

Kirkland

A REPORT ON THE CITY OF KIRKLAND'S 2011 WORK PROGRAM

JULY 2012



ON TRACK

for the 2011 work program

+ KIRKLAND LEADERS MAKE THE CASE IN OLYMPIA
PG. 6

KIRKLAND TAKES BIG STEPS TOWARD ITS VISION OF A CROSS-TOWN TRAIL
PG. 10

85th STREET

City's ambitious project to change the look of busy arterial is on schedule **PG. 19**

TOTEM LAKE

Kirkland's economic engine receives intense focus from leaders and experts **PG. 12**



The 2011 Work Program

On February 1, 2011, the Kirkland City Council adopted Resolution R-4864. The resolution detailed Kirkland's 2011 Work Program. The Work Program included the following 12 initiatives.

- 1.) Successfully annexing the neighborhoods of Juanita, Finn Hill and Kingsgate;
- 2.) Actively engaging both the City Council and City staff in the 2011 State Legislative Session to achieve Kirkland's adopted legislative agenda.;
- 3.) Revitalizing the Totem Lake Business District through implementation of the Totem Lake Action Plan;
- 4.) Completing a Development Agreement and facilitating the permit process;
- 5.) Completing design and permitting of the Public Safety Building and initiating construction bidding;
- 6.) Completing due diligence and potential purchase of the Burlington Northern Sante Fe Eastside Rail Corridor within Kirkland;

- 7.) Developing zoning regulations to support Transit Oriented Development at the South Kirkland Park and Ride that reflect community input and values;
- 8.) Completing property acquisition and Phase I utility undergrounding of the 85th Street Corridor Project;
- 9.) Exploring new revenue options authorized by the State Legislature or requiring voter approval;
- 10.) Researching and evaluating the evolution of Kirkland's budget development and adoption process to ensure an engaged public and desired Council outcomes for the 2013-2014 Budget;
- 11.) Successfully resolving each of the five Collective Bargaining Agreements scheduled for negotiation in 2011;
- 12.) Developing partnership initiatives with employees to achieve sustainability of wages and benefits.

EVEN BEFORE annexation, residents of Kingsgate, Finn Hill and North Juanita felt a part of the community. Annexation made it official.



One Kirkland

“Successfully annex the neighborhoods of North Juanita, Finn Hill and Kingsgate.”

On June 2, 2011 the annexation of Juanita, Finn Hill and Kingsgate took effect. After years of study and preparation, the transition occurred at 12:01 a.m. with a small celebration and a seamless transfer of services from King County to the City of Kirkland.

Approximately 80 new FTEs were hired to meet the service requirements of the larger City.

The phased implementation of services is still in progress, however, the most visible and vital services are being provided including police, fire and emergency medical, street and surface water maintenance, solid waste and recycling services, development services, code enforcement and parks maintenance. The City Council held

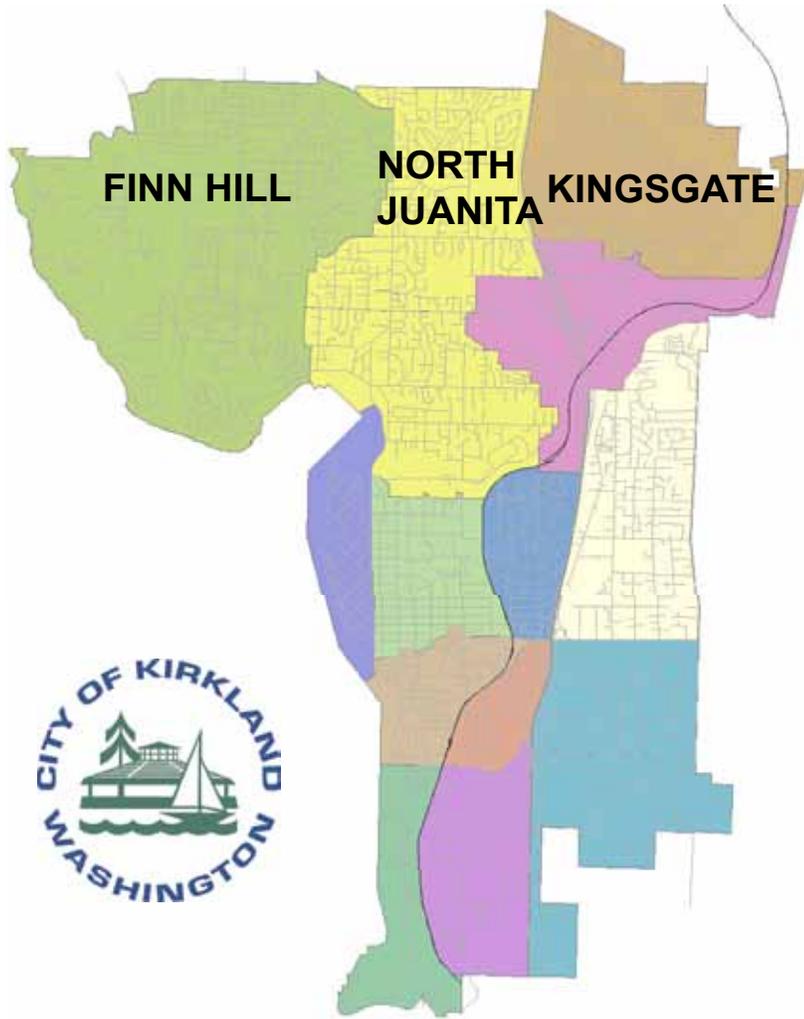
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done

a meeting in each of the three new neighborhoods and the 2011 Neighborhood University, held in Juanita, had a record turnout.

Updated revenue forecasts from the annexation area revealed a significant shortfall in actual sales tax revenue.

Based on that shortfall, potential State legislative actions and the City’s continuing budget constraints, phase two hires were suspended until more was known about the City’s overall financial condition. Staff will begin assessing the need and timing for remaining unfilled annexation positions based on actual workload demands.

Longer range planning efforts are beginning through



the Capital Improvement Program and the Comprehensive Plan Update.

Updated master plans for surface water, parks, recreation and open space, active transportation and road improvements are needed to provide a basis for future project recommendations.

The master plans will be community-based and will lay the foundation for future capital investment priorities as well as identifying specific projects.

► **PARKS FUNDING EXPLORATORY COMMITTEE**

The Parks Funding Exploratory Committee (PFEC) was convened to develop recommendations for sustainable parks operations and capital funding.

The PFEC recommended that the City Council proceed with two parks ballot measure for operating and capital purposes.

Among the funding needs discussed was the maintenance of O.O. Denny Park and neighborhood park needs in the new neighborhoods.

The Finn Hill Parks and Recreation District levy will expire in 2014 and the commissioners have expressed a desire to disband the district and to transfer their responsibilities to the City.

A decision regarding the ballot measures is still pending, however, the future of the Finn Hill Parks and Recreation District remains unresolved at this time.

► **FIRE DISTRICT 41**

Fire District #41 operational responsibilities were assumed by the City on June 1st. The new fire station on Finn Hill contemplated and funded by the district prior to annexation is still under consideration.

A Fire and Building Department organizational review and strategic plan is expected to inform the need and location for the station. The strategic plan is expected to be completed in June 2012.

► **2012 COMMUNITY SURVEY**

The 2012 community survey provided additional insight into citizen attitudes about City services and performance.

Cross tabulations for selected items were provided for the new neighborhoods to provide some insight as to differences in perceptions between the new neighborhoods and the pre-annexation Kirkland.

The results did not indicate a wide variance in results between the two areas.

Post-annexation residents rated Kirkland somewhat lower as a place to live (80% good or excellent compared to 88% in the pre-annexation area) but ratings of importance and performance of specific services was very similar.

A concurrent on-line survey was conducted that shed additional light on the public's attitudes towards City services.

Continued communication and information to the annexed areas will be important in understanding and addressing post-annexation concerns for the entire city. ◀



EVERY COUNCIL MEMBER testified on at least one bill in Olympia during the 2011 state legislative session.

Leveraging the legislature

“Engage City Council and staff in the 2011 State Legislative Session to achieve Kirkland’s adopted legislative agenda.”

Senate Bill 5505 saved Kirkland taxpayers an estimated \$225,000 by allowing the City to use the 2010 federal census data to determine the resident population of the annexed areas of Juanita, Finn Hill and Kingsgate rather than conduct a redundant recount of the area, as had been required by State rules.

senate bill
5505 ✓

House Bill 1953 provides cities and counties with the option of using a portion of their annual Real Estate Excise Tax revenues toward maintenance and operating needs of existing parks and roads, which previously could only be used to buy open space and build roads.

house bill
1953 ✓

Unfortunately, because of the recession, we have had to make deep cuts to the staff necessary to maintain our existing streets and parks. The City of Kirkland has invested in an extensive park system of 40 Parks and over 100 miles of arterials, 70% of which are “complete streets” with sidewalks and bicycle paths. In July 2011, the City Council approved a resolution earmarking \$130,000 of REET revenue for parks and street maintenance, restoring restroom service in neighborhood parks, roadside mowing, and seasonal staff to maintain and repair parks and tend to roadway medians and shoulders.

House Bill 1478 significantly reduces the regulatory costs imposed on cities and counties. In times of limited financial resources, this bill offers fiscal relief of hundreds of thousands of dollars in the form of deferred costs for City of Kirkland. This bill was carefully crafted to provide cities and counties relief while still preserving environmental protection and the quality of life for our residents.

house bill
1478 ✓

done
2

House Bill 1382 allows the use of express toll lanes in the I-405 corridor. Interstate 405 runs through the middle of Kirkland and it is of the utmost importance to the City that it be operated efficiently and that the I-405 master plan be completed. This bill helps accomplish both of these goals.

house bill
1382 ✓

Funding City priorities

“Explore new revenue options that are authorized by the State Legislature or by Kirkland’s voters.”



Staff successfully implemented the Emergency Medical Service Transport Fee approved by the City Council in 2011. Ordinance 4287 began generating additional revenues that allowed for fire and emergency response in the 2011-2012 budget.

As described earlier under the Legislative Session item, the City was instrumental in the passage of House Bill 1953, which provides cities and counties with the option of using a portion of their annual Real Estate Excise Tax revenues toward maintenance and operating needs of existing parks and roads, which previously could only be used to buy open space and build roads. In July 2011, the City Council approved a resolution earmarking \$130,000 of REET revenue for parks and street maintenance, restoring restroom service in neighborhood parks, roadside mowing, and seasonal staff to maintain and repair parks and tend to roadway medians and shoulders.

► PARKS FUNDING EXPLORATORY COMMITTEE

The Parks Funding Exploratory Committee (PFEC) was convened by the City Council in 2011 to develop recommendations for sustainable parks operations and capital funding. The PFEC recommended that the City Council proceed with two parks ballot measures for operating and capital purposes on the 2012 General Election ballot. The decision on whether to proceed to the ballot is scheduled for further Council deliberation on May 15, 2012.

► 2011-2016 CAPITAL IMPROVEMENT PROGRAM

The 2011-2016 Capital Improvement Program assumed that a Transportation Benefit District (TBD) funded by a \$20 per car fee would be established. Staff presented the TBD process to the City Council in 2011 and received direction to conduct additional public outreach, which has been completed. The issue of whether to implement the \$20 fee, which can be established by Council action, or to take a higher dollar amount to the voters was discussed at the March 2012 Council Retreat. This decision is related to a parallel discussion about a possible parks bond or levy.

In July 2012, the City Council agreed to ask voters whether or not they would support a levy that would raise \$3 million a year. By adding 20 cents per \$1,000 in assessed value to residents’ property taxes, the levy would build sidewalks to schools and along roads that have none. It would make crosswalks safer and more accessible. It would allow Kirkland’s work crews to restripe 230 crosswalks throughout the City and upgrade 50 of its busiest crosswalks with highly visible and energy-efficient warning devices. But the bulk of the levy—about 90 percent of it—would be invested in the City’s streets. The purpose: improve their surfaces to a condition that would cost the City roughly \$1,700-a-block to repair, rather than \$16,000-a-block the repairs would cost if citizens allow their roads to continue to degrade. ◀

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Future of the Downtown Core

“Complete a development agreement and facilitate the permit process for ParkPlace redevelopment.”



4
in progress

Redevelopment of the Park Place commercial center in downtown Kirkland has been in the works for several years following the purchase of the property by Touchstone Development Corporation.

The City Council's approval of the master plan for the site and intersection improvements at 6th Street and Central Way completed 2011

paved the way for the Park Place project which includes approximately one million square feet of office space, a hotel and retail space.

A draft development agreement between the City and Touchstone Development was initiated in 2011. The City is poised to complete a development agreement once Touchstone is ready to proceed with the project. ◀

THE PUBLIC SAFETY BUILDING will have capacity for 55 jail beds, a tactical training facility and community rooms.

Rendering courtesy of Miller Hull, LLP



All in one place

“Complete the design and permitting for the Public Safety Building — and initiating construction bidding.”

On September 1, 2010 the City completed the purchase and sale agreement in the amount of \$10.5 million for the 102,000 square foot commercial building at 11831 120th Avenue N.E., southwest of the current Fred Meyer store and formerly occupied by Costco Home.

The building will consolidate the City’s Police, Jail and Municipal Court services in one location, enhancing efficiency and safety.

At the end of 2010, the City issued \$35.3 million in Build America Bonds to finance the building remodel.

In June 2011, the City completed conceptual design for the Public Safety Building which reflected updated space requirements including a 55 bed jail. The City Council received a report describing trends in jail population and forecasting future jail bed needs. Based on the report, the City Council supported the addition of 35 to 50 additional jail beds. Following this report and direction, the City hired the architectural firm of Miller Hull to develop

5
in progress

a schematic design and an updated project cost estimate.

The design team was nearing the 50% schematic design threshold when it was clear that scope modifications and previously unknown costs resulted in a project cost that exceeded the budget. Staff worked with the design team to modify the floor plan and reduce costs wherever possible.

At the same time, the internal project steering committee worked with the Finance Director to update available funding sources. In early 2012, staff presented an updated design, cost estimate and funding plan to the City Council which was approved by the Council. The design team was able to proceed with completion of the schematic design.

Although the schematic design process took longer than anticipated, the overall schedule was not significantly compromised. Final design and bid documents are expected to be completed by year end 2012. ◀



THE CROSS KIRKLAND CORRIDOR

“COMPLETE DUE DILIGENCE AND POTENTIAL PURCHASE OF THE BURLINGTON NORTHERN SANTE FE EASTSIDE RAIL CORRIDOR WITHIN KIRKLAND.”

Kirkland’s long-held vision of creating a “Cross Kirkland Trail” took one giant step forward on December 12, 2011, when the City Council unanimously passed Ordinance 4341. The ordinance authorized Kirkland to enter into an acquisition agreement with the Port of Seattle for the 5.75 miles of the abandoned BNSF Corridor. The property transaction closed on April 13, 2012 but the road to that point was long and complex.

THE 13 INTERESTS

While analyzing the rail corridor, the Transportation Commission identified 13 of Kirkland's fundamental interests it could serve. The City Council adopted those interest statements April 19, 2011.

- 1.) Serve Kirkland's transportation needs
- 2.) Keep corridor in public ownership
- 3.) Actively use corridor in near future
- 4.) Maintain corridor in good condition
- 5.) Contribute to economic sustainability
- 6.) Connect Totem Lake
- 7.) Protect neighborhood atmosphere
- 8.) Plan for multi-use facility
- 9.) Serve pedestrians and bicyclists
- 10.) Design transit service to efficiently move people
- 11.) Plan any transit use in close consultation with the City of Kirkland
- 12.) Consider grade crossing delay & safety
- 13.) Disclose and mitigate environmental impacts

In 2010 and 2011, the Transportation Commission conducted a public outreach process to gather input for an Eastside Rail Corridor Interest Statement.

The outreach efforts included: gathering comments at the Wednesday Market, conducting three on-line surveys, meeting with Boards, Commissions and neighborhood groups, walking the corridor and receiving testimony at Transportation Commission meetings.

Following the December 2012 Council approval of the purchase and sale agreement, the City entered its due diligence phase.

Based on the analysis of environmental data, survey work, investigation of title reports and maintenance needs, staff recommended and Council agreed to proceed with the purchase.

Funding for the acquisition and improvement of the corridor was also a topic of discussion in 2011. The ac-

quisition was financed through an interfund loan from the City's water and sewer utilities and from the City's surface water utility reserves.

The interfund loan must be repaid within three years.

A survey presented three options for repaying the interfund loans. The results of the survey did not provide a clear direction, but somewhat favored a voted bond. At the same time, the City Council formed the Parks Funding Exploratory Committee.

The Committee's task was to recommend a sustainable funding model for parks operations and capital improvements.

The Committee did not recommend a voted bond measure for acquisition but did recommend \$3 million for improvements in a voted levy measure for November 2012. The financial plan for the corridor is still under consideration. ◀

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TOTEM STATION on N.E. 115th Place in Totem Lake would feature 108 residential units and more than 10,000 square feet of commercial space. It is currently under review by the City.



Revving the economic engine

“Revitalize the Totem Lake Business District through implementation of the Totem Lake Action Plan.”

The City Council on December 7, 2010, adopted Resolution No. 4856. Its members called this the Totem Lake Action Plan. In September 2012, the City Council hosted the Totem Lake Symposium, inviting local business leaders, developers, residents and property owners to take part a discussion about the Totem Lake business district. A number of short and long term action items emerged from the group, many of which were initiated or completed in 2011.

► **URBAN LAND INSTITUTE**

In November 2011, the Urban Land Institute Technical Assistance Panel issued its final report supporting the City’s vision for Totem Lake. The City had retained



the Urban Land Institute, a nationally-accredited land use and real estate think-tank, to provide feedback on whether its policies and plans were the right strategies and tools for revitalizing the Totem Lake Business District. The panelists validated the City’s vision, advising the City to stay the course with the zoning it had approved several years earlier as part of its urban center planning. It also recommended moving forward on the purchase of the eastside rail corridor.

The panel suggested that some minor changes to zoning codes would be helpful in the down economy (such as allowing uses in addition to retail to locate in ground floor space). Members of the Urban Land Institute indi-

cated this could be done without compromising the long term vision for the district. Those code changes are now being processed by the Planning Commission and should be before the City Council for action by summer 2012.

▶ **TOTEM LAKE DRAINAGE SYSTEM**

The City completed a detailed study of the Totem Lake drainage system and located the stream barriers where accumulated sediment, invasive species and beaver dams had impacted the flow of water leaving Totem Lake and caused flooding. In 2011, barriers were removed between I-405 and Totem Lake and plans developed to develop further maintenance needs in 2012. No floods occurred in the fall of 2011 after the work was completed.

▶ **TOTEM LAKE TRAFFIC**

Totem Lake traffic circulation suffers from an incomplete street grid. Grants totaling \$3.3 million to extend NE 120th Street between Slater Avenue NE and 124th Avenue NE were received in 2011 and circulation in and around the business district will see major improvement. The project is currently in design and will go into construction in 2012. The project will enhance connectivity for non-motorized transportation and also improve emergency access around the area. Businesses will benefit from better access and exposure.

▶ **TOTEM LAKE GREEN TRIP**

The Totem Lake Green Trip Program was implemented in 2011 to reduce drive-alone trips and traffic congestion. Through rewards, incentives, monthly promotions, centralized information and commute management tools, the program aims to make it easier for commuters to manage commute options.

▶ **PURCHASE OF THE CROSS KIRKLAND CORRIDOR**

The purchase of the Cross Kirkland Corridor could greatly influence the future of Totem Lake by providing a redeveloped multi-modal transportation corridor. The corridor threads through the Parmac Office Park, a 30-acre business center comprised of a variety of older industrial buildings, that the City has rezoned for intensive office and high tech uses. It also borders Totem Lake, which the Urban Land Institute indicated should be enhanced to become a regional destination, and, the Totem Lake Mall, the City's hoped-for retail hub and mixed use

center.

▶ **CHANGE OF USE IMPACT FEES**

The City Council suspended Change of Use impact fees in January, 2011, responding to a then 25% vacancy rate in commercial buildings. A competitiveness study prepared by Berk & Associates indicated the impact fee was a potential barrier to entry, especially for small businesses in Kirkland. Since the legislation was adopted, the vacancy rate has decreased to approximately 15%. Many



SUSIE DETMER, a member of the Urban Land Institute's Technical Assistance Panel, details the opportunities and challenges facing Totem Lake's retail sector at a public presentation.

notable businesses such as LA Fitness and TOPS, (Tennis Outreach Programs) have benefitted from not having to pay the change of use fee. The City will revisit this issue when it does a substantial review of land-use and transportation policy in 2013.

▶ **PUBLICATION OF "TOTEM LAKE ON TRACK"**

The City produced four issues of "Totem Lake On Track Bulletin," a quarterly newsletter highlighting businesses in Totem Lake and providing updates on the progress of the Totem Lake Action Plan.

▶ **NEW BUSINESSES**

During 2011, Totem Lake welcomed 84 net new businesses and 687 net new employees in the period extending. Some of the businesses that opened in Totem Lake included: Rairdon Fiat and the Tennis Outreach Center (TOPS). Astronics Advanced Electronic Systems Corp., Silicon Designs, and LA Fitness, are all due to open in 2012. ◀

Transit-oriented development

“City develops zoning regulations that reflect community values while supporting a new community built around active transportation.”

The vision of transit-oriented development (TOD) at the South Kirkland Park and Ride was first incorporated in the City’s Comprehensive Plan in 2008.

With the aid of Federal Urban Partnership Funding combined with housing funds and private funds, the project could move forward, provided that the City Council and Houghton Community Council approved zoning code amendments.

reflect the community’s values.

Two community workshops were held to gather input regarding stakeholder questions and issues concerning the project.

All issues were organized based on the appropriate process and agency. Issues and questions related to zoning and design guidelines were used to develop zoning. Stakeholder interests were reflected in five value statements:



THE FIVE TOD VALUE STATEMENTS

- ▶ Ensure high quality building and design.
- ▶ Ensure that regulations support appropriate building scale throughout the site; produce well-designed buildings that incorporate pedestrian features, which contribute to a livable urban village character.
- ▶ Provide guidance for the streetscapes along N.E. 38th Place and 108th Avenue N.E. to ensure buildings face the streets and that development provides a welcoming presence at this City gateway.
- ▶ Use development standards to protect buffers and trees along the eastern & southeastern borders.
- ▶ Minimize the visual impacts of parking facilities from adjacent rights-of-way.

Successful planning for and construction of the TOD was complicated by the multiple governmental agencies and advisory bodies involved in the project including King County Metro (the project sponsor), the City of Kirkland, the City of Bellevue, A Regional Coalition for Housing and, ultimately, a private developer.

Beginning in late 2010, City staff began working with the Houghton Community Council and Planning Commission to prepare for a community involvement effort to better understand resident and business interests in the project so that zoning and design regulations could



Based on these value statements, staff developed draft zoning regulations.

A third workshop was held where stakeholders were shown how their input was incorporated in the proposed regulations.

After additional public hearings, the zoning and design regulations were adopted in May 2011.

King County issued a request for proposals for teams interested in developing the property.

In October 2011, after a competitive process, Polygon Northwest was chosen and the project is currently in design. ◀

The Transit-Oriented Development at the South Kirkland Park and Ride has stakeholders ranging from the federal government, the state, the county, the City of Kirkland and the Houghton Community Council.





AT THE CIVICS ACADEMY, citizens experimented with municipal budgeting by weighing the costs and benefits of several City services.

It's the public's budget

"Research and evaluate the evolution of Kirkland's budget development and adoption process to ensure an engaged public and desired Council outcomes."

At the City Council's 2011 retreat, Council analyzed three budget approaches: Redmond's Priorities of Government, Shoreline's Citizen Advisory Group and King County's Blue Ribbon Panel. The City Council tasked staff with several follow-up actions that were completed in 2011 and early 2012:



adopted by Council Resolution 4897 October 4, 2011. The 2010 Performance Measure Report was completed and presented to the City Council in January 2011. The report was expanded to include all 10 Council Goals and supplemented with additional performance measures. The 2011 Report was distributed at the 2012 City Council retreat.

ENVIRONMENTAL SCAN ► The City's Executive Team conducted a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis using the City Council goals as a framework for use in evaluating the Council goals against the existing environment and to plan for the 2013-2014 Biennial Budget.

► **COUNCIL GOALS AND PERFORMANCE MEASURES**
The City Council goals were amended as directed and

► **PROGRAM REVIEWS**

The City Council supported the staff recommendation for conducting program reviews during the off-budget year of the planning cycle. For 2011, the Budget Process and Citizen Involvement were the focus for the program review. In November 2011, staff initiated a department review and strategic planning process for the Fire and Building Department. The study is underway and the re-

sults will be available in the second quarter of 2012.

► **FOCUS GROUPS**

Focus groups were conducted as a means of understanding what people know about the City budget and what they want to see happen. Two focus groups were conducted in September 2011. The results were provided to the City Council in video format and summarized in a report that helped guide the recommended budget outreach activities and process changes. Highlights include:

- Most participants were not aware of the budget process or the City Council goals.
- The participants agreed that the adopted goal statements reflect their service needs and prioritized them as follows:
 - 1 Public Safety
 - 2 Financial Stability
 - 3 Economic Development
 - 4 Dependable Infrastructure
 - 5 Parks, Open Spaces and Recreation Services

► Participants indicated a very low level of involvement in the budget and there were differing levels of interest in how much more involved they wanted to be.

► Participants suggested placing City Council goal and budget information in places where they already get information such as the *Kirkland Reporter* and Facebook. They also suggested the City provide easy ways to provide input.

BUDGET CONTINGENCY PLANNING ►

The Finance Committee and City Council received a series of reports and recommendations analyzing the City's reserves as they relate to defining targets and addressing contingencies. The City Council approved Resolution

4900 in November 2011, which describe the process for replenishing reserves. Reserve targets were presented at the March 6, 2012 City Council meeting. Staff also recommended a change to the budget development process that will allow the City Council to reconsider the "base budget" in addition to incremental changes needed to respond to financial conditions and community needs.

COMMUNITY EDUCATION ► Staff developed a plan for educating the public about City government and, in particular, the City's budget and financial challenges. This multi-media approach focuses on reaching the community in a variety of venues. Elements include:

► **"KIRKLAND WORKS" FILM SERIES**

Staff is in the process of producing a series of seven videos focusing on the Council goals.

The purpose is to highlight the goals (responding to feedback that the public is not generally aware of the Council goals) and to educate the public about City services and the underlying values of efficiency, stewardship and responsiveness. Each video is written to be 7 to 9 minutes long. When completed, they will air on the City's public access channel and be available on the City's website.

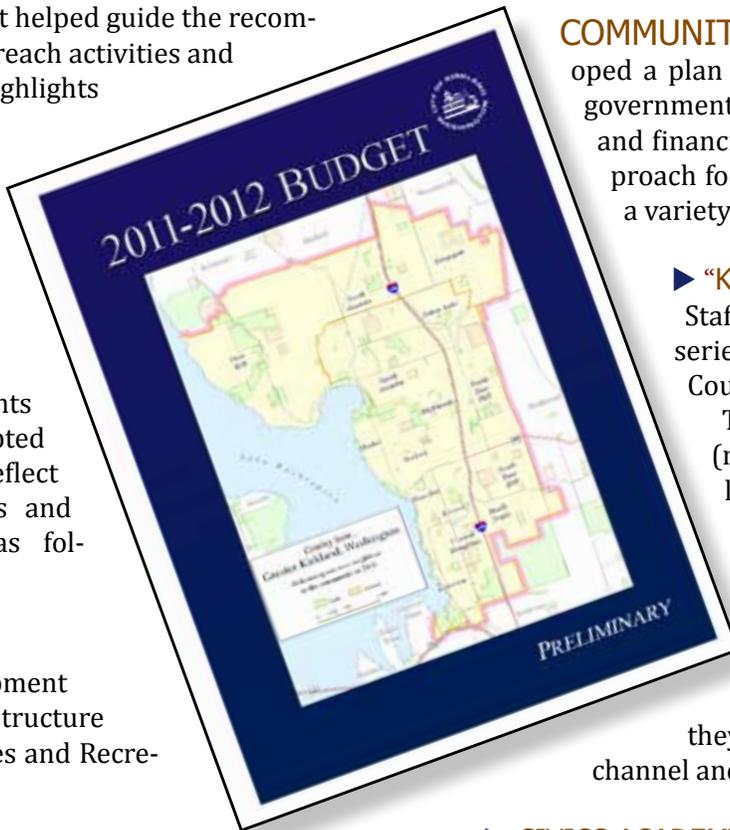
► **CIVICS ACADEMY**

The first Kirkland Civics Academy will be offered in May 2012. The five-part series will feature staff presentations, interactive learning opportunities and question/answer periods.

Sessions include: Kirkland 101: How the City Works; Demystifying the Mysteries of City Finances and Budgets; Public Safety Services are a Top Priority; Introduction to Land Use, Zoning, and Capital Project Planning; and Parks, Recreation, Open Space and Environment: Experience It.

► **MULTIMEDIA-BASED OUTREACH**

In addition to these activities, staff will be enhancing the City's budget web page, initiating a blog and working closely with the *Kirkland Reporter* to connect the public with the budget process. ◀



Sustainable labor wages



“Resolve each of the five Collective Bargaining Agreements scheduled for negotiation in 2011.”

Five of the six labor union contracts were either expired or due to expire at the end of 2011.

A change in key staff in mid-2011 created a delay in the initiation of the bargaining process.

The Police Guild’s contract, which covers all commissioned police personnel (with the exception of the Police lieutenants) was settled in October 2011.

Four other contracts – AFSCME (administrative and professional staff), Teamsters (field personnel), SEIU (police lieutenants) and IAFF (firefighters) were not completed by the end of 2011 and negotiations continued into 2012. ◀

10
ongoing

“Develop partnership initiatives with employees to achieve sustainability of wages and benefits.”

Employee wages and benefits are the largest expense in the General Fund and represent the largest dollar increase each year.

In January 2011, the City moved to a self-insured medical benefit program for all employees in an effort to control future growth in health benefit costs. The financial results of the first year were within the estimated cost used to develop the program and the City was able to maintain reserve funding for future years. In 2012, an employee benefits committee will work in cooperation with Human Resources staff to identify ways to further curb health care costs increases through new programs that incentivize wellness and consumer-wise use of health care services. ◀

11
ongoing



CREWS prepare the intersection of N.E. 85th Street and 126th Avenue N.E. for undergrounding utilities. The 85th Street Corridor Project includes work along many of the streets that intersect it.

85th Street

“Complete property acquisition and Phase I utility undergrounding of the 85th Street Corridor Project.”

The NE 85th Street Corridor Improvement Project combines several capital projects to address goals for business vitality and quality of life in the North and South Rose Hill Neighborhoods.

The Project will provide continuous sidewalks, traffic signal upgrades that support the Intelligent Transportation System, new traffic capacity at key intersections, storm water quality improvements, the undergrounding of aerial utility lines for a portion of the corridor, and pavement resurfacing.

The Project has been broken up into multiple phases, two of which required the acquisition of new right-of-way and/or easements for the constructing of certain improvements. The two phases needing property acquisition efforts include: Phase 1 -- the conversion of the aerial

12
ongoing

utility lines and Phase 2 -- the construction of sidewalks and traffic signal modifications along NE 85th Street, together with sidewalk improvements along 124th Ave NE, between NE 80th and NE 90th Streets.

The conversion of the aerial utilities is currently under construction after the Phase 1 right-of-way acquisition was complete; 30 total property acquisitions, including 24 right-of-way takes and 44 easements were secured by December 31, 2011. One Phase 1 acquisition was completed during the 1st Quarter of 2012. The total spent on all Phase 1 property acquisitions was \$937,500.

Negotiations with the four remaining property owners, for the Phase 2 acquisition process, are on-going and are expected to be complete by August 2012. ◀



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JULY 2012



TRANSFORMING NE 85th street PG. 15

**KIRKLAND
LEADERS
MAKE THE
CASE IN
OLYMPIA
PG. 4**

IN OUR HANDS

City acquires 5.75 miles of the Eastside Rail Corridor and completes due diligence **PG. 8**

TOTEM LAKE

Kirkland's most economically active neighborhood receives intense focus **PG. 6**