6:00 p.m. in the Mill Creek Council Chambers located at 15728 Main Street, Mill Creek, Washington. Your participation and interest in these meetings are encouraged and very much appreciated. We are trying to make our public meetings accessible to all members of the public. If you require special accommodations, please call the City Clerk at (425) 921-5732 three days prior to the meeting.

The City Council may consider and act on any matter called to its attention at such meetings, whether or not specified on the agenda for said meeting. Participation by members of the audience will be allowed as set forth on the meeting agenda or as determined by the Mayor or the City Council.

To comment on subjects listed on or not on the agenda, ask to be recognized during the Audience Communication portion of the agenda. Please stand at the podium and state your name and address for the official record. Please limit your comments to the specific item under discussion. Time limitations shall be at the discretion of the Mayor or City Council.

Study sessions of the Mill Creek City Council may be held as part of any regular or special meeting. Study sessions are informal, and are typically used by the City Council to receive reports and presentations, review and evaluate complex matters, and/or engage in preliminary analysis of City issues or City Council business.

Times listed on the agenda are approximate only. Discussions may sometimes cause remaining agenda items to be considered before or after their scheduled time. Citizens are welcome and encouraged to attend all sessions (except for Executive Sessions) of the meeting.

Next Ordinance No. 2015-795

Next Resolution No. 2015-529

**May 5, 2015
City Council Meeting
6:00 p.m.**

6:00 p.m. CALL TO ORDER:

6:01 p.m. FLAG SALUTE:

6:02 p.m. ROLL CALL:

6:03 p.m. AUDIENCE COMMUNICATION:

A. Public comment on items on or not on the agenda

6:15 p.m. PRESENTATIONS:

- A. Certificate of Appreciation to Outgoing Planning Commission Members Anderson and Oostra
(*Pam Pruitt, Mayor*)

6:20 p.m. STUDY SESSION:

- A. Testimony on Snohomish County Comprehensive Plan
(*Tom Rogers, Department of Community Development*)
(*Estimated Length of Discussion: 10 minutes*)
- B. Public Works Shop Appraisal
(*Tom Gathmann, Public Works Director*)
(*Estimated Length of Discussion: 30 minutes*)

7:00 p.m. EXECUTIVE SESSION: (If necessary)

(*Confidential Session of the Council*)

- A. To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price per RCW 42.30.110 (1) (c)
(*Estimated Length of Discussions: 10 minutes*)

7:10 p.m. BUSINESS SESSION:

7:10 p.m. ACTION ITEMS:

- A. Motion to authorize the Mayor to sign the letter to the County Council supporting the Snohomish County Planning Commission's recommendation on the SWUGA FLUM and opposing Recommendation #3
(*Tom Rogers, Director of Community Development*)

7:15 p.m. REPORTS:

- A. Mayor/Council
City Attorney
City Manager
Finance Director
Director of Community Development
Public Works Director
Police Chief
City Clerk

7:30 p.m. AUDIENCE COMMUNICATION:

- A. Public comment on items on or not on the agenda

7:35 p.m. ADJOURNMENT

- A. Discussion of Collective Bargaining per RCW 42.30.140 (4)

MILL CREEK CITY COUNCIL
AGENDA SUMMARY

Date on Council Agenda: May 5, 2015

Subject: **TESTIMONY ON SHO HOMISH COUNTY COMPREHENSIVE PLAN**

Budget Impact: None

Contact Person/Department: Tom Rogers, Director of Community Development

SUMMARY:

On May 13, 2015, the Snohomish County Council will conduct a public hearing on the proposed 2015 update to the County's Comprehensive Plan. The Plan includes a Future Land Use Map (FLUM) for the Southwest Urban Growth Area (SWUGA). Mill Creek and its Municipal Urban Growth Area are within the SWUGA.

The Snohomish County Planning Commission recommendation to the County Council includes no changes to the FLUM because the SWUGA already has sufficient capacity to meet its 2035 initial growth targets as approved by Snohomish County. The Snohomish County Executive has provided alternative recommendations to the County Council, including Recommendation #3 that would adopt infill amendments to the FLUM to increase population and employment capacity within the SWUGA. These infill amendments are not in the interest of the City of Mill Creek because there is already excess capacity to meet the initial growth targets adopted by the County Council, and adding capacity to the SWUGA would add additional traffic to a road system that is already at ultimate capacity.

Staff discussed the issue with the City Council during "Reports" at the April 28, 2015 Council meeting. After the discussion, the Council directed staff to prepare a letter supporting the County Planning Commission's recommendation of the SWUGA FLUM and opposing Recommendation #3.

STAFF RECOMMENDATION:

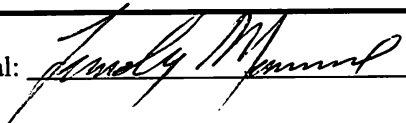
- Motion to authorize the Mayor to sign the attached letter to the County Council supporting the Snohomish County Planning Commission's recommendation on the SWUGA FLUM and opposing Recommendation #3.

COUNCIL PROCESS/ACTION:

- Presentation by Tom Rogers, Director of Community Development
- Council discussion
- Council vote on motion to authorize the Mayor to sign the attached letter to the County Council supporting the Snohomish County Planning Commission's recommendation on the SWUGA FLUM and opposing Recommendation #3.

ATTACHMENTS:

- Draft letter

Acting City Manager Approval:  Date: 5/11/15

May 5, 2015

Chair Somers and County Council Members
Snohomish County Council
3000 Rockefeller Avenue MS-609
Everett, Washington 98201

**SUBJECT: MILL CREEK CITY COUNCIL TESTIMONY ON SNOHOMISH COUNTY 2015
COMPREHENSIVE PLAN UPDATES**

Dear Chair Somers and County Council Members:

This letter is respectfully submitted as testimony from the Mill Creek City Council supporting the County Planning Commission's recommendation in regard to the Future Land Use Map (FLUM) for the Southwest Urban Growth Area (SWUGA) and opposing the County Executive's Recommendation #3 that would adopt infill amendments to the Future Land Use Map to increase population and employment capacity within the SWUGA.

Support for Planning Commission Recommended FLUM in Southwest Urban Growth Area

The City of Mill Creek supports the Planning Commission's recommendation for the SWUGA FLUM because it does not change the land use designations within the unincorporated SWUGA. The existing land use designations and zoning in the SWUGA are consistent with the Vision 2040 Regional Growth Strategy and there is adequate capacity to accommodate the initial 2035 growth targets adopted by the County Council as part of the Countywide Planning Policies.

Opposition to County Executive Recommendation #3

The City understands that the County Executive's office has recommended a revision to the Planning Commission's recommendation on the SWUGA FLUM (Recommendation #3), which would adopt infill amendments to the FLUM to increase population and employment capacity within the SWUGA. A map highlighting the FLUM amendments as proposed in Recommendation #3 is attached.

The City of Mill Creek is opposed to Recommendation #3 because the unincorporated portion of the SWUGA already has excess capacity for population and employment to meet the 2035 growth targets, which are consistent with the Vision 2040 Regional Growth Strategy. Adding unnecessary population and employment capacity as proposed in Recommendation #3 will result

**SUBJECT: MILL CREEK CITY COUNCIL TESTIMONY ON SNOHOMISH COUNTY 2015
COMPREHENSIVE PLAN UPDATES**

in additional traffic congestion at intersections within the City and its MUGA along the 132nd Street SE and 164th Street SE corridors, as well as on Seattle Hill Road and 35th Avenue SE. Many of these intersections already have a PM Peak LOS "F," and the east/west corridors that are used by City residents to get to and from Interstate 5 are already considered to be at "ultimate capacity." Adding additional trips above what is already permitted by the existing land use designations is not in the best interest of City and/or County residents, especially when there is already sufficient capacity in the SWUGA to meet the growth targets.

Conclusion

In brief, the Mill Creek City Council supports the Snohomish County Planning Commission recommendation for the SWUGA FLUM because it is consistent with the initial growth targets recommended by Snohomish County Tomorrow and adopted by the County Council as part of the Countywide Planning Policies.

In addition, the Mill Creek City Council strongly and respectfully recommends that the County Council NOT approve County Executive's Office Recommendation #3 because there is already excess capacity to meet the initial SWUGA 2035 growth targets adopted by the County Council; and, adding population and employment capacity would unnecessarily place additional traffic onto a road system that is already at ultimate capacity.

Thank you for your consideration of these important matters.

Respectfully Submitted on behalf of the Mill Creek City Council,

Pam Pruitt, Mayor

Attachment: Map highlighting proposed Recommendation #3 FLUM amendments

cc: John Lovick, County Executive
Clay White, Director, Snohomish County PDS

G:\PLANNING\wp\County Reviews\2015 County Comp Plan Update\2015 CPP amendments ph testimony.docx

MILL CREEK CITY COUNCIL

AGENDA SUMMARY

Date on Council Agenda: May 5, 2015

Subject: **PUBLIC WORKS MAINTENANCE SHOP PURCHASE**

Budget Impact: \$1.45 million

Contact Person/Department: Tom Gathmann, Public Works Director

SUMMARY:

The City has been engaged in discussions with the Silver Lake Water and Sewer District (District) for a little more than a year regarding the potential purchase of property owned by the District at 2210 132nd Street SE, immediately east of Lowes. The property was the former location of administrative and operations functions for the District and is the site of an 8-million gallon water reservoir (tank). The District property is composed of two tax parcels and has an area of about 3.2 acres. Through a boundary line adjustment process, the District will maintain ownership of the water reservoir and appurtenances, and sell 1.6 acres that fronts 132nd Street SE, which includes the office and maintenance buildings. The City hired firms to test for asbestos in the buildings and perform a Phase I Environmental Site Assessment (ESA). Based on the work performed, there are no known hazards within the buildings or on or beneath the property. To minimize the time and effort negotiating the purchase price, the City and District agreed to jointly hire an appraiser to determine market value. The final appraisal report was delivered on April 30, 2015 and portions of the executive summary are attached. The report states the estimate of market value is in the \$1,057,000 to \$1,184,000 with a most probable market value near \$1,100,000 as of March 26, 2015.

If the City purchases the front 1.6-acres of the District property, a partial list of additional action steps prior to moving the Public Works maintenance section to the site include the following:

- Conditional Use Permit approval for minor changes proposed on the site
- Utility work to segregate the utility services for each lot.
- Remodel the maintenance buildings
- Install vehicle wash down area/bay to comply with NPDES permit requirements
- Fence and gate relocation and construction
- Materials storage

The driveway access onto 132nd Street SE will likely be limited to right-in-right-out vehicle movements in the next several years. The City has been discussing with the District an access license across the property the District will retain to get to the existing “driveway” that accesses Lowes’ parking lot and the traffic signal. Physical changes to the District property would be required, and preliminary estimates for the design and construction of that work are in the \$80,000 to \$100,000 range. In addition there may be an annual lease fee.

There are no current plans for use of the 3,800 square foot office building adjacent to 132nd Street SE, and the appropriated \$1.45 million project budget was not intended to remodel that building. However, the parking lot that is west of that building will be needed for the Public Works maintenance operations, most likely as employee and/or visitor parking.

Agenda Summary
May 5, 2015
Page 2

The Finance Director recommends a Request for Proposal process to secure funding for the purchase through financial institutions to secure the lowest interest rate.

BACKGROUND:

- The Capital Facility/Improvement Plans for 2009-2015 and 2011-2017 included the Public Works Shop at \$1.6 million.
- The Mill Creek biennial budget for 2011-2012 included \$250,000 for the design of the PW Shop when it was planned for the Cook property, but the funds were not spent.
- January 2014 - Discussions began with the Silver Lake Water and Sewer District regarding the purchase of their property on 132nd Street SE for the PW Shop.
- During the preparation of the 2015-2021 CIP and the 2015-2016 budget it was assumed the District property would be purchased for the PW Shop and improvements to only the maintenance buildings would be made.
- August, 2014 – asbestos survey of District buildings performed and no hazardous materials found.
- February, 2015 – Phase I Environmental Site Assessment completed and property has no known underground hazards.
- February, 2015 – District and City jointly hire appraisal firm for market value determination.

STAFF RECOMMENDATION:

- For information only

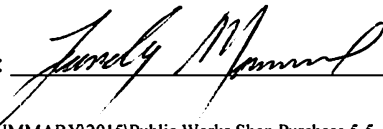
COUNCIL PROCESS/ACTION:

- Presentation by Tom Gathmann, Director of Public Works
- Council open discussion

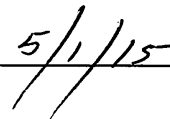
ATTACHMENTS:

- Portions of the appraisal final report
-

City Manager Approval: _____



Date: _____



G:\EXECUTIVE\WP\COUNCIL\SUMMARY2015\Public Works Shop Purchase 5-5-15.doc

The **purpose of this appraisal** is to estimate the most probable market value of the subject property, as of March 26, 2015, which is the date of my last physical inspection of the property. The City of Mill Creek may be interested in the purchase of the subject property from the Silver Lake Water and Sewer District, the current owner of the property.

This **Appraisal Report** complies with Standards Rule 2-2(a), Edition 2014-2015, of the Uniform Standards of Professional Appraisal Practice, which governs the development and reporting of real estate appraisals within the State of Washington.

The **intended use** for this appraisal is to assist the Silver Lake Water and Sewer District and the City of Mill Creek in arriving at the most probable market value for the subject property. It is not intended for any other use.

The **intended users** for this report are yourselves and those you consider necessary to implement the intended use and purpose. It is not intended for any other users.

You are considered to be my clients. This report is not intended for any other users or any other use than indicated above.

After personally inspecting the subject property, reviewing public and private information about the property that was available to me and developing and analyzing available market evidence, I have come to the conclusion that the most probable market value of the subject property, is as follows:

The final estimate of market value for the subject property is a value range from \$1,057,000 to \$1,184,000, with a most probable market value near \$1,100,000, as of March 26, 2015.

The market evidence would suggest that there is not one stated value that absolutely represents the market value of the subject property. The data does suggest that there is a narrow range of value for the subject property and a most probable subject value, within the range of available value indicators.

In this report, I have sought to summarize the facts, details and analysis considered in arriving at my conclusions and all the data considered during the course of this effort has been retained in my work file. The data considered is limited by the underlying assumptions, limitations and certification upon which the report results are based.

Nothing presented or excluded in this report has the intention to mislead the intended user, however, unintended users may not understand the purpose of the report or the extent of the scope of work that we agreed to. If anything stated within needs clarification, please contact the report author.

EXECUTIVE SUMMARY

1. **Purported Owner:** Silver Lake Water & Sewer District
Mill Creek, Washington

2. **Location:** 2210 132nd St. SE, Mill Creek, Washington

3. **Site Size:** The subject site in this report is identified by **Exhibits D1 and D2** as Lot 1. It is nearly rectangular in shape, and will contain 72,855 SF when legally segregated. In that respect, the existence of Lot 1 is a **hypothetical condition** in this report. Should Lot 1 not be legally segregated, the assignment results could be affected.

4. **Available Utilities:** All public utilities are available.

5. **Zoning:** The subject property is zoned CB, Community Business, under the auspices of the City of Mill Creek

6. **Improvements:** The improvements include the 3,819 SF District offices, built in 1971 and the 4,640 SF District shop, which includes 800 SF of office space and was built in 2000. Both are in average to fair condition.

7. **Existing Leases, Encumbrances or Easements:** There are no applicable leases on the subject property, since it is owner occupied. A title report indicates access, transmission line and electrical easements encumber the property, which are evident by viewing **Exhibit D2**. These comprise 9,090 SF and may affect additional land adjoining, due to proximity and rights taken.

8. Most Probable Highest and Best Use:

The most probable market value would appear to be the continuation of the existing use, by the current or a different property owner or lessee. The value of the improved property appears to be greater than the value of the land, as if vacant.

**9. Date of Value:
Date of Report:
Date of Inspection:**

March 26, 2015
April 17, 2015
Various times in July and August 2013 and March 2015.

10. Market Value Conclusions: As of March 26, 2015:

The final estimate of market value for the subject property is a value range from \$1,057,000 to \$1,184,000, with a most probable market value near \$1,100,000.

11. Market Exposure Time:

Exposure time has been defined in this report. Reviewing the time taken to sell some improved and unimproved properties in the greater Everett, Mill Creek and Bothell areas, as well as statistical information generated by the Commercial MLS, NWMLS, Loopnet, CoStar Group and Corelogic Real Estate Solutions, it would appear that it would take from twelve to eighteen months to list, undertake due diligence, market, and close a sale of the subject property, at the value indicated.

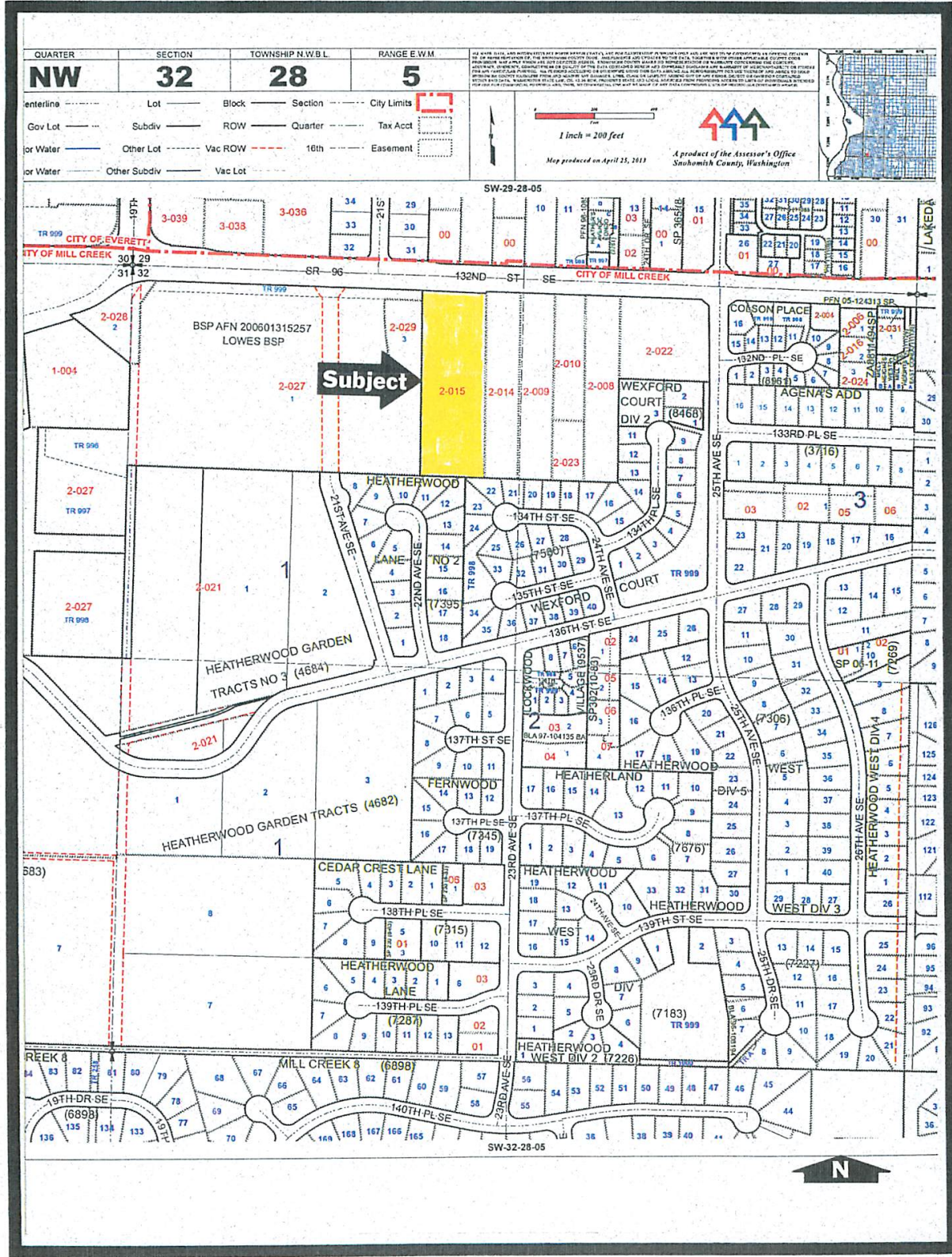
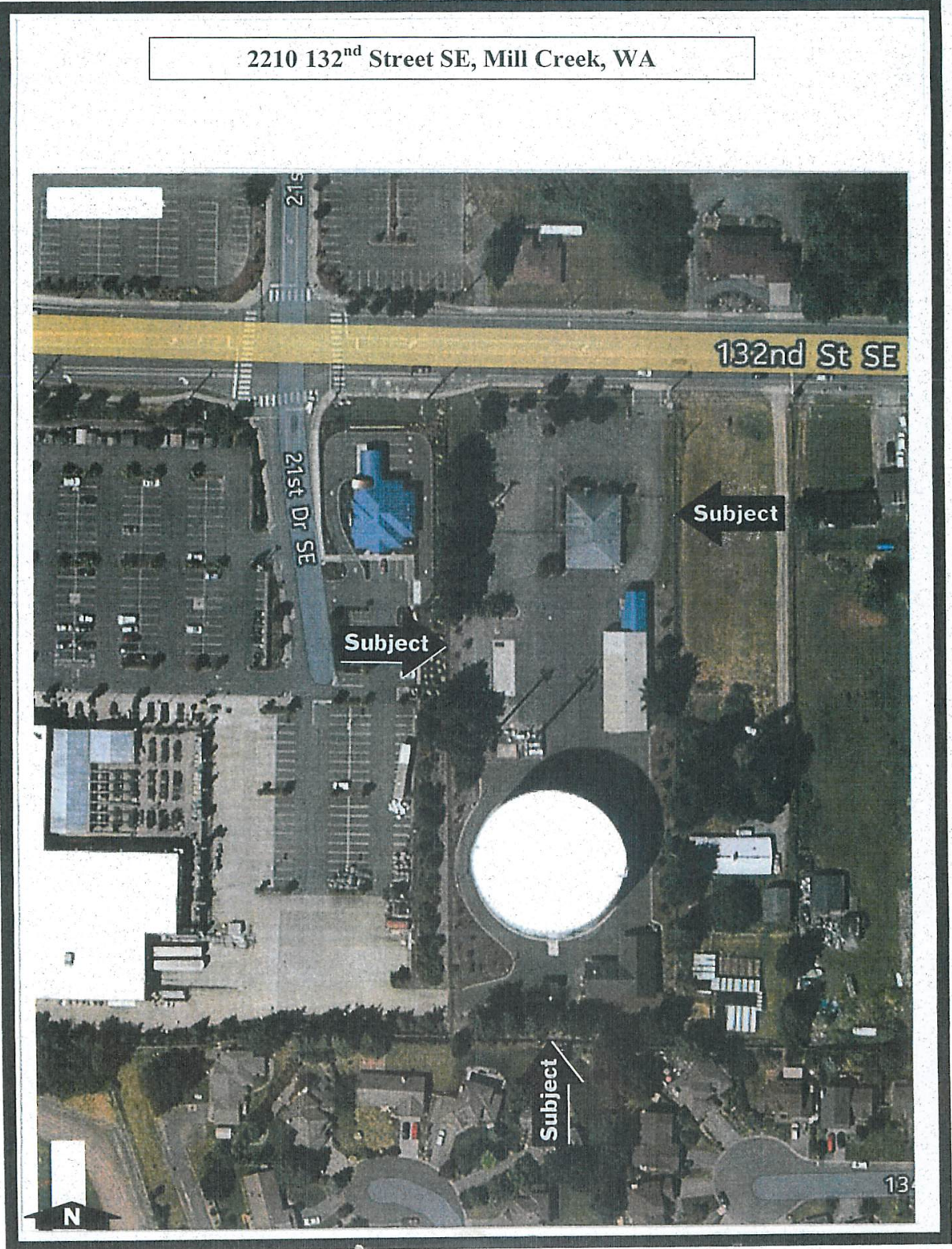


Exhibit C

2210 132nd Street SE, Mill Creek, WA



SUBJECT AERIAL

SUBJECT PHOTOGRAPHS



Subject office - front view.



Subject office - rear view.

SUBJECT PHOTOGRAPHS



Subject office and shop – view from 132nd Street SE.



East side of Subject office and shop – view from 132nd Street SE.

SUBJECT PHOTOGRAPHS



North side of shop building, office on right.



Rear view of shop and office – view towards 132nd Street SE.

SUBJECT PHOTOGRAPHS



Rear parking lot area. Shop on right, office in background.



South end of shop/maintenance building.