

The meeting convened at 5:45 p.m.

Councilmembers present: Mayor Jake Spano, Tim Brausen, Steve Hallfin, Rachel Harris, Anne Mavity, Thom Miller, and Margaret Rog.

Councilmembers absent: none.

Staff present: City Manager (Mr. Harmening), City Attorney (Mr. Mattick), Building and Energy Director (Mr. Hoffman), Economic Development Coordinator (Mr. Hunt), Director of Community Development (Ms. Barton), Senior Planner (Mr. Walther), Planner (Ms. Monson), Communications Manager (Ms. Smith), Chief Building Official (Mr. Skallet), Senior Management Analyst (Ms. Solano), and Recording Secretary (Ms. Pappas).

Guests: Martha Ingram, EDA Special Counsel; Chris Velasco, PLACE

1. PLACE Via Sol and Via Luna projects update

Mr. Harmening gave an outline of the project to date. He noted Mr. Velasco submitted a letter on Nov. 15 indicating he is unable to move forward with phase 2/Via Luna, because the city is not being cooperative on issuing the building permit. Mr. Harmening stated this is a serious matter which will need to be discussed with council.

Mr. Hoffman noted the timeline of the project, both north and south sides. He stated the north side has submitted updated plans and been issued permits. He stated Stahl construction is ready to begin the north side of the project.

Councilmember Mavity asked for clarity on what the council is being asked for with the 6th amendment and if it only relates to the south side or includes the north side as well. Mr. Harmening stated the 6th amendment refers to the construction timeline for both the north and south parcels, but if the south side construction does not proceed, the 6th amendment would not include amended timelines for the south parcel.

Councilmember Rog asked if the Egeneration facility planned for the north side but packaged with the south side would still be viable if the south side is not constructed. Ms. Ingram stated items from the south parcel project could be tied into the north side and dealt with in the 6th amendment.

Mr. Velasco added he finds it impossible to move forward with Via Luna and the hotel project, but that the Egeneration piece would move to the north side.

Councilmember Mavity asked Mr. Velasco if there is an impact now to the north side project, if the south side goes away. Mr. Velasco stated the north side project is financially designed to stand on its own and does not need the south side to be completed. He added the phase 1 construction has begun offsite.

Councilmember Mavity stated she wants to hear from staff if they have concerns about the north side and if that portion of the project should come to a stop. Mr. Harmening stated the permits and financing are in place for the north side and PLACE owns the land.

Councilmember Miller stated he is concerned about this letter from Mr. Velasco, adding the city has been an extraordinary partner in this project and he would never speak to a partner this way or call out a staff member when the city has done everything possible to make this project happen. He stated he is concerned about the attitude from PLACE, adding this may impact the north construction and create ongoing problems. He said he has been an advocate of this project and does not think the council made a mistake partnering with PLACE but added he does feel the partnership has had a significant break and this is his chief concern.

Councilmember Mavity added there are other concerns with this project as well, noting there are public money and investments involved in the north side project, with many non-profit investors and bonds included for the affordable housing component. Now this becomes a big risk and funding would be lost if the project were not to continue.

Mr. Mattick advised the applicant can withdraw the application for the south side project and the council may table the PUD and bring it back for further discussion with staff at a later date.

Councilmember Hallfin stated he was always in support of this project from the beginning, but after all the delays, he began to vote against this. He added with the letter from Mr. Velasco, it is very disappointing, and he is sad about this situation. He stated if the council had not continued extending the project deadlines, a new developer could have been brought in and the city would not be in this situation. He asked Mr. Velasco to get the north side done and to do it right.

The meeting adjourned at 6:25 p.m.

Melissa Kennedy, city clerk

Jake Spano, mayor