CITY OF KIRKLAND
CITY COUNCIL

Joan McBride, Mayor • Doreen Marchione, Deputy Mayor • Dave Asher • Toby Nixon
Bob Sternoff • Penny Sweet • Amy Walen • Kurt Triplett, City Manager

Vision Statement
Kirkland is an attractive, vibrant and inviting place to live, work and visit.
Our lakefront community is a destination for residents, employees and visitors.
Kirkland is a community with a small-town feel, retaining its sense of history,
while adjusting gracefully to changes in the twenty-first century.

123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • www.kirklandwa.gov

AGENDA
KIRKLAND CITY COUNCIL MEETING
City Council Chamber
Tuesday, January 15, 2013
6:00 p.m. – Study Session
7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.kirklandwa.gov. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (425-587-3190) or the City Manager's Office (425-587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 425-587-3190. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

EXECUTIVE SESSIONS may be held by the City Council only for the purposes specified in RCW 42.30.110. These include buying and selling real property, certain personnel issues, and litigation. The Council is permitted by law to have a closed meeting to discuss labor negotiations, including strategy discussions.

ITEMS FROM THE AUDIENCE provides an opportunity for members of the public to address the Council on any subject which is not of a quasi-judicial nature or scheduled for a public hearing. (Items which may not be addressed under Items from the Audience are indicated by an asterisk*.) The Council will receive comments on other issues, whether the matter is otherwise on the agenda for the same meeting or not. Speaker's remarks will be limited to three minutes apiece. No more than three speakers may address the Council on any one subject. However, if both proponents and opponents wish to speak, then up to three proponents and up to three opponents of the matter may address the Council.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
   a. 2013-2014 City Work Program
4. *EXECUTIVE SESSION*
   a. To Discuss Pending and Potential Litigation
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
   a. *Announcements*
   b. *Items from the Audience*
   c. *Petitions*
7. *SPECIAL PRESENTATION*
   a. Prepare in a Year Disaster Preparedness Program

QUASI-JUDICIAL MATTERS Public comments are not taken on quasi-judicial matters, where the Council acts in the role of judges. The Council is legally required to decide the issue based solely upon information contained in the public record and obtained at special public hearings before the Council. The public record for quasi-judicial matters is developed from testimony at earlier public hearings held before a Hearing Examiner, the Houghton Community Council, or a city board or commission, as well as from written correspondence submitted within certain legal time frames. There are special guidelines for these public hearings and written submittals.

ORDINANCES are legislative acts or local laws. They are the most permanent and binding form of Council action, and may be changed or repealed only by a subsequent ordinance. Ordinances normally become effective five days after the ordinance is published in the City's official newspaper.

RESOLUTIONS are adopted to express the policy of the Council, or to direct certain types of administrative action. A resolution may be changed by adoption of a subsequent resolution.

8. *CONSENT CALENDAR*

a. Approval of Minutes: January 2, 2013

b. Audit of Accounts:

Payroll $

Bills $

c. General Correspondence

d. Claims

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

(1) NE 53rd Street Sewer Main Replacement Project, Buno Construction, LLC, Snohomish, Washington

g. Approval of Agreements

(1) Resolution R-4956, Authorizing the City Manager to Sign an Amended and Restated Eastside Public Safety Communications Agency Interlocal Agreement and the Articles of Incorporation.

(2) Resolution R-4957, Approving an Interlocal Agreement Between the Cities of Bothell, Edmonds, Kirkland, Lake Forest Park, Lynnwood, Monroe and Mountlake Terrace; Regarding the North Sound Metro Special Weapons and Tactics (SWAT)/Crisis Negotiating Team (CNT).

(3) NE King County Co-op Recycling Decant Center Purchase and Sale Agreement

h. Other Items of Business

(1) Resolution R-4954, Approving and Adopting the Annual Update for the Six-Year Transportation and Street Construction and Improvement Program in Accordance With Section 19.08.051, Kirkland Municipal Code.

(2) Resolution R-4958, Authorizing the Duly-Appointed Administering Agency for a Regional Coalition for Housing (ARCH) to Execute All Documents Necessary to Enter into an Agreement for the Funding of an Affordable Housing Project, as Recommended by the ARCH Executive Board in 2012, Utilizing Funds From the City's Housing Trust Fund.

(3) ARCH 2013 Work Program and Administrative Budget

(4) Resolution R-4959, Approving the Subdivision and Final Plat of Parhaniemi Estates Being Department of Planning and Community

Development File No. SUB12-00894 and Setting Forth Conditions to Which Such Subdivision and Final Plat Shall Be Subject.

(5) Resolution R-4960, Revising Section 3.8 of the Kirkland City Council Policies and Procedures Manual, "City Council Committee Appointments."

(6) Report on Procurement Activities

PUBLIC HEARINGS are held to receive public comment on important matters before the Council. You are welcome to offer your comments after being recognized by the Mayor. After all persons have spoken, the hearing is closed to public comment and the Council proceeds with its deliberation and decision making.

9. *PUBLIC HEARINGS*

10. *UNFINISHED BUSINESS*

a. Solid Waste Interlocal Agreement Statement of Interest

NEW BUSINESS consists of items which have not previously been reviewed by the Council, and which may require discussion and policy direction from the Council.

11. *NEW BUSINESS*

a. 2013 Board and Commission Interview Process

12. *REPORTS*

a. City Council

(1) Regional Issues

b. City Manager

(1) Calendar Update

ITEMS FROM THE AUDIENCE Unless it is 10:00 p.m. or later, speakers may continue to address the Council during an additional Items from the Audience period; provided, that the total amount of time allotted for the additional Items from the Audience period shall not exceed 15 minutes. A speaker who addressed the Council during the earlier Items from the Audience period may speak again, and on the same subject, however, speakers who have not yet addressed the Council will be given priority. All other limitations as to time, number of speakers, quasi-judicial matters, and public hearings discussed above shall apply.

13. *ITEMS FROM THE AUDIENCE*

14. *ADJOURNMENT*

CITY OF KIRKLAND
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.kirklandwa.gov

MEMORANDUM

To: City Council

From: Kurt Triplett, City Manager

Date: January 8, 2013

Subject: FINALIZING THE 2013-2014 CITY WORK PROGRAM

RECOMMENDATION:

That the City Council finalizes the 2013-2014 City Work Program of major initiatives for adoption at the February 5, 2013 Council meeting.

BACKGROUND DISCUSSION:

The City Council discussed the preliminary 2013-2014 City Work Program at the Council Study Session on December 11, 2012. The Council provided direction on some elements, but also asked that the initiatives be brought back for further discussion and final decisions in January.

2013-2014 Priority Council Goals

The Council provided direction to prioritize the following six Council Goals in 2013-2014:

Economic Development: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

Financial Stability: Provide a sustainable level of core services that are funded from predictable revenue.

Public Safety: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

Dependable Infrastructure: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

Parks, Open Space and Recreational Services: To provide and maintain natural areas and recreational facilities and opportunities that enhances the health and well-being of the community.

Neighborhoods: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

Biennial City Work Program

At the December 11th Study Session , the Council decided that instead of approving annual Work Programs, the Council should adopt a biennial Work Program as more effective way to create synergy between the Work Program and the biennial budget process. The Council also approved the preliminary two-year City Work Program elements that were included in the 2013-2014 budget process. Those approved elements and the related Council Goals are highlighted in the chart below.

Approved 2013-2014 Work Program Elements from the 2013-2014 Budget Process

Work Program Items	Council Goals	
• **Complete Master Plan and construction of Cross Kirkland Corridor interim trail**	• Balanced Transportation • Parks and Recreation	• Economic Development • Neighborhoods
• **Complete construction of Public Safety Building**	• Public Safety	
• **Continue implementation of Fire Strategic Plan recommendations**	• Public Safety	
• **Complete Comprehensive Plan update and incorporate new neighborhoods into all planning documents**	• Neighborhoods • Balanced Transportation • Parks and Recreation	• Diverse Housing • Economic Development • Dependable Infrastructure
• **Develop a City-wide multimodal Transportation Master Plan**	• Balanced Transportation • Dependable Infrastructure • Economic Development	• Neighborhoods
• **Implement the results of the Development Services Organizational study**	• Economic Development	
• **Continue partnership initiatives with employees to achieve sustainability of wages and benefits**	• Financial Stability	
• **Revitalize Totem Lake through the Totem Lake Action Plan**	• Economic Development • Financial Stability	

New Initiatives and the Mid-biennial Budget Process

Given the evolution of the Work Program to a two-year plan, it is likely that throughout the year other issues will arise that also require significant financial and staff resources and City Council review. The staff recommendation is to evaluate these new items during the Mid-biennial budget process. This will allow the Council and the City Manager to proactively identify the impact of new initiatives on established priorities and budgets. Decisions can then be made whether to attempt to accommodate new items and/or reprioritize the adopted Work Program.

Other Approved 2013-2014 Work Program Initiatives

In December several additional topics were also directed for inclusion in the Work Program:

Focused Economic Development recruitment efforts for Park Place and the Totem Lake Business District. (A review and update of the Economic Development Chapter will also occur during the Comprehensive Plan update process);

Development of the 2015-2016 budget that continues to be cost effective, efficient and maintains Kirkland's AAA credit rating;

Evaluation of a Regional Fire Authority or other voter approved methods for implementing the Fire Strategic Plan. This will be combined with the "continued implementation of the Fire Strategic Plan recommendations" in the chart above. Council also requested that the Finn Hill fire station consolidation be resolved during the same time frame and the fire station project will also be included in the Fire Strategic Plan implementation element of the Work Program.

Councilmembers asked for a cost estimate of analyzing a Regional Fire Authority. The most recent comprehensive evaluation that staff could find was done by the City of Vancouver several years ago. The Vancouver Fire Department serves both the city of Vancouver and Clark Fire District 5 through a contractual relationship. FD 5 commissioned a study through ESCI for an RFA between the city and FD 5 and other FDs in Clark County. The RFA study cost $170,505, including expenses. Kirkland staff believes that Kirkland can do a similar study for less, but notes that any evaluation will also require the extensive use of current Finance, City Attorney, City Manager's Office and Fire Department staff, as well as the new Fire Department Financial Analyst position. Staff has identified potential additional year end savings of at least $200,000 that would be available to pay for an RFA study (or some other element of the Work Program). Council also suggested that staff contact Northshore Fire District and Woodinville Fire and Rescue about potentially sharing the cost of such a study and those outreach efforts are underway.

Reenergizing neighborhoods while at the same time clarifying their purpose and roles related to Planning and Transportation efforts. There was agreement among the Council that the Comprehensive Plan update, the Cross Kirkland Corridor Master Plan and the monies available from the street and parks levies should be viewed as catalysts for re-engaging the neighborhood organizations. The Council will receive more information and have the opportunity for in-depth discussion on this topic at the February 8th Council retreat.

Other Potential Work Plan Elements

There were several suggested topics that were not resolved at the December study session. Staff is looking for final direction on whether or not to include these in the Work Program. These include;

- **Initiating a comprehensive zoning code update to reduce complexity.** The Planning Director believes an initial technical simplification could be accomplished provided that the effort did not include major land-use or zoning changes. This effort may need to wait until 2014 given the Comp Plan update process. The Council will be

reviewing the Planning Work Program in February and could prioritize this effort and defer other long range planning efforts. Adding this initiative without reprioritizing would likely require contracted resources estimated at $60,000, primarily to backfill existing planning staff who would be reassigned to this effort. It is likely that end of the year savings could also cover this level of effort. A more comprehensive zoning code "overhaul" would likely take several years and may require several hundred thousand in consulting services. If Council includes zoning code simplification in the Work Program, staff will develop more detailed scoping and costs for differing levels of zoning code review and revision.

It should also be noted that implementation of the development services study recommendations is already one of the approved Work Program initiatives so there will also be considerable Planning, Building and Public Works resources devoted to those efforts.

- **Undertaking a cost/benefit analysis of Kirkland's Board and Commission structure and effectiveness.** This initiative was raised at the Study Session by the Council but did not get much discussion. Staff is seeking direction on whether this should be included at this time.

- **Revisiting the Lake and Central project and/or evaluating how city-owned properties could be leveraged for economic development.** Staff is seeking direction on whether this should be included at this time.

- **Adding Performance Management to the Work Program.** This initiative was also raised in December by the Council. Staff is seeking clarity on the intent of this potential element and whether the Council desires to make it a separate Work Program item. The City Manager and Human Resources and Performance Management Director are initiating several performance management elements into the organization for 2013-2014, and the Council approved an additional $50,000 in the 2013-2014 budget for performance management system implementation. The Council could adopt this as a separate Work Program item, merge performance management with the 2015-2016 budget element, or conclude that performance management should be part of the daily operations of the government and not included as a specific Work Program element.

Finally, stronger partnerships with Sound Transit and the creation of a federal legislative strategy were discussed. Council supported both of these efforts but did not feel they rose to the level of inclusion in the Work Program and would like staff to incorporate them into existing operations where possible.

Next Steps

At the study session, staff is seeking final decisions on the elements of the 2013-2014 City Work Program? After receiving direction, Staff will bring back a Resolution establishing the priority goals and final Work Program for adoption at the February 5th, 2013 Council meeting. Once the 2013-2014 City Work Program is adopted, the City staff will develop implementation steps, prioritize resources to achieve the work program, and update the Council on these efforts.

CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3650
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: J. Kevin Nalder, Director of Fire and Building
Helen Ahrens-Byington, Deputy Fire Chief – City Emergency Manager

Date: January 9, 2013

Subject: Prepare in a Year

RECOMMENDATION:

Encourage Kirkland employees, citizens and businesses to join the City of Kirkland staff and Prepare in a Year.

BACKGROUND DISCUSSION:

The City's Emergency Management Action Team has set a 2013 goal that all City employees are prepared for a disaster so they are ready to support the community during and after a disaster. The New Year was started with encouraging all City employees to prepare in a year by using the Washington State Emergency Management Division's program, "Prepare in a Year." Below is the link to the state's comprehensive website about disaster preparedness and preparing in a year. The site also contains links to preparedness videos and other important initiatives like Map Your Neighborhood and the CERT program.

http://www.emd.wa.gov/preparedness/prep_infocus.shtml

The primary tool for preparing in a year is an easy to use and easy to follow booklet that identifies how residents prepare in each month and contains a checklist to ensure that everything is completed. The link to the booklet as a pdf is below.

http://www.emd.wa.gov/preparedness/documents/2011_PIY_Booklet.pdf

While the priority focus of the effort is for prepared employees, the Office of Emergency Management and the City Council Public Safety Committee also wanted to encourage Kirkland citizens and businesses to join in, help Kirkland reach our vision of promoting a community that is resilient to disasters and "Prepare in a Year." Tonight's presentation is one step in that outreach. The City also issued a press release (attached) to encourage all residents to prepare in a year as their New Year's Resolution.

News Release:

Kirkland residents encouraged to "Prepare in a Year"

State Emergency Management campaign plans for monthly preparedness activities

Kirkland, Wash. – The City of Kirkland Office of Emergency Management wants residents to consider an important New Year's resolution – to be prepared for disasters. Thanks to a preparedness program called "Prepare in a Year," the Washington State Emergency Management Division has made it easy to participate. Visit http://www.emd.wa.gov/preparedness/prep_infocus.shtml to download the activity booklet that describes 12 activities to complete over one year's time. One activity is to create an out-of-state contact so when you are separated from your loved ones after a disaster, all family members can call the contact to report their status. The booklet contains a sample contact card. Another activity is to prepare a 72-hour comfort kit that includes water, food, first aid supplies, tools, clothing and special items. The booklet contains a detailed list. Knowing how to shut off natural gas following a major disaster is a suggested activity as is practicing the "Drop, Cover, and Hold" exercise. Families and businesses are encouraged to participate. For more information or assistance, contact the Kirkland Office of Emergency Management at 425-587-3650.

KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
January 02, 2013

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:
Members Present: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, Mayor Joan McBride, Councilmember Toby Nixon, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.
Members Absent: None.

3. STUDY SESSION

a. Special Events

Joining Councilmembers for this discussion were City Manager Kurt Triplett, Assistant City Manager Marilynne Beard and Philippa Hoshko, City Manager's Office Intern.

4. EXECUTIVE SESSION

a. To Discuss Labor Negotiations

Mayor McBride announced at 6:49 p.m. that the Council would enter into executive session for the purpose of discussing labor negotiations and would return to regular meeting at 7:30 p.m., which they did. City Attorney Robin Jenkinson was also in attendance.

5. HONORS AND PROCLAMATIONS

None.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Margaret Bull

c. Petitions

7. SPECIAL PRESENTATIONS

a. Community Emergency Response Team (CERT) Graduation

Deputy Fire Chief Helen Ahrens-Byington provided an overview of the program. Mayor McBride and Chief Nalder passed out the certificates of completion to the class.

8. CONSENT CALENDAR

a. Approval of Minutes: December 11, 2012

b. Audit of Accounts:
Payroll $5,083,587.37
Bills $2,820,603.32
run #1156 checks #539723 - 539728
run #1157 checks #539754 - 539909
run #1158 checks #539910 - 539923
run #1159 checks #539950 - 539959
run #1160 checks #539960 - 540148
run #1161 checks #540151 - 540165
run #1162 checks #540167 - 540177

c. General Correspondence

d. Claims

Claims submitted by Randall Fontana, David Hara, and the Vander Hoek Corporation were acknowledged.

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

(1) 2011 Street Preservation Program Phase I-Street Overlay Project, Lakeside Industries, Issaquah, WA

(2) Maintenance Center Parking Addition Project, AGR Contracting, Monroe, WA

g. Approval of Agreements

(1) Resolution R-4950, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A STORM FACILITY AGREEMENT WITH DAVE SIGL AND AUTHORIZING THE CITY MANAGER TO SIGN SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND."

h. Other Items of Business

(1) Resolution R-4951, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SUBDIVISION AND FINAL PLAT OF VINTNER'S RIDGE BEING DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. SUB12-00764 AND SETTING FORTH CONDITIONS TO WHICH SUCH SUBDIVISION AND FINAL PLAT SHALL BE SUBJECT."

(2) Resolution R-4952, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS DOUGLAS R. AND MARY LU MCFADYEN."

(3) Resolution R-4953, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS CRAIG E. AND MARIE E. NORDLIE."

(4) Ordinance O-4398, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE PARKING ADVISORY BOARD AND REPEALING CHAPTER 3.40 OF THE KIRKLAND MUNICIPAL CODE."

(5) Report on Procurement Activities

Motion to Approve the Consent Calendar.
Moved by Councilmember Penny Sweet, seconded by Deputy Mayor Doreen Marchione
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, Mayor Joan McBride, Councilmember Toby Nixon, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.

9. PUBLIC HEARINGS

a. Resolution R-4954, Approving and Adopting the Annual Update for the Six-Year Transportation and Street Construction and Improvement Program in Accordance with Section 19.08.051, Kirkland Municipal Code.

Mayor McBride explained the parameters of the public hearing and declared it open. Capital Projects Manager Dave Snider provided an overview of the projects and process. No further testimony was offered and the Mayor closed the hearing. Staff will prepare a resolution adopting the 2013-2018 Transportation Improvement Program for Council consideration at their next regular meeting on January 15, 2013.

b. Ordinance O-4399 and its Summary, Relating to Zoning, Planning, and Land Use and Amending Chapter 162 of the Kirkland Zoning Ordinance 3719 as Amended, and Approving a Summary Ordinance for Publication, File No. ZON12-00002.

Mayor McBride explained the parameters of the public hearing and declared it open. Planning and Community Development Director Eric Shields reviewed the amendments for Council consideration. Testimony was provided by Danielle Sabine, Jeff Leach, Jim McElwee and Pascal Stolz. No further testimony was offered and the Mayor closed the hearing.

Motion to approve Ordinance O-4399 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE AND AMENDING CHAPTER 162 OF THE KIRKLAND ZONING ORDINANCE 3719 AS AMENDED, AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ZON12-00002."
Moved by Councilmember Bob Sternoff, seconded by Councilmember Amy Walen
Vote: Motion carried 6-1
Yes: Deputy Mayor Doreen Marchione, Mayor Joan McBride, Councilmember Toby Nixon, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.
No: Councilmember Dave Asher.

10. UNFINISHED BUSINESS

a. Resolution R-4955, Approving a City of Kirkland Legislative Agenda to be Addressed to the 2013 Session of the State Legislature.

Intergovernmental Relations Manager Lorrie McKay reviewed updates to the draft since Council's December meeting and responded to Council questions and comment.

Motion to Approve Resolution R-4955, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 2013 SESSION OF THE STATE LEGISLATURE" as amended.
Moved by Councilmember Dave Asher, seconded by Deputy Mayor Doreen Marchione
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, Mayor Joan McBride, Councilmember Toby Nixon, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.

Motion to Amend Resolution R-4955, by removing item number 7 related to transportation impact fees from the draft legislative priorities listed in Exhibit A, and renumbering item 8 to 7.
Moved by Councilmember Dave Asher, seconded by Councilmember Toby Nixon
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, Mayor Joan

McBride, Councilmember Toby Nixon, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.

11. NEW BUSINESS

a. City Council Committees

Deputy City Manager Marilynne Beard provided an introduction to the draft. Deputy Mayor Marchione then spoke to the proposed changes and responded to Council questions and feedback. Council agreed to have staff move forward with making the proposed adjustments as discussed.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding yesterday's Polar Bear plunge; Award of Excellence from Government Finance Officer's Association (GFOA) notified the City that the most recent 2011 Certified Annual Financial Report (CAFR) qualified for a Certificate of Achievement in Excellence in Financial Reporting; community support for Nourishing Networks holiday food box program; Sound Cities Association Public Issues Committee meeting; Sound Cities Association North End and Snoqualmie Valley Caucus meeting at Heritage Hall and Councilmember Sternoff's re-election to the board; Economic Development Committee participation in Brokerage Breakfast event; Letter from US Conference of Mayors on gun control; King County Solid Waste Statement of Interest on the Amended and Restated Interlocal Agreement; Mayor McBride and Councilmember Walen planned visit to Totem Lake property owner.

b. City Manager

(1) February 8, 2013 City Council Retreat Agenda

(2) Calendar Update

(3) EMS Levy Update

13. ITEMS FROM THE AUDIENCE

Bea Nahon
Margaret Moore

14. ADJOURNMENT

The Kirkland City Council regular meeting of January 3, 2013 was adjourned at 8:52 p.m.

City Clerk

Mayor

Council Meeting: 01/15/2013
Agenda: Claims
Item #: 8. d.

CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathi Anderson, City Clerk

Date: January 3, 2013

Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION
It is recommended that the City Council acknowledges receipt of the following Claim(s) for Damages and refers each claim to the proper department (risk management section) for disposition.

POLICY IMPLICATIONS
This is consistent with City policy and procedure and is in accordance with the requirements of state law (RCW 35.31.040).

BACKGROUND DISCUSSION
The City has received the following Claim(s) for Damages from:

(1) Dennis E. Behrman
1379 SW Xavier Dr.
Oak Harbor, WA 98277

Amount: $4,243.01

Nature of Claim: Claimant states damage to property resulted from storm sewer system overflow.

(2) William Kenny
Represented by Ms. Sean M. Phelan
Frank Freed Subit & Thomas LLP
Hoge Building, Suite 1200
705 Second Avenue
Seattle, WA 98104

Amount: Unspecified amounts

Nature of Claims:
(1) Claimant states damages occurred resulting from termination of his employment.
(2) Claimant states damages occurred resulting from the amount of time required to respond to his public records request.

Note: Names of claimant are no longer listed on the Agenda since names are listed in the memo.

CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.ci.kirklandwa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Ray Steiger, P.E., Public Work Director

Date: January 3, 2013

Subject: NE 53rd Street Sewermain Replacement Project – Accept Work

RECOMMENDATION:

It is recommended that City Council accepts the NE 53rd Street Sewermain Replacement Project, as constructed by Buno Construction, LLC, of Snohomish, WA, and establish the statutory lien period.

BACKGROUND AND DISCUSSION:

The NE 53rd Street Sewermain Replacement Project improved aging and undersized infrastructure which had historically required more frequent maintenance. The work efforts included the replacement of a 25-foot deep manhole in the intersection of 108th Avenue NE and NE 53rd Street, the rehabilitation of a second manhole near 111th Avenue NE, and a trenchless method of sewer pipe reconstruction known as "pipe bursting" on a majority of the existing sewer mainline (Attachment A). As a result of the trenchless method of construction, as well as an efficient utility contractor, construction work was completed five weeks ahead of schedule.

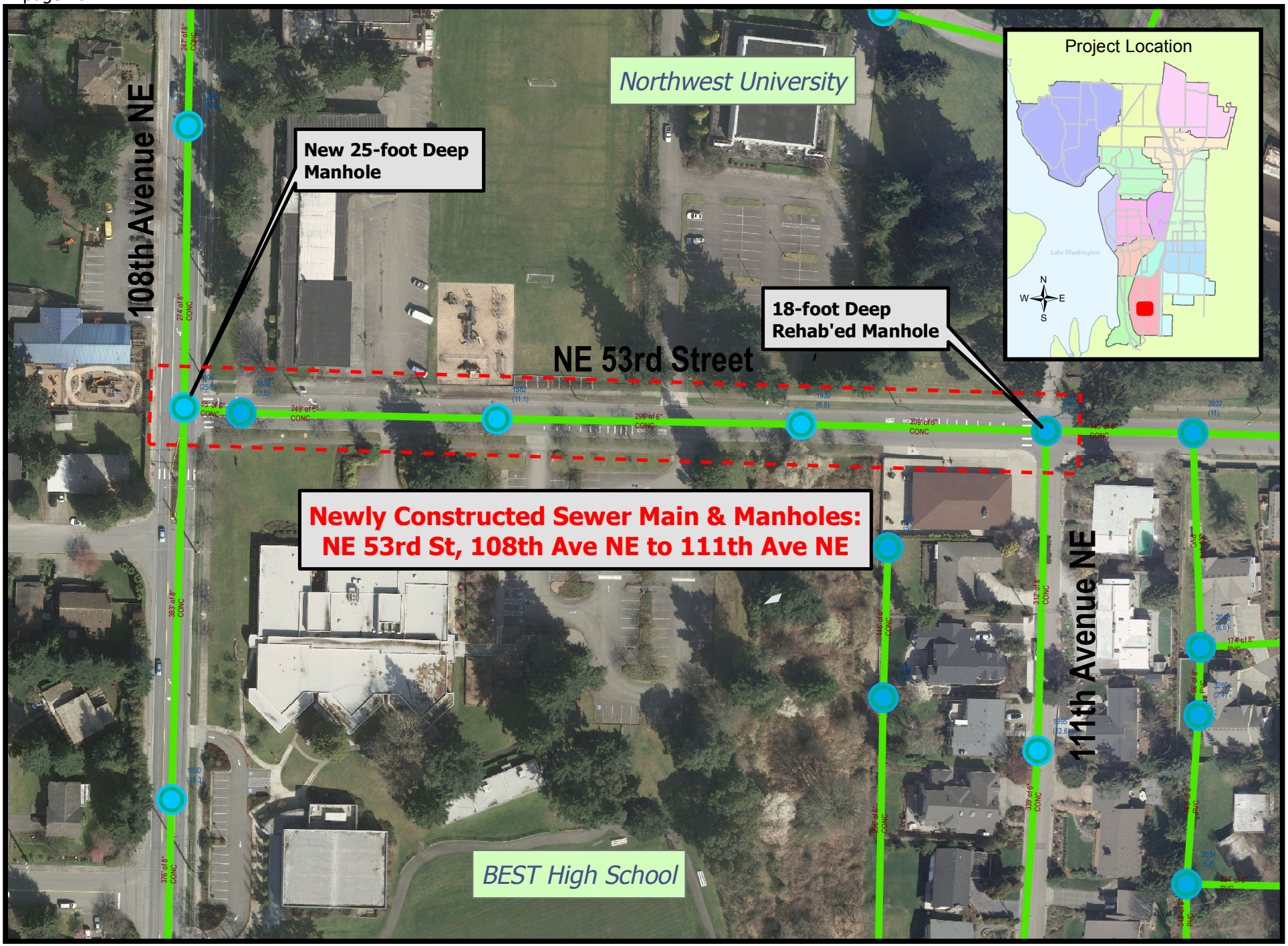
Replacement of a 25-foot deep Manhole

At their regular meeting on July 17, 2012, City Council awarded the construction contract to Buno Construction, LLC, in the amount of $422,954.70. Construction began August 14 and was substantially complete September 28, 2012; the total of all payments made to the contractor was $417,950 (Attachment B).

With City Council's acceptance of the work on this Project, all remaining funds will be returned to the Utility Fund at close-out.

Attachments (2)

SS 0063 - NE 53rd Street Sewer Main Replacement Project



Attachment A

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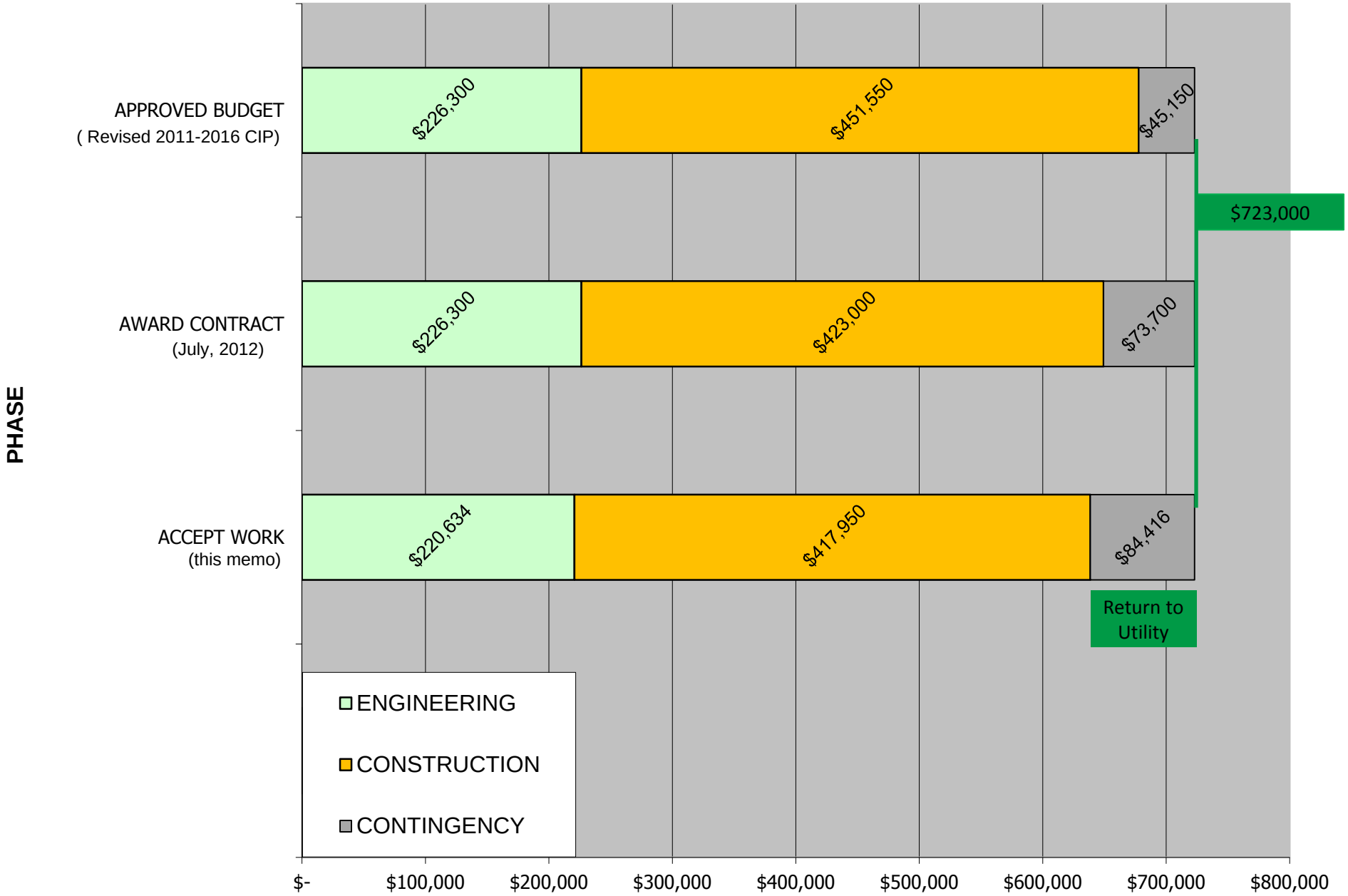
No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

NE 53rd STREET SEWER MAIN REPLACEMENT PROJECT
(CSS -0063)

Attachment B

PROJECT BUDGET REPORT



Attachment B

CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kirkland City Council

From: Kurt Triplett, City Manager

Date: January 3, 2013

Subject: AMENDED AND RESTATED EASTSIDE PUBLIC SAFETY COMMUNICATIONS AGENCY (EPSCA) INTERLOCAL AGREEMENT AND RELATED ARTICLES OF INCORPORATION

RECOMMENDATION:
City Council approves an amended and restated interlocal agreement (ILA), and related Articles of Incorporation, to formally organize EPSCA as a separate legal entity by approving the attached resolution.

BACKGROUND DISCUSSION:
The EPSCA Executive Board (consisting of the chief executive officers of the five principal member cities: Bellevue, Kirkland, Issaquah, Mercer Island, Redmond) has been working with a consultant and legal team (Karen Reed and Hugh Spitzer) on this effort for the last year. The ILA and Articles are forwarded with the Board's unanimous recommendation for approval by the five principal city councils. A team of city attorneys representing all five principal cities have reviewed and provided comment on these documents.

This action will update what is currently the oldest ILA between the eastside cities, and conform and update the underlying legal arrangements to support continuation of EPSCA's current operations and activities. The original ILA, from 1992, explicitly envisioned EPSCA as a separate legal entity created for the purpose of developing, owning, operating and maintaining the sub-regional infrastructure necessary to connect local 911 operations to the regional 800 MHz "Network" and providing 800MHz radio maintenance and operating guidelines for accessing the Network (the sub-regional infrastructure is referred to as the "System"). EPSCA currently operates with its own bank account, checks, audits, and public records responsibilities, and is staffed by three employees loaned by the City of Redmond. Under the updated ILA, EPSCA will continue to operate in this same fashion, but it will become in fact a separate legal entity.

EPSCA has several dozen customer agencies ("subscribers") in addition to the five principals. Implementation of the new ILA would not impact these subscribers or their service contracts. Approval of the Agreement does not impact the continued operation of local 911 centers or Public Safety Answering Points ("PSAPs") using the System.

The financial impact of this action is minimal. The agency will be a tax-exempt government instrumentality. No staffing changes are required or anticipated. There will be routine tax status and reporting filings for the agency to submit periodically.

The original EPSCA interlocal agreement (the "1992 Agreement") was entered into by the cities of Bellevue, Kirkland, Mercer Island and Redmond. Issaquah joined a year later. The purpose of EPSCA was to coordinate on a sub-regional basis the operation of the radio communications infrastructure serving East King County as it connected to the newly funded King County regional 800 MHz Network. The regional Network was originally funded by a voter-approved levy, and is overseen by a "Regional Communications Board" consisting of representatives from EPSCA, Seattle, ValleyCom, King County and the Port of Seattle.

The 1992 Agreement states in part: "[t]he Agency shall be and is hereby created as a separate legal entity as authorized by RCW 39.34.030." EPSCA has been operating in most respects as a separate legal entity, writing checks, and signing contracts. However, in the years since the 1992 Agreement was adopted, legal thinking has evolved in terms of the how to accomplish "separate legal entity" status. The simplest form of legal entity available to achieve this goal, provide the greatest clarity in terms of decision making and give the best legal protection to member cities, is the nonprofit corporation form.

EPSCA has three full time employees loaned by the City of Redmond. The cost of these employees is reimbursed to Redmond by EPSCA. No change is anticipated or necessitated for these staff from this amended and restated ILA.

The authorized scope of services that EPSCA will provide remains essentially as is in place today, which additional clarification as to what those services include.

EPSCA provides radio communications system management services to the five principal cities and several dozen "subscriber" agencies, each of which have entered into a separate services contract with EPSCA. Those contracts are unaffected by the updated ILA.

So what is different, in addition to formalizing the legal entity status? The Executive Board has deliberated upon and is recommending several adjustments to the decision-making terms in the ILA. There are also some adjustments required by the state nonprofit corporation law (Ch. 24.06 RCW) to facilitate creation of EPSCA as a separate legal entity. In addition, the primary focus of the Board has been to bring greater stability to the Executive Board decision making process by: (1) eliminating the ability for one Board member to halt an operating decision *within the approved scope of services* to which all other members agree; (2) treating all principals the same; and (3) clarifying that the program director reports directly to the Executive Board, rather than the Operations Committee (composed of the Chief of Police and Fire of each principal or their respective designees, plus at least one subscriber representative). The Board has also put a focus on clarifying the current scope of services that EPSCA is authorized to provide—to include participation in the ongoing regional 800 MHz update project—and propose that any expansion of this scope require an amendment to the ILA approved by all member city councils.

In addition, the Executive Board is recommending a series of clarifications to update the budget development and approval process, and a number of "boilerplate" updates.

1992 Agreement Voting Provisions. With rare exception, the Executive Board has operated by consensus over the last 20 years. The 1992 Agreement provides that a unanimous vote is required to undertake "a new project" (loosely defined). Termination of the agency requires approval of principals holding at least 80% of the weighted votes. All other actions require a two-prong supermajority vote that is unique: both 70% by weighted vote of the Board members *present* must approve an item (weight is determined based on the number of 800MHz radios that EPSCA maintains on behalf of each principal) *and* the affirmative vote of at least all but one of the *initial four principals* (thus excluding Issaquah) must also be secured. In 2012, the weighted votes of the five principals were:

Bellevue	51.676%
Issaquah	5.698%
Kirkland	16.313%
Mercer Island	6.257%
Redmond	20.056%

Amended and Restated ILA Voting Provisions. The amended and restated ILA proposed to move to a two-prong supermajority test for most major decisions (66% in weighted vote *and* 66% in number of principals) for major decisions including but not limited to approval of the budget, changing bylaws, or selecting/terminating the Executive Director. The amended and restated ILA *retains* the current 80% weighted vote requirement for termination or dissolution of EPSCA, and also requires an 80% weighted vote approval threshold for merger or consolidation of EPSCA with another agency, or to approve the sale or all or substantially all of EPSCA's assets. A simple majority of the board (three of five members) is required to approve routine matters.

Attached to this memo is a section by section summary of the ILA, and a simple chart showing the proposed voting thresholds for various types of Executive Board actions.

Articles of Incorporation. If the Amended and Restated ILA is approved, the formal steps to accomplish creation of EPSCA as a nonprofit corporation require the filing of Articles of Incorporation with the Washington secretary of state. The nonprofit corporation act under which EPSCA is being formed (Ch. 24.06 RCW) includes a list of items that must be included in these Articles, including referencing the name and purpose of the agency; the original incorporators (each of the cities) and the initial "board of directors" (the CEOs of the five cities). The Articles are attached; like the ILA, these must be approved by each City Council before they can be filed.

Attachments:

(1) Section by Section Summary of ILA and Summary of Voting Requirements
(2) Resolution approving ILA and Articles of Incorporation
(3) Amended and Restated Eastside Public Safety Communications Agency Interlocal Agreement
(4) Articles of Incorporation

EPSCA Interlocal Agreement Update: Section by Section Summary

Section	Issue/*Board Direction*
1 Reorganization of EPSCA as a Non-Profit Corporation	EPSCA is being re-organized as a nonprofit corporation. The purpose of this new agreement is to formally accomplish the intent of the Principals that EPSCA be structured as a separate entity. EPSCA is already operating with a separate check-book, separate accountant, separate audits, and separate public records responsibilities. No transfer or assignment of rights/assets is involved. While EPSCA will have the power to hire staff, it is contemplated that operation continues under the current "loaned staff" arrangement. As a nonprofit formed by the 5 cities, EPSCA will remain an extension of its creating governments and will be a governmental instrumentality.
2 Term of Agreement; Replacement of 1992 Agreement	The new ILA replaces the original 1992 Agreement and the 1993 amendment to add Issaquah as a Principal (collectively, these are referred to here as either the "Original Agreement" or "1992 Agreement.") Term proposed is unlimited (rather than requiring the Agreement be renewed every five years by the Executive Board)
3 Definitions	Several new definitions are added to accomplish the structuring of EPSCA as a nonprofit corporation, and make adjustments recommended by the Executive Board to the EPSCA governing arrangements. Among the key new term/changes: **Principal:** the conditions required in the current bylaws and ILA are incorporated into the new ILA, excepting that the requirement that a Principal be a *direct police and fire service provider* is *removed* since Issaquah does not meet that requirement. The concept of "Original Principal" is eliminated: all Principals are treated the same. **Public Safety Interlocal Operation –** this defines Eastside Fire and Rescue (or other such entities as may be created in the future to serve Principals) to ensure that Issaquah can appoint a representative from ESF&R to the Operations Committee (reflecting current practice). **Simple Majority Vote , Super Majority Vote, 80% weighted vote** – the ILA incorporates three different types of Executive Board votes: a simple majority for routine items (3 of 5 of the current principals) and a dual pronged Supermajority (66% in number of Principals, and 66% in Weighted Votes) for major items including items requiring two-third approval under the Nonprofit Corporations Act. An 80% weighted vote is required to approve termination, dissolution, merger, consolidation or sale of all substantially all assets. This is a change from the 1992 Agreement which requires approval of not less than all

Section	Issue/*Board Direction*
	but 1 of the "Original Principals" for all actions (the "original Principals" are: Bellevue, Redmond, Kirkland and Mercer Island), and 70% of the weighted votes for all items, excepting termination of the ILA (80% approval required) and "Additional Projects" (unanimous approval required). Weighted Votes remain calculated based on the number of System radios each Principal has as compared to the other Principals. **System** – definition refined to clearly include upgrades to the System and Network now under discussion within the 3-county region. See also Section 4 and Exhibit A. The System is the EPSCA-maintained portion of the regional "Network," and is integrated into the regional "Network" (these are the terms used in the original ILA).
4 EPSCA Services / Exhibit A	This is re-crafted to capture current EPSCA activities and avoid scope creep. Under the 1992 Agreement, approval of "Additional Projects" (anything other than the design and construction of the System) required unanimous consent. As now proposed, the Scope of services is fixed in Section 4 and expanded upon in more detail in Exhibit A. Expansion of this scope requires unanimous amendment of the ILA by all city councils. The "additional projects" concept is eliminated. Major projects require Supermajority approval (see Section 6.h).
5 EPCA Powers	This is a broad statement of powers, consistent with the Interlocal Cooperation Act (Ch. 39.34 RCW) and the Nonprofit Miscellaneous and Mutual Corporations Act (Ch. 24.06 RCW). Powers must be exercised consistent with the scope of services set out in Section 4. The Agreement does *not* include language that would facilitate a Principal issuing debt on behalf of EPSCA.
6 Executive Board; Composition and Operation	The current structure of all 5 principals serving on the Executive Board is retained. The board has broad powers to oversee the agency. Changes to the current governance structure include: • The chair of the Operations Committee is an *ex officio* member of the Board. • Simple majority and Supermajority voting requirements defined. • Certain types of ILA amendments will require unanimous consent of all Principals, and an 80% weighted vote threshold is required for approval of any merger or consolidation of EPSCA with another entity, or for the sale of all or substantially all of EPCA's assets. • The amount of each Principal's weighted votes is re-set each January 1 based on the radio inventory completed the previous April 30 (rather than the current June 30 inventory date). • There are 2 officers: A chair and vice-chair are appointed annually from the members. In addition a secretary and treasurer are also appointed (not board members) • The Board is required to meet at least quarterly.

Section	Issue/*Board Direction*
	• Notice requirements for special meetings have been adjusted to match requirements of the Ch. 24.06.
7 Operations Committee	• Composition remains as currently described in the Original Agreement: police and fire chief of each Principal, plus at least one Subscriber representative, with additional language to allow Issaquah to appoint an ESF&R representative to serve as its "fire representative." • Powers have been adjusted to clarify that the Operations Committee is not the Executive Director's (ED) supervisor—rather, the ED reports to the Board. Also, the ED prepares the budget and the Operations Committee provides feedback on the budget. • The voting requirements are incorporated from EPSCA's current bylaws. • A vice-chair position is added, reflecting current practice. • Meetings reflect current bylaws, but increasing advance notice of special meetings from 3 to 7 days, allowing for emergency meetings on less notice.
8 [Reserved]	[this section number is not used.]
9 Executive Director	ED reports to and takes direction from the Executive Board. Board selects and can terminate (Supermajority vote item). Loaned staff expressly contemplated—lender gets paid through separate contract with EPSCA. ED can select staff, unless Board acts to reserve this right to itself in a specific case.
10 Personnel Policy	Personnel policies may be adopted; for loaned staff, any policies must be consistent with employer of the loaned staff. (Currently, all employees are loaned and subject to Redmond's personnel policies.)
11 Operational Policy and System Evaluation	ED shall undertake continuous improvement efforts. Quarterly reports by ED to Board on budget and operational performance.
12 Budget; Cost Allocation; Payment of Charges; Delinquencies; Reserve Funds	The budget procedures have been amended to both sync up better with current practice and match the timelines used in approving NORCOM's budget (for simplicity of the member cities). The general method by which EPSCA's costs are allocated is based on the number of 800MHz radios each Principal and Subscriber have. (There are several dozen Subscriber agencies). The Regional Agreement (related to the bonds that originally funded the County radio system ("Network")) requires that Principals and Subscribers are charged the same for Radio access to the System/Network. In sum, the Executive Board, with input from the Operations Committee, adopts the recommended budget and a "Radio Use Charge", and holds a public hearing on same by each August 31. Each Principal is then asked to adopt its share of the budget (based on the expected number of Radios it will have in use) by November 30. The Executive Board then adopts the final budget in December, assuming two-thirds of the Principals have approved it by the November 30 date. Like NORCOM, a provision is added by which a Principal *not* approving its share of the

Section	Issue/*Board Direction*
	budget is converted to Subscriber status (loses vote on Board, loses right to receive assets on dissolution). Payments to EPSCA may be made monthly or quarterly or on such other basis as the Board determines (matching current practice). Payment delinquency terms match Original Agreement, with a clarification that if a Principal is 1 year delinquent, it is deemed to have withdrawn as a principal and to have withdrawn from the System. Ability to establish and fund reserves is added.
13 System Use	EPSCA can use funds for any authorized project, consistent w/limitations of the Agreement and bylaws, laws and contracts. Prior language about "initial project" and "additional projects" is deleted.
14 Conversion of Status of Participating Agencies, addition of new Principals or Subscribers	Impact of a Principal not approving its share of the budget is described: conversion to subscriber. The 1992 Agreement provision requiring 6 month advance notice to elect to convert from Principal to Subscriber is retained. Qualifications of additional Principals updated to conform with current practice/bylaws.
15 Contracts and Support Services	Board and ED can contract with third parties for support services.
16 Retained Powers of Participating Agencies	Per 1992 Agreement.
17 Inventory and Property	Generally as per 1992 Agreement. Date for annual Radio inventory accelerated to April 30 (from June 30) Loaned items returned to lender upon dissolution or termination of EPSCA.
18 Withdrawal by or Termination of Principal	Generally as per 1992 Agreement. Principals' must give 1 year advance notice of intent to terminate. Ability to vote on some items is limited if a Principal has given notice of withdrawal/has been given notice it will be terminated for failure to pay. Consistent with 1992 Agreement, a former Principal shall cover any costs incurred by other Principals as a result of its departure and may not receive full value of its contributed assets.
19 Amendment of Agreement	Language borrowed from NORCOM and the recently updated ARCH ILA—more expansive than 1992 Agreement, but more conservative than NORCOM in that it identifies several key sections requiring unanimous consent of Principals to amend the

Section	Issue/*Board Direction*
	ILA (*See* chart below); less fundamental items require only a Supermajority of the *Board* to amend the ILA.
20 Termination of Agreement; Dissolution of Agency	1 year advance notice required to wind up EPSCA, plus vote of 80% of the weighted votes of the Principal agencies. Asset distribution upon termination revised to be based on most recent 5 years of Radio Use Charges (rather than such charges over the entire life of the agency). A new provision added that EPSCA will also terminate one year after the date at which there are only 3 Principals remaining.
21 Merger, dissolution or sale of all or substantially all assets of EPSCA	Merger, dissolution, or sale of all or substantially all assets of EPSCA requires approval of the members of the Board representing at least 80% of the weighted votes of all Principals.
22 Dispute Resolution	Standard tiered approach.
23-32, Indemnification and "Boilerplate" Provisions	Updated, consistent with other recent ILAs (NORCOM, ARCH) The ILA has an effective date of March 1, 2013.

Summary of Voting Requirements

BOARD ACTIONS	
Simple Majority vote (50% +1 of Members present constituting a quorum present and voting	Routine business items; items not otherwise specified as requiring a greater level of approval by the Board.
Supermajority vote 66% in number of Principals (4 of 5), **and** 66% by weighted vote (based on number of radios held as between all Principals, adjusted each January 1 based on April 30 inventory).	1. Approval or amendment of EPSCA budget, including Radio user charges or other service charges; 2. A decision to acquire assets, equipment, real or personal property valued at over $500,000; 3. Admission of a new Principal; 4. Appointing or removing the Executive Director; 5. Amendment of Agreement (except for those amendments requiring unanimous consent of Principals under section 19). 6. Adoption or amendment of the EPSCA Bylaws, or amendment of the EPSCA Articles of Incorporation subject to other applicable requirements of Chapter 24.06 RCW. 7. Other items requiring a 2/3s vote under Ch. 24.06 RCW *excepting* merger or consolidation with another entity, or sale or disposition of all or substantially all assets)
80% weighted vote	1. Termination of agreement and dissolution of EPSCA. 2. Merger or consolidation with another entity, or sale or disposition of all or substantially all assets.
UNANIMOUS APPROVAL OF LEGISLATIVE AUTHORITY OF ALL PRINCIPALS	
Unanimous Vote of Principals' Legislative Authorities required for amendments affecting these items—as listed in Section 19 of ILA.	Any amendment of the ILA affecting: 1. the scope of services provided by EPCA (Section 4), 2. the terms and conditions of membership on the Executive Board, 3. voting rights of Executive Board members, powers of the Executive Board, 4. Principal contribution responsibilities, 5. hold harmless and indemnification requirements, 6. provisions regarding duration, termination or withdrawal, or 7. the conditions of Section 19 (Amendment terms).

RESOLUTION R-4956

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO SIGN AN AMENDED AND RESTATED EASTSIDE PUBLIC SAFETY COMMUNICATIONS AGENCY INTERLOCAL AGREEMENT AND THE ARTICLES OF INCORPORATION.

WHEREAS, the City is party to an interlocal agreement establishing the Eastside Public Safety Communications Agency ("EPSCA"), originally entered into in 1992, between the Cities of Bellevue, Kirkland, Mercer Island and Redmond, with an Addendum in 1993 by which the City of Issaquah joined EPSCA (collectively, the "1992 Agreement"); and

WHEREAS, in order to maximize the availability and effectiveness of radio communications at minimum cost, through the 1992 Agreement the five signatory cities (collectively, the "Principals") have developed and maintained an integrated emergency and public safety radio communications system in East King County (the "System") which is part of a regional 800 MHz trunked radio communications network implemented on a county-wide basis in King County (the "Network"); and

WHEREAS, the System and Network improve public safety by making emergency and public safety communications in King County more reliable, increasing the capacity of these systems, allowing different governmental agencies in King County to communicate directly with one another, improving the ability of government agencies to respond in a coordinated manner to a major disaster, and enhancing the safety of front-line emergency response personnel; and

WHEREAS, the 1992 Agreement established a joint board operation for EPSCA and provided that the Executive Board of EPSCA could create a nonprofit corporation to accomplish all or any portion of the purposes of the Agency; and

WHEREAS, the EPSCA Board has by unanimous vote requested the Principals approve an amended and restated interlocal agreement for ESPCA (the "Amended and Restated Interlocal Agreement") which incorporates changes to strengthen the corporate structure of EPSCA and update and modify the governance arrangements and other

provisions of the 1992 Agreement, while ensuring EPSCA maintains its current rights and responsibilities; and

WHEREAS, the Amended and Restated Interlocal Agreement and the Articles of Incorporation are authorized by the Interlocal Cooperation Act and the Nonprofit Miscellaneous and Mutual Corporations Act set forth in Chapters 39.34 and 24.06, respectively, of the Revised Code of Washington;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland the Amended and Restated Eastside Public Safety Communications Interlocal Agreement and Articles of Incorporation substantially similar to those attached as "Exhibits A" and "B".

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

_____
MAYOR

Attest:

_____
City Clerk

R-4956
Exhibit A

AMENDED AND RESTATED EASTSIDE PUBLIC SAFETY COMMUNICATIONS AGENCY INTERLOCAL AGREEMENT

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AMENDED AND RESTATED EASTSIDE PUBLIC SAFETY COMMUNICATIONS AGENCY INTERLOCAL AGREEMENT

THIS AGREEMENT, incorporating all exhibits hereto, is entered into by and between the Cities of Bellevue, Issaquah, Mercer Island, Kirkland and Redmond, (collectively, the "Principals") pursuant to the Interlocal Cooperation Act, Ch. 39.34 RCW and has been authorized by the legislative body of each jurisdiction.

RECITALS

WHEREAS, the Principals are parties to an interlocal agreement establishing the Eastside Public Safety Communications Agency ("EPSCA"), originally entered into in 1992, between the Cities of Bellevue, Kirkland, Mercer Island and Redmond; with an Addendum in 1993 by which the City of Issaquah joined EPSCA (collectively, the "1992 Agreement"); and

WHEREAS, in order to maximize the availability and effectiveness of radio communications at minimum costs the Principals have, through the 1992 Agreement, developed and maintained an integrated emergency and public safety radio communications system in East King County (the "System") which is part of a regional 800 MHz trunked radio communications network implemented on a county-wide basis in King County (the "Network"); and

WHEREAS, the System and Network improve public safety by making emergency and public safety communications in King County more reliable, increasing the capacity of these systems, allowing different governmental agencies in King County to communicate directly with one another, improving the ability of government agencies to respond in a coordinated manner to a major disaster, and enhancing the safety of front-line emergency response personnel; and

WHEREAS, the Principals wish to strengthen and modify the governance and corporate structure of EPSCA and update other provisions of the 1992 Agreement while ensuring EPSCA maintains all its current rights and responsibilities except as modified herein; and

WHEREAS, the 1992 Agreement established a joint board operation for EPSCA and provided that the Executive Board of EPSCA could create a nonprofit corporation to accomplish all or any portion of the purposes of the Agency; and

WHEREAS, this agreement is authorized by the Interlocal Cooperation Act and Non-profit Corporation Act set forth in chapters 39.34 and 24.06, respectively, of the Revised Code of Washington;

NOW THEREFORE, in consideration of the promises and agreements contained in this agreement and subject to the terms and conditions set forth, it is mutually understood and agreed by the parties as follows:

SECTION 1. REORGANIZATION OF EPSCA AS A NONPROFIT CORPORATION. The Eastside Public Safety Communications Agency ("EPSCA") is reorganized as a nonprofit corporation under Chapter 24.06 RCW as authorized by the Interlocal Cooperation Act (Ch. 39.34 RCW) and the 1992 Agreement, and as so reorganized EPSCA shall continue to have all rights and responsibilities assigned it by the Principals as contemplated and accomplished pursuant to the 1992 Agreement, including but not limited to the responsibility for developing, owning, operating and managing the System on behalf of the Principals.

SECTION 2. TERM OF AGREEMENT; REPLACEMENT OF 1992 AGREEMENT. This Agreement shall be of unlimited duration, subject to termination provisions contained herein. From and after its effective date, this Agreement replaces the 1992 Agreement which shall be of no further force or effect.

SECTION 3. DEFINITIONS.

a. Agreement. The "Agreement" is this interlocal agreement, as it may hereafter be amended or modified, together with all exhibits and appendices hereto, as they may hereafter be amended or modified.

b. 1992 Agreement. The "1992 Agreement" is the Interlocal Agreement Establishing the Eastside Public Safety Communications Agency entered into between the Cities of Bellevue, Redmond, Kirkland and Mercer Island, and including the 1993 Addendum admitting the City of Issaquah as a Principal.

c. EPSCA. "EPSCA" means the Eastside Public Safety Communications Agency.

d. Executive Director. The "Executive Director" is the chief operating officer for EPSCA appointed by and serving at the pleasure of the Executive Board.

e. Executive Board. The "Executive Board" is the body described in Section 6 and shall be the executive body of EPSCA.

f. Member. A "Member" or "Executive Board Member" is the individual representing a Principal on the Executive Board, whether the Chief Executive Officer of such Principal or his/her designated alternate.

g. Network. The "Network" is the regional public safety communications network for King County of which the System is a part. The Network is currently based on an 800 MHz frequency platform.

h. Operations Committee. The "Operations Committee" is the advisory body described in Section 7.

i. Participating Agencies. All Principals, and all Subscribers, as they may be so constituted from time to time, are collectively referred to as the "Participating Agencies" or "Participants," and individually referred to as a "Participating Agency" or "Participant."

j. Principal. A "Principal" is a general purpose municipal corporation formed as a city under the laws of the state of Washington which meets the requirements of Section 14.c and has accepted the terms of and is a party to this Agreement, and has paid its share of initial costs as may be required by the Executive Board as a condition to

becoming a Principal. Principals shall receive services offered by EPSCA according to such terms and conditions as may be established by the Executive Board.

k. Public Safety Interlocal Operation. A public safety interlocal operation includes a joint operation of fire districts and cities for provision of public fire services and Emergency Medical Services (EMS)s entered into and operating pursuant to Chapter 39.34 RCW, and may also include a public development authority created pursuant to RCW 35.21.730 et. seq. and/or a regional fire protection service authority created pursuant to Chapter 52.26 RCW, or a nonprofit corporation created for the purpose of facilitating a joint operation between fire districts and cities pursuant to RCW 39.34.030(3).

l. Radio. A "Radio" is an 800 MHz (or successor technology) radio served by the System.

m. Radio Unit Charge. A "Radio Unit Charge" is the cost per Radio charged by EPSCA to all Participating Agencies for services of EPSCA enabling radios owned by Participating Agencies to access and use the System.

n. Regional Agreement. The "Regional Agreement" is the Emergency Radio Communication System Interlocal Cooperation Agreement governing the Network operation and allocation of certain regional levy funds, to which EPSCA is a party, entered into in 1993 between EPSCA, King County, Valley Communications Center, the City of Seattle, and the Port of Seattle.

o. Representative. The term "Representative" refers to the individual representing a Principal or a Subscriber on the Operations Committee, or his/her designated alternate.

p. Simple Majority Vote. A "Simple Majority Vote" of the Governing Board means a majority of the votes of the Members present constituting a quorum and voting, with each Member present and voting having one vote.

q. Subscriber. A "Subscriber" is a general purpose municipal corporation, special district, public school district, public hospital district or other entity formed under the laws of Washington which has agreed to pay EPSCA for Radio maintenance services or other services as offered at a rate or rates according to such terms and conditions as may be established by the Executive Board and evidenced by separate contract between EPSCA and such entity. A Principal may convert or be converted to Subscriber status as provided in Sections 12 and 14.

r. Supermajority Vote. A "Supermajority Vote" means Executive Board approval of an item accomplished by securing affirmative votes of both: (1) not less than two-thirds(66%) of all Members of the Executive Board in number; and (2) not less than two-thirds(66%) of the Weighted Vote of all Members of the Executive Board.

s. System. The "System" is the public safety radio communication system operating in East King County developed in common by EPSCA and other governmental agencies in King County, including without limitation the base stations and towers for an 800 MHz system and microwave backbone, as the same may be upgraded over time.

t. Weighted Vote. A "Weighted Vote" means a vote in which each Member's vote is counted according to the proportion its respective Principal's Radios bears to the total number of Radios used by all Principals.

SECTION 4. EPSCA SERVICES. EPSCA has the responsibility and authority for developing, owning, operating, maintaining and managing the System in East King County, as additionally described in Exhibit A and including but not limited to the following more specifically described services:

a. Developing, owning, operating, maintaining and managing the System.
b. Ensuring the System is integrated into the Network and coordinating with regional partners with regards to the operation, maintenance and development of the Network.
c. Ensuring Radios can access the System by developing and deploying the required interfacing technology.

It is expressly contemplated that this scope of services includes the implementation, operation and maintenance of replacement or upgrades of such components of the System as necessary or appropriate to remain integrated with the Network, and excludes the implementation of System capacities or services not necessary or appropriate to remaining integrated with the Network. EPSCA shall also have authority to provide contract services to dispatch centers to maintain dispatch console equipment. Expansion of this scope of services shall require an amendment of this Agreement approved by all the Principals. An expansion of the scope of services is defined as items not within the scope of Section 4 and Exhibit A.

SECTION 5. EPSCA POWERS. Through its Executive Board, EPSCA shall have all powers allowed by law for interlocal agencies created under RCW 39.34.030, as authorized, amended, or removed by the Executive Board, including but not limited to the following:

a. Recommend action to the legislative bodies of the Participating Agencies;
b. Review and approve budget expenditures for EPSCA;
c. Establish policies for expenditures of budget items for EPSCA;
d. Review and adopt a personnel policy for EPSCA (if applicable);
e. Review and approve operating and financial policies for EPSCA;
f. Establish a fund or special fund or funds as authorized by RCW 39.34.030 for the operation of the EPSCA;
g. Conduct regular and special meetings as may be designated by the Executive Board consistent with the state Open Public Meetings Act (Ch. 42.30 RCW);
h. Maintain and manage records in accordance with the state Public Records Act (Ch. 42.56 RCW) and other applicable state and federal laws and regulations;
i. Determine what services shall be offered and under what terms they shall be offered, consistent with Section 4;
j. Retain and terminate an Executive Director;
k. Create committees to review and make recommendations;
l. Approve strategic plans;
m. Approve the addition of new Principals and new Subscribers and the terms of their participating in EPSCA and receipt of EPSCA services;
n. Enter into agreements with third parties for goods and services necessary to fully implement the purposes of this Agreement;

o. Establish Radio User Charges and other charges for services provided to Participating Agencies or other parties;

p. Direct and supervise the activities of the Operations Committee, and the Executive Director;

q. Make purchases or contract for services necessary to fully implement the purposes of this Agreement;

r. Enter into agreements with, and receive and distribute funds, from any federal, state or local agencies;

s. Receive all funds allocated to EPSCA by Participating Agencies;

t. Purchase, take, receive, lease, take by gift, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, in the name of EPSCA;

u. Sell, convey, lease, exchange, transfer, and otherwise dispose of all of its property and assets;

v. Sue and be sued, complain and defend, in all courts of competent jurisdiction in EPSCA's name;

w. Make and alter bylaws for the administration and regulation of its affairs;

x. Hold radio frequency licenses to enable EPSCA to operate and maintain the System; and

y. Any and all other lawful acts necessary to further EPSCA's goals and purposes.

SECTION 6. EXECUTIVE BOARD: COMPOSITION AND OPERATION.

a. Composition. EPSCA shall be governed by an Executive Board composed of one (1) representative from each Principal, which representative shall be the Chief Executive Officer of each such Principal or his/her alternate as provided in Section 6.e. Such representatives are referred to as a Member or Members of the Executive Board.

b. Ex Officio Representative. The Chair (or the Vice Chair in his or her absence) of the Operations Committee shall serve as an ex officio, non-voting member of the Executive Board.

c. Conditions for Serving on Executive Board. All Members and their alternates shall serve without compensation from EPSCA. Members may serve only for such time as they are the duly appointed, acting or elected Chief Executive Officer of their respective Principal city.

d. Powers. The Executive Board shall have final decision making authority upon all policy issues and shall exercise the powers described in Section 5. The Executive Board may delegate responsibility for execution of Executive Board policies and directives and for day-to-day operational decision-making to the Executive Director, including the hiring and supervision of additional staff positions authorized by the Executive Board (subject to the terms of Section 10).

e. Alternates. Each Member of the Executive Board may designate one alternate to serve on the Executive Board when such Member is absent or unable to serve, provided that each such alternate must be previously designated and must have operational responsibilities within his or her respective agency.

f. Quorum. A simple majority of the Members (or their alternates) in number (excluding any Member which per Section 18 has given notice of withdrawal or has which been terminated by vote of the Executive Board) shall constitute a quorum of the Executive Board for purposes of doing business on any issue.

g. Voting. The Board shall strive to operate by consensus. All Board decisions on items not listed in Section 6.h or as otherwise specified by Sections 19, 20 and 21 require a Simple Majority Vote for approval. A Member may not split his or her vote on an issue. No voting by proxies shall be allowed.

i. A Member representing a Principal that has given notice of withdrawal or which has been terminated by vote of the Executive Board shall be authorized to cast votes at the Executive Board only on those matters defined in Section 18.e.

ii. The distribution of Weighted Votes on the Executive Board shall be adjusted annually as of each January 1 based on the number of Radios on the System that are in use by the then current Principals as of April 30 of the preceding year.

h. Items Requiring Supermajority Vote for Approval. A Supermajority Vote of the Executive Board shall be required in order to approve the following items or actions:

i. Approval or amendment of EPSCA budget, including Radio user charges or other service charges;

ii. A decision to acquire assets, equipment, real or personal property valued at over $500,000 (subject to the requirements of Section 21);

iii. Admission of a new Principal;

iv. Appointing or removing the Executive Director;

v. Amendment of this Agreement (except for those amendments requiring unanimous consent of Principals under Section 19 of this Agreement);

vi. ;

vii. Adoption or amendment of the EPSCA Bylaws, or amendment of the EPSCA Articles of Incorporation subject to other applicable requirements of Chapter 24.06 RCW; and

viii. Other actions requiring a two-thirds majority vote under Chapter 24.06 RCW, *excluding* termination, dissolution, merger, consolidation, or sale of all or substantially all assets all of which shall require approval by 80% of the weighted votes of Principals in accordance with Sections 20 and 21.

i. Officers. The Executive Board shall have two officers, a Chair and Vice-Chair. It will be the function of the Chair is to preside at the meetings of the Executive Board. The Vice-Chair shall assume this role in absence of the Chair. At the first meeting of the Executive Board following the effective date of this Agreement, the officers shall be elected, and shall serve in this capacity through May 31, 2013, whereupon a new Chair and Vice-Chair shall be elected by the Board. Annually thereafter, the Executive Board shall elect a new Chair and Vice-Chair for one year terms commencing each June 1. In the event of a vacancy in the Chair position, the Vice-Chair

shall assume the Chair for the balance of the term of the departed Chair. In the event of a vacancy in the Vice-Chair position, the Executive Board shall elect a new Vice-Chair to serve to the balance of the term of the departed Vice-Chair. An officer elected to fill the unexpired term of his or her predecessor shall not be precluded from serving one or more full annual terms of office following the end of such unexpired term. Any officer appointed by the Board may be removed by vote of the Board upon 30 days' written notice, with or without cause, in which event the Board shall promptly elect a new officer who shall serve until the next regular officers' board term begins (June 1). The Board shall appoint persons to serve as Secretary and Treasurer of EPSCA, provided that such persons shall not be Members of the Executive Board.

j. Staffing. The Executive Director shall assign agency staff to support the Executive Board as he or she deems appropriate.

k. Meetings. The Executive Board shall meet as often as it deems necessary and not less than once each calendar quarter, at a time and place designated by the Chair of the Executive Board or by a majority of its Members. Not less than fourteen (14) days advance notice of regular meetings shall be given. Special meetings may be called by the Chair or any two (2) Members upon giving all other Members not less than ten (10) days prior notice. In an emergency, the Executive Board may dispense with written notice requirements for special meetings, but must, in good faith, implement best efforts to provide fair and reasonable notice to all Executive Board Members. Members (or alternates) may participate in meetings by telephone conference or other comparable means.

l. Articles and Bylaws. Unless otherwise approved by vote of the Executive Board, upon the request of any Member of the Executive Board, Robert's Revised Rules of Order shall govern any proceeding of the Executive Board.

m. Consultation with Operations Committee. It is the intent of this Agreement to seek the active participation and advice of Participating Agencies in the determination of EPSCA policies and management. To the extent practicable, all items to come before the Executive Board shall have been previously subject to the review, comment and recommendation of the Operations Committee and the Executive Board shall consider such input from the Operations Committee in its deliberations.

SECTION 7. OPERATIONS COMMITTEE.

a. Creation and Membership. An Operations Committee is created to serve in an advisory capacity to the Executive Board. The Operations Committee shall be composed of:

i. The Police Chief or his/her designee from each Principal.

ii. The Fire Chief or his/her designee from each Principal, *provided that* a Principal that receives fire service from a Public Safety Interlocal Operation may appoint a representative from such entity to serve as a member of the Operations Committee.

Additional members of the Operations Committee may be selected by the Executive Board which shall select at least one representative from among the EPSCA Subscribers, if any.

b. Committee Representatives. Persons serving on the Operations Committee are referred to as Representatives (or alternates) and shall serve without compensation from EPSCA.

c. Alternates. Representatives to the Operations Committee may designate one alternate to serve when such Representative is absent or unable to serve provided that such alternates must have operational responsibilities within their respective agencies.

d. Powers. The Operations Committee shall endeavor to promote interagency collaboration, cooperation and information sharing between EPSCA Principals and Subscribers. The Operations Committee shall:

i. Assist in the review and development of proposed Agency operating policies and procedures, system development options, proposed service options, rules and regulations for use of EPSCA System equipment and facilities, and such other matters as the Executive Board may direct.

ii. Review and comment on the draft budget prior to its submittal to the Executive Board, including proposed Radio User Charges, rates, revenues and expenditures. The Operations Committee shall provide written recommendations with respect to the proposed budget to the Executive Board at the time the proposed budget is submitted to the Board.

iii. Make reports and recommendations to the Executive Board from time to time on matters the Operations Committee deems appropriate.

iv. Provide advice, information, and recommendations to either the Executive Board or the Executive Director.

e. Quorum. A quorum at any meeting shall consist of Representatives of the Operations Committee (or their alternates) representing a simple majority of all Principals. Representatives (or alternates) may participate in meetings by telephone conference or other comparable means.

f. Voting. All actions and recommendations of the Operations Committee shall be approved by majority vote of those present and voting. Each person serving on such Committee shall have one vote, except that in the event a Principal vests its Police and Fire executive duties in one individual who is a member of the Operations Committee, said Representative shall be entitled to cast two (2) votes on matters coming before the Committee. No proxy votes shall be allowed except that an Operations Committee Representative representing a specific Principal may vote by proxy the vote of a Representative who represents the same Principal. There shall be no Weighted Voting.

g. Officers. The Operations Committee shall select a Chair and Vice-Chair from among the membership of the Operations Committee. It will be the function of the Chair to preside at the meetings of the Operations Committee, and the Vice-Chair shall assume this role in absence of the Chair. The officers shall be initially elected at the first meeting of the Operations Committee following the effective date of this Agreement, by majority vote of the Representatives on the Operations Committee and shall serve through May 31, 2013. The Operations Committee shall annually elect a Chair and Vice-Chair for one-year terms beginning each June 1. In the event of a vacancy in the Chair

position, the Vice-Chair shall assume the Chair for the balance of the term of the departed Chair. In the event of a vacancy in the Vice-Chair position, the Operations Committee shall elect a new Vice-Chair to serve to the balance of the term of the departed Vice-Chair. An officer of the Operations Committee elected to fill the unexpired term of his or her predecessor shall not be precluded from serving one or more full annual terms of office following the end of such unexpired term.

h. Staffing. The Operations Committee shall be staffed by the Executive Director and such additional agency staffing as the Executive Director may deem appropriate.

i. Meetings. The Operations Committee shall meet not less than once every two months, at a time and place designated by the Chair of the Operations Committee or by a majority of its Representatives. Not less than ten (10) days advance notice of regular meetings shall be given. Special meetings may be called by the Chair of the Operations Committee or Representatives representing at least two or more members of the Committee representing at least two different Principals and upon giving all other Representatives not less than seven (7) days prior notice of such meeting. In an emergency, the Operations Committee may dispense written notice requirements for special meetings, but must, in good faith, implement best efforts to provide fair and reasonable notice to all Representatives.

SECTION 8. [reserved]

SECTION 9. EXECUTIVE DIRECTOR.

a. Responsibilities and Authority. The Executive Board shall be responsible for the appointment and termination of an Executive Director, and shall request a recommendation from the Operations Committee regarding any proposed appointment. The Executive Director shall be responsible to the Executive Board and shall advise it from time to time on a proposed budget and other appropriate matters in order to fully implement the purposes of this Agreement. The Executive Director shall administer EPSCA in its day-to-day operations consistent with the policies adopted by the Executive Board. The Executive Director shall appoint persons to fill other staff positions, subject to confirmation by the Executive Board as the Board may require. Only the Executive Board shall be authorized to hire or retain legal counsel and independent accountants and auditors. Other consultants may be designated in such manner as the Executive Board may determine subject to Sections 5 and 6.

b. Qualifications, Retention and Termination. The Executive Director shall have experience in technical, financial and administrative fields and his or her appointment shall be on the basis of merit only. The Executive Director is an “at will” position and may be terminated from his position as Executive Director upon the Supermajority vote of the Executive Board, without cause.

c. Loaned Staff. It is expressly contemplated that the Executive Director and other staff shall, unless otherwise determined by the Executive Board, be loaned staff who are employees of a Principal, and for whose services the lending Principal shall be fully compensated by agreement between said Principal and EPSCA.

SECTION 10. PERSONNEL POLICY. The Executive Director may, as he or she deems necessary from time to time, submit to the Executive Board a proposed EPSCA personnel policy for the Executive Board's approval, rejection or modification; provided that the Executive Director shall first submit any such proposed policies to the Operations Committee for its review and comment. All modifications or revisions to personnel policies must have the final approval of the Executive Board. No personnel policies shall be required unless EPSCA hires staff directly; any personnel policies applicable to loaned staff shall be consistent with the policies of the staff's Principal employer.

SECTION 11. OPERATIONAL POLICY AND SYSTEM EVALUATION. The Executive Director shall actively and continuously consider and evaluate all means and opportunities toward the enhancement of operational effectiveness of the System so as to provide maximum and ultimate benefits to the members of the general public. The Executive Director shall present his or her recommendations to the Operations Committee and Executive Board from time to time. The Executive Director shall submit quarterly budget and operation performance reports to the Executive Board in a form acceptable to the Executive Board.

SECTION 12. BUDGET; COST ALLOCATION; PAYMENT OF CHARGES; DELINQUENCIES; RESERVE FUNDS.

a. Budget Fiscal Year. EPSCA budget fiscal year shall be either the calendar year, or two calendar years as the Executive Board may determine. The "budget period" corresponds to the fiscal year or years so determined by the Board.

b. Budget Approval. The Executive Director shall develop the proposed operating budget for the next budget period in consultation with the Operations Committee. The Executive Director shall present a proposed budget to the Executive Board by no later than June 30 prior to the commencement of the budget period, together with the Operations Committee's recommendations with respect to the proposed budget. The Executive Board shall review and revise the budget as it deems appropriate; conduct a public hearing on the draft budget; approve a draft budget, including the proposed Radio Unit Charge; and forward same to Principals, no later than August 31. The budget shall be adopted by Supermajority Vote of the Executive Board effective no later than December 31 prior to commencement of the budget period, after: (1) confirmation of continuing Subscriber and other contracts supporting the budget; and (2) confirmation of the approval by the legislative authorities of Principals of their respective shares of the budget, evidenced by resolution or other appropriate method received by EPSCA no later than November 30 preceding the commencement of the budget period; *provided that,* Principals having not less than 66% of the Weighted Votes of the Executive Board and not less than 66% in number of the Principals must so approve. Failure of a Principal to approve its share of the budget before the commencement of the budget period shall result in the Principal being converted to Subscriber status effective as of the first day of the budget period for which the budget was not approved, per Section14.

c. Budget Modifications. Modifications to the budget must be approved by a Supermajority Vote of the Executive Board as necessary from time to time after each Principal has approved its own budget in order to conform the EPSCA budget to the

budgets adopted by the Principals and account for other operating changes including but not limited to changes in the number of Radios held by Participating Agencies.

d. Cost Allocation. The EPSCA budget for System-related costs shall be generally allocated between all Principals and Subscribers based on the number of Radios each Participating Agency has contracted for with EPSCA. In adopting the budget, the Executive Board shall confirm the total budget amount and the Radio Unit Charge, as well as any other fees or charges necessary to fund the proposed budget. The number of Radios allocated to each Participating Agency with respect to the budget period shall be based on the best information available at the time the budget is adopted.

e. Notification of Radio Unit Charge. Based on the action of the Executive Board, the Executive Director shall notify the Principals and Subscribers of the estimated Radio Unit Charge and any other applicable charges for the following budget period no later than September 15 prior to the beginning of the budget period. The Executive Director shall notify the Principals and Subscribers of the final adopted Radio Unit Charge promptly following final adoption of the budget.

f. Payment of Radio Unit Charges and other charges. Radio Unit Charges shall be payable by Principals in quarterly installments no later than January 15, April 15, July 15 and October 15 of each year, or on such schedule as may otherwise be approved by the Executive Board. Contracts with Subscribers for services will provide for payment of User Fees on a basis as approved by the Executive Board.

g. Delinquencies. Payments not received when due shall bear interest at the rate of 12% per annum, or such lower maximum allowable rate as provided by law, until paid. If a payment is more than three (3) months delinquent, the delinquent Principal shall not be entitled to vote until all delinquent payments together with interest have been paid. A Principal or Subscriber who is six (6) months delinquent in payment loses use of the System until all payments including interest have been made. A Principal who is one year delinquent is deemed to have withdrawn as a Principal and to have withdrawn from the System. Withdrawal does not extinguish the obligation to pay EPSCA for services, together with interest.

h. Terms of Subscriber Contracts. Subscriber contracts shall include terms consistent with these delinquency provisions, that is, interest shall accrue on delinquent payments at the same rate as provided herein, and service may be terminated if fees and interest are not paid in full within six months.

i. Reserve Funds. The Executive Board may establish and fund reserve funds to support operations or capital investments for EPSCA, at levels the Executive Board determines to be appropriate.

SECTION 13. SYSTEM USE.

a. Use Guidelines. Consistent with any use imposed on particular funds by statute, ordinance, contract, this Interlocal Agreement or any bylaws adopted by EPSCA, EPSCA may use any available funds for any purpose authorized by this Agreement in connection with an authorized project.

SECTION 14. CONVERSION OF STATUS OF PARTICIPATING AGENCIES; ADDITION OF NEW PRINCIPALS OR SUBSCRIBERS.

a. Conversion of Principal to Subscriber. As described in Section 12.b, a Principal may be converted to Subscriber for failure to approve its share of the budget. On the date of such conversion, said former Principal shall:

i. lose its representation on the Executive Board;
ii. lose its right to receive a share of EPSCA assets upon dissolution of EPSCA;
iii. become subject to payment of Radio Unit Charges in accordance with the then applicable Subscribers service contract; and
iv. be bound by the terms of the then current Subscriber service contract.

The conversion of a Principal to Subscriber shall not discharge or relieve any such Subscriber of its previously incurred obligations as a Principal to EPSCA.

b. Election to Convert to Subscriber. A Principal also may elect to convert to Subscriber status effective January 1 of any year by giving written notice of its intent to the Executive Board no later than July 1 of the preceding year. Such conversion shall be effective as proposed without further action of the Executive Board, barring any basis for terminating the Principal and action thereon by the Executive Board.

c. Additional Principals. A governmental entity meeting the qualifications of a Principal in Section 3.j and this subparagraph (c) may be admitted as an EPSCA Principal upon Supermajority Vote of the Executive Board as required under Section 6.h. In addition to meeting the conditions of Section 3.j, a City seeking to become a Principal must:

i. Have a population of not less than 5,000;
ii. Have at least 50% of its geographical area located within the recognized geographical service area of the Agency's service area as identified in EPSCA's 800 MHz licenses;
iii. accept the terms of this Agreement and the EPSCA Bylaws;
iv. not be another Subregion or a voting member of any other Subregion participating in the King County 800 MHz Regional Communications System all as defined in the Regional Agreement; and
v. Not have held Principal status with EPSCA within the five (5) years immediately preceding the date of application to become a Principal.

A Subscriber meeting the qualifications of a Principal may apply to the Executive Board to be converted to Principal status.

d. Other Conditions for Additional Principals. As a condition of becoming a Principal, whether by conversion or new admission, the Executive Board may require payment or other contributions or actions by the new Principal as the Executive Board may deem appropriate, and may set such start date for service as it deems appropriate, it being the intention of this provision that the addition of new Principals shall not cause pre-existing Participants to incur additional cost.

e. Additional Subscribers. The determination of whether to accept new Subscribers shall be made by the Executive Board in a manner similar, and subject to such terms and conditions, as that for accepting new Principals per Section 14.d, it being the intention that the addition of new Subscribers shall not cause pre-existing Participants to incur additional cost.

SECTION 15. CONTRACTS AND SUPPORT SERVICES. The Executive Board or the Executive Director with advice of the Operations Committee shall as necessary contract with appropriate local governments or other third parties for the use of space for its operations, and for staff and auxiliary services including, but not limited to, records, payroll, accounting, purchasing and data processing.

SECTION 16. RETAINED POWERS OF PARTICIPATING AGENCIES. Each Participating Agency shall retain the responsibility and authority for its operational departments and for such equipment and services as are required at its place of operation to connect to EPSCA's operations, including but not limited to Radios, dispatching equipment, and dispatch and related services. Interconnecting equipment and services will not be included in EPSCA's budget and operational program, except as the Executive Board may determine.

SECTION 17. INVENTORY AND PROPERTY.

a. Ownership of Property. The System, including property both real and personal, purchased or otherwise acquired pursuant to or in connection with this Interlocal Agreement shall be owned in the name of the Eastside Public Safety Communications Agency; provided, however, that for valuable consideration received, the Executive Board may convey ownership of specific equipment or components of the System to Principals or Subscribers. EPSCA may, but shall not be required to, own, operate and/or lease radio and/or dispatch facilities under contracts with Principals and Subscribers.

b. Equipment and furnishings for EPSCA's operation shall be acquired as provided by law. If any Participating Agency provides equipment or furnishings for EPSCA's use, title to the same shall rest with the respective local entity unless that equipment or furnishing is acquired by EPSCA.

c. The Executive Director shall maintain and annually update an inventory of equipment and furnishings owned by, leased or temporarily assigned to EPSCA, and the values thereof. The Executive Director shall also maintain and annually update by April 30 of each year an inventory of all Radios under service contract to EPSCA from Subscribers and Principals.

d. In the event of dissolution or termination of EPSCA, assigned or loaned items shall be returned to the lending entity and all other items or funds derived from the sale thereof shall be distributed to Principals as described in Section 20.

SECTION 18. WITHDRAWAL BY OR TERMINATION OF PRINCIPAL.

a. Any Principal may withdraw its membership and terminate its participation in this Agreement by providing written notice and serving that notice on the EPSCA Executive Board on or before December 31 in any year. After providing appropriate notice as provided in this section, that Principal's membership withdrawal shall become effective on the last day of the calendar year following delivery and service of appropriate notice to all other Principals.

b. A Principal who withdraws, is terminated, changes or is changed to Subscriber status shall hold the remaining Principals harmless against any resultant

increased capital and/or operating costs allocated to them, for a project approved by the Executive Board prior to notice of withdrawal or notice of change to Subscriber status, to the extent said increased capital and/or operating costs are not recouped through Radio Use Charges or other fees paid by Subscribers for services provided as a result of or through said project. After recouping such costs, the Executive Board may authorize reimbursement based on a depreciated value of the withdrawing or converting Principal's contribution

c. Time is of the essence in giving notice of termination and/or withdrawal.

d. The termination and/or withdrawal of a Principal shall not discharge or relieve any Principal of its obligations to EPSCA.

e. An Executive Board Member representing a Principal that (1) has given notice of withdrawal, or (2) has been terminated by vote of the Executive Board which termination is effective at a future date, shall be authorized to cast votes at the Executive Board only on budgets items to be implemented prior to the withdrawal or termination date.

SECTION19. AMENDMENT OF AGREEMENT. This Agreement may be amended upon approval of a Supermajority Vote of the Executive Board in accordance with Section 6.h, except that any amendment affecting the terms and conditions of membership on the Executive Board, voting rights of Executive Board members, powers of the Executive Board, Principal contribution responsibilities, hold harmless and indemnification requirements, provisions regarding duration, termination or withdrawal, expansion of the scope of services provided by EPCA (Section 4), or the conditions of this Section shall require consent of the legislative authorities of all Principals. This section shall not be construed to require unanimous consent for the addition of a new Principal or agreement to serve an additional agency or department of a Principal.

SECTION 20. TERMINATION OF AGREEMENT; DISSOLUTION OF AGENCY.

a. This Agreement may be terminated upon the vote of Principals holding at least eighty percent (80%) of the weighted vote of all the Principals. The termination shall be by direction of the Executive Board wind up business by a specified date which date shall be at least one (1) year from the date of the vote to terminate. Upon the final termination date, this Agreement shall be fully terminated.

b. Upon termination of this Agreement, all property acquired during the life of the Agreement remaining in ownership of EPSCA shall be disposed of in the following manner:

i. All real and personal property purchased pursuant to this agreement and all unexpended funds or reserve funds, net of all outstanding EPSCA liabilities, shall be distributed to those Principals still participating in EPSCA on the day prior to the termination date and shall be apportioned between Principals based on the ratio that the average of each Principals' paid Radio Use Charges over the preceding five (5) years bears to the total of all then remaining Principals' user fees paid during such five-year period.

ii. In the event outstanding liabilities of EPSCA exceed the value of personal and real property and funds on hand, all Principals shall contribute to such liabilities in the same manner as which they would share in the distribution of properties and funds.

c. Notwithstanding the foregoing, in the event of withdrawal or termination of Principals such that not more than three (3) Principals remain party to this Agreement, then the Agreement shall terminate one (1) year from the first date that only three (3) Principals remain.

d. Notwithstanding the foregoing, the Agreement may not be terminated if to do so would abrogate any outstanding obligations of EPSCA unless provision is made for those obligations.

SECTION 21. MERGER OR CONSOLIDATION, OR SALE OF ALL OR SUBSTANTIALLY ALL ASSETS OF EPSCA. Approval of the merger or consolidation of EPSCA with another entity, or the sale of all or substantially all assets of EPSCA, shall require the approval of Principals holding at least eighty percent (80%) of the weighted votes of all Principals.

SECTION 22. DISPUTE RESOLUTION.

a. Whenever any dispute arises between the Principals or between the Principals and EPSCA (referred to collectively in this section as the "parties") under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute by the process described in this section, which shall also be binding on Subscribers.

b. The parties shall seek in good faith to resolve any such dispute or concern by meeting, as soon as feasible. The meeting shall include the Chair of the Executive Board, the Executive Director, and a representative(s) of the Principal(s), if a Principal(s) is involved in the dispute, and/or a person designated by the Subscriber(s), if a Subscriber(s) is involved in the dispute.

c. If the parties do not come to an agreement on the dispute or concern, any party may demand mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties shall share equally the costs of mediation and assume their own costs.

d. If the mediation process cannot be agreed upon within 30 days, or if all parties subject to the dispute agree within 30 days to proceed immediately to arbitration, then the dispute or concern shall be settled by binding arbitration in accordance with Rules of the American Arbitration Association and Mediation Service, or other agreed upon arbitration rules. The location of the arbitration shall be mutually agreed, and its proceedings will be governed by the laws of Washington. The arbitrator(s) shall be individual(s) skilled in the legal and business aspects of the subject matter of this Agreement. The cost of the arbitration shall be in the discretion of the arbitrator(s), provided, however, that no party shall be obliged to pay more than its own costs and the cost of the arbitrator, if there is one arbitrator, or the costs of its own appointed arbitrator and the third arbitrator, if there are three arbitrators.

SECTION 23. INTERGOVERNMENTAL COOPERATION. EPSCA shall cooperate with local, state and federal governmental agencies in order to maximize the utilization of grant funds for equipment and operations and to enhance the effectiveness of public safety dispatch and public safety records operations and to minimize costs of said public service delivery.

SECTION 24. INDEMNIFICATION AND HOLD HARMLESS.

a. Each Principal shall defend, indemnify and hold other Principals, their officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Principal's acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries or damages are caused by another Principal.

b. Each Principal shall defend, indemnify and hold EPSCA and its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Principal's acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries and damages are caused by EPSCA.

c. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of a party hereto and EPSCA, its officers, officials, employees, and volunteers, the party's liability hereunder shall be only to the extent of the party's negligence. It is further specifically and expressly understood that the indemnification provided in this Section constitutes the party's waiver of immunity under Industrial Insurance Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

d. Each party shall give the other parties proper notice of any claim or suit coming within the purview of these indemnities. The indemnitor will assume the defense of any claim, demand or action against such indemnitees and will, upon the request of the indemnitees, allow the indemnitees to participate in the defense thereof, such participation to be at the expense of the indemnitees. The indemnitees will in any case cooperate fully with the indemnitor in the defense and will, at their expense, provide all relevant documents, witnesses and other assistance within their possession or control upon the reasonable request of the indemnitor. Settlement by the indemnitees without the indemnitor's prior written consent shall release the indemnitor from the indemnity as to the claim, demand or action so settled. Termination of this Agreement, a Principal's withdrawal from EPSCA, or a Principal's conversion to Subscriber status (collectively for purposes of this subparagraph "Termination"), shall not affect the continuing obligations of each of the parties as indemnitors hereunder with respect to those indemnities and which shall have occurred prior to such Termination.

SECTION 25. INSURANCE. EPSCA shall obtain and provide insurance, to the extent practicable, against loss or liability for the actions of EPSCA's Executive Board, Operations Board, Executive Director and staff. To the extent practicable, all

Participating Agencies shall be named as additional insureds on any policy, including pool insurance.

SECTION 26. NOTICE. Notices required to be given to EPSCA under the terms of this Agreement shall be directed to the following unless all parties are otherwise notified in writing:

Chair, EPSCA Executive Board
c/o his/her Principal agency's address

Notices to Principals or Subscribers, Members or Representatives required hereunder may be given by mail, overnight delivery, facsimile or email (with confirmation of transmission), telegram, or personal delivery. Any Principal wishing to change its mail or email address shall promptly notify the Chair of the Executive Board. Notice or other written communication shall be deemed to be delivered at the time when the same is postmarked in the mail or overnight delivery services, sent by facsimile or email (with confirmation of transmission), sent by telegram, or received by personal delivery.

SECTION 27. VENUE. The venue for any action related to this Agreement shall be in the Superior Court in and for King County, Washington at Seattle.

SECTION 28. FILING. As provided by RCW 39.34.040, this Agreement shall be filed prior to its entry in force with the King County Department of Records and Elections, or, alternatively, listed by subject on a Principal's web site or other electronically retrievable public source.

SECTION 29. NO THIRD PARTY BENEFICIARIES. There are no third-party beneficiaries to this Agreement. No person or entity other than a party to this Agreement shall have any rights hereunder or any authority to enforce its provisions, and any such rights or enforcement must be consistent with and subject to the terms of this Agreement.

SECTION 30. SEVERABILITY. The invalidity or any clause, sentence, paragraph, subdivision, section or portion of this agreement shall not affect the validity of the remainder of the Agreement.

SECTION 31. RATIFICATION. All prior acts taken by the Principals and EPSCA consistent with this Agreement are hereby ratified and confirmed.

SECTION 32. EXECUTION, COUNTERPARTS AND EFFECTIVE DATE. This Agreement and any amendments thereto, shall be executed on behalf of each Principal by its duly authorized representative and pursuant to an appropriate motion, resolution or ordinance. This Agreement may be executed in any number of counterparts, each of which shall be an original, but those counterparts will constitute one and the same instrument. This Agreement shall be deemed adopted and effective as of March 1, 2013, subject to prior filing of same as required by Section 28 hereof, and further subject

to the Agreement having been executed on or prior to such date by all Principals party to the 1992 Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by each Principal on the dates set forth below.

City of Bellevue

_____
City Manager

_____
Date

Approved as to Form:

_____
City Attorney
Date:_____

City of Issaquah

_____
Mayor

_____
Date

Approved as to Form:

_____
City Attorney
Date: _____

City of Kirkland

_____
City Manager

_____
Date

Approved as to Form:

_____
City Attorney
Date:_____

City of Mercer Island

_____
City Manager

_____
Date

Approved as to Form:

_____
City Attorney
Date: _____

City of Redmond

_____
Mayor

_____
Date

Approved as to Form:

_____
City Attorney
Date:_____

Exhibit A

Additional Detail on EPSCA Scope of Services

This Attachment provides additional detail on the scope of services described in Section 4 of the Agreement that EPSCA is authorized to provide. Capitalized terms not defined here have the meanings as defined in the Agreement.

1. Developing, owning, operating, and maintaining the System and any subsequent System upgrades or replacements as necessary or appropriate to ensure the System is integrated with the Network. This includes, without limitation, developing, implementing and ensuring compliance with the rules and regulations regarding use and access of the System by Principals and Subscribers.
2. Participating in the regional development and implementation of any successor or upgraded System or Network.
3. Maintaining dispatch console systems via individual contract with 9-1-1 dispatch centers serving Principals or Subscribers of EPSCA.
4. Provide Principals and Subscriber agencies with technical assistance and guidance with regards to radios and connectivity to the System.
5. Report to user agencies through the Operations Committee regarding new advances, direction, or opportunities with regards to public safety radio communications.
6. Represent EPSCA's interests through participation in regional, state and national forums regarding public safety radio communications, including but not limited to: the Regional Communications Board (RCB) established under the Regional Agreement, and the Radio Executive Policy Committee (REPC) formed to design, build and operate an upgraded regional (multi-county) public safety communications network.
7. Continuously strive to provide improved service levels, capacity and coverage to Principals and Subscribers.
8. Endeavor to find additional revenue streams to help offset costs of providing service to Principals and Subscribers.

R-4956
Exhibit B

ARTICLES OF INCORPORATION

OF

EASTSIDE PUBLIC SAFETY COMMUNICATIONS AGENCY

The undersigned, in order to form a not for profit corporation under Chapter 24.06 of the Revised Code of Washington ("RCW"), and pursuant to Chapter 39.34 RCW, hereby sign and deliver the following Articles of Incorporation:

ARTICLE I — NAME

The name of this corporation is:

EASTSIDE PUBLIC SAFETY COMMUNICATIONS AGENCY

ARTICLE II — DURATION

The period of duration of Eastside Public Safety Communications Agency ("EPSCA") is perpetual.

ARTICLE III — PURPOSES

EPSCA is organized on behalf of and as an instrumentality of its governmental members to carry out the purposes of the Amended and Restated Eastside Public Safety Communications Agency Interlocal Agreement (the "Interlocal Agreement") pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW. These purposes include developing and maintaining an integrated emergency and public safety radio communications system in East King County (the "System") which is part of a regional radio communications network currently based on an 800 MHz frequency platform implemented throughout King County (the "Network"), and to exercise essential governmental functions within the meaning of Section 115 of the Internal Revenue Code (the "Code"), including but not limited to Developing, owning, operating, maintaining and managing the System, as further described in the Interlocal Agreement.

ARTICLE IV — PROHIBITED ACTIVITY

Notwithstanding any of the provisions of these Articles of Incorporation, EPSCA shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Sections 115 of the Code or by an organization, contributions to

which are deductible under Section 170(c)(2). No part of the net earnings of EPSCA shall inure to the benefit of any director, officer or private individual. No substantial part of the activities of EPSCA shall be devoted to the carrying on of propaganda, or otherwise attempting to influence legislation except as may be permitted by the Code, and EPSCA shall not participate in, or intervene in (including the publication or distribution of statements regarding) any political campaign on behalf of or in opposition to any candidate for public office. EPSCA shall not have or issue shares of stock, shall not make any disbursement of income to its directors or officers, and shall not make loans to its officers or directors.

ARTICLE V — POWERS

In general, and subject to such limitations and conditions as are or may be prescribed by law, or in these Articles of Incorporation or in EPSCA's Bylaws or in the Interlocal Agreement, EPSCA shall have all powers which now or hereafter are conferred under Chapters 24.06 and 39.34 RCW and other applicable law upon a corporation organized for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of EPSCA's purposes.

ARTICLE VI — MEMBERS

Members of EPSCA must be a general purpose municipal corporation formed as a city under the laws of the state of Washington with a population not less than 5,000 and meeting the other requirements described in the Interlocal Agreement. As used in these Articles, the term "Members" means "Principals" as defined in the Interlocal Agreement. The rights and responsibilities of the Members/Principals and the manner of their election, appointment, or admission to membership and termination of membership shall be as provided for in the Interlocal Agreement. EPSCA shall have one class of Members/Principals, except that each Member/Principal may be treated as a separate class for calculating weighted voting as provided for in the Interlocal Agreement.

ARTICLE VII — DISTRIBUTIONS UPON DISSOLUTION

No director, trustee or officer of EPSCA, nor any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of EPSCA or the winding up of its affairs. Upon dissolution of EPSCA, after paying, satisfying, and discharging, or making adequate provision therefor, of all liabilities and obligations of EPSCA, and after returning, transferring, or conveying assets held by EPSCA requiring return, transfer, or conveyance on condition of the dissolution, all remaining assets of EPSCA shall be distributed by the Executive Board as provided for in the Interlocal Agreement.

ARTICLE VIII — DISSENTING MEMBERS

"Dissenting members," as that term is used in RCW 24.06.245 through 255, will be entitled to the rights and allocation of assets set forth in the Interlocal Agreement, but may be limited to "a return of less than the fair value" of their membership as that term is used in RCW 24.06.255.

ARTICLE IX — BYLAWS

Provisions for the regulation of the internal affairs of EPSCA shall be set forth in the Bylaws of EPSCA.

ARTICLE X — REGISTERED AGENT

The address of the initial registered office of EPSCA is 8701160th Ave N.E. Redmond, WA 98052. The name and address of its initial registered agent is City of Redmond, 15670 N.E. 85th St., Redmond, WA 98073-9710.

ARTICLE XI — DIRECTORS

The initial board of directors (referred to in the Interlocal Agreement as the "Executive Board") shall consist of five (5) directors. The names and addresses of the persons who are to serve as initial directors are:

Mr. Steve Sarkozy, City Manager
City of Bellevue
450 110th Avenue N.E.
Bellevue, WA 98004

Honorable Ava Frisinger, Mayor
City of Issaquah
130 E. Sunset Way
Issaquah, WA 98027

Mr. Kurt Triplett, City Manager
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033-6189

Mr. Rich Conrad, City Manager
City of Mercer Island
9611 SE 36th St.
Mercer Island, WA 98040

Honorable John Marchione, Mayor
City of Redmond
15670 N.E. 85th St.
Redmond WA 98073-9710

Directors may be removed as provided for in the Bylaws.

ARTICLE XII — INCORPORATORS

The names and addresses of the incorporators are:

1. City of Bellevue
   450 110th Avenue N.E.
   Bellevue, WA 98004

2. City of Issaquah
   130 E. Sunset Way
   Issaquah, WA 98027

3. City of Kirkland
   123 Fifth Avenue
   Kirkland, WA 98033-6189

4. City of Mercer Island
   9611 SE 36th St.
   Mercer Island, WA 98040

5. City of Redmond
   15670 N.E. 85th St.
   Redmond, WA 98073-9710

ARTICLE XIII — LIMITATION OF DIRECTOR LIABILITY

Except to the extent otherwise required by applicable law (as it exists on the date of the adoption of this Article or may be amended from time to time), a director of EPSCA (a director is referred to as a "Member of the Executive Board" in the Interlocal Agreement) shall not be personally liable to EPSCA for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director, (ii) for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled, or (iii) for any act or omission occurring before the date when this provision becomes effective.

If the Washington Nonprofit Miscellaneous and Mutual Corporation Act (the "Act") is hereafter amended to expand or increase the power of EPSCA to eliminate or limit the personal liability of directors, then, without any further requirement of action by the directors of EPSCA, the liability of a director shall be eliminated or limited to the full extent permitted by the Act. No amendment to or repeal of this Article shall adversely affect any right of protection of any director of EPSCA occurring after the date of the adoption of this Article and prior to such amendment or repeal.

ARTICLE XIV — INDEMNIFICATION

EPSCA shall indemnify any director and officer of EPSCA who is involved in any capacity in a proceeding (as defined in RCW 23B.08.500, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in EPSCA to the full extent allowed by law, as presently in effect and as hereafter amended. By means of a resolution or of a contract specifically approved by the Board of Directors (referred to as the "Executive Board" in the Interlocal Agreement), EPSCA may also indemnify an employee, or agent to such degree as the Board of Directors determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of EPSCA. Reasonable expenses incurred by a director or officer who is involved in any capacity in a proceeding by reason of the position held in EPSCA, shall be advanced by EPSCA to the full extent allowed by and on the conditions required by applicable law, as presently in effect and as hereafter amended.

The Board of Directors of EPSCA shall have the right to designate the counsel who shall defend any person or entity who may be entitled to indemnification, to approve any settlement, and to approve in advance any expense. The rights conferred by or pursuant to this Article shall not be exclusive of any other rights that any person may have or acquire under any applicable law (as presently in effect and as hereafter amended), these Articles of Incorporation, the bylaws of EPSCA, a vote of the Board of Directors of EPSCA, or otherwise. No amendment to or repeal of this Article shall adversely affect any right of any director, officer, employee, or agent for events occurring after the date of the adoption of this Article and prior to such amendment or repeal.

EPSCA shall also indemnify and hold harmless every Member/Principal, including, but not limited to that Member's/Principal's officers, directors, employees and agents from all claims, injuries, damages, losses or suits, including reasonable attorney fees which arise out of acts and omissions of EPSCA. To such degree as the board of directors/Executive Board determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of EPSCA, EPSCA may also indemnify and hold harmless Subscribers, including, but not limited to that Subscriber's officers, directors, employees and agents from all claims, injuries damages, losses or suits, including reasonable attorney fees which arise out of acts and omissions of EPSCA.

Nothing in these Articles of Incorporation may be interpreted as a waiver of sovereign immunity by any member.

Indemnification of directors and officers by EPSCA shall be consistent with the terms of the Interlocal Agreement, the Act, the Interlocal Cooperation Act and other applicable law. In the event of any inconsistency between this Article and the Interlocal Agreement, the terms of the Interlocal Agreement shall control to the extent consistent with applicable law.

Notwithstanding any other provision of this Article, no indemnification shall be provided to any person if in the opinion of counsel, payment of such indemnification would cause EPSCA to lose its exemption from federal income taxation.

DATED this _____ day of _____, 2013.

INCORPORATORS:

INCORPORATOR: City of Bellevue

_____
By: City Manager

INCORPORATOR: City of Kirkland

_____
By: City Manager

INCORPORATOR: City of Issaquah

_____
By: Mayor

INCORPORATOR: City of Redmond

_____
By: Mayor

INCORPORATOR: City of Mercer Island

_____
By: City Manager

CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Cherie Harris, Captain
Eric Olsen, Chief of Police

Date: December 5, 2012

Subject: Interlocal Agreement – Regional Special Operations Unit

RECOMMENDATION:

That the City Council authorizes the City Manager to execute the attached Intergovernmental Cooperation Agreement allowing the City of Kirkland Police Department to become a member of the regional special operations unit named "North Sound Metro."

BACKGROUND DISCUSSION:

The Kirkland Police Department (KPD) currently deploys a part time special operations unit that includes both a tactical special response team (SRT) and a crisis negotiations team (CNT). These officers are trained and equipped to safely resolve the most dangerous of critical incidents such as high risk warrant service, armed barricaded subjects, active school shooters and hostage situations.

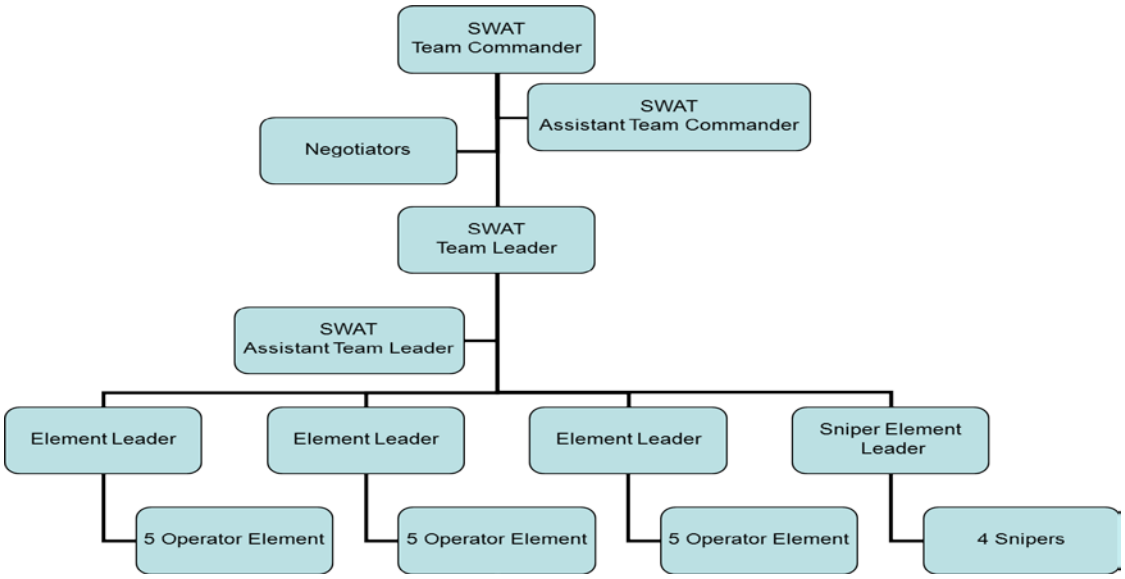
KPD currently is unable to meet the recommendations of both National and State Tactical Associations, which include higher training and deployment standards. The two most difficult standards to achieve include one 40 hour continuous training week and 24 individual days of training a year as well as staffing a minimum of 24 "operators" (officers). Other alternatives considered included adding 14-15 additional officers and or combining resources with neighboring departments. Unfortunately, these are not economically feasible choices at this time.

The Kirkland Police Department was recently invited to join a newly formed regional special operations unit made up of tactical officers from Lynnwood, Edmonds, Monroe, Bothell, Mountlake Terrace and Lake Forest Park known as North Sound Metro SWAT. By joining this regional team, Kirkland will be able to meet the training mandates while greatly increasing the deployment capabilities of the current Special Operations Unit.

The North Sound Metro SWAT team has approximately 19 active officers at this time and an impressive array of equipment to include a tactical robot and an armored car. They host three training days a months of which, Kirkland SRT members will be required to attend two. The

value of having three training days available is realized in scheduling flexibility and coordination of personnel.

The structure of the team is similar to Kirkland's SRT although has several additional layers in order to facilitate appropriate command and control.



Kirkland SRT members will have the opportunity to fill supervisory positions immediately with the strong possibility for command level positions in the future.

When responding to tactical incidents within the City of Kirkland, North Sound Metro's Team Commander will liaison with an on scene department Incident Commander which most likely will be a Lieutenant or Captain. Deployments do not always require the full team and can be scaled down depending on the nature of the critical incident. This means that Kirkland officers may not be deployed on every North Sound Metro SWAT call out. However, when needed Kirkland will have access to approximately 29 officers and additional command officers.

KPD currently authorizes 11 SRT members who train approximately 15 days a year and one 40 hour week. The forecast is to send 10 qualified SRT members to join the North Sound Metro SWAT team with the understanding that through attrition and promotion the department will maintain 8 positions in the future.

The North Sound Metro's CNT (Negotiators) function is not as strong as KPD's current team in that they do not deploy as often and their personnel have not demonstrated a strong commitment to responding on call outs. Kirkland's CNT officers will bring a higher level of professionalism and dedication to the team.

In conducting a budget analysis, the 2013 training costs are projected to be what was spent in 2012. This is primarily due to the ability to choose between the various training days and scheduling officers who are on duty as much as possible. The 2013 operating costs have been forecasted to include Kirkland's participation and are also similar to what the KPD currently spends on SRT ammunition and equipment. There are no additional CNT operating costs.

Each participating agency's Chief of Police is a member of the governing board who collectively approve the North Sound Metro SWAT team budget. KPD anticipates similar operating costs by joining the team. If the costs should exceed what the budget can accommodate, the Chief has the option to terminate the agreement with the North Sound Metro SWAT team.

This is a great opportunity for the City of Kirkland, KPD SRT members and CNT members to become part of a regional asset, while lowering the exposure and risk to the City, and staff recommends approval.

RESOLUTION R-4957

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE CITIES OF BOTHELL, EDMONDS, KIRKLAND, LAKE FOREST PARK, LYNNWOOD, MONROE AND MOUNTLAKE TERRACE; REGARDING THE NORTH SOUND METRO SPECIAL WEAPONS AND TACTICS (SWAT)/CRISIS NEGOTIATING TEAM (CNT).

WHEREAS, the Cities are public agencies as defined by RCW Chapter 39.34 and RCW Chapter 10.93, and are authorized to enter into interlocal agreements to provide for joint or cooperative actions to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, incidents of a serious criminal nature do occur which require a need for a specially trained and equipped unit to effectively resolve the situation, these incidents create a demand upon the undersigned cities respective to resources which are better and more economically served by combining resources to form a joint specialty team called the North Sound Metro Special Weapons and Tactics, (hereinafter SWAT Team); and

WHEREAS, the SWAT Team shall be specially trained and equipped to provide a cooperative and joint effort among the undersigned cities' police departments to respond to and resolve criminal activity of a high risk nature in accordance with state and federal law.

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland an Interlocal Agreement substantially similar to that attached as Exhibit "A", which is entitled "Interlocal Agreement Between the Cities Of Bothell, Edmonds, Kirkland, Lake Forest Park, Lynnwood, Monroe and Mountlake Terrace; for the North Sound Metro Special Weapons and Tactics (SWAT)/Crisis Negotiating Team (CNT)."

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

_____
MAYOR

Attest:

_____
City Clerk

R-4957
Exhibit A

INTERLOCAL AGREEMENT BETWEEN THE CITIES OF BOTHELL, EDMONDS, KIRKLAND, LAKE FOREST PARK, LYNNWOOD, MONROE AND MOUNTLAKE TERRACE; FOR THE NORTH SOUND METRO SPECIAL WEAPONS AND TACTICS (SWAT)/ CRISIS NEGOTIATING TEAM (CNT).

THIS INTERLOCAL AGREEMENT (Agreement) is entered into by and between the City of Bothell, a Washington municipal corporation (Bothell), the City of Edmonds, a Washington municipal corporation (Edmonds), the City of Kirkland, a Washington municipal corporation (Kirkland) the City of Lake Forest Park, a Washington municipal corporation (Lake Forest Park), the City of Lynnwood, a Washington municipal corporation (Lynnwood), the City of Monroe, a Washington municipal corporation (Monroe), and the City of Mountlake Terrace, a Washington municipal corporation (Mountlake Terrace), (collectively referred to hereinafter as Parties or Cities).

WHEREAS, the Cities are public agencies as defined by RCW Chapter 39.34 and RCW Chapter 10.93, and are authorized to enter into interlocal agreements to provide for joint or cooperative actions to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, incidents of a serious criminal nature do occur which require a need for a specially trained and equipped unit to effectively resolve the situation, these incidents create a demand upon the undersigned Cities respective to resources which are better and more economically served by combining resources to form a joint specialty team called the NORTH SOUND METRO SPECIAL WEAPONS AND TACTICS, (hereinafter SWAT Team); and

WHEREAS, the SWAT Team shall be specially trained and equipped to provide a cooperative and joint effort among the undersigned Cities' police departments to respond to and resolve criminal activity of a high risk nature in accordance with state and federal law.

NOW, THEREFORE, be it agreed in accordance with RCW 39.34 and RCW 10.93:

1. CREATION AND AUTHORIZATION.

The undersigned Cities hereby create THE NORTH SOUND METRO SPECIAL WEAPONS AND TACTICS (SWAT) Team. The SWAT Team is hereby authorized and directed to achieve the objectives of this Agreement.

2. OBJECTIVE.

The primary objective of the SWAT Team is to respond effectively and appropriately to incidents which create a significant and higher safety risk for officers/detectives in the field and the public.

3. EXECUTIVE BOARD/SWAT STRUCTURE.

The undersigned Cities hereby create an Executive Board (Board) to direct the SWAT Team. The Executive Board shall be comprised of the Police Chiefs of all participating Cities. Based upon recommendations from the SWAT Commander and or Board members, the Board reviews and approves changes and updates to the SWAT Policy and Procedures Manual (SWAT Policy) and also provides approval and gives direction on operational matters as presented and requested by the SWAT Team Commander.

Each member of the Board shall have an equal vote and voice on all Board decisions. All decisions, except those related to the SWAT Policy and Procedure manual, shall be made by a majority of voting Board members, provided a quorum of four (4) Board members are present. SWAT Policy and Procedure decisions shall require a unanimous vote from all Board members. The Board will meet at least once a quarter.

3.1 SWAT Team Structure.

3.1.1 The goal of the SWAT Team is to have a minimum of twenty-four (24) trained officers and one (1) Command Level Officer (SWAT Team Commander). Staffing shall be proportional to the size of the participating city police department's commissioned strength and the ability of that police department to staff positions.

3.1.2 When subsequent attrition occurs in the SWAT Team, such vacancies shall be filled based on a mutually agreed to and managed selection process approved by the Board.

3.1.3 The Board will determine the host police department for the SWAT Team and the selection of the SWAT Team Commander. The SWAT Team Commander will recommend appointments for the positions of Assistant SWAT Team Commander and SWAT Team Leader(s) to the Board who shall have final approval. (See attached Appendix A for an organizational chart).

3.1.4 Incident command shall be the responsibility of the police department of jurisdiction in which the incident occurs. The police department of jurisdiction may delegate incident command responsibility to the SWAT Team Commander, or an appointed designee in his absence, but will still be required to provide a liaison to the SWAT Team Commander for the duration of the event.

3.1.5 Distraction devices, gas munitions, and entrance explosives will be stored and handled per the SWAT Policy and Procedures manual and other applicable state and federal laws and regulations.

3.1.6 The general specifications of SWAT equipment/weapons will be contained within the SWAT Policy and Procedures manual.

3.1.7 SWAT policies and procedures will be standardized and agreed to by all participating Board members including any modifications or amendments thereto. Each Board member understands that SWAT, when activated in their respective jurisdictions, will act in accordance with the SWAT Policy and Procedures manual, as unanimously approved by the Board.

3.1.8 Except as provided herein, all personnel are deemed to be continuing employment for their respective employers when activated as members of the functionally consolidated SWAT Team. Each participating City shall be solely and exclusively responsible for the compensation, benefits, and training expenses for those personnel. All rights, duties, and obligations of the employer and the employee shall remain with that participating City. Each City shall be responsible for ensuring compliance with all applicable laws with regard to employees and with provisions of any applicable collective bargaining agreements and civil service rules and regulations and its disciplinary policies and procedures.

3.1.9 During field activation of the SWAT Team, an Incident Commander, SWAT Team Commander and SWAT Team Leader(s) will be designated. The duties and procedures to be utilized by the Incident Commander, SWAT Team Commander and SWAT Team Leader(s) shall be set forth in the SWAT Policy and Procedures manual approved by the Board.

3.2. <u>Team Composition</u>.

The Board determines the SWAT Team composition and selection process.

3.3 <u>Crisis Negotiating Teams</u>.

There will be a Crisis Negotiating Team (CNT) component. The Board will determine the composition of the Team and associated selection criteria.

3.4 <u>Policy Development and Review.</u>

3.4.1 The Board shall determine who will coordinate development of SWAT Team policies and procedures. At a minimum, such policies and procedures shall address:

a. Appointment to Team/Team Composition

b. Risk Analysis Assessments

c. Special Procedures

d. Munitions Storage Policy/Equipment Considerations

e. Diversionary Device Use and Deployment

f. Firearms Qualification Standards

g. Minimum Training Requirements/Fitness Standards

h. Mutual Aid Responses

3.4.2 Following policy and procedure review and approval, the Board shall forward copies of the SWAT Policy and Procedures manual to the police departments of participating Cities.

4. COST SHARING/BUDGET AND FINANCE.

The Parties agree to budget and finance provisions for costs incurred by or in connection with the operations of the SWAT Team, in accordance with the following:

4.1. For purposes of general administration, the Board shall determine which City shall be designated as the Host police department. That police department will coordinate budgetary expenditures with all participating Cities.

4.2. All costs associated with the initial and continued outfitting of a SWAT Team member, including but not limited to, clothing and weapons shall be the responsibility of the employing City of any team member. This equipment shall remain the property of the purchasing City. The maintenance and replacement of individual team member's equipment shall be the responsibility of the employing City.

4.3. Any overtime costs associated with all deployment operations or team training of SWAT Team members shall be the responsibility of the employing City of any team member.

4.4. All member participating Cities understand there is need for equipment, and/or training for specialty positions within the team, that may be utilized by any qualified team member during the course of operations or training.

4.5. Each participating City will provide an amount of money determined by the Board and approved through the budget processes of each participating City's legislative body for necessary purchases per calendar year for approved operational expenditures. The Board shall designate one (1) participating City which will establish a single SWAT Team operational budget. Participating Cities agree to leave any money left over from that calendar year in the SWAT operational budget, which will be held in the account to supplement/augment SWAT organizational operations with the approval of the Board.

4.6. By May of each year, the SWAT Team Commander will submit a proposed operational budget request for approval to the Board, itemizing anticipated team/specialty

training and team equipment purchase requests for the following budget cycle. Each participating City will then submit for review and consideration the proposed operational and team/specialty training and team equipment budget via their own budget process. All team/specialty equipment purchases made during the calendar year will be documented via an inventory database spreadsheet. Training and equipment for individual team members will be the responsibility of each participating City.

4.7. During unusual occurrences emergency expenses outside the parameters of the approved SWAT Team operational budget can be approved and ratified by agreement with a quorum of the Board. These expenses will be incurred only out of operational necessity (i.e., additional overtime or supplies related to a SWAT operation).

4.8. All Parties intend that the budget and finance provision contained herein shall support the activities of SWAT Team operations and training.

5. LIABILITY FOR INDEMNIFICATION AND DEFENSE FROM THIRD PARTY CLAIMS.

5.1 Equal Sharing of Liability.

The Cities agree that liability for the negligent or unintentionally tortious actions of the SWAT Team or any police officer or employee working for or on behalf of the SWAT Team be shared equally on an equal shares basis between the participating Cities. It is further the agreement of the Cities that no City should be required to pay more than an equal share of the cost of payment of any judgment or settlement for a liability claim which arises out of and is proximately caused by the actions of any officer, employee or City which is acting on behalf of or in support of the SWAT Team and acting within the scope of any person's employment or duties to said SWAT Team. This risk sharing agreement shall not apply to judgments against any party or officer for punitive damages or for damages resulting from intentionally tortious actions. This general agreement on liability sharing is subject to the following terms and conditions set for the below in Sections 5.2 to 5.10.

5.2 Hold Harmless.

Each City agrees to hold harmless and indemnify the other participating Cities from any loss, claim or liability arising from or out of the negligent or unintentional tortious actions or inactions of its officers and employees or each other as related to any SWAT Team activity. Such liability shall be apportioned among the Cities equally on an equal shares basis subject to any limitation set forth below.

5.3 Defense of Lawsuits.

Each City shall be responsible for selecting and retaining legal counsel for itself and for any employee of said City who is named in a lawsuit alleging liability arising out of

SWAT Team operations. Each City who retains counsel for itself and/or its officers and employees shall be responsible for paying the attorney's fees incurred by that counsel. The Cities shall not share costs of defense among each other unless they specifically agree to have one attorney representing all of them in any particular legal action.

5.4 Notice of Claims and Lawsuits and Settlements.

In the event that a lawsuit is brought against a participating City, its officers and employees for actions arising out of their conduct in support of the SWAT Team operations, it shall be the duty of each said City to notify the other Cities that said claims or lawsuit has been initiated. No settlement of any such claim or lawsuit by any single City shall require equal shares contribution by any City unless it was done with the knowledge and specific consent of the other participating Cities. Any settlement made by any individual City or member which does not have the consent of the other participating Cities to this Agreement will not require any sharing of payment of said settlement on behalf of the non-consenting Cities.

5.4.1 **Settlement Procedure.**

5.4.1(1) Any City who believes that it would be liable for a settlement or judgment which should be equally shared by the other participating Cities to this Agreement shall have the burden of notifying each other participating City of all settlement demands made to that City and any claims and/or lawsuits naming that city and/or its officers and employees for what may be a joint liability. Furthermore, if the other participating Cities are not named as parties to the actions, it shall be the burden of the City named in the lawsuit to keep the other participating Cities fully apprised of all developments in the case and all settlements demands, mediations or any other efforts made towards settlement. Settlements require the specific consent of all participating Cities to this Agreement before any equal share obligations for payment by all participating Cities becomes effective.

5.4.1(2) No City shall enter into a settlement with a claimant or plaintiff unless said settlement ends the liability of all participants to this Agreement and on behalf of their respective employees and officers. It is the intent of this Agreement that the Cities act in good faith on behalf of each other in conducting settlement negotiations on liability claims or lawsuits so that, whenever possible, all Parties to this Agreement agree with the settlement costs or, in the alternative, that all Parties to this Agreement reject settlement demands and agree to go to trial and share equally in any judgment incurred as a result of the decision to go to trial. However, in the event that a settlement demand is presented to all the participating Cities to this Agreement and there is not unanimous consent to pay the settlement, then and only then the following results shall occur:

5.4.1(2)(1) The Cities shall be free to seek a separate settlement with the claimant and/or plaintiff which would eliminate the liability of that City and/or its officers and employees and, if such separate settlement is reached, that City would have no responsibility to pay any proportionate amount of any judgment rendered against the Cities and/or their officers and employees that did not settle. A City making a separate settlement would not have to pay any proportional amount of any subsequent settlement that others might reach. Any City making a separate settlement would have no right to seek any reimbursement or contribution for any portion of a settlement which said City had reached separately with the claimant and/or plaintiff.

5.5 <u>Cooperation in Defense of Lawsuits</u>.

The Cities and their respective defense counsel shall, to the extent reasonably legally possible and consistent with the best interests of their respective clients, cooperate in the defense of any lawsuit arising out of the operations of the SWAT Team and shall agree, wherever possible, to share non-attorney fee-related costs such as records gathering, preparation of trial exhibits, and the retention and payment of expert witnesses.

5.6 <u>Payment of Judgments</u>.

Unless there is an exception as provided in paragraphs 5.4.1(2) and 5.4.1(2)(1), it is the intention of the participating Cities under this Agreement to jointly pay any judgment on an equal share basis for any judgment against any officer and/or employee and/or City for negligence or unintentional tortious action arising out of their conduct in the course of their employment or duties as SWAT Team members or in support of such SWAT Team operations; regardless of what percentage of liability may be attributed to that participating City or its officers and employees by way of verdict or judgment, including the costs of any awarded plaintiff's attorney's fees and costs. It is the intent of the Parties to add up the total combined judgment against any participating City and/or officer and/or employee for compensatory damages and/or plaintiff's attorney's fees and costs and to divide said total combined judgment into equal shares and each City would then pay its equal share of the total combined judgment to satisfy the judgment. Any City which refused to pay its equal share would then be liable to the Cities who paid that City's share in order to satisfy a judgment plus any attorney's fees incurred in the collection of said monies from the non-paying City.

5.7 <u>Nothing Herein Shall Require Or Be Interpreted To</u>:

5.7.1 Waive any defense arising out of RCW Title 51.

5.7.2 Limit or restrict the ability of any City, officer or employee to exercise any right, defense or remedy which a party to a lawsuit may have with respect to claims of third parties, including, but not limited to, any good faith attempts to

seek dismissal of legal claims against a party by any proper means allowed under the civil rules in either state or federal court.

5.7.3 Cover or apportion or require proportionate payment of any judgment against any individual or City for intentionally wrongful conduct outside the scope of employment of any individual or for any judgment for punitive damages, fines or sanctions against any individual or City. Payment of punitive damage awards shall be the sole responsibility of the individual against whom said judgment is rendered and/or his or her municipal employer, should that employer elect to make said payment voluntarily. This Agreement does not require equal sharing of any punitive damage awards, fines or sanctions.

5.8 <u>Insurance Coverage</u>.

The Cities shall, to the best of their ability, coordinate their liability insurance coverages and/or self-insured coverages to the extent possible to fully implement and follow the Agreement set forth herein. However, the consent of any liability insurance carrier or self-insured pool or organization is not required to make this Agreement effective as between the member Cities signing this Agreement and the failure of any insurance carrier or self insured pooling organization to agree or follow the terms of this provision on liability shall not relieve any individual City from its obligation under this Agreement.

6. NON-WAIVER.

A waiver by any City hereto of a breach of any other City hereto of any covenant or condition of this Agreement shall not impair the right of the City not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of any City to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

7. AMENDMENTS.

This Agreement may only be amended by written agreement of all the undersigned Cities that have not terminated their respective participation under this Agreement.

8. SEVERABILITY.

Should any clause, phrase, sentence or paragraph of the Agreement or its application to any party or circumstance be declared invalid or void by a court of competent jurisdiction, the remaining provisions of this Agreement and/or their application to other parties and circumstances, not declared invalid or void, shall remain in full force and effect.

9. TERM AND TERMINATION.

9.1 The minimum term of this Agreement shall be one (1) year, effective upon its adoption. This Agreement shall automatically extend for consecutive one (1) year terms without action of the legislative bodies of the participating jurisdictions, unless and until terminated pursuant to the terms of this Agreement.

9.2 Any Party may withdraw from and terminate participation under this Agreement upon the giving of thirty (30) calendar days advance written notice of intent to withdraw/terminate to the other Parties herein. Withdrawal during any calendar year shall not entitle the withdrawing Party to a reduction or refund with respect to funds budgeted for or otherwise committed with respect to the withdrawing Party for any calendar year. Termination of this Agreement and/or withdrawal of a Party shall not terminate Section 5 hereof with respect to the withdrawing Party as to any incident arising prior to the withdrawal of the Party and Section 5 shall survive the termination of this Agreement with respect to any cause of action, claim or liability arising on or prior to the date of termination.

9.3 A majority of the participating Cities may terminate this Agreement at any time. Such termination shall be set forth in a document signed by the authorized Chief Executive Officer or designee of a majority of the participating Cities.

9.4 Upon termination of this Agreement by the participating Cities, property used and/or in the possession of the SWAT Team pursuant to the terms and conditions of this Agreement, including but not limited to vehicles, equipment, firearms, ammunition and Class C low explosives, shall belong to and shall be returned to the City that provided or paid for such items. Items that were jointly purchased by the Cities will be distributed between the police departments on a basis agreed to in writing by the respective police chiefs.

9.5 In the event that a City withdraws from and terminates participation under this Agreement in accordance with Section 9.2, property that was paid for and/or provided by that City and was used and/or in the possession of the SWAT Team pursuant to the terms and conditions of this Agreement, including but not limited to vehicles, equipment, firearms, ammunition and Class C low explosives, shall belong to and shall be returned to the withdrawing/terminating City. Items that were jointly purchased by the Cities will continue to remain with and be available for use by the SWAT Team until such time that this Agreement is terminated in its entirety.

10. NOTICES AND CONTACTS.

Unless otherwise directed in writing, notices, reports, invoices, payments and other documents shall be delivered to each City as follows:

City of Bothell
Attn: Police Chief
18410 101st Ave., N.E.
Bothell WA 98011

City of Edmonds
Attn: Police Chief
250 5th Ave., N.
Edmonds WA 98020

City of Lake Forest Park
Attn: Police Chief
17425 Ballinger Way, N.E.
Lake Forest Park WA 98155

City of Lynnwood
Attn: Police Chief/Purchasing
19321 44th Ave., W.
Lynnwood WA 98036

City of Monroe
Attn: Police Chief
806 West Main Street
Monroe WA 98272

City of Mountlake Terrace
Attn: Police Chief
5906 232nd St., S.W.
Mountlake Terrace WA 98043

City of Kirkland
Attn: Police Chief
123 5th AVE
Kirkland WA 98033

Notices mailed by any City shall be deemed effective on the date mailed. Any City may change its address for receipt of reports, notices, invoices, payments and other documents by giving the other Cities written notice of not less than seven (7) days prior to the effective date.

11. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

12. VENUE.

The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Snohomish County, Washington.

13. EXECUTION.

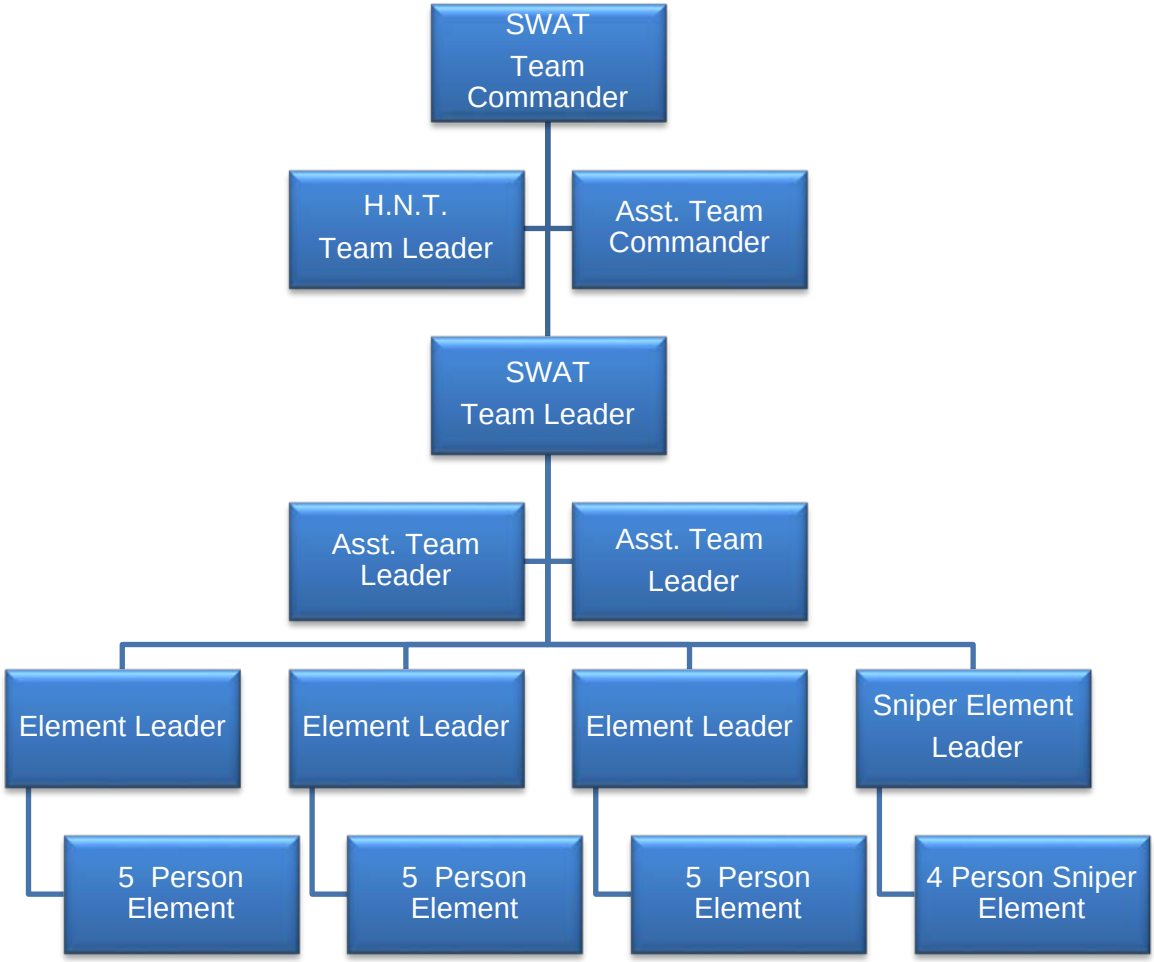
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

14. FILING.

As provided by RCW 39.34.040, this Agreement shall be filed prior to its entry in force with the Snohomish County Auditor, or, alternatively, listed by subject on the website of each participating City.

Dated this _____day of _____, 2013.

APPENDIX "A" - ORGANIZATIONAL CHART



CITY OF KIRKLAND

By:_____
Title:_____
Dated: _____

ATTEST:

By:_____
City Clerk
Dated:_____

APPROVED AS TO FORM:

By:_____
City Attorney
Dated:_____

CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ray Steiger, P.E., Public Works Director

Date: January 14, 2013

Subject: NE King County Co-op Recycling Decant Center – Purchase and Sale Agreement

RECOMMENDATION:

It is recommended that City Council authorizes the City Manager to sign a Purchase and Sale Agreement for the potential siting of a regional decant facility.

BACKGROUND DISCUSSION:

Kirkland, along with a number of other local agencies, has been working collaboratively since March, 2011, to examine the needs and options available for treatment and disposal of by-product that is generated during storm system cleaning. At this time, the largest portion of this by-product is allowed to dewater by gravity (decant) at the respective agencies storage facilities, and then the remaining solids (gravel, sand, organics) are disposed of in landfills. Increased cleaning requirements due to National Pollution Discharge Elimination Systems (NPDES) permits and system growth along with regional traffic congestion (i.e. travel time) are a challenge to the methods that agencies are currently utilizing to dispose of the by-product.

At their June 5, 2012, study session, Council received a presentation by Public Works staff on an alternative approach to disposal that was being explored. The approach of developing a regional decant facility that surrounding agencies could utilize was discussed; receipt of a $2.2 M State grant to aid in developing the alternative was key to moving the option forward. City Council authorized staff to pursue required agreements with other agencies, develop funding scenarios for the acquisition of a centralized property, and continue to work with the granting agency to secure the grant. It was agreed that staff would continue to pursue the alternative and periodically check back with the City Council as the discussions evolved.

On December 20, the City Manager signed a non-binding letter of intent for the acquisition of a commercial property in the Totem Lake area. (Attachments A and B). The letter of intent memorialized the City's contingent offer of $3.8 M and initiated the next phase of the property negotiations, a Purchase and Sale Agreement (PSA). The proposed PSA allows the City to examine the property and perform due diligence. The terms allow the City 60 days beyond execution of the PSA to fully vet the property while concurrently assessing the financial viability of a regional facility, securing interlocal agreements with the partner agencies, and securing the Department of Ecology (DOE) Grant. The Grant requires that Kirkland and two of the neighboring agencies (namely Redmond and Bellevue) participate in the initial cost of the facility and the

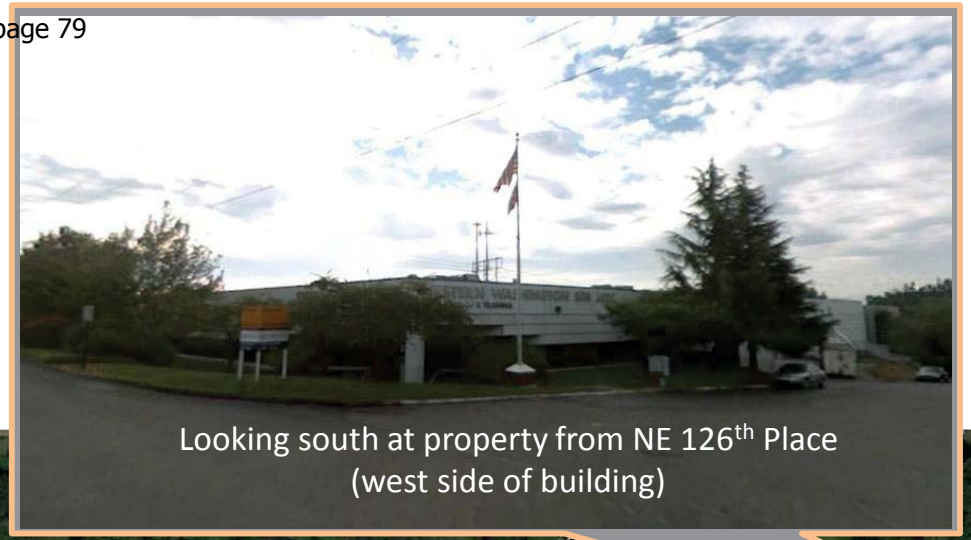
property be secured. DOE staff has affirmed that the interlocal agreements and a PSA will be sufficient to satisfy the terms of the grant.

If Council authorizes execution of the PSA, the City would also execute a promissory note for the amount of the earnest money, which is $100,000. Under the terms of the promissory note, the City would be required to pay the earnest money upon satisfaction or waiver of the 60 day feasibility period. The City would not be required to pay earnest money if it elected to terminate the PSA pursuant to the feasibility contingency provision.

With an authorization to sign the PSA, staff will begin the due diligence process. A likely chronology of subsequent steps:

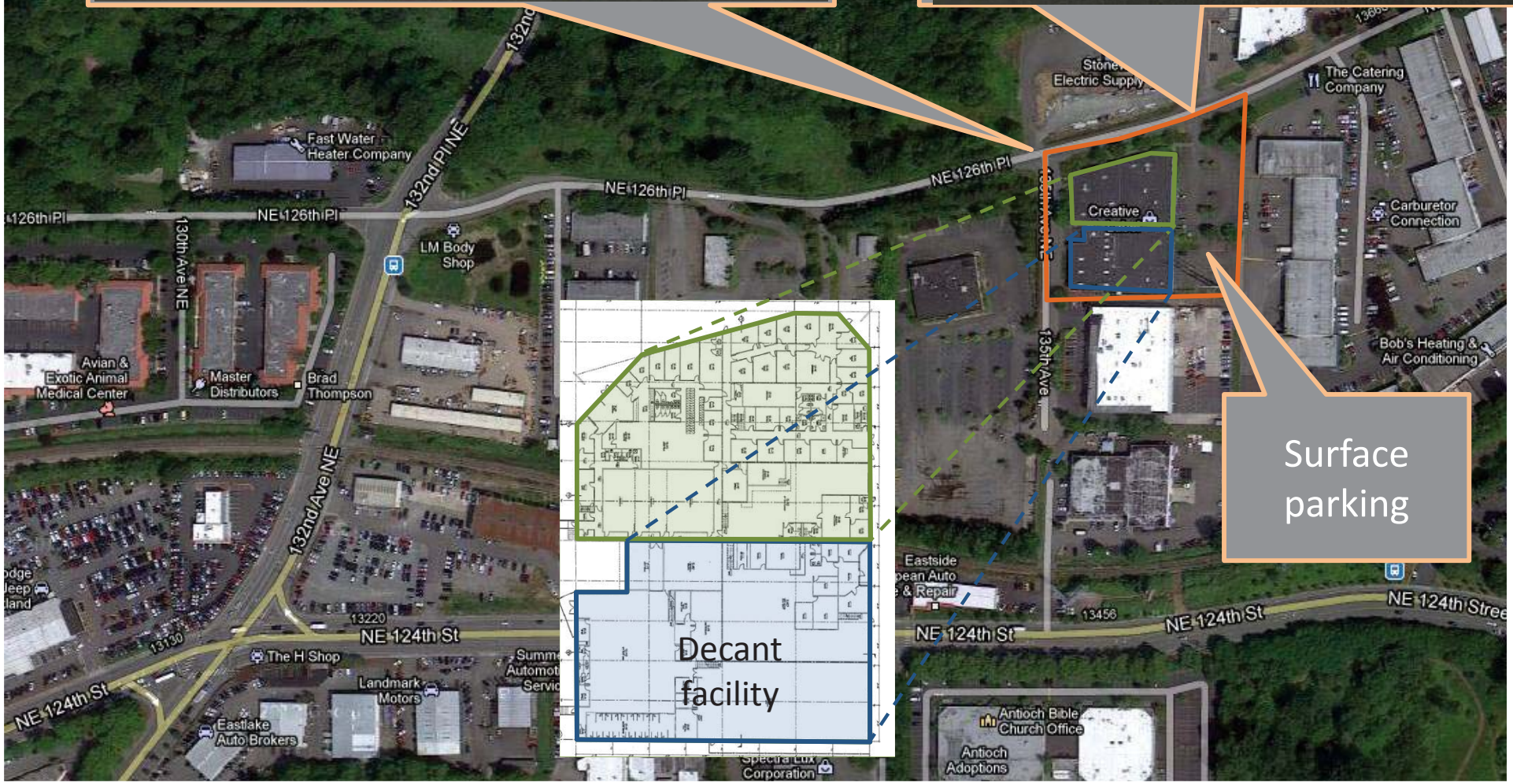
Jan 16th	PSA signed and sent to seller for execution Staff completion of draft Decant Facility "business plan" Draft interlocal agreements distributed to partner agencies
Jan 29th	Staff presentation to Finance Committee
Feb 19th	Staff presentation to full Council (business plan, interlocal agreement)
Mar 16th	Due diligence period completed Signed interlocal agreements

If at any point prior to the 60-day due diligence expiration the acquisition of the Property by the City is not feasible for the City's intended purpose, the City may terminate the PSA without financial impact.



Looking south at property from NE 126th Place
(west side of building)

Looking south at property from NE 126th Place
(east side of building)



Attachment A

COMMERCIAL REAL ESTATE SERVICES

CBRE

Joe Steele
Senior Vice President

CBRE, Inc.
Brokerage Services

10885 NE 4th Street
Suite 500
Bellevue, WA 98004-5579

425 462 6925 Tel
425 462 6966 Fax
206 948 0613 Cell

joe.steele@cbre.com
www.cbre.com

December 11, 2012

Bob Swain
NAI Puget Sound Properties
11235 SE 6th Street, Suite 130
Bellevue, WA 98004

RE: LETTER OF INTENT TO PURCHASE
Former Western Washington Sheet Metal Building
13513 NE 126th Place, Kirkland, WA 98034

Dear Bob:

Please accept this proposal on behalf of the City of Kirkland, hereinafter referred to as "Buyer," to enter into a Real Estate Purchase and Sale Agreement ("Agreement") on the subject property mutually acceptable to both parties.

1. Buyer. City of Kirkland

2. Property. The subject property known as the Former Western Washington Sheet Metal Building, consisting of approximately 53,225 square feet, together with all fixtures and personal property owned by Seller and located on the Property. The physical address is 13513 NE 126th Place, Kirkland, WA and the parcel number is 272605-9090 and the land area is approximately 2.45 acres (106,722 square feet).

3. Purchase Price and Payment. The total purchase price for the property is Three Million Eight Hundred Thousand and No/100 Dollars ($3,800,000) paid all cash at closing.

4. Deposit. Upon execution of the Agreement, Buyer will make an earnest money deposit in the form of a Promissory Note in the amount of One Hundred Thousand and No/100 Dollars ($100,000) to be converted to cash under conditions outlined in Section 5.b herein.

5. Feasibility Period. Buyer shall be allowed Forty Five (45) days from mutual execution of the Agreement to complete, to its own satisfaction, a feasibility analysis of the subject property which will include, but not limited to, the Buyer's review of the following:

a. Within Seven (7) days of the date of execution of the Agreement by both parties, Seller shall deliver to Buyer the documents listed below:

1. A current legal description of the Property
2. An existing ALTA survey, if available
3. Copies of all Lease Documents

4. Copies of all monthly operating statements for the Property for the past 3 years, certified as accurate by Seller, setting forth all income and expenses.
5. Copies of utility bills
6. Copies of the service agreements and other agreements pursuant to the Property
7. Phase I and II Environmental Assessments (if available) and any other Environmental Studies or Environmental Information that maybe in the possession of the Seller as it relates to this property
8. Copy of current years real estate tax bill
9. Building plans, if available
10. List of capital improvements for the last 5 years
11. Copies of Certificates of Occupancy, if available
12. Any Soils reports or Soils Information that maybe in the possession of Seller
13. Copy of documentation regarding existing encumbrances on the property
14. Tax assessments and notices
15. Title Report, if available.

b. Buyer must notify Seller in writing within the Forty Five (45) day Feasibility Period of its approval of the specified documents and of its satisfactory determination of project feasibility. Additionally, Buyer must notify Seller of its intent to close upon the terms and times so designated in this Letter. If Buyer elects to continue with this transaction, the deposit held by Buyer will be deposited with Escrow in the form of cash. The deposit will be applied and credited toward the purchase price and will become non-refundable. If Buyer terminates this transaction during the Feasibility Period or fails to notify Seller of its intent to close, the Promissory Note will be returned to Buyer and the Agreement will become null and void and Buyer will return all materials related to this transaction to Seller or its agent.

6. Title. Seller will provide Buyer with a preliminary commitment for title insurance, along with copies of all documentation referred to therein within five (5) days after mutual execution of the Agreement. Buyer will have fifteen (15) days after receipt of the preliminary commitment to review the commitment and documentation. Buyer will provide written notice to Seller within said fifteen (15) days of its approval, or in the event of disapproval, of the items disapproved. Seller would have ten (10) days to advise Buyer of its intent to remove items disapproved by Buyer, or to convey title subject to those items. Buyer may elect to waive its objections or terminate the Agreement.

Title will be conveyed by special warranty deed, free and clear of all encumbrances and defects (including all assessments levied and of record at closing) except those accepted by Buyer. A standard form Owner's policy of title insurance will be issued by a title company acceptable to Buyer and paid by Seller at closing. If Buyer requires an extended form Owner's policy of title insurance, Buyer shall be responsible for the additional cost over and above the standard Owner's policy of title insurance. Seller to pay all closing costs, except that Buyer will pay one-half (1/2) of any escrow fee.

7. Right of Entry. Buyer may enter onto the subject property during the term of the Feasibility Period for the purpose of conducting its analyses. Buyer will hold Seller harmless from any liens which might arise from such activities.

8. Survey. If Buyer requires an ALTA survey, Buyer will be responsible for the production and cost of ALTA survey.

9. Sale/Lease Disclosures. To the best of Seller's knowledge, Seller represents to Buyer that there are no hazardous materials in, on, or around the property. Seller shall provide any and all information regarding: the existence or nonexistence of asbestos, PCB transformers, any other toxic, hazardous or contaminated substances, and underground storage tanks; structural, mechanical and soil conditions; flood zoning; and compliance with the Americans with Disabilities Act (ADA) and the Residential Lead Paint Hazard Reduction Act. Attached is the Sale/Lease Disclosures Form for review. (Double click on icon to review and print attachment.)

13513 NE 126th
PI_DISCLOSURES FOR

10. Seller Cooperation. Seller shall cooperate with Buyer in the satisfaction or removal of contingencies to closing. Such cooperation shall include execution of all applications, lot line adjustments, plans or other required submissions, as well as support of all matters with any public or private agency.

11. Liquidated Damages. In the event of Buyer's breach of the Agreement or failure to perform its obligations under the Agreement, Seller's exclusive remedy shall be receipt of the funds deposited by Buyer described in Sections 3 and 4 hereof.

12. Closing. The closing of this transaction will be Thirty (30) days from the removal of contingencies or sooner at Buyer's option.

13. Title and Escrow Holder. Title will be issued and Escrow to be held with Chantale Stiller-Anderson of First American Title Insurance Company.

14. Agency Disclosure. CBRE represents the Buyer in this transaction. In accordance with Washington State Law, attached is the "The Law of Real Estate Agency" pamphlet for review. (Double click on icon to view and print attachment.)

AGENCY
PAMPHLET(CBA)_(rev.

15. Commission. Seller will pay a commission at closing in the amount of two and one half percent (2.5%) of the gross sales price to CBRE. Said Commission shall be payable as of the date the sale closes and shall be paid out of escrow.

16. Binding Effect. With the exception of Section 17 below, it is understood that this proposal is non-binding and is intended solely and exclusively as a preliminary expression of general intentions. The parties mutually intend that neither shall have any binding contractual obligations to the other with respect to the matters referred to herein unless and until a formal written Agreement has been prepared with adequate opportunity for review by legal counsel and has been fully executed and delivered by the parties.

17. Exclusivity. During the period Seller and Buyer are negotiating and documenting this Agreement, Seller covenants and agrees that it will refrain from soliciting or accepting offers for the property from any person other than Buyer for a period of 15 days.

18. Acceptance. Seller shall have until 5:00 p.m. on Friday December 14th, 2012 to accept this proposal, and so indicate that by signing both original copies of this letter and returning one to the Buyer. In the event of Seller's acceptance, Buyer shall proceed with the preparation of the Agreement which must be executed by both parties within Ten (10) days after Seller's acceptance of this proposal.

CBRE © 2012 All Rights Reserved. All information included in this proposal pertaining to CBRE—including but not limited to its operations, employees, technology and clients—are proprietary and confidential, and are supplied with the understanding that they will be held in confidence and not disclosed to third parties without the prior written consent of CBRE.

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

Sincerely,

CBRE, INC.

Joe Steele
Senior Vice President
(425) 462-6925

ACCEPTED AND AGREED:

This 20 *day of* DECEMBER, *2012.*

SELLER	**BUYER**
By:	By:
Its: ADMIN. COORDINATOR	Its:

CBRE, Inc.
10885 NE 4th Street, Suite 500
Bellevue, WA 98004
Phone: (425) 455-8500
Fax: (425) 462-6966

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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT

This has been prepared for submission to your attorney for review and approval prior to signing. No representation is made by licensee as to its sufficiency or tax consequences

Reference Date: January 14, 2013

City of Kirkland ("Buyer") agrees to buy and Western Washington Sheet Metal Joint Apprenticeship Training Trust ("Seller") agrees to sell, on the following terms, the commercial real estate and all improvements thereon (collectively, the "Property") commonly known as the Former Western Washington Sheet Metal Building, located at 13513 NE 126th Place in the City of Kirkland, King County, Washington, legally described on attached Exhibit A. The Reference Date above is intended to be used to reference this Agreement and is not the date of "Mutual Acceptance," which is defined in Section 23.

1. PURCHASE PRICE. The purchase price is Three Million Eight Hundred Thousand and no/100 Dollars ($3,800,000.00) payable as follows (check only one):

☒ All cash at closing with no financing contingency.

☐ All cash at closing contingent on new financing in accordance with the Financing Addendum (attach CBA Form PS_FIN).

☐ $_____ OR _____% of the purchase price in cash at closing with the balance of the purchase price paid as follows (**check one or both, as applicable**): ☐ Buyer's assumption of the outstanding principal balance as of the Closing Date of a first lien note and deed of trust (or mortgage), or real estate contract, in accordance with the Financing Addendum (attach CBA Form PS_FIN); ☐ Buyer's delivery at closing of a promissory note for the balance of the purchase price, secured by a deed of trust encumbering the Property, in accordance with the Financing Addendum (attach CBA Form PS_FIN).

☐ Other: _____.

2. EARNEST MONEY. The earnest money in the amount of $100,000 shall be in the form of ☐ Cash ☐ Personal check ☒ Promissory note (attached CBA Form EMN) ☐ Other: _____

The earnest money shall be held by ☐ Selling Firm ☒ Closing Agent. Selling Broker may, however, transfer the earnest money to Closing Agent.

Buyer shall deliver the earnest money no later than:

☐ _____ days after Mutual Acceptance.

☒ On the last day of the Feasibility Period defined in Section 5 below.

☐ Other: _____.

If the earnest money is to be held by Selling Firm and is over $10,000, it shall be deposited to: ☐ Selling Firm's pooled trust account (with interest paid to the State Treasurer) ☐ A separate interest bearing trust account in Selling Firm's name. The interest, if any, shall be credited at closing to Buyer. If this sale fails to close, whoever is entitled to the earnest money is entitled to interest.

Selling Firm shall deposit any check to be held by Selling Firm within 3 days after receipt or Mutual Acceptance, whichever occurs later. Buyer agrees to pay financing and purchase costs incurred by Buyer. Unless otherwise provided in this Agreement, the earnest money shall be applicable to the purchase price.

3. EXHIBITS AND ADDENDA. The following Exhibits and Addenda are made a part of this Agreement:

☒ Exhibit A - Legal Description
☒ Earnest Money Promissory Note, CBA Form EMN

CBRE, Inc.
10885 NE 4th Street, Suite 500
Bellevue, WA 98004
Phone: (425) 455-8500
Fax: (425) 462-6966

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ALL RIGHTS RESERVED

COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
(CONTINUED)

- ☐ Promissory Note, LPB Form No. 28A
- ☐ Short Form Deed of Trust, LPB Form No. 20
- ☐ Deed of Trust Rider, CBA Form DTR
- ☒ Utility Charges Addendum, CBA Form UA
- ☒ FIRPTA Certification, CBA Form 22E
- ☐ Assignment and Assumption, CBA Form PS-AS
- ☐ Addendum/Amendment, CBA Form PSA
- ☐ Back-Up Addendum, CBA Form BU-A
- ☐ Vacant Land Addendum, CBA Form VLA
- ☐ Financing Addendum, CBA Form PS_FIN
- ☐ Tenant Estoppel Certificate, CBA Form PS_TEC
- ☐ Defeasance Addendum, CBA Form PS_D
- ☒ Other Form 17 Commercial

4. SELLER'S UNDERLYING FINANCING. Unless Buyer is assuming Seller's underlying financing, Seller shall be responsible for confirming the existing underlying financing is not subject to any "lock out" or similar covenant which would prevent the lender's lien from being released at closing. In addition, Seller shall provide Buyer notice prior to the end of the Feasibility Period if Seller is required to substitute securities for the Property as collateral for the underlying financing (known as "defeasance"). If Seller provides this notice of defeasance to Buyer, then the parties shall close the transaction in accordance with the process described in CBA Form PS_D or any different process identified in Seller's defeasance notice to Buyer.

5. FEASIBILITY CONTINGENCY. Buyer's obligations under this Agreement are conditioned upon Buyer's satisfaction in Buyer's sole discretion, concerning all aspects of the Property, including its physical condition; the presence of or absence of any hazardous substances; the contracts and leases affecting the property; the potential financial performance of the Property; the availability of government permits and approvals; and the feasibility of the Property for Buyer's intended purpose. This Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives written notice to Seller within 60 days (30 days if not filled in) (the "Feasibility Period") of Mutual Acceptance stating that this condition is satisfied. If such notice is timely given, the feasibility contingency stated in this Section 5 shall be deemed to be satisfied.

a. Books, Records, Leases, Agreements. Seller shall make available for inspection by Buyer and its agents within 7 days (2 days if not filled in) after Mutual Acceptance all documents in Seller's possession or control relating to the ownership, operation, renovation or development of the Property, excluding appraisals or other statements of value, and including: statements for real estate taxes, assessments, and utilities for the last three years and year to date; property management agreements and any other agreements with professionals or consultants; leases or other agreements relating to occupancy of all or a portion of the Property and a suite-by-suite schedule of tenants, rents, prepaid rents, deposits and fees; plans, specifications, permits, applications, drawings, surveys, and studies; maintenance records, accounting records and audit reports for the last three years and year to date; and "Vendor Contracts" which shall include maintenance or service contracts, and installments purchase contracts or leases of personal property or fixtures used in connection with the Property. Buyer shall determine within the Feasibility Period: (i) whether Seller will agree to terminate any objectionable Vendor Contracts; and (ii) whether Seller will agree to pay any damages or penalties resulting from the termination of objectionable Vendor Contracts. Buyer's waiver of the Feasibility Contingency shall be deemed Buyer's acceptance of all Vendor Contracts which Seller has not agreed in writing to terminate. Buyer shall be solely responsible for obtaining any required consents to such assumption and the payment of any assumption fees. Seller shall cooperate with Buyer's efforts to receive any such consents but shall not be required to incur

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any out-of-pocket expenses or liability in doing so. Seller shall transfer the Vendor Contracts as provided in Section 17.

b. Access. Seller shall permit Buyer and its agents, at Buyer's sole expense and risk to enter the Property at reasonable times subject to the rights of and after legal notice to tenants, to conduct inspections concerning the Property and improvements, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements including those relating to security, confidentiality, and disruption of Seller's tenants. Buyer shall not perform any invasive testing including environmental inspections beyond a phase I assessment or contact the tenants or property management personnel without obtaining the Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall restore the Property and improvements to the same condition they were in prior to inspection. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for purposes of statutory liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents. This agreement to indemnify and defend Seller shall survive closing. Buyer may continue to enter the Property in accordance with the foregoing terms and conditions after removal or satisfaction of the feasibility contingency only for the purpose of leasing or to satisfy conditions of financing.

~~**c.** Buyer waives the right to receive a seller disclosure statement ("Form 17-Commercial") if required by RCW 64.06. However, if Seller would otherwise be required to provide Buyer with a Form 17-Commercial, and if the answer to any of the questions in the section of the Form 17-Commercial entitled "Environmental" would be "yes," then Buyer does not waive the receipt of the "Environmental" section of the Form 17-Commercial which shall be provided by Seller.~~

6. TITLE INSURANCE.

a. Title Report. Seller authorizes Buyer, its Lender, Listing Broker, Selling Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a ☐ standard ☒ extended (standard, if not completed) coverage owner's policy of title insurance. If an extended coverage owner's policy is specified, Buyer shall pay the increased costs associated with that policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by Chicago Title (a title company of Seller's choice, if not completed). If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.

b. Permitted Exceptions. Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: (1) twenty (20) days after Mutual Acceptance of this Agreement; or (2) the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless within five (5) days of Buyer's notice of such objections (1) Seller agrees, in writing, to remove all objectionable provisions or (2) Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within five (5) days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's notice of objections. The closing date shall be extended to the extent necessary to permit time for these notices. Buyer shall not be required to object to any mortgage or deed of trust liens, or the statutory lien for real property taxes, and the same shall not be deemed to be Permitted Exceptions; provided, however, that the lien securing

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any financing which Buyer has agreed to assume shall be a Permitted Exception. Except for the foregoing, those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." Seller shall cooperate with Buyer and the title company to clear objectionable title matters but shall not be required to incur any out-of-pocket expenses or liability other than payment of monetary encumbrances not assumed by Buyer and proration of real property taxes, and Seller shall provide an owner's affidavit containing the information and reasonable covenants requested by the title company. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

7. CLOSING OF SALE. The sale shall be closed on fifteen (15) days from expiration of Feasibility Contingency, ("Closing") by Chicago Title ("Closing Agent") (Seller shall select the Closing Agent, if not completed). Buyer and Seller shall deposit with Closing Agent by 12:00 p.m. on the scheduled Closing date all instruments and monies required to complete the purchase in accordance with this Agreement. "Closing" shall be deemed to have occurred when the deed is recorded and the sale proceeds are available to Seller. Time is of the essence in the performance of this Agreement. Sale proceeds shall be considered available to Seller, even though they cannot be disbursed to Seller until the next business day after Closing. Notwithstanding the foregoing, if Seller informed Buyer during the Feasibility Period that Seller's underlying financing requires that it be defeased and may not be paid off, then Closing shall be conducted in accordance with the three-day closing process described in CBA Form PS_D. This Agreement is intended to constitute escrow instructions to Closing Agent. Buyer and Seller will provide any supplemental instructions requested by Closing Agent provided the same are consistent with this Agreement.

8. CLOSING COSTS AND PRORATIONS. Seller shall deliver an updated rent roll to Closing Agent not later than two (2) days before the scheduled Closing date in the form required by Section 5(a) and any other information reasonably requested by Closing Agent to allow Closing Agent to prepare a settlement statement for Closing. Seller certifies that the information contained in the rent roll is correct as of the date submitted. Seller shall pay the premium for the owner's standard coverage title policy. Buyer shall pay the excess premium attributable to any extended coverage or endorsements requested by Buyer, and the cost of any survey required in connection with the same. Seller and Buyer shall each pay one-half of the escrow fees. Any real estate excise taxes shall be paid by the ~~party~~ *SELLER* who bears primary responsibility for payment under the applicable statute or code. Real and personal property taxes and assessments payable in the year of closing; collected rents on any existing tenancies; interest; utilities; and other operating expenses shall be pro-rated as of Closing. If tenants pay any of the foregoing expenses directly, then Closing Agent shall only pro rate those expenses paid by Seller. Buyer shall pay to Seller at Closing an additional sum equal to any utility deposits or mortgage reserves for assumed financing for which Buyer receives the benefit after Closing. Buyer shall pay all costs of financing including the premium for the lender's title policy. If the Property was taxed under a deferred classification prior to Closing, then Seller shall pay all taxes, interest, penalties, deferred taxes or similar items which result from removal of the Property from the deferred classification. At Closing, all refundable deposits on tenancies shall be credited to Buyer or delivered to Buyer for deposit in a trust account if required by state or local law. Buyer shall pay any sales or use tax applicable to the transfer of personal property included in the sale.

a. Unpaid Utility Charges. Buyer and Seller ☐ WAIVE ☒ DO NOT WAIVE (do not waive if neither box checked) the right to have the Closing Agent disburse closing funds necessary to satisfy unpaid utility charges affecting the Property pursuant to RCW 60.80. If "do not waive" is checked, then attach CBA Form UA ("Utility Charges" Addendum) to this Agreement.

9. POST-CLOSING ADJUSTMENTS, COLLECTIONS, AND PAYMENTS. After Closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof to the extent those items were prorated or credited at Closing based upon estimates. Any bills or invoices received by Buyer after Closing which relate to services rendered or goods delivered to the Seller or the Property prior to Closing shall be paid by

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Seller upon presentation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursement is made. Notwithstanding the foregoing, if tenants pay certain expenses based on estimates subject to a post-closing reconciliation to the actual amount of those expenses, then Buyer shall be entitled to any surplus and shall be liable for any credit resulting from the reconciliation. Rents collected from each tenant after Closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by Buyer to Seller promptly after receipt. Seller shall be entitled to pursue any lawful methods of collection of delinquent rents but shall have no right to evict tenants after Closing.

10. OPERATIONS PRIOR TO CLOSING. Prior to Closing, Seller shall continue to operate the Property in the ordinary course of its business and maintain the Property in the same or better condition than as existing on the date of Mutual Acceptance but shall not be required to repair material damage from casualty except as otherwise provided in this Agreement. After the Feasibility Period, Seller shall not enter into or modify existing rental agreements or leases (except that Seller may enter into, modify, extend, renew or terminate residential rental agreements or residential leases in the ordinary course of its business), service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld.

11. POSSESSION. Buyer shall be entitled to possession ☒ on closing ☐ _____ (on closing, if not completed). Buyer shall accept possession subject to all tenancies disclosed to Buyer during the Feasibility Period.

12. SELLER'S REPRESENTATIONS. Except as disclosed to or known by Buyer prior to the satisfaction or waiver of the feasibility contingency stated in Section 5 above, including in the books, records and documents made available to Buyer, or in the title report or any supplemental report or documents referenced therein, Seller represents to Buyer that, to the best of Seller's actual knowledge, each of the following is true as of the date hereof: (a) Seller is authorized to enter into the Agreement, to sell the Property, and to perform its obligations under the Agreement; (b) The books, records, leases, agreements and other items delivered to Buyer pursuant to this Agreement comprise all material documents in Seller's possession or control regarding the operation and condition of the Property; (c) Seller has not received any written notices that the Property or the business conducted thereon violate any applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after Closing; (f) There is no pending or threatened condemnation or similar proceedings affecting the Property, and the Property is not within the boundaries of any planned or authorized local improvement district; (g) Seller has paid (except to the extent prorated at Closing) all local, state and federal taxes (other than real and personal property taxes and assessments described in Section 8 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after Closing; (h) Seller is not aware of any concealed material defects in the Property except as disclosed to Buyer in writing during the Feasibility Period; (i) There are no Hazardous Substances (as defined below) currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental Law (as defined below); there are no underground storage tanks located on the Property; and there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental Law at the Property. As used herein, the term "Hazardous Substances" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected

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harm to human health or the environment ("Environmental Law"). The term "Hazardous Substances" specifically includes, but is not limited to, petroleum, petroleum by-products, and asbestos.

If prior to Closing Seller or Buyer discovers any information which would cause any of the representations above to be false if the same were deemed made as of the date of such discovery, then the party discovering the same shall promptly notify the other party in writing. If the newly-discovered information will result in costs or liability to Buyer in excess of the lesser of $100,000 or five percent (5%) of the purchase price stated in this Agreement, or will materially adversely affect Buyer's intended use of the Property, then Buyer shall have the right to terminate the Agreement and receive a refund of its earnest money. Buyer shall give notice of termination within five (5) days of discovering or receiving written notice of the new information. Nothing in this paragraph shall prevent Buyer from pursuing its remedies against Seller if Seller had actual knowledge of the newly-discovered information such that a representation provided for above was false.

13. AS-IS. Except for those representations and warranties specifically included in this Agreement: (i) Seller makes no representations or warranties regarding the Property; (ii) Seller hereby disclaims, and Buyer hereby waives, any and all representations or warranties of any kind, express or implied, concerning the Property or any portion thereof, as to its condition, value, compliance with laws, status of permits or approvals, existence or absence of hazardous material on site, occupancy rate or any other matter of similar or dissimilar nature relating in any way to the Property, including the warranties of fitness for a particular purpose, tenantability, habitability and use; (iii) Buyer otherwise takes the Property “AS IS;” and (iv) Buyer represents and warrants to Seller that Buyer has sufficient experience and expertise such that it is reasonable for Buyer to rely on its own pre-closing inspections and investigations.

14. PERSONAL PROPERTY.

a. This sale includes all right, title and interest of Seller to the following tangible personal property: ☒ None ☐ That portion of the personal property located on and used in connection with the Property, which Seller will itemize in an Exhibit to be attached to this Agreement within ten (10) days of Mutual Acceptance (None, if not completed). The value assigned to the personal property shall be $ _____ (if not completed, the County-assessed value if available, and if not available, the fair market value determined by an appraiser selected by the Listing Broker and Selling Broker). Seller warrants title to, but not the condition of, the personal property and shall convey it by bill of sale.

b. In addition to the leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) above, this sale includes all right, title and interest of Seller to the following intangible property now or hereafter existing with respect to the Property including without limitation: all rights-of-way, rights of ingress or egress or other interests in, on, or to, any land, highway, street, road, or avenue, open or proposed, in, on, or across, in front of, abutting or adjoining the Property; all rights to utilities serving the Property; all drawings, plans, specifications and other architectural or engineering work product; all governmental permits, certificates, licenses, authorizations and approvals; all rights, claims, causes of action, and warranties under contracts with contractors, engineers, architects, consultants or other parties associated with the Property; all utility, security and other deposits and reserve accounts made as security for the fulfillment of any of Seller's obligations; any name of or telephone numbers for the Property and related trademarks, service marks or trade dress; and guaranties, warranties or other assurances of performance received.

15. CONDEMNATION AND CASUALTY. Seller bears all risk of loss until Closing, and thereafter Buyer shall bear the risk of loss. Buyer may terminate this Agreement and obtain a refund of the earnest money if improvements on the Property are destroyed or materially damaged by casualty before Closing, or if condemnation proceedings are commenced against all or a portion of the Property before Closing. Damage will be considered material if the cost of repair exceeds the lesser of $100,000 or five percent (5%) of the purchase price stated in this Agreement. Alternatively, Buyer may elect to proceed with closing, in which case, at Closing, Seller shall assign to Buyer all

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claims and right to proceeds under any property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the policy.

16. FIRPTA - TAX WITHHOLDING AT CLOSING. Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act, and Seller shall sign it on or before Closing. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

17. CONVEYANCE. Title shall be conveyed by a ~~Statutory~~ *SPECIAL* Warranty Deed subject only to the Permitted Exceptions. If this Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the ~~Statutory~~ *SPECIAL* Warranty Deed shall include a contract vendee's assignment sufficient to convey after acquired title. At Closing, Seller and Buyer shall execute and deliver to Closing Agent CBA Form No. PS-AS Assignment and Assumption Agreement transferring all leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) and all intangible property transferred pursuant to Section 14(b).

18. NOTICES AND COMPUTATION OF TIME. Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and must be delivered to Seller and Listing Broker with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Seller shall be deemed delivered only when received by Seller, Listing Broker, or the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and must be delivered to Buyer, with a copy to Selling Broker and with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Buyer shall be deemed delivered only when received by Buyer, Selling Broker, or the licensed office of Selling Broker. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the represented party or causing a copy of the notice to be delivered to the party's address provided in this Agreement. Buyer and Seller shall keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice. If any party is not represented by a licensee, then notices must be delivered to and shall be effective when received by that party at the address, fax number, or email indicated in Section 28.

Unless otherwise specified in this Agreement, any period of time in this Agreement shall mean Pacific Time and shall begin the day after the event starting the period and shall expire at 5:00 p.m. of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which case the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of five (5) days or less shall not include Saturdays, Sundays or legal holidays. Notwithstanding the foregoing, references to specific dates or times or number of hours shall mean those dates, times or number of hours; provided, however, that if the Closing Date falls on a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050, or a date when the county recording office is closed, then the Closing Date shall be the next regular business day.

19. AGENCY DISCLOSURE. At the signing of this Agreement,

Selling Broker Joe Steele of CBRE, Inc.

represented Buyer

and the Listing Broker Bob Swain of NAI Puget Sound Properties

represented Seller.

Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any)

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represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to the Brokers' Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as a dual agent. If Selling Broker and Listing Broker are the same person representing both parties, then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency."

20. ASSIGNMENT. Buyer ☒ may ☐ may not (may not, if not completed) assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless provided otherwise herein. If the "may not" option is selected and the words "and/or assigns" or similar words are used to identify the Buyer, then this Agreement may be assigned with notice to Seller but without Seller's consent only to an entity which is controlled by or under common control with the Buyer identified in this Agreement. Any other assignment requires Seller's consent. The party identified as the initial Buyer shall remain responsible for those obligations of Buyer stated in this Agreement notwithstanding any assignment and, if this Agreement provides for Seller to finance a portion of the purchase price, then the party identified as the initial Buyer shall guarantee payment of the Seller financing.

21. DEFAULT AND ATTORNEY'S FEE.

a. Buyer's default. In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then (***check one***):

☒ Seller may terminate this Agreement and keep the earnest money as liquidated damages as the sole and exclusive remedy available to Seller for such failure; or

☐ Seller may, at its option, (a) terminate this Agreement and keep as liquidated damages the earnest money as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

b. Seller's default. In the event Seller fails, without legal excuse, to complete the sale of the Property, then (***check one***):

☒ As Buyer's sole remedy, Buyer may either (a) terminate this Agreement and recover all earnest money or fees paid by Buyer whether or not the same are identified as refundable or applicable to the purchase price; or (b) bring suit to specifically enforce this Agreement and recover incidental damages, provided, however, Buyer must file suit within sixty (60) days from the scheduled date of closing or from the date Seller has informed Buyer in writing that Seller will not proceed with closing, whichever is earlier; or

☐ Buyer may, at its option, (a) bring suit against Seller for Buyer's actual damages, (b) bring suit to specifically enforce this Agreement and recover any incidental damages, or (c) pursue any other rights or remedies available at law or equity.

Neither Buyer nor Seller may recover consequential damages such as lost profits. If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and expenses. In the event of trial, the amount of the attorney's fee shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the state where the Property is located.

22. MISCELLANEOUS PROVISIONS.

a. Complete Agreement. This Agreement and any addenda and exhibits thereto state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect the Agreement.

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b. Counterpart Signatures. This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.

c. Electronic Delivery. Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the party the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will replace electronically delivered offers or counteroffers with original documents.

d. Section 1031 Like-Kind Exchange. If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding Section 20 above, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

23. ACCEPTANCE; COUNTEROFFERS. Seller has until midnight of _____, 20_____ (if not filled in, the third business day) following the day Buyer delivers the offer to accept this offer, unless sooner withdrawn. If this offer is not timely accepted, it shall lapse and the earnest money shall be refunded to Buyer. If either party makes a future counteroffer, the other party shall have until 5:00 p.m. on the _____ business day (if not filled in, the second business day) following receipt to accept the counteroffer, unless sooner withdrawn. If the counteroffer is not timely accepted or countered, this Agreement shall lapse and the earnest money shall be refunded to the Buyer. No acceptance, offer or counteroffer from the Buyer is effective until a signed copy is received by the Seller, the Listing Broker or the licensed office of the Listing Broker. No acceptance, offer or counteroffer from the Seller is effective until a signed copy is received by the Buyer, the Selling Broker or the licensed office of the Selling Broker. "Mutual Acceptance" shall occur when the last counteroffer is signed by the offeree, and the fully-signed counteroffer has been received by the offeror, his or her broker, or the licensed office of the broker. If any party is not represented by a broker, then notices must be delivered to and shall be effective when received by that party.

24. INFORMATION TRANSFER. In the event this Agreement is terminated, Buyer agrees to deliver to Seller within ten (10) days of Seller's written request copies of all materials received from Seller and any non-privileged plans, studies, reports, inspections, appraisals, surveys, drawings, permits, applications or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.

25. CONFIDENTIALITY. Until and unless closing has been consummated, Buyer and Seller shall follow reasonable measures to prevent unnecessary disclosure of information obtained in connection with the negotiation and performance of this Agreement. Neither party shall use or knowingly permit the use of any such information in any manner detrimental to the other party.

26. SELLER'S ACCEPTANCE AND BROKERAGE AGREEMENT. Seller agrees to sell the Property on the terms and conditions herein, and further agrees to pay a commission in a total amount computed in accordance with the listing or commission agreement. If there is no written listing or commission agreement, Seller agrees to pay a commission of 2.5% of the sales price *TO THE SELLING FIRM* ~~or $_____~~. The commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing or any co-brokerage agreement. If there is no listing or written co-brokerage agreement, then Listing Firm shall pay to Selling Firm a commission of _____% of the sales price or $_____. Seller assigns to Listing Firm and Selling Firm a portion of the sales proceeds equal to the commission. If the earnest money is retained as liquidated damages, any costs advanced or committed by Listing Firm or Selling Firm for Buyer or Seller shall be reimbursed or paid therefrom, and the balance shall be paid one-half to Seller and one-half to Listing Firm and Selling Firm according to the listing agreement and any co-brokerage agreement. In any action by Listing Firm or Selling Firm to enforce this Section, the prevailing party is entitled to reasonable attorneys' fees and expenses. Neither Listing Firm nor Selling Firm are receiving

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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
(CONTINUED)

compensation from more than one party to this transaction unless disclosed on an attached addendum, in which case Buyer and Seller consent to such compensation. The Property described in attached Exhibit A is commercial real estate. Notwithstanding Section 25 above, the pages containing this Section, the parties' signatures and an attachment describing the Property may be recorded.

27. LISTING BROKER AND SELLING BROKER DISCLOSURE. EXCEPT AS OTHERWISE DISCLOSED IN WRITING TO BUYER OR SELLER, THE SELLING BROKER, LISTING BROKER, AND FIRMS HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OR CONDUCTED ANY INDEPENDENT INVESTIGATION CONCERNING THE LEGAL EFFECT OF THIS AGREEMENT, BUYER'S OR SELLER'S FINANCIAL STRENGTH, BOOKS, RECORDS, REPORTS, STUDIES, OR OPERATING STATEMENTS; THE CONDITION OF THE PROPERTY OR ITS IMPROVEMENTS; THE FITNESS OF THE PROPERTY FOR BUYER'S INTENDED USE; OR OTHER MATTERS RELATING TO THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE PROPERTY'S ZONING, BOUNDARIES, AREA, COMPLIANCE WITH APPLICABLE LAWS (INCLUDING LAWS REGARDING ACCESSIBILITY FOR DISABLED PERSONS), OR HAZARDOUS OR TOXIC MATERIALS INCLUDING MOLD OR OTHER ALLERGENS. SELLER AND BUYER ARE EACH ADVISED TO ENGAGE QUALIFIED EXPERTS TO ASSIST WITH THESE DUE DILIGENCE AND FEASIBILITY MATTERS, AND ARE FURTHER ADVISED TO SEEK INDEPENDENT LEGAL AND TAX ADVICE RELATED TO THIS AGREEMENT.

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PURCHASE & SALE AGREEMENT
(CONTINUED)

28. IDENTIFICATION OF THE PARTIES. The following is the contact information for the parties involved in this Agreement:

Buyer

Contact: City of Kirkland, Attn: Kurt Triplett
Address: 124 5th Ave, Kirkland, WA 98033
Business Phone: 425.587.3020
Mobile Phone: _____
Fax: _____
Email: ktriplett@kirklandwa.gov

Seller

Contact: Western Washington Sheet Metal Joint Apprenticeship Training Trust, Attn: Eric Peterson
Address: 11831 Beverly Park Rd., B-1, Everett, WA 98204
Business Phone: 425.438.1406
Mobile Phone: _____
Fax: 425.438.1936
Email: ericp@wwsmjatc.org

Selling Firm

Name: CBRE, Inc.
Assumed Name (if applicable) : _____
Selling Broker: Joe Steele
Address: 10885 NE 4th St, Ste 500, Bellevue, WA 98004
Business Phone: 425.462.6925
Mobile Phone: 206.948.0613
Email: joe.steele@cbre.com
Fax: 425.462.6966
MLS Office No.: _____

Listing Firm

Name: NAI Puget Sound Properties
Assumed Name (if applicable) :_____
Listing Broker: Bob Swain
Address: 11245 SE 6th St, Ste 130, Bellevue, WA 98004
Business Phone: 425.586.5622
Mobile Phone: 206.794.0443
Email: bswain@nai-psp.com
Fax: 206.794.0443
MLS Office No.: _____

Licensed Office of the Selling Broker

Address: 10885 NE 4th St, Ste 500, Bellevue, WA 98004
Business Phone: 425.455.8500
Email: _____
Fax: 425.462.6966
CBA Office No.: 956400

Licensed Office of the Listing Broker

Address: _____
Business Phone: _____
Email: _____
Fax: _____
CBA Office No.: _____

INITIALS: Buyer _____ Date _____ Seller _____ Date _____

Buyer_____ Date _____ Seller _____ Date _____

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PURCHASE & SALE AGREEMENT
(CONTINUED)

Courtesy Copy of Notices to Buyer to:

Name: _____
Address: _____
Business Phone: _____
Fax: _____
Mobile Phone: _____
Email: _____

Courtesy Copy of Notices to Seller to:

Name: Krutch Lindell, Attn: Greg Petrie
Address: 600 University St, Ste 1701, Seattle, WA 98101
Business Phone: 206.292.3103
Fax: 206.467.1823
Mobile Phone: _____
Email: _____

IN WITNESS WHEREOF, the parties have signed this Agreement intending to be bound.

Buyer _____
Printed name and type of entity

Buyer _____
Signature and title

Date signed _____

Buyer _____
Printed name and type of entity

Buyer _____
Signature and title

Date signed _____

Seller _____
Printed name and type of entity

Seller _____
Signature and title

Date signed _____

Seller _____
Printed name and type of entity

Seller _____
Signature and title

Date signed _____

INITIALS: Buyer _____ Date _____ Seller _____ Date _____

Buyer_____ Date _____ Seller _____ Date _____

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PURCHASE & SALE AGREEMENT
(CONTINUED)

EXHIBIT A *

[Legal Description]

THE LAND REFERRED TO IN THIS COMMITMENT IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF KING AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

LOT 2 OF KING COUNTY SHORT PLAT NO. 777086 RECORDED UNDER RECORDING NO. 7710060818.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER, UNDER AND ACROSS A STRIP OF LAND 20 FEET IN WIDTH, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF SAID SHORT PLAT;
THENCE SOUTH 1°45'28" WEST A DISTANCE OF 394.57 FEET TO THE CENTER OF A CUL-DE-SAC, HAVING A RADIUS OF 45 FEET AND THE TERMINUS OF SAID EASEMENT;
EXCEPT ANY PORTION LYING WITHIN THE ABOVE DESCRIBED PARCEL A.

BOTH SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

* To ensure accuracy in the legal description, consider substituting the legal description contained in the preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error in transcription may render the legal description inaccurate and this Agreement unenforceable.

INITIALS: Buyer _____ Date _____ Seller _____ Date _____

Buyer_____ Date _____ Seller _____ Date _____

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UTILITY CHARGES ADDENDUM

CBA Text Disclaimer: Text deleted by licensee indicated by strike.
New text inserted by licensee indicated by small capital letters.

The following is part of the Purchase and Sale Agreement dated January 14, 2013 between City of Kirkland ("Buyer") and Western Washington Sheet Metal Joint Apprenticeship Training Trust ("Seller") concerning the Former Western Washington Sheet Metal Building, located at 13513 NE 126th Place, Kirkland, WA (the "Property").

Pursuant to RCW 60.80, Buyer and Seller request the Closing Agent to administer the disbursement of closing funds necessary to satisfy unpaid utility charges affecting the Property. The names and addresses of all utilities providing service to the Property and having lien rights are as follows:

Water District:

_____
Name
_____
Address
_____
City, State, Zip

Sewer District:

_____
Name
_____
Address
_____
City, State, Zip

Irrigation District:

_____
Name
_____
Address
_____
City, State, Zip

Garbage:

_____
Name
_____
Address
_____
City, State, Zip

Electricity:

_____
Name
_____
Address
_____
City, State, Zip

Gas:

_____
Name
_____
Address
_____
City, State, Zip

INITIALS: Buyer _____ Date _____ Seller _____ Date _____

Buyer _____ Date _____ Seller _____ Date _____

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UTILITY CHARGES ADDENDUM
(CONTINUED)

Special District(s):
(local improvement districts or utility local improvement)

_____
Name

_____
Address

_____
City, State, Zip

IF THE ABOVE INFORMATION HAS NOT BEEN FILLED IN AT THE TIME OF MUTUAL ACCEPTANCE OF THIS AGREEMENT, THEN (1) WITHIN _____ DAYS (5 DAYS IF NOT FILLED IN) OF MUTUAL ACCEPTANCE OF THIS AGREEMENT, SELLER SHALL PROVIDE THE LISTING BROKER, SELLING BROKER, OR CLOSING AGENT WITH THE NAMES AND ADDRESSES OF ALL UTILITY PROVIDERS HAVING LIEN RIGHTS AFFECTING THE PROPERTY AND (2) BUYER AND SELLER AUTHORIZE LISTING BROKER, SELLING BROKER OR CLOSING AGENT TO INSERT INTO THIS ADDENDUM THE NAMES AND ADDRESSES OF THE UTILITY PROVIDERS IDENTIFIED BY SELLER. SELLER ACKNOWLEDGES THAT THIS ADDENDUM DOES NOT RELIEVE SELLER OF ITS OBLIGATION TO PAY UTILITY CHARGES, BILLED OR UNBILLED OR EVIDENCED BY A RECORDED LIEN OR NOT. THE PARTIES UNDERSTAND THAT NEITHER LISTING BROKER NOR SELLING BROKER IS RESPONSIBLE FOR PAYING UTILITY CHARGES OR FOR INSURING THAT THEY ARE PAID BY ANY OTHER PERSON.

INITIALS: Buyer _____ Date _____ Seller _____ Date _____

Buyer _____ Date _____ Seller _____ Date _____

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CBA Form EMN
E/M Promissory Note
Rev. 1/2011
Page 1 of 1

EARNEST MONEY PROMISSORY NOTE

$ 100,000

Place: Bellevue, WA

Date: January 14, 2013

FOR VALUE RECEIVED, City of Kirkland ("Buyer") agrees to pay to the order of Chicago Title ("Holder") the sum of One Hundred Thousand and No/100 Dollars ($100,000.00) as follows:

☐ _____ days (3 days if not filled in) following mutual acceptance of the Purchase and Sale Agreement.

☒ Upon satisfaction or waiver of the feasibility contingency stated in the Purchase and Sale Agreement.

☐ Other _____*.

This Note is evidence of the obligation to pay earnest money under the purchase and sale agreement (the "Agreement") between Buyer and Western Washington Sheet Metal Joint Apprenticeship Training Trust ("Seller") dated January 14, 2013 for the property located at 13513 NE 126th Place, Kirkland, Washington. Buyer's failure to pay the earnest money strictly as above shall constitute default on the Agreement as well as on this Note.

If Holder retains an attorney for collection of amounts due pursuant to this Note, or if Holder brings suit to collect any amounts due on this Note, Buyer shall pay a reasonable attorney's fee and costs. This Note shall bear interest at the rate of twelve percent (12%) per annum after default.

BUYER

_____

_____

By: _____

Printed Name and Title: _____

* Do not enter "on closing" as the date this Note becomes due and payable because closing under the Agreement is not certain to occur. Instead, insert a specific date or an event that is certain to occur.

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CBA Form 22E
FIRPTA Certificate
Rev. 1/2011
Page 1 of 1

CERTIFICATION UNDER THE FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA")

Section 1445 of the U.S. Internal Revenue Code, The Foreign Investment in Real Property Tax Act ("FIRPTA") provides that a buyer of a U.S. real property interest must withhold tax if the Seller is a foreign person, unless an exception in the Act applies. The following information is intended to help the Buyer and Closing Agent determine if tax withholding is required.

Note: The above law applies to foreign corporations, partnerships, trusts, estates and other foreign entities, as well as to foreign individuals. If the Seller is a corporation, partnership, trust, estate or other entity, the terms "I" and "my" as used below means the corporation or other entity. A "real property interest" includes full or part ownership of land and/or improvements thereon; leaseholds; options to acquire any of the foregoing; and an interest in foreign corporations, partnerships, trusts or other entities holding U.S. real estate.

SELLER CERTIFICATION. Seller hereby certifies the following:

PROPERTY. I am the Seller of real property: ☒ at 13513 NE 126th Place (address) Kirkland (city), Washington; or ☐ (if no street address) legally described on the attached.

CITIZENSHIP STATUS. I ☐ AM ☐ AM NOT a non-resident alien (or a foreign corporation, foreign partnership, foreign trust, foreign estate or other foreign business entity) for purposes of U.S. income taxation.

TAXPAYER I.D. NUMBER. My U.S. taxpayer identification number (e.g. social security number) is: _____ .

ADDRESS. My home address is: _____

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete. I understand that this Certification may be disclosed to the Internal Revenue Service and that any false statement I have made here could be punished by fine, imprisonment, or both.

SELLER _____ DATE _____

SELLER _____ DATE _____

BUYER CERTIFICATION (Fill this in only if the Seller **is** a non-resident alien).

NOTE: If the Seller is a non-resident alien, and has not obtained a release from the Internal Revenue Service, then the closing agent must withhold 10% of the amount realized from the sale and pay it to the IRS, unless Buyer certifies that **BOTH** statements below are correct:

(1) **Amount Realized.** I certify that the total price that I am to pay for the property, including liabilities assumed and all other consideration to the Seller, does not exceed $300,000; and

(2) **Family Residence.** I certify that I or a member of my family* have definite plans to reside on the property for at least 50% of the time that the property is used by any person during each of the first two twelve month periods following the date of this sale.

* (Defined in 11 U.S.C. 267(c)(4). It includes brothers, sisters, spouse, ancestors and lineal descendants).

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief both statements are true, correct and complete. I understand that this Certification may be disclosed to the Internal Revenue Service and that any false statement I have made here could be punished by fine, imprisonment, or both.

BUYER _____ DATE _____

BUYER _____ DATE _____

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SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY

SELLER: Western Washington Sheet Metal Joint Apprenticeship Training Trust

† To be used in transfers of commercial real estate as defined in RCW 60.42.005. See RCW Chapter 64.06 for further explanations.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT 13513 NE 126th Place, CITY Kirkland, COUNTY King ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller ☐ is/ ☐ is not occupying the property.

I. SELLER'S DISCLOSURES:

* If you answer "Yes" to a question with an asterisk (*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

	YES	NO	DON'T KNOW
1. TITLE			
A. Do you have legal authority to sell the property? If no, please explain.	☐	☐	☐
*B. Is title to the property subject to any of the following?			
(1) First right of refusal	☐	☐	☐
(2) Option	☐	☐	☐
(3) Lease or rental agreement	☐	☐	☐
(4) Life estate?	☐	☐	☐
*C. Are there any encroachments, boundary agreements, or boundary disputes?	☐	☐	☐
*D. Is there any leased parking?	☐	☐	☐
*E. Is there a private road or easement agreement for access to the property?	☐	☐	☐

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SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY

	YES	NO	DON'T KNOW
*F. Are there any rights-of-way, easements, shared use agreements or access limitations?	☐	☐	☐
*G. Are there any written agreements for joint maintenance of an easement or right-of-way?	☐	☐	☐
*H. Are there any zoning violations or nonconforming uses?	☐	☐	☐
*I. Is there a survey for the property?	☐	☐	☐
*J. Are there any legal actions pending or threatened that affect the property?	☐	☐	☐
*K. Is the property in compliance with the Americans with Disabilities Act?	☐	☐	☐
2. WATER			
*Are there any water rights for the property, such as a water right permit, certificate, or claim?	☐	☐	☐
3. SEWER/ON-SITE SEWAGE SYSTEM			
*Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?	☐	☐	☐
4. STRUCTURAL			
*A. Has the roof leaked within the last 5 years?	☐	☐	☐
*B. Has any occupied subsurface flooded or leaked within the last five years?	☐	☐	☐
*C. Have there been any conversions, additions or remodeling?	☐	☐	☐
*(1) If yes, were all building permits obtained?	☐	☐	☐
*(2) If yes, were all final inspections obtained?	☐	☐	☐
*D. Has there been any settling, slippage, or sliding of the property or its improvements?	☐	☐	☐
*E. Are there any defects with the following: (If yes, please check applicable items and explain.)	☐	☐	☐

☐ Foundations ☐ Slab Floors
☐ Doors ☐ Outbuildings
☐ Ceilings ☐ Exterior Walls
☐ Sidewalks ☐ Siding
☐ Interior Walls ☐ Other _____
☐ Windows

	YES	NO	DON'T KNOW
5. SYSTEMS AND FIXTURES			
*A. Are there any defects in the following systems? If yes, please explain.			
(1) Electrical system	☐	☐	☐
(2) Plumbing system	☐	☐	☐
(3) Heating and cooling systems	☐	☐	☐
(4) Fire and security system	☐	☐	☐
(5) Carbon monoxide alarms	☐	☐	☐
6. ENVIRONMENTAL			
*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	☐	☐	☐
*B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	☐	☐	☐
*C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	☐	☐	☐
*D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	☐	☐	☐

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SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY

	YES	NO	DON'T KNOW
*E. Is there any soil or groundwater contamination?	☐	☐	☐
*F. Has the property been used as a legal or illegal dumping site?	☐	☐	☐
*G. Has the property been used as an illegal drug manufacturing site?	☐	☐	☐

7. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

*Are there any other existing material defects affecting the property that a prospective buyer should know about?	☐	☐	☐

B. Verification

The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

Date:_____ Date:_____

Seller:_____ Seller:_____

NOTICES TO THE BUYER

SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

PROXIMITY TO FARMING

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

II. BUYER'S ACKNOWLEDGEMENT

Buyer hereby acknowledges that:

A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.

B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.

C. Buyer acknowledges that, pursuant to RCW 64.06.050 (2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.

D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.

E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

SELLER'S INITIALS: _____ DATE: _____SELLER'S INITIALS: _____ DATE: _____

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SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE:_____ DATE: _____

BUYER:_____ BUYER:_____

BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

DATE:_____ DATE: _____

BUYER:_____ BUYER:_____

BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

DATE:_____ DATE: _____

BUYER:_____ BUYER:_____

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

_____

CBRE, Inc.
10885 NE 4th Street, Suite 500
Bellevue, WA 98004
Phone: (425) 455-8500
Fax: (425) 462-6966

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CBA Form EMN
E/M Promissory Note
Rev. 1/2011
Page 1 of 1

EARNEST MONEY PROMISSORY NOTE

$ 100,000

Place: Bellevue, WA

Date: December 18, 2012

FOR VALUE RECEIVED, City of Kirkland ("Buyer") agrees to pay to the order of Chicago Title ("Holder") the sum of One Hundred Thousand and No/100 Dollars ($100,000.00) as follows:

☐ _____ days (3 days if not filled in) following mutual acceptance of the Purchase and Sale Agreement.

☒ Upon satisfaction or waiver of the feasibility contingency stated in the Purchase and Sale Agreement.

☐ Other _____*.

This Note is evidence of the obligation to pay earnest money under the purchase and sale agreement (the "Agreement") between Buyer and Western Washington Sheet Metal Apprenticeship Training Trust ("Seller") dated December 18, 2012 for the property located at 13513 NE 126th Place, Kirkland, Washington. Buyer's failure to pay the earnest money strictly as above shall constitute default on the Agreement as well as on this Note.

If Holder retains an attorney for collection of amounts due pursuant to this Note, or if Holder brings suit to collect any amounts due on this Note, Buyer shall pay a reasonable attorney's fee and costs. This Note shall bear interest at the rate of twelve percent (12%) per annum after default.

BUYER

_____

_____

By: _____

Printed Name and Title: _____

* Do not enter "on closing" as the date this Note becomes due and payable because closing under the Agreement is not certain to occur. Instead, insert a specific date or an event that is certain to occur.

Council Meeting: 01/15/2013
Agenda: Other Business
Item #: 8. h. (1).

CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Ray Steiger, P.E., Public Works Director

Date: January 3, 2013

Subject: 2013 - 2018 Transportation Improvement Program -- Adopt Resolution

RECOMMENDATION:

It is recommended that City Council adopts the attached Resolution for the City's six-year Transportation Improvement Program (2013-2018 TIP).

BACKGROUND DISCUSSION:

The annual adoption of a six-year TIP is in accordance with RCW 35.77.010 and 47.26.210. At their regular meeting of January 3, 2013, City Council conducted a public hearing on the City's Six-year TIP, and no substantive changes resulted from the Hearing. Typographical corrections were identified by Councilmember Nixon, and those have been incorporated into the final TIP document.

If adopted, City staff will transmit the 2013-2018 TIP and its exhibits to the Puget Sound Regional Council, Washington State Department of Transportation, and surrounding agencies.

Attachments: Resolution w/ Exhibits A (Map) and B (STIP Form)

RESOLUTION R-4954

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AND ADOPTING THE ANNUAL UPDATE FOR THE SIX-YEAR TRANSPORTATION AND STREET CONSTRUCTION AND IMPROVEMENT PROGRAM IN ACCORDANCE WITH SECTION 19.08.051, KIRKLAND MUNICIPAL CODE.

WHEREAS, the City is required annually to review and modify or amend as deemed appropriate the Six-Year Transportation and Street Construction and Improvement Program; and

WHEREAS, the Public Works Director has submitted his report and recommendation for review by the City Council as required by state law; and

WHEREAS, public hearing has been held before the City Council on January 2, 2013; and

WHEREAS, the City Council has considered the recommendation and comment received during the public hearing;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The perpetual Six-Year Transportation and Street Construction and Improvement Program for the City of Kirkland is hereby adopted, modified, and amended, all as set forth in Exhibit A and Exhibit B, which are incorporated herein by reference. Pursuant to Section 19.08.051 (as amended) of the Kirkland Municipal Code, said Exhibit A and Exhibit B constitutes the Transportation Improvement Program in the form required by RCW Chapter 47.26 and is in conformance to and in furtherance of the circulation element of the Comprehensive Land Use Policies Plan adopted by Kirkland Ordinance 2346.

Section 2. A copy of this resolution, including Exhibit A and Exhibit B, shall be filed with the Secretary of Transportation for the State of Washington as required by law.

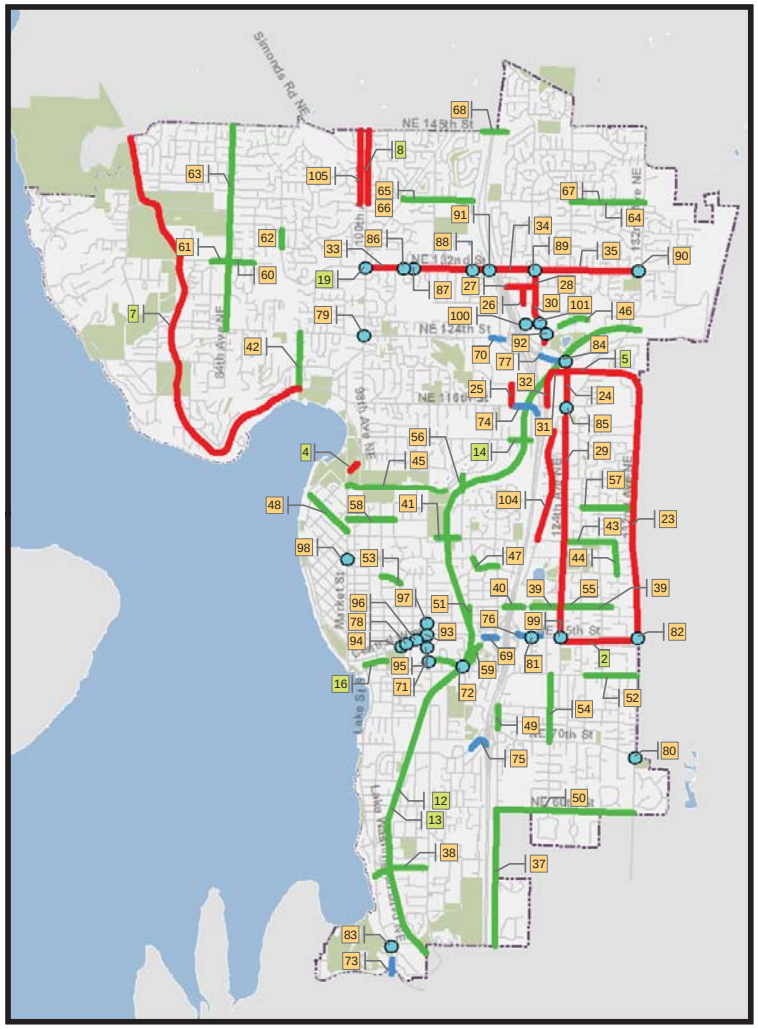
Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013

Signed in authentication thereof this ____ day of _____, 2013.

_____
MAYOR

Attest:

_____
City Clerk



Transportation Improvement Program (2013-2018)

1. Annual Street Preservation Project (ST6)
2. Annual Street Preservation - One Time (ST6-002)
3. Street Maintenance and Pedestrian Safety (ST6-003)
4. 98th Ave NE Bridge Project (ST55)
5. NE 120th St Roadway Extension East (ST57-001)
6. Annual Striping Program (ST80)
7. Juanita Drive Corridor Study (ST82)
8. 100th Ave NE Corridor Study (ST83)
9. Annual Concurrency Street Improvements (ST8888)
10. Regional Interagency Coordination (ST9999)
11. Crosswalk Upgrade Program (NM12)
12. Cross Kirkland Corridor Trail (Interim) (NM24)
13. Cross Kirkland Corridor Master Plan (NM24-101)
14. NE 112th St Sidewalk North (NM53)
15. Annual Sidewalk Maintenance Program (NM57)
16. Park Lane Ped Corridor (NM64-001)
17. JFK Nonmotorized Program (NM73)
18. Annual Non-Motorized Program (NM8888)
19. 100th Ave NE/NE 132nd St Intersection (TR83)
20. Kirkland ITS Implementation Phase IIC (TR111-003)
21. Citywide Safety and Traffic Flow Imprvmnts (TR113)
22. Annual Concurrency Traffic Imprvmnts (TR8888)
23. 132nd Ave NE Roadway Improvements (ST56)
24. 124th Ave NE Roadway Improvement North (ST59)
25. 118th Ave NE Roadway Extension (ST60)
26. 119th Ave NE Roadway Extension (ST61)
27. NE 130th St Roadway Extension (ST62)
28. 120th Ave NE Roadway Improvements (ST63)
29. 124th Ave NE Roadway Widening South (ST64)
30. 120th Ave NE/Totem Lake Plaza Roadway (ST70)
31. NE 120th St Roadway Extension West (ST72)
32. 120th Ave NE Roadway Extension (ST73)
33. NE 132nd St Roadway Phase I West (ST77)
34. NE 132nd St Roadway Ph II Mid (ST78)
35. NE 132nd St Roadway Ph III East (ST79)
36. Totem Lake Area Development Opportunity (ST81)
37. 116th Ave NE South Nonmotorized (NM1)
38. NE 52nd St Sidewalk (NM7)
39. NE 90th St Sidewalk Phase II (NM26)
40. NE 90th St/I-405 Ped/Bike Overpass (NM30)
41. Crestwoods Park/ESRC Ped/Bike (NM31)
42. 93rd Ave NE Sidewalk (NM32
43. NE 100th St Bike Lane (NM36)
44. 130th Ave NE Sidewalk (NM37)
45. Forbes Valley Pedestrian Facility (NM41)
46. NE 126th St Nonmotorized Facilities (NM43)
47. NE 95th St Sidewalk Highlands (NM45)
48. 18th Ave West Sidewalk (NM46)
49. 116th Ave NE Sidewalk - South Rose Hill (NM47)
50. NE 60th St Sidewalk (NM48)
51. 112th Ave NE Sidewalk (NM49)
52. NE 80th St Sidewalk (NM50)
53. 13th Ave Sidewalk (NM54)
54. 122nd Ave NE Sidewalk (NM55)
55. NE 90th St Sidewalk Phase I (NM56)
56. 111th Nonmotorized Emergency Access (NM58)
57. NE 104th St Sidwealk (NM61)
58. 19th Ave Sidewalk (NM62)
59. Kirkland Way Sidewalk (NM63)
60. NE 132nd St Sidewalk (NM71)
61. NE 132nd St Sidewalk Finn Hill School (NM72)
62. 90th Ave NE Sidewalk (NM74)
63. 84th Ave NE Sidewalk (NM75)
64. NE 140th St Sidewalks Muir Elem Phase I (NM76)
65. NE 140th St Keller Elem Walk Route North (NM77)
66. NE 140th St Keller Elem South (NM78)
67. NE 140th St Sidewalks Muir Elem Ph 2 (NM79)
68. Juanita-Kingsgate Pedestrian Bridge (NM80)
69. NE 85th St Queue Bypass (TR56)
70. NE 124th St HOV Queue Bypass (TR57)
71. 6th St/Kirkland Way New Traffic Signal (TR65)
72. Kirkland Way/CKC Abutment Intersection (TR67)
73. Lake Washington Blvd HOV Queue Bypass (TR68)
74. NE 116th St Eastbound HOV Queue Bypass (TR72)
75. NE 70th St Eastbound HOV Queue Bypass (TR73)
76. NE 85th St Westbound HOV Queue Bypass (TR74)
77. NE 124th St Westbound HOV Queue Bypass (TR75)
78. Central Way/Park Place Traffic Signal (TR82)
79. 100th Ave NE/NE 124th St Intersection (TR84)
80. NE 70th St/132nd Ave NE Intersection (TR86)
81. NE 85th St/120th Ave NE Intersection (TR88)
82. NE 85th St/132nd Ave NE Intersection Ph II (TR89)
83. Lake Washington Blvd/NE 38th Pl Intersection (TR90)
84. NE 124th St/124th Ave NE Intersection (TR91)
85. NE 116th St/124th Ave NE NB Dual Left Turn (TR92)
86. NE 132nd St/Juanita H.S. Access Intersection (TR93)
87. NE 132nd St/108th Ave NE Intersection (TR94)
88. NE 132nd St/Fire Station Access Intersection (TR95)
89. NE 132nd St/124th Ave NE Intersection (TR96)
90. NE 132nd St/132nd Ave NE Intersection (TR97)
91. NE 132nd St/116th Way NE (I-405) Intersection (TR98)
92. 120th Ave/Totem Lake Way Intersection (TR99)
93. 6th St & Central Way Intersection (TR100-100)
94. Central Way/4th St Intersection (TR103)
95. 6th St/4th Ave Intersection (TR104)
96. Central Way/5th St Intersection (TR105)
97. 6th St/7th Ave Intersection (TR106)
98. Market Street/15th Ave Intersection (TR107)
99. NE 85th St/124th Ave NE Intersection (TR108)
100. Totem Lk Plaza/Totem Lk Blvd Intersection Imps (TR109)
101. Totem Lake Plaza/120th Ave NE Intersection (TR110)
102. Kirkland ITS Implementation Phase IIA (TR111-001)
103. Kirkland ITS Implementation Phase IIB (TR111-002)
104. Slater Ave NE Traffic Calming Phase 1 (TR114)
105. 100th Ave NE Roadway Improvements (ST83-101)

NOT TO SCALE

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City Wide Projects
36, 101, 102, 103

Unfunded

Funded

Legend

- New Projects For 2013-2018
- Intersection Improvements
- HOV Improvements
- Roadway Improvements
- Non-Motorized Improvements
- Streets
- Lakes
- Parks
- City Limit Boundary

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

Agency: Kirkland
Co. No.: 17 **Co. Name:** King Co.
City No.: 0625 **MPO/RTPO:** PSRC

Hearing Date: 1/2/2013 **Adoption Date:** 1/15/2013
Amend Date: **Resolution No.:** R-4954

Functional Class	Priority Number	Project Identification (A. PIN/Federal Aid No. B. Bridge No. C. Project Title D. Street/Road Name or Number E. Beginning MP or Road - Ending MP or Road F. Describe Work to be Done)	Improvement Type(s)	Status	Total Length	Utility Codes	Project Costs in Thousands of Dollars: Project Phase	Phase Start	Fund Source Information: Federal Funding: Federal Fund Code	Federal Cost by Phase	State Fund Code	State Funds	Local Funds	Total Funds	Expenditure Schedule (*Local Agency*): 1st	2nd	3rd	4th Thru 6th	Federally Funded Projects Only: Envir. Type	R/W Required Date (*MM/YY*)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
00	1	*Annual Street Preservation Project (ST6)* City wide from: to: Annual improvements included are street overlays, slurry seal, crack seal and others.	12 07	S		P T	PE CN	1/1/2013 1/1/2013					2241 8259	2241 8259	373 1377	373 1377	373 1377	1118 4128	CE	No
							Totals						10500	10500	1750	1750	1750	5246		
14	2	*Annual Street Preservation One Time Project (ST6-002)* NE 85 Street from: 124 Ave NE to: 132 Ave NE Overlay NE 85 Street from 124 Ave NE to 132 Ave NE.	07	S			PE CN	1/1/2014 1/1/2014	BR BR	235 865	OTHER	22		257 865		57 865			CE	No
							Totals			1,100		22		1122		922				
00	3	*Street Maintenance and Pedestrian Safety Project (ST6-003)* City wide from: to: Voter approved levy funded annual project to meet City Council Goals for dependable infrastructure, balanced transportation, neighborhoods, public safety, and financial stability.	12	S			CN	1/1/2013					15319	15319	2345	2574	2600	7800	CE	No
							Totals						15319	15319	2345	2574	2600	7800		
14	4	*98th Avenue NE Bridge Project (ST55)* 98th Avenue NE from: Forbes Creek to: The seismic retrofit of an existing bridge.	09	S	.1		PE CN	1/1/2013 1/1/2014		529 871				529 871	390	139 871			CE	No
							Totals			1,400				1400	390	1010				

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

Agency: Kirkland
Co. No.: 17 **Co. Name:** King Co.
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
16	5	*NE 120th Street Roadway Extension (ST57-001)* NE 120th Street from: Slater Avenue NE to: 124th Avenue NE Install roadway, new traffic signal at 124th Ave NE/NE 120th St, and signal modifications at Slater Ave NE/NE 120th St.	01	S	.17		PE RW CN	1/1/2013 1/1/2013 1/1/2013	STP(U)	2500		500 300	1268 2425 364	1268 2925 3164	431 3164				EA	Yes
							Totals			2,500		800	4057	7357	3595					
17	6	*Annual Striping Program (ST80)* City wide from: to: Annual program to maintain markings that identify lanes and guidance for auto, pedestrians, bicycles, transit and other forms of transportation.	06 12	S			CN	1/1/2013					2050	2050	300	350	350	1050	CE	No
							Totals						2050	2050	300	350	350	1050		
16	7	*Juanita Drive Corridor Study (ST82)* Juanita Drive Corridor from: 93rd Ave NE to: NE 145th Pl Study to guide future capital improvement construction phases for Juanita Drive.	06	S	3		PE	1/1/2013					280	280	200	80			CE	No
							Totals						280	280	200	80				
14	8	*100th Avenue NE Corridor Study (ST83)* 100th Avenue from: NE 139th St to: NE 145th St Study to investigate options for existing lane transition.	05 32 06	S			PE	1/1/2013					50	50	50				CE	No
							Totals						50	50	50					

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

Agency: Kirkland
Co. No.: 17 **Co. Name:** King Co.
City No.: 0625 **MPO/RTPO:** PSRC

Hearing Date: 1/2/2013 **Adoption Date:** 1/15/2013
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
00	9	*Annual Concurrency Street Improvements (ST8888)* City wide from: to: Construction/reconstruction of City streets to meet concurrency.	06 12	S			CN	1/1/2015					2030	2030			482	1548	EA	No
							Totals						2030	2030			482	1548		
00	10	*Regional Inter-Agency Coordination (ST9999)* City wide from: to: Staffing requirements for the City's coordination and participation in regional projects, such as the I-405 Nickeel project, various Metro/Sound Transit projects and the Downtown Transit Center, etc.	06	S			CN	1/1/2013					492	492	82	82	82	246	CE	No
							Totals						492	492	82	82	82	246		
00	11	*Crosswalk Upgrade Program (NM12)* City wide from: to: Crosswalk improvements at various locations throughout the City.	32	S			PE CN	1/1/2013 1/1/2013					45 165	45 165	15 55		15 55	15 55	EA	No
							Totals						210	210	70		70	70		
00	12	*Cross Kirkland Corridor Interim Trail (NM24)* Cross Kirkland Corridor from: South City limits to: North City limits (approx) Construct a multiuse recreational trail along the former BNSF railroad right of way between Bellevue and near the north City limits at Totem Lake.	32	S	5.75		PE CN	1/1/2013 1/1/2013		 1070		383 1617	203 327	586 3014	521 1637	321 918			EA	No
							Totals			1,070		2000	530	3600	2158	1239				

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
00	13	*Cross Kirkland Corridor Master Plan (NM24-101)* Cross Kirkland Corridor from: South city limits to: North city limits A master plan to develop the CKC as a public asset for future transportation purposes.	32	S			PE	1/1/2013					500	500	500				CE	No
							Totals						500	500	500					
17	14	*NE 112th Street Sidewalk North Side (NM53)* NE 112th Street from: 117th Place NE to: Cross Kirkland Corridor Install sidewalk, curb and gutter.	32	S	.12		PE CN	1/1/2013 1/1/2013				33 167	37 187	70 354	123 301				EA	No
							Totals					200	224	424	424					
19	15	*Annual Sidewalk Maintenance Program (NM57)* City wide from: to: Preservation and maintenance of City sidewalks.	03 32	S			PE CN	1/1/2013 1/1/2013					288 912	288 912	48 152	48 152	48 152	144 456	CE	No
							Totals						1200	1200	200	200	200	600		
19	16	*Park Lane Pedestrian Corridor Enhancements (NM64-001)* Park Lane from: Lake Street to: 3rd Street Enhancement of pedestrian connection in association with the new Downtown Transit Center.	06	S	.16		PE CN	1/1/2013 1/1/2013		185 554			376 1124	561 1678	350	327 1562			EA	No
							Totals			739			1500	2239	350	1889				

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
00	17	*JFK Nonmotorized Program (NM73)* City wide from: to: New neighborhoods based project for minor transportation related improvements throughout the City.	06	S			CN	1/1/2013					150	150	75	75			CE	No
							Totals						150	150	75	75				
00	18	*Annual Nonmotorized Program (NM8888)* City wide from: to: Install new sidewalk, pathway and bicycle amenities for the enhancement of the City's nonmotorized system.	32	S			CN	1/1/2015					2900	2900			208	2692	EA	No
							Totals						2900	2900			208	2692		
14	19	*100th Ave NE/NE 132nd St Intersection Imps (TR83)* 100th Ave NE from: NE 132nd St to: NE 132nd St Restripe northbound right turn to shared through lane; construct a northbound receiving lane on the north leg of the intersection.	05 06 12	S	.05		PE RW CN	1/1/2013 1/1/2013 1/1/2015					897 96 2208	897 96 2208	350	254 96	293 2208		EA	Yes
							Totals						3201	3201	350	350	2501			
16	20	*Kirkland ITS Phase IIC - Totem Lk (TR111-003)* NE 132nd St from: 120th Ave to: 124th Ave NE Implement ITS upgrades; includes system engineering analysis, design, plans and specs for procurement and construction/installation of ITS devices.	06 12	S			PE CN	1/1/2013 1/1/2013		496 1705			644 66	1140 1771	439 137	572 1634	129		CE	No
							Totals			2,201			710	2911	576	2206	129			

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
17	21	*Kirkland Citywide Safety and Traffic Flow (TR-113)* Various from: to: Improvements including signal timing optimization, signal interconnection enhancements and communication improvements.	12	S			PE CN	1/1/2013 1/1/2013	STP(S) STP(S)	69 231			2	71 231	157 145				CE	No
							Totals			300			2	302	302					
16	22	*Annual Concurrency Traffic Improvements (TR8888)* City wide from: to: Construction and reconstruction of City intersections to meet concurrency needs.	12	S			CN	1/1/2015					1399	1399			475	924	EA	No
							Totals						1399	1399			475	924		
14	23	*132nd Avenue NE Roadway Improvements (ST56)* 132nd Avenue NE from: NE 85th Street to: Slater Ave NE/NE 120th St Widen existing roadway to accommodate bicycle lanes, turn lane where necessary, sidewalks, curb and gutter, conversion of overhead to underground utilities, illumination and enclosed storm drainage system.	04 12 32	P	2.4		PE RW CN	1/1/2018 1/1/2018 1/1/2018					4924 2198 18048	4924 2198 18048					EIS	Yes
							Totals						25170	25170						
14	24	*124th Ave NE Roadway Improvement North (ST59)* 124th Avenue NE from: NE 116th St to: NE 124th St Widen existing roadway with improved crosswalks, sidewalks, and bike lanes.	04 06 32	P	.6	P	PE RW CN	1/1/2018 1/1/2018 1/1/2018					1723 2051 6226	1723 2051 6226					EA	Yes
							Totals						10000	10000						

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

Agency: Kirkland
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
17	25	*118th Avenue NE Roadway Extension (ST60)* 118th Avenue NE from: NE 116th St to: NE 118th St Extend roadway including a retaining wall and a new signal at NE 116th St.	01	P	.09		PE RW CN	1/1/2018 1/1/2018 1/1/2018					761 2890 2789	761 2890 2789					EA	Yes
							Totals						6440	6440						
17	26	*119th Ave NE Roadway Extension (ST61)* 119th Ave NE from: NE 128th St to: NE 130th St Extend roadway including pedestrian and bike facilities, curb and gutter.	01	P	.11		PE RW CN	1/1/2018 1/1/2018 1/1/2018					334 4083 1223	334 4083 1223					EA	Yes
							Totals						5640	5640						
17	27	*NE 130th Street Roadway Extension (ST62)* NE 130th Street from: Totem Lake Blvd to: 120th Ave NE Extend new roadway including sidewalks, curb and gutter, and bike lanes.	01	P	.21		PE RW CN	1/1/2018 1/1/2018 1/1/2018					588 7250 2162	588 7250 2162					EA	Yes
							Totals						10000	10000						
17	28	*120th Ave NE Roadway Improvements (ST63)* 120th Avenue NE from: NE 128th Street to: NE 132nd Street Widen existing roadway including sidewalks, curb and gutter, landscaped medians, signal reconstructions, and utility undergrounding.	04 12 32	P	.31		PE RW CN	1/1/2018 1/1/2018 1/1/2018					891 4830 3267	891 4830 3267					EA	Yes
							Totals						8988	8988						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	29	*124th Ave NE Roadway Widening South Section (ST64)* 124th Avenue NE from: NE 85th Street to: NE 116th Street Widen roadway with sidewalks, bike lanes, landscaping.	04	P	1.8	C P T	PE RW CN	1/1/2018 1/1/2018 1/1/2018					5798 3290 21261	5798 3290 21261					EA	Yes
							Totals						30349	30349						
17	30	*120th Ave NE/Totem Lake Plaza Roadway Impr (ST70)* 120th Avenue NE from: Totem Lake Blvd to: Totem Lake Mall Reconstruction of street alignment and pedestrian amenities to eliminate conflicts at numerous driveways. Additionally, traffic calming devices and measures will be implemented with a new signal at Totem Lake.	06 12	P	.33		CN	1/1/2018					3000	3000					EA	No
							Totals						3000	3000						
16	31	*NE 120th Street Roadway Extension West Section (ST72)* NE 120th Street from: 124th Ave NE to: 120th Pl NE Extend west of Cross Kirkland Corridor crossing; construct new alignment extending to the west, terminating at 120th Place NE; will include signal modifications, crossing gates, and planter strips.	01 06	P	.12		PE RW CN	1/1/2018 1/1/2018 1/1/2018					532 3387 1951	532 3387 1951					EA	Yes
							Totals						5870	5870						
16	32	*120th Ave NE Roadway Extension (ST73)* 120th Ave NE from: NE 116th St to: NE 120th St Install new roadway.	01	P	.25		PE RW CN	1/1/2018 1/1/2018 1/1/2018					2589 4311 9492	2589 4311 9492					EA	Yes
							Totals						16392	16392						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	33	*NE 132nd St Roadway Imps Phase I West (ST77)* NE 132nd Street from: 100th Ave NE to: I-405 Landscape median islands, sidewalk repair and the overlay and restriping to provide bike lanes and improved pedestrian access.	06 32	P	.85		PE CN	1/1/2018 1/1/2018					289 1059	289 1059					EA	No
							Totals						1348	1348						
14	34	*NE 132nd St Roadway Imps Ph II Mid Section (ST78)* NE 132nd Street from: I-405 to: 124th Ave NE Addition of landscape median islands, concrete sidewalk repair and the overlay and restriping to provide bicycle lanes and improved pedestrian access.	06 07 32	P	.47		PE CN	1/1/2018 1/1/2018					68 248	68 248					EA	No
							Totals						316	316						
14	35	*NE 132nd St Roadway Imps Ph III East Section (ST79)* NE 132nd Street from: 124th AVe NE to: 132nd Ave NE Addition of landscape median islands, concrete sidewalk repair and overlay and restriping to provide bicycle lanes and improved pedestrian access.	06 07 32	P	.51		PE CN	1/1/2018 1/1/2018					240 879	240 879					EA	No
							Totals						1119	1119						
00	36	*Totem Lake Area Development Opportunity Program (ST81)* Totem Lake area from: to: New project in anticipation of development opportunities funded through grants that may require a City matching portion.		P			PE CN	1/1/2018 1/1/2018					106 394	106 394						No
							Totals						500	500						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
17	37	*116th Ave NE South Nonmotorized Facilities (NM1)* 116th Ave NE from: NE 40th St to: NE 60th St Consists of widening to accommodate a paved bicycle lane in each direction.	32	P	1	C P T	PE CN	1/1/2018 1/1/2018					165 3213	165 3213					EA	No
							Totals						3378	3378						
17	38	*NE 52nd Street Sidewalk (NM7)* NE 52nd Street from: 108th Ave NE to: Lake WA Blvd Widening and minor realignment west of Cross Kirkland Corridor tracks; installation of retaining wall, sidewalks, curb and gutter along one side, and drainage improvements.	32	P	.25		PE RW CN	1/1/2018 1/1/2018 1/1/2018					250 35 784	250 35 784					EA	Yes
							Totals						1069	1069						
17	39	*NE 90th Street Sidewalk Phase II (NM26)* NE 90th Street from: 120th Ave NE to: 128th Ave NE Consists of installing curb and gutter, storm drainage, sidewalk and landscaping.	32	P	.5		PE CN	1/1/2018 1/1/2018					624 1960	624 1960					EA	No
							Totals						2584	2584						
00	40	*NE 90th Street/I-405 Ped/Bike Overpass (NM30)* NE 90th Street from: I-405 to: Construct a pedestrian/bicycle bridge across Interstate 405.	08 32	P	.10		PE RW CN	1/1/2018 1/1/2018 1/1/2018					719 763 2259	719 763 2259					EA	Yes
							Totals						3741	3741						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
00	41	*Crestwoods Park/CKC Ped/Bike Facility (NM31)* 18th Avenue NE from: Crestwoods Park to: 111th Ave NE Construct concrete pedestrian and bicycle path, stairs, and overpass between Crestwoods Park and the Highlands.	32	P	.25		PE RW CN	1/1/2018 1/1/2018 1/1/2018					402 840 1263	402 840 1263					EA	Yes
							Totals						2505	2505						
17	42	*93rd Avenue NE Sidewalk (NM32)* 93rd Avenue NE from: Juanita Drive to: NE 124th Street Install curb and gutter, sidewalk, and storm drainage.	32	P	.34	P C T	PE RW CN	1/1/2018 1/1/2018 1/1/2018					250 14 784	250 14 784					EA	Yes
							Totals						1048	1048						
17	43	*NE 100th Street Bike Lane (NM36)* NE 100th Street from: Slater Ave NE to: 132nd Ave NE Install bike lanes along the existing roadway.	32	P	.7		PE CN	1/1/2018 1/1/2018					397 1247	397 1247					EA	No
							Totals						1644	1644						
19	44	*130th Ave NE Sidewalk (NM37)* 130th Ave NE from: NE 95th Street to: NE 100th Street Install sidewalk, curb and gutter, and storm drainage improvements.	32	P	.2	C P T	PE RW CN	1/1/2018 1/1/2018 1/1/2018					200 5 629	200 5 629					EA	Yes
							Totals						834	834						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
00	45	*Forbes Valley Pedestrian Facility (NM41)* Forbes Valley from: Norkirk to: Highlands Construct sidewalk adjacent to Forbes Creek Drive.	32	P	3		PE CN	1/1/2018 1/1/2018					482 1515	482 1515					EA	No
							Totals						1997	1997						
17	46	*NE 126th Street Nonmotorized Facilities (NM43)* 126th Street from: 120th Place NE to: 128th Lane NE Install pathway with retaining walls.	32	P	.4		PE RW CN	1/1/2018 1/1/2018 1/1/2018					476 2304 1497	476 2304 1497					EA	Yes
							Totals						4277	4277						
17	47	*NE 95th Street Sidewalk Highlands (NM45)* NE 95th Street from: 112th Ave NE to: 116th Ave NE Install curb, gutter, sidewalk, and planter strips.	32	P	.24		PE CN	1/1/2018 1/1/2018					48 524	48 524					EA	No
							Totals						572	572						
19	48	*18th Avenue West Sidewalk (NM46)* 18th Avenue West from: Market Street to: Rose Point Lane Install curb, gutter, sidewalk, and planter strips.	05 12 32	P	.45		PE CN	1/1/2018 1/1/2018					544 1711	544 1711					EA	No
							Totals						2255	2255						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
17	49	*116th Ave NE Sidewalk - South Rose Hill (NM47)* 116th Ave NE from: NE 70th St to: NE 75th St Install curb, gutter, sidewalk, and planter strips.	32	P	.15		PE CN	1/1/2018 1/1/2018					102 320	102 320					EA	No
							Totals						422	422						
17	50	*NE 60th Street Sidewalk (NM48)* NE 60th Street from: 116th Ave NE to: 132nd Ave NE Install curb, gutter, sidewalk, and a bike lane.	32	P	1		PE CN	1/1/2018 1/1/2018					1202 3778	1202 3778					EA	No
							Totals						4980	4980						
17	51	*112th Ave NE Sidewalk (NM49)* 112th Avenue NE from: NE 87th St to: NE 90th St Install curb, gutter, and sidewalk to continue across the Cross Kirkland Corridor.	32	P	.13		PE CN	1/1/2018 1/1/2018					128 400	128 400					EA	No
							Totals						528	528						
17	52	*NE 80th Street Sidewalk (NM50)* NE 80th Street from: 126th Ave NE to: 130th Ave NE Install curb, gutter, sidewalk and associated storm drainage improvements.	06 32	P	.17		PE CN	1/1/2018 1/1/2018					208 652	208 652					EA	No
							Totals						860	860						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
19	53	*13th Avenue Sidewalk (NM54)* 13th Avenue NE from: 3rd Street to: 4th Street Install concrete sidewalk , curb and gutter.	32	P	.15		PE CN	1/1/2018 1/1/2018					108 339	108 339					EA	No
							Totals						447	447						
17	54	*122nd Avenue NE Sidewalk (NM55)* 122nd Avenue NE from: NE 70th Street to: NE 75th Street Install sidewalk, curb and gutter, planter strip with street trees and bicycle facilities.	32	P	.22		PE CN	1/1/2018 1/1/2018					209 658	209 658					EA	No
							Totals						867	867						
19	55	*NE 90th Street Sidewalk Phase I (NM56)* NE 90th Street from: 124th Avenue NE to: 128th Avenue NE Install sidewalk, planter strip with trees, and curb and gutter.	32	P	.25		PE CN	1/1/2018 1/1/2018					281 884	281 884					EA	No
							Totals						1165	1165						
19	56	*Nonmotorized/Emergency Access Connection (NM58)* 111th Avenue from: Forbes Creek Drive to: Ne 106th Street Install paved nonmotorized facility with retractable bollards and/or emergency vehicle actuated gate(s) to prevent through traffic.	01 12 32	P	.15		PE CN	1/1/2018 1/1/2018					518 1482	518 1482					EA	No
							Totals						2000	2000						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
19	57	*NE 104th Street Sidewalk (NM61)* NE 104th Street from: 126th Ave NE to: 132nd Ave NE Install concrete curb, gutter and sidewalk withi planter strip.	06 32	P	.37		PE CN	1/1/2018 1/1/2018					310 775	310 775					EA	No
							Totals						1085	1085						
19	58	*19th Avenue Sidewalk (NM62)* 19th Avenue from: Market Street to: 4th Street Install concrete curb, gutter and sidewalk with a planter strip.	32 06	P	.33		PE CN	1/1/2018 1/1/2018					218 596	218 596					EA	No
							Totals						814	814						
16	59	*Kirkland Way Sidewalk (NM63)* Kirkland Way from: 8th Street to: Ohde Install concrete curb, gutter and sidewalk with planter strip.	06 32	P	.10		PE CN	1/1/2018 1/1/2018					100 315	100 315					EA	No
							Totals						415	415						
14	60	*NE 132nd Street Sidewalk (NM71)* NE 132nd Street from: 84th Ave NE to: 87th Ave NE Install curb, gutter, sidewalk and planter strip.	32	P	.18		PE CN	1/1/2018 1/1/2018					88 275	88 275					EA	No
							Totals						363	363						

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19	61	*NE 132nd Street Sidewalk at Finn Hill Middle School (NM72)* NE 132nd Street from: 82nd Ave to: 84th Ave Install curb, gutter and sidewalk, planter strip and bike lanes.	32	P	21		PE CN	1/1/2018 1/1/2018					223 470	223 470					EA	No
							Totals						693	693						
19	62	*90th Avenue NE Sidewalk (NM74)* 90th Ave NE from: North of NE 134th St to: Construct curb, gutter and sidewalk to complete missing link.	32	P	.06		PE CN	1/1/2018 1/1/2018					130 223	130 223					EA	No
							Totals						353	353						
19	63	*84th Avenue NE Sidewalk (NM75)* 84th Ave NE from: NE 145th St to: NE 124th St Construct curb, gutter and sidewalk.	32	P	.77		PE CN	1/1/2018 1/1/2018					978 3075	978 3075					EA	No
							Totals						4053	4053						
19	64	*NE 140th St Sidewalks at Muir Elem Ph I (NM76)* NE 140th St from: 127th Place NE to: 132nd Ave NE Construct curb, gutter and sidwealk to complete missing link.	32	P	.28		PE CN	1/1/2018 1/1/2018					273 858	273 858					EA	No
							Totals						1131	1131						

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19	65	*NE 140th St - Keller Elem Walk Route Enhance North (NM77)* NE 140th St from: Juanita Woodinville Way to: 113th Ave NE Construct curb, gutter and sidewalk to fill in missing links of school walk route.	32	P	.27		PE CN	1/1/2018 1/1/2018					316 869	316 869					EA	No
							Totals						1185	1185						
19	66	*NE 140th St - Keller Elem Walk Route Enhance South (NM78)* NE 140th St from: Juanita Woodinville Way to: 113th Ave NE Construct curb, gutter and sidewalk to fill missing links along school walk route.		P	.16		PE CN	1/1/2018 1/1/2018					199 548	199 548					EA	No
							Totals						747	747						
19	67	*NE 140th St Sidewalks at Muir Elem Ph 2 (NM79)* NE 140th St from: 124th Ave NE to: 127th Pl NE Construct curb, gutter and sidewalk to fill missing links in school walk route.	32	P	.14		PE CN	1/1/2018 1/1/2018					173 475	173 475					EA	No
							Totals						648	648						
19	68	*Juanita-Kingsgate Pedestrian Bridge (NM80)* NE 140th St or NE 145th St from: 114th Ave NE to: Kingsgate Park Provide pedestrian connection across I-405.	08	P			PE CN	1/1/2018 1/1/2018					1391 3109	1391 3109					EA	No
							Totals						4500	4500						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	69	*NE 85th Street Queue Bypass (TR56)* NE 85th Street from: 114th Ave NE to: I-405 Install eastbound HOV lanes on NE 85th St to southbound I-405, modify signal at 114th Ave NE.	12 21	P	.08	T	PE CN	1/1/2018 1/1/2018					290 551	290 551					EA	No
							Totals						841	841						
14	70	*NE 124th Street HOV Queue Bypass (TR57)* NE 124th Street from: 116th Ave NE to: I-405 Install eastbound HOV lanes on NE 124th Street to southbound I-405, modify signal at 116th Ave NE.	12 21	P	.09	T	PE RW CN	1/1/2018 1/1/2018 1/1/2018					553 119 1050	553 119 1050					EA	Yes
							Totals						1722	1722						
16	71	*6th Street/Kirkland Way New Traffic Signal (TR65)* 6th Street from: Kirkland Way to: Kirkland Way Construct traffic signal.	32	P	.05		PE CN	1/1/2018 1/1/2018					197 367	197 367					EA	No
							Totals						564	564						
17	72	*Kirkland Way/CKC Abutment Intersection (TR67)* Cross Kirkland Corridor from: Kirkkland Way to: Railroad Ave Construct undercrossing to correct geometric deficiencies, install sidewalks.	09 12	P	.06		PE CN	1/1/2018 1/1/2018					2388 4529	2388 4529					EA	No
							Totals						6917	6917						

Washington State Department of Transportation

Six Year Transportation Improvement Program

From 2013 to 2018

Agency: Kirkland
Co. No.: 17 **Co. Name:** King Co.
City No.: 0625 **MPO/RTPO:** PSRC

Hearing Date: 1/2/2013 **Adoption Date:** 1/15/2013
Amend Date: **Resolution No.:** R-4954

Functional Class	Priority Number	Project Identification A. PIN/Federal Aid No. B. Bridge No. C. Project Title D. Street/Road Name or Number E. Beginning MP or Road - Ending MP or Road F. Describe Work to be Done	Improvement Type(s)	Status	Total Length	Utility Codes	Project Costs in Thousands of Dollars: Project Phase	Phase Start	Fund Source Information: Federal Funding: Federal Fund Code	Federal Cost by Phase	State Fund Code	State Funds	Local Funds	Total Funds	Expenditure Schedule (*Local Agency*): 1st	2nd	3rd	4th Thru 6th	Federally Funded Projects Only: Envir. Type	R/W Required Date (*MM/YY*)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	73	*Lake Washington Blvd HOV Queue Bypass (TR68)* Lake Washington Blvd from: Cochran springs Creek to: City of Bellevue at SR520 Add southbound HOV travl lane to Lake Washington Blvd.	12 21	P	.09		PE RW CN	1/1/2018 1/1/2018 1/1/2018					549 4989 1042	549 4989 1042					EA	Yes
							Totals						6580	6580						
14	74	*NE 116th St Eastbound HOV Queue Bypass (TR72)* NE 116th Street from: 118th Ave NE to: I-405 SB Install new eastbound HOV west of the intersection of 120th Ave NE to allow transit and HOV vehicles to enter I-405 in the souhtbound direction.	05 12 21	P	.28		PE RW CN	1/1/2018 1/1/2018 1/1/2018					2142 1133 4062	2142 1133 4062					EA	Yes
							Totals						7337	7337						
16	75	*NE 70th Street Eastbound HOV Queue Bypass (TR73)* NE 70th Street from: Ne 70th Street to: I-405 SB Install new eastbound travel lane west of I-405 to allow transit and HOV traffic to enter I-405 in the southbound direction at NE 70th Street.	05 12 21	P	.06		PE RW CN	1/1/2018 1/1/2018 1/1/2018					471 337 894	471 337 894					EA	Yes
							Totals						1702	1702						
14	76	*NE 85th Street Westbound HOV Queue Bypass (TR74)* NE 85th Street from: 120th Ave NE to: I-405 NB Install new westbound travel lane east of the intersection of NE 85th Street and 120th Ave NE that will allow transit and HOV traffic to enter I-405 in the northbound direction.	05 12 21	P	.07		PE RW CN	1/1/2018 1/1/2018 1/1/2018					553 173 1049	553 173 1049					EA	Yes
							Totals						1775	1775						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	77	*NE 124th Street Westbound HOV Queue Bypass (TR75)* NE 124th Street from: 124th Ave NE to: I-405 NB Install new westbound travel lane east of the I-405 northbound off-ramp that will allow transit and HOV traffic to enter northbound I-405 northbound direction.	05 12 21	P	.09		PE CN	1/1/2018 1/1/2018					440 835	440 835					EA	No
							Totals						1275	1275						
14	78	*Central Way/Park Place Center Traffic Signal (TR82)* Central Way from: Park Place Entrance to: Install traffic signal to minimize traffic conflict, improve safeety and traffic operation.	12	P	.05		PE CN	1/1/2018 1/1/2018					100 100	100 100					EA	No
							Totals						200	200						
14	79	*100th Ave NE/NE 124th St Intersection Imps (TR84)* 100th Ave NE from: NE 124th Street to: NE 124th Street Construct northbound through lane on south leg of the intersection; construct northbound receiving lane on north leg of the intersection.	05 06	P	.05		PE CN	1/1/2018 1/1/2018					770 1460	770 1460					EA	No
							Totals						2230	2230						
16	80	*NE 70th St/132nd Ave NE Intersection Improvements (TR86)* NE 70th Street from: 132nd Ave NE to: 132nd Ave NE Construct a westbound right turn lane and a northbound right turn lane.	05 06	P	.05		PE RW CN	1/1/2018 1/1/2018 1/1/2018					769 2364 1458	769 2364 1458					EA	Yes
							Totals						4591	4591						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	81	*Ne 85th St/120th Ave NE Intersection Impr (TR88)* NE 85th Street from: 120th Ave NE to: Install new turn lanes and pedestrian facilities. Consolidate commercial driveways where feasible.	03 05 06 12	P	.05		PE RW CN	1/1/2018 1/1/2018 1/1/2018					883 2715 1674	883 2715 1674					EA	Yes
							Totals						5272	5272						
14	82	*NE 85th St/132nd Ave NE Intersection Imps Ph II (TR89)* NE 85th Street from: 132nd Ave NE to: Install new travel lanes. Upgrade the existing signalized intersection. Replace all pedestrian facilities and consolidate commercial driveways where feasible.	03 05 06 12	P	.05		PE CN	1/1/2018 1/1/2018					631 1195	631 1195					EA	No
							Totals						1826	1826						
14	83	*Lake Washington Blvd/NE 38th Pl Intersection (TR90)* Lake Washington Blvd from: NE 38th Place to: Install new travel lane through the intersection. Upgrade the existing signalized intersection. Replace all existing pedestrian facilities and consolidate commercial driveways.	03 05 06 12	P	.05		PE CN	1/1/2018 1/1/2018					136 364	136 364					EA	No
							Totals						500	500						
14	84	*NE 124th St/124th Ave NE Intersection Imps (TR91)* NE 124th Street from: 124th Ave NE to: North Leg Widen north leg to allow second left-turn lane, extend right turn lane for through-right.	06 12	P	.05		PE RW CN	1/1/2018 1/1/2018 1/1/2018					1408 370 1725	1408 370 1725					EA	Yes
							Totals						3503	3503						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	85	*NE 116th Street/124th Ave NE NB Dual Left Turn (TR92)* NE 116th Street from: 124th Ave NE (south leg) to: NE 116th St (west leg) Reconstruct the south leg (124th Ave NE) of the intersections to allow for two northbound left-turn lanes from 124th Ave to NE 116th St.	06 12	P	.06		PE CN	1/1/2018 1/1/2018					593 1124	593 1124					EA	No
							Totals						1717	1717						
14	86	*NE 132nd St/Juanita H.S. Access Road Intersection (TR93)* NE 132nd Street from: 104th Ave NE to: Construct eastbound right-turn lane.	05 06 12	P	.05		PE RW CN	1/1/2018 1/1/2018 1/1/2018					288 80 548	288 80 548					EA	Yes
							Totals						916	916						
14	87	*NE 132nd St/108th Ave NE Intersection Imps (TR94)* NE 132nd Street from: 108th Ave NE to: Construct westbound right-turn lane.	05 06 12	P	.05		PE RW CN	1/1/2018 1/1/2018 1/1/2018					196 50 372	196 50 372					EA	Yes
							Totals						618	618						
14	88	*NE 132nd St/Fire Station Access Intersection Imps (TR95)* NE 132nd Street from: to: Modify existing signal to include pedestrian actuated option.	05 06 12	P	.05		PE CN	1/1/2018 1/1/2018					126 240	126 240					EA	No
							Totals						366	366						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	89	*NE 132nd St/124th Ave NE Intersection Imps (TR96)* NE 132nd Street from: 124th Ave NE to: Extend eastbound left-turn lane and add second eastbound left turn lane. Widen and restripe east leg to match west leg and restripe north leg to provide two northbound through lanes with one southbound left-turn lane	05 06 12	P	.05		PE RW CN	1/1/2018 1/1/2018 1/1/2018					2021 670 3022	2021 670 3022					EA	Yes
							Totals						5713	5713						
14	90	*Ne 132nd St/132nd Ave NE Intersection Imps (TR97)* NE 132nd Street from: 132nd Ave NE to: Extend eastbound left turn lane and right turn lane.	05 06 12	P	.05		PE RW CN	1/1/2018 1/1/2018 1/1/2018					282 71 536	282 71 536					EA	Yes
							Totals						889	889						
14	91	*NE 132nd St/116th Way NE (I-405) Intersection (TR98)* NE 132nd Street from: 116th Way NE to: Coordinatino of City ROW and intersection improvements in association with the WSDOT's Half-Diamond Interchange.	05 06 12	P	.05		PE	1/1/2014					300	300					EA	No
							Totals						300	300						
17	92	*120th Ave/Totem Lake Way Intersection Imps (TR99)* Totem Lake Way from: 120th Ave NE to: Install traffic signal to minimize traffic conflict., improve safety and traffic operation. Concurrent with development of Totem Lake Mall.	12	P	.06		PE CN	1/1/2018 1/1/2018					996 1850	996 1850					EA	No
							Totals						2846	2846						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	93	*6th Street & Central Way Intersection Imps (TR100-100)* 6th Street from: Central Way to: Install multiple upgrades to existing signalized intersection. Improvements will result in new signature "Gateway" to the Central Downtown area of Kirkland with associated upgrades to surface.	03 12	P	.07		PE RW CN	1/1/2018 1/1/2018 1/1/2018					608 284 975	608 284 975					EA	Yes
							Totals						1867	1867						
14	94	*Central Way/4th Street Intersection Imps (TR103)* Central Way from: 4th Street to: Extend two-way left turn by moving crosswalk to Park Place signal.	12	P	.05		PE CN	1/1/2018 1/1/2018					10 21	10 21					EA	No
							Totals						31	31						
16	95	*6th Street/4th Avenue Intersection Imps (TR104)* 6th Street S. from: 4th Avenue to: Dual eastbound left turn, with widening on 6th Street.	12	P	.05		PE CN	1/1/2018 1/1/2018					229 351	229 351					EA	No
							Totals						580	580						
14	96	*Central Way/5th St Intersection Imps (TR105)* Central Way from: 5th Street to: Install new traffic signal. Allow intersection to maintain a level of service.	12	P	.05		PE CN	1/1/2018 1/1/2018					232 332	232 332					EA	No
							Totals						564	564						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
17	97	*6th St/7th Ave Intersection Improvements (TR106)* 6th Street from: 7th Avenue to: Add left turn lanes on northbound and southbound approaches.	12	P	.05		PE CN	1/1/2018 1/1/2018					31 58	31 58					EA	No
							Totals						89	89						
14	98	*Market Street/15th Ave Intersection Imps (TR107)* Market Street from: 15th Avenue to: Install new traffic signal. Improvements will allow intersection to maintain level of service.	12	P	.05		PE CN	1/1/2018 1/1/2018					197 367	197 367					EA	No
							Totals						564	564						
14	99	*NE 85th St/124th Ave NE Intersection Imps (TR108)* NE 85th St from: 124th Ave NE to: Add northbound right turn only pocket.	12	P	.05		PE CN	1/1/2018 1/1/2018					311 578	311 578					EA	No
							Totals						889	889						
14	100	*Totem Lk Plaza/Totem Lk Blvd Intersection Imprvmts (TR109)* Totem Lake Mall from: to: Install traffic signal and associated roadway improvements required for Totem Lake Mall development.	12	P			PE CN	1/1/2018 1/1/2018					525 975	525 975					EA	No
							Totals						1500	1500						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	101	*Totem Lake Plaza/120th Ave NE Intersection Imps (TR110)* Totem Lake Plaza from: 120th Ave NE to: Install traffic signal to minimize traffic conflict, improve safety and traffic operation, concurrent with development of Totem Lake Mall.	12	P	.05		PE CN	1/1/2018 1/1/2018					525 975	525 975					EA	No
							Totals						1500	1500						
16	102	*Kirkland ITS Implementation Phase IIA (TR111-001)* City wide from: to: Install traffic signal upgrades on ITS corridors, CCTV, TSP, fiber optic communication to link corridors to TMC, communication network expansion and traffic signal upgrades at isolated intersections.	06 12	P			PE CN	1/1/2018 1/1/2018					178 1011	178 1011					EA	No
							Totals						1189	1189						
14	103	*Kirkland ITS Implementation Phase IIB (TR111-002)* Totem Lake Urban Center from: to: Implementation of ITS upgrades at intersections formerly on King County's network.	06 12	P			PE CN	1/1/2018 1/1/2018					565 2079	565 2079					EA	No
							Totals						2644	2644						
17	104	*Slater Avenue NE Traffic Calming Phase I (TR114)* Slater Ave from: 100th St NE to: NE 112th St Construct traffic calming measures along Slater Ave.	12	P			PE CN	1/1/2018 1/1/2018					91 156	91 156					EA	No
							Totals						247	247						

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
14	105	*100th Ave NE Roadway Improvements (ST83-101)* 100th Ave NE from: NE 139th St to: NE 145th St Widen existing roadway to provide bicycle lanes, center turn lane, sidewalks, curb and gutter, illumination improvements and storm drainage system upgrades.	04	P	.53		PE RW CN	1/1/2018 1/1/2018 1/1/2018					1850 1100 6550	1850 1100 6550					EA	Yes
							Totals						9500	9500						
				Grand Totals for Kirkland						**9,310**		**3,022**	**306,96**	**319,29**	**13,717**	**12727**	**8,847**	**20,176**		

CITY OF KIRKLAND
Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3235
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dawn Nelson, Planning Supervisor

Date: January 2, 2013

Subject: ARCH 2012 HOUSING TRUST FUND RECOMMENDATION, FILE PLN13-00001

RECOMMENDATION

Staff recommends that the City Council adopts the enclosed resolution and approves the recommendations and conditions of approval of the ARCH Executive Board. This will allocate $300,000 of Kirkland funds as part of the Fall 2012 ARCH Housing Trust Fund to the Imagine Housing Totem Lake Senior Apartments.

BACKGROUND DISCUSSION

As in previous funding rounds, general funds set aside by the Council for low and moderate income housing development projects are administered through the ARCH Housing Trust Fund application process. This year, there were three applications for funding from ARCH. The ARCH Executive Board has recommended that awards be made to all of the projects, including one project that would use Kirkland funds. The total amount of Kirkland funds being committed this year exceeds our budgeted set aside of $291,000 but includes funds that have been recaptured as loan repayments from previous projects.

The Imagine Housing Totem Lake Senior Apartments project includes construction of 95 units of affordable rental housing for seniors aged 62 and older. It includes a mix of studio, one and two bedroom units that will be affordable to those earning between 30% and 50% of King County median income. Fifteen of the units will be set aside for senior veterans and other seniors who have faced homelessness. The award would be made in the form of a deferred, contingent loan.

A summary of the Executive Board recommendation for this year's project is included in Exhibit A to the attached Resolution. Additional information about all the projects and their financing is included as Attachment 1 to this memo. ARCH staff will be available to answer questions at the January 15th City Council meeting.

Cc: Arthur Sullivan, ARCH, 16225 NE 87th Street, Suite A-3, Redmond, Washington 98052

ARCH HOUSING TRUST FUND (HTF) APPLICATIONS 2012

Applicant	Funds Requested (Grant/Loan) / Recommendation	Housing Type/ # of units/ bdrms	Income Served	Project Location	Duration of benefit	Total cost per unit	HTF cost per affordable unit	Project completion
Foundation For the Challenged FFC – VII	$168,737 Grant	Acq/Rehab of Home for Developmentally Disabled 4	4 @ 30%	Bellevue – Site to be determined	50 Years	$129,255/bed	$42,184	Fall 2013
Friends of Youth Transitional Housing	$240,000 Grant 2 Vouchers	New construction of two homes each housing 5 homeless young adults 10	10 @ 30%	13116 NE 132nd St. Kirkland	50 Years	$108,009/bed	$24,000	Spring 2014
Imagine Housing Totem Lake Phase II/Senior	$875,000 Deferred Loan 8 Vouchers	New Construction 95	38 @ 30% 57 @ 50% (15% Homeless set aside)	Adjacent to 12601 NE 124th St, Kirkland	50 Years	$229,181	$9,211	Late Fall/Winter 2014

2012 HOUSING TRUST FUND: PROPOSED FUNDING SOURCES

SOURCE		PROJECT: Imagine Totem Phase II	FFC DD Group Home	Friends of Youth	TOTAL
Request		$ 875,000	$ 168,737	$ 240,000	$ 1,283,737
CAB Recommendation		$ 875,000	$ 168,737	$ 240,000	$ 1,283,737
Current Funding					
Sub-Regional CDBG			$ 168,737	$ 146,637	$ 315,374
Bellevue					
	CDBG **			$ 16,008	$ 16,008
	General Fund	$ 250,000			$ 250,000
Issaquah					
	General Fund	$ 75,000			$ 75,000
Kirkland					
	General Fund	$ 300,000			$ 300,000
Mercer Is.					
	General Fund	$ 20,500			$ 20,500
Redmond					
	General Fund	$ 131,769			$ 131,769
	CDBG			$ 77,355	$ 77,355
Newcastle					
	General Fund	$ 25,000			$ 25,000
Kenmore					
	General Fund	$ 25,000			$ 25,000
Woodinville					
	General Fund	$ 13,800			$ 13,800
Clyde Hill					
	General Fund	$ 15,400			$ 15,400
Medina					
	General Fund	$ 12,100			$ 12,100
Yarrow Point					
	General Fund	$ 3,931			$ 3,931
Hunts Point					
	General Fund	$ 2,500			$ 2,500
TOTAL		$ 875,000	$ 168,737	$ 240,000	$ 1,283,737
	CDBG	$ -	$ 168,737	$ 240,000	$ 408,737
	General Fund	$ 875,000	$ -	$ -	$ 875,000

** Bellevue CDBG award is tentatively $16,008. May be adjusted up to $44,400 to offset any revision to the final sub-regional and/or Redmond CDBG award.

ARCH HOUSING TRUST FUND, 2012

Leveraging Funds - -

	FFC VII (Adult Family Home)		Friends of Youth Transitional Housing		Imagine Housing Totem Lake Phase II/Senior		TOTAL
Prior ARCH Commitment							$0
New ARCH Request	$168,737		$240,000		$875,000		$1,283,737
ARCH TOTAL	$ 168,737	33%	$ 240,000	22%	$ 875,000	4%	$ 1,283,737
King County							
Prior KC Commitment							$0
HOF/HOME/CDBG	$172,500		$200,000		$2,140,000		$2,512,500
2060/2163							$0
Veterans/Human Services							$0
Other							$0
KC TOTAL	$ 172,500	33%	$ 200,000	19%	$ 2,140,000	10%	$2,512,500
Prior WA Commitment							$0
WA HAP							$0
WA HTF	$172,784				$2,500,000		$2,672,784
WA HFC (Equity Fund)							$0
WSHFC Washington Works							$0
WA TOTAL	$ 172,784	33%	$ -	0%	$ 2,500,000	11%	$2,672,784
Federal/HUD							$0
Section 811							$0
McKinney							$0
Other (VA Per Diem)							$0
FEDERAL TOTAL	$ -	0%	$ -	0%	$ -	0%	$0
Tax Credits		0%		0%	$12,510,202	57%	$12,510,202
Prior Tax Credit Commitment		0%		0%		0%	$0
TCAP		0%		0%		0%	$0
Bonds		0%		0%		0%	$0
Bank Loans		0%		0%	$2,997,000	14%	$2,997,000
Deferred Developer Fee		0%		0%	$ 750,000	3%	$750,000
Private	$3,000	1%	$640,085	59%		0%	$643,085
Other		0%		0%		0%	$0
TOTAL COST	$ 517,021	100%	$ 1,080,085	100%	$ 21,772,202	100%	$ 23,369,308

ECONOMIC SUMMARY: FOUNDATION FOR THE CHALLENGED VII

1. Applicant/Description: FFC / Acquisition/rehabilitation of single family home to provide housing for four persons living with developmental disabilities

2. Project Location: ARCH Sphere of Influence

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	$168,737	Applied for Fall 2012
King County *	$172,500	Committed Fall 2012
Commerce Trust Fund *	$172,784	Committed Fall 2012
Owner Equity	$3,000	Committed
		Committed
TOTAL	$517,021	

4. Development Budget:

ITEM	TOTAL	PER BED	HTF
Acquisition	$351,696	$87,924	$152,237
Construction	$80,500	$20,125	
Design	$5,000	$1,250	
Consultants	$5,000	$1,250	
Developer fee	$50,500	$12,625	$16,500
Finance costs	$3,456	$864	
Reserves	$13,000	$3,250	
Permits/Fees/Other	$7,869	$1,967	
TOTAL	$517,021	$129,255	$168,737

* Portion of larger awards for multiple homes

5. Debt Service Coverage: Secured grant, no repayment if in compliance.

6. Security for City Funds:
- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the grant amount upon non-compliance with any of the funding conditions.

7. Rental Subsidy: None

ECONOMIC SUMMARY: FRIENDS OF YOUTH – TRANSITIONAL HOUSING

1. Applicant/Description: FOY / Construction of two new homes each providing housing for 5 homeless young adults

2. Project Location: 13116 NE 132nd Street, Kirkland

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	$240,000	Applied for Fall 2012
King County	$200,000	Committed as Fall 2012
Commerce Trust Fund	$0	
From Capital Campaign	$505,085	
Owner Equity	$135,000	Committed
TOTAL	$1,080,085	

4. Development Budget:

ITEM	TOTAL	PER BED	HTF
Acquisition *	$261,500	$26,150	
Construction	$584,560	$58,456	$240,000
Design	$41,800	$4,180	
Consultants	$500	$50	
Developer fee	$73,000	$7,300	
Finance costs	$24,000	$2,400	
Reserves	$58,000	$5,800	
Permits/Fees/Other	$36,725	$3,673	
TOTAL	$1,080,085	$108,009	$240,000

* Value of these lots, previously acquired by agency in the Youth Haven project (2011) and paid by FOY

5. Debt Service Coverage: Secured grant, no repayment if in compliance.

6. Security for City Funds:
- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the grant amount upon non-compliance with any of the funding conditions.

7. Rental Subsidy: Two Section 8 vouchers

ECONOMIC SUMMARY: IMAGINE HOUSING / TOTEM LAKE PHASE II SENIOR

1. Applicant/Description: ARCH / New construction of 95 affordable rental units for seniors including units are for homeless/very low income households

2. Project Location: Adjacent to 12601 NE 124th St., Kirkland

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	$875,000	Applied for Fall 2012
King County	$2,140,000	To be applied for in 2013
Commerce Trust Fund	$2,500,000	To be applied for in 2013
Tax Credits	$12,510,202	To be applied for in 2013
Private Debt	$2,997,000	To be applied for in 2013
Deferred Developer Fee	$750,000	Committed
TOTAL	$21,772,202	

4. Development Budget:

ITEM	TOTAL	PER UNIT	HTF
Acquisition	$2,750,000	$28,947	
Construction	$13,957,115	$146,917	$668,109
Design	$564,000	$5,937	$170,000
Consultants	$420,000	$4,421	
Developer fee	$1,747,959	$18,400	
Finance costs	$1,260,619	$13,270	
Reserves	$292,080	$3,075	
Permits/Fees/Other	$780,429	$8,215	$36,891
TOTAL	$21,772,202	$229,181	$875,000

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50 year amortization, deferral of payments for a period of between 10 and 15 years, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:
- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: 8 Section 8 Vouchers

ARCH: EAST KING COUNTY TRUST FUND SUMMARY
LIST OF CONTRACTED PROJECTS FUNDED (1993 - Fall 2011)

FAMILY HOUSING

Project	Owner	Units/ Beds	Funding
Andrews Heights Apartments	Imagine Housing	24	$400,000
Garden Grove Apartments	DASH	18	$180,000
Overlake Townhomes	Habitat of EKC	10	$120,000
Glendale Apartments	DASH	82	$300,000
Wildwood Apartments	DASH	36	$270,000
Somerset Gardents (Kona)	KC Housing Authority	198	$700,000
Pacific Inn	Pacific Inn Assoc. *	118	$600,000
Eastwood Square	Park Villa LLC	48	$600,000
Chalet Apts	Imagine Housing	14	$163,333
Andrew's Glen	Imagine Housing	10	$387,500
Bellevue Apartments	LIHI	45	$800,000
YWCA Family Apartments	YWCA	12	$100,000
Highland Gardens (Klahanie)	Imagine Housing	54	$291,281
Crestline Apartments	Shelter Resources	22	$195,000
Parkway Apartments	KC Housing Authority	41	$100,000
Habitat - Patterson	Habitat of EKC	24	$446,629
Avon Villa Mobile Home Park	MHCP **	93	$525,000
Terrace Hills	Imagine Housing	18	$442,000
Village at Overlake Station	KC Housing Authority **	308	$1,645,375
Summerwood	DASH	166	$1,187,265
Coal Creek Terrace	Habitat of EKC	12	$240,837
RoseCrest (Talus)	Imagine Housing	40	$918,846
Mine Hill	Imagine Housing	28	$450,000
Clark Street	Imagine Housing	30	$355,000
Lauren Heights (Iss Highlands)	Imagine Housing/SRI **	45	$657,343
Habitat Issaquah Highlands	Habitat of EKC **	10	$200,000
Issaquah Family Village I	YWCA **	87	$4,382,584
Issaquah Family Village II	YWCA	47	$2,760,000
Greenbrier Family Apts	DASH **	50	$286,892
Plum Court	DASH	61	$1,000,000
Francis Village	Imagine Housing	15	$375,000
South Kirkland Park n Ride	Imagine Housing	46	$752,294
Copper Lantern	LIHI **	33	$452,321
Homeowner Downpayment Loan	KC/WSHFC/ARCH	87	$615,000
SUB-TOTAL FAMILY HOUSING		**1,932**	**$22,899,500**
	Percent of Total Funds Allocated		**60.4%**
	Long Term Distribution Goal		**56.0%**

SENIOR HOUSING

Project	Owner	# Units/ Beds	Funding
Cambridge Court	Resurrection Housing	20	$160,000
Ashwood Court	DASH/Shelter Resources *	50	$1,070,000
Evergreen Court (Assisted Living)	DASH/Shelter Resources	64	$2,480,000
Vasa Creek	Shelter Resources	50	$190,000
Riverside Landing	Shelter Resources **	50	$225,000
Kirkland Plaza	Imagine Housing	24	$610,000
Heron Landing	DASH/Shelter Resources	50	$65,000
Ellsworth House Apts	Imagine Housing	59	$900,000
Greenbrier Sr Apts	DASH/Shelter Resources **	50	$196,192
SUB-TOTAL SENIOR HOUSING		**417**	**$5,896,192**
	Percent of Total Funds Allocated		**15.6%**
	Long Term Distribution Goal		**19.0%**

HOMELESS/TRANSITIONAL HOUSING

Project	Owner	# Units/ Beds	Funding
Hopelink Place	Hopelink **	20	$500,000
Chalet	Imagine Housing	4	$46,667
Kensington Square	Housing at Crossroads	6	$250,000
Andrew's Glen	Imagine Housing	30	$1,162,500
Bellevue Apartments	LIHI	12	$200,000
Sophia Place	Sophia Way	20	$250,000
Dixie Price Transitional Housing	Hopelink	4	$71,750
Avondale Park	Hopelink (EHA)	18	$280,000
Avondale Park Redevelopment	Hopelink (EHA) **	60	$1,502,469
Petter Court	KITH	4	$100,000
Francis Village	Imagine Housing	45	$1,125,000
South Kirkland Park n Ride	Imagine Housing	12	$188,073
Rose Crest (Talus)	Imagine Housing	10	$229,712
Lauren Heights (Iss Highlands)	SRI **	5	$73,038
Issaquah Family Village I	YWCA **	10	$503,745
SUB-TOTAL HOMELESS/TRANSITIONAL HOUSING		**260**	**$6,482,954**
	Percent of Total Funds Allocated		**17.1%**
	Long Term Distribution Goal		**13.0%**

SPECIAL NEEDS HOUSING

Project	Owner	# Units/ Beds	Funding
My Friends Place	EDVP	6	$65,000
Stillwater	Eastside Mental Health	19	$187,787
Foster Care Home	Friends of Youth	4	$35,000
FOY New Ground	Friends of Youth	6	$250,000
DD Group Home 7	Community Living	5	$100,000
Youth Haven	Friends of Youth	10	$332,133
DD Group Home 4	Community Living	5	$111,261
DD Group Homes 5 & 6	Community Living	10	$250,000
United Cerebral Palsy	UCP	9	$25,000
DD Group Home	Residence East	5	$40,000
AIDS Housing	Aids Housing of WA.	10	$130,000
Harrington House	AHA/CCS	8	$290,209
DD Group Home 3	Community Living	5	$21,000
Parkview DD Condos III	Parkview	4	$200,000
IERR DD Home	IERR	6	$50,209
FFC DD Homes	FFC	8	$300,000
Oxford House	Oxford/Compass Ctr.	8	$80,000
Parkview DD Homes VI	Parkview	6	$150,000
SUB-TOTAL SPECIAL NEEDS HOUSING		**134**	**$2,617,599**
	Percent of Total Funds Allocated		**6.9%**
	Long Term Distribution Goal		**12.0%**

TOTAL		**2,725**	**$37,896,245**

* Funded through Bellevue Downtown Program
** Also, includes in-kind contributions (e.g. land, fee waivers, infrastructure improvements)
*** Amount of Fee Waiver still to be finalized

RESOLUTION R-4958

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE DULY-APPOINTED ADMINISTERING AGENCY FOR A REGIONAL COALITION FOR HOUSING (ARCH) TO EXECUTE ALL DOCUMENTS NECESSARY TO ENTER INTO AN AGREEMENT FOR THE FUNDING OF AN AFFORDALBE HOUSING PROJECT, AS RECOMMENDED BY THE ARCH EXECUTIVE BOARD IN 2012, UTILIZING FUNDS FROM THE CITY'S HOUSING TRUST FUND.

WHEREAS, A Regional Coalition for Housing (ARCH) was created by interlocal agreement to help coordinate the efforts of Eastside cities to provide affordable housing; and

WHEREAS, the ARCH Executive Board has recommended that the City of Kirkland participate in the funding of a certain affordable housing project hereinafter described; and

WHEREAS, the ARCH Executive Board has developed a number of recommended conditions to ensure that the City's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time; and

WHEREAS, the City Council approved Resolution R-4804 on March 2, 2010, approving the Amended and Restated Interlocal Agreement for ARCH; and

WHEREAS, the City Council desires to use $300,000 from City funds as designated below to finance the project recommended by the ARCH Executive Board;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Council authorizes the duly-appointed administering agency of ARCH, pursuant to the Amended and Restated Interlocal Agreement for ARCH, to execute all documents and take all necessary actions to enter into Agreements on behalf of the City with:

Imagine Housing Totem Lake Senior Apartments in an amount not to exceed $300,000.

Section 2. The Agreement entered into pursuant to Section 1 of the Resolution shall be funded in an amount not to exceed $300,000. Such Agreement shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the project maintains its affordability over time. In determining what conditions should be included in the Agreement, the duly-appointed administering agency of ARCH shall be guided by the recommendations set forth in the ARCH Executive Board's memorandum as of December 14, 2012, a copy of which is attached hereto as Exhibit A.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

_____
MAYOR

Attest:

_____
City Clerk

A Regional Coalition for Housing

Together Center Campus
16225 NE 87th Street, Suite A-3 ♦ Redmond, Washington 98052
(425) 861-3677 ♦Fax: (425) 861-4553 ♦ WEBSITE: www.archhousing.org

MEMORANDUM

TO: City of Bellevue Council Members
City of Clyde Hill Council Members
Town of Hunts Point Council Members
City of Issaquah Council Members
City of Kenmore Council Members
City of Kirkland Council Members
City of Medina Council Members
City of Mercer Island Council Members
City of Newcastle Council Members
City of Redmond Council Members
City of Woodinville Council Members
Town of Yarrow Point Council Members

FROM: Kurt Triplett, Chair, and ARCH Executive Board

DATE: December 14, 2012

RE: Fall 2012 Housing Trust Fund (HTF) Recommendation

The ARCH Executive Board (EB) has completed its review of applications for the Fall 2012 Housing Trust Fund round and recommends funding for three projects. Recommendations total $1,283,737 as summarized in the attached table, Proposed Funding Sources. The actual amount will depend on final action by the City Councils.

Following is a summary of the applications, the recommendation and rationale, and proposed contract conditions for the three proposals recommended for funding at this time. Also enclosed are:

- Exhibit 2: Summary of Trust Fund Applications
- Exhibit 3: Sources of funding for projects summary by ARCH member
- Exhibit 4: Leveraging summary for the three projects
- Exhibit 5: Economic summary for each of the projects individually
- Exhibit 6: Summary of funded projects to date

1. Imagine Housing Totem Lake (Phase 2) Senior Apartments

Funding Request: $875,000 (Deferred, Contingent Loan) Plus 8 Section 8 Vouchers

CAB Recommendation: $875,000 (Deferred, Contingent Loan) Plus 8 Section 8 Vouchers
See attached Funding Chart for distribution of City Funds

Project Summary:
Imagine Housing (IH) – an east King County based non-profit corporation is proposing a 95 unit new construction project adjacent to Francis Village in the Totem Lake neighborhood of Kirkland. The building is four levels of residential units over one level of structured parking and community, amenity and service space. It is designed to serve seniors living independently, aged 62 or over, at 50%, and 30% of Area Median Income (AMI). Fifteen (15) units will be restricted for serving senior veterans and other seniors who have faced homelessness.

The community space and residential units are designed according to the principles of universal design. It is intended that the residents will be able to continue living in the units even with increased frailty and the units may be adapted (such as changing kitchen cabinets to accommodate wheelchairs) to meet their changing physical needs. The amenity space will have a flexible design to meet the social and physical interests of the population. The property will contain a rooftop garden that will provide passive recreational opportunities as well as gardening and educational opportunities.

Funding Rationale:

The CAB supported the intent of this application for the following reasons:

- Experienced applicant
- Applicant has site control
- Development targets range of lower income senior households. Provides housing for a population (senior housing) that currently is below long term ARCH Trust goals.
- Homeless Veteran and disabled unit set-asides
- The project expands the residential development within the Totem Lake area
- Site has access to transit, shopping and is near a major hospital/medical complex
- Relatively low per unit ask to ARCH

Potential Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. Prior to September 1, 2013, Imagine Housing shall provide to City or Administering Agency an update on the status of the project which will include: updates on applications for other public funding; updated capital and operating budgets, status of design review and/or City permit applications (including determination on the number of parking spaces required), and progress toward being able to meet all funding conditions within the 18 month period specified in Condition 2. If the City or Administering Agency evaluation indicates that funding conditions cannot be met within the 18 month funding condition period, (e.g. no application submitted for other public funds), then the ARCH Executive Board will be authorized to have the funding award expire and Imagine Housing will have to reapply to ARCH for funding.

2. In the event the first funding condition is met the funding commitment shall be extended to eighteen (18) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City or Administering Agency no later than sixty (60) days prior to the expiration date. City or Administering Agency will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.

Commitment shall end if King County and or Commerce do not fund in the 2013 funding round, and applicant will have to reapply to ARCH.

3. Funds shall be used by Imagine Housing toward design, and consulting services, new construction, development period utilities, insurance and construction contingency. Funds may not be used for any other purpose unless City or Administering Agency has given written authorization for the alternate use. Spending of construction contingency must be approved in advance by City or Administering Agency. If after the completion of the project there are budget line items with unexpended balances, the public funders shall approve adjustments to the project capital sources, including reductions in public fund loan balances.

4. Funds will be in the form of a deferred, contingent loan. Loan terms will account for various factors, including loan terms from other fund sources, available cash flow, receipt of an asset management fee to the Applicant and project reserves. Final loan terms shall be determined prior to release of funds and must be approved by city Staff. Based on the preliminary development budget, it is anticipated that loan payments will be based on a set repayment schedule, and begin after repayment of deferred developer fee (approximately year 15), with 1% interest. The terms will also include a provision for the Applicant to a deferment of a payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by City or Administering Agency, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.

5. The net developer fee shall be established at the time of finalizing the Contract Budget. It is anticipated that the Net Developer Fee inclusive of any project management fees and incidental costs incurred by the developer, shall not exceed $985,000 based on the current size and description of the project. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.

6. Until such time as any deferred developer fee is fully repaid, all cash flow after payment of operating expenses and debt service, shall be used to repay the deferred developer fee unless otherwise approved by City or Administering Agency.

7. A covenant is recorded ensuring affordability for at least 50 years, with affordability as shown in the following table. Affordability levels will be defined using the requirements for tax credits, and utility costs will be based on King County Housing Authority allowances, or as otherwise approved by City or Administering Agency. (The matrix is subject to change dependent on selected proposal, but shall generally reflect the following)

Median Income Level	Studio	1 Bedrm	2 Bedrm	Total
Very Low Income 30% AMI	6	24	8	38 (8)
Low Income 31-50% AMI	9	36	12	57
Total	15	60	20	95 (8)

Up to 8 of the very low income units can utilize Section 8 vouchers. They can be used in a combination of one and two bedroom units. The final mix of one and two bedroom units will be approved by City or Administering Agency. Considerations in the determination of unit mix will be include overall need in the community, unit mix of existing federally assisted and Section 8 assisted housing for seniors in east King County, and Section 8 program requirements.

8. Based on the availability of adequate support services, up to 15 units will be set-aside for homeless, unless otherwise approved by City or Administering Agency.

9. Submit documentation of the city's approval of the required number of parking spaces, and that the project design, and if applicable, management plan, are consistent with city requirements.

10. Submit for review and approval a management and services provision plan that includes how management and services for this property will relate to the management of the adjacent Francis Village Family Housing and types of services and programs that will be available for the residents. The plan shall also address how parking will be managed (including the leasing of any surplus spaces) on an ongoing basis, and shall also include management procedures to address tenant needs; services provided for or required of tenants; management and operation of the premises; community and neighbor relations procedures; a summary of ARCH's affordability requirements as well as annual monitoring procedure requirements.

2. Foundation For the Challenged Homes VII

Funding Request: $168,737 (Secured Grant)

CAB Recommendation: $168,737 (Secured Grant)
See attached Funding Chart for distribution of CDBG Funds

Project Summary:
The Foundation For the Challenged (FFC), an Ohio-based non-profit organization which to date has done 88 properties across the United States, of which 12 homes are in King County is proposing to develop a Supportive Living Services Home in Bellevue (or other Eastside City) as part of a larger proposal to develop five homes in total over three counties, with two of the homes in King County (one of which would be in the ARCH sphere of influence). They plan to acquire and remodel a four-bedroom house that will serve four low-income power wheelchair-bound individuals with developmental disabilities. A specific home will be identified once all funding is committed.

The residents identified for this project currently reside together in a group setting in a privately owned market-rate home. The owner is reportedly unwilling to make modifications to the home to accommodate their special needs such as the installation of body hoists. In the proposed project, they will live in a shared living arrangement, and each of the tenants will have their own bedroom. Staff will use a small work area within the home, but not reside on-site. All the tenants will receive 24/7 support services to ensure their health and safety. The support services are funded by and contracted through Washington State Department of Developmental Disabilities (DDD). FFC will only be acting in the capacity of owner, and will contract out property management to Navarre and Pollowitz, a non-related for-profit company.

There currently is no site control. The house to be bought will be remodeled to include accessibility features necessary for the initial tenants and for future tenants. FFC will be looking to acquire suitably laid out houses that can easily be modified.

Funding Rationale:

The CAB supported the intent of this application for the following reasons:

- Serves neediest developmentally disabled residents by relying on referrals from the State Department of Developmental Disabilities (DDD) for new residents
- Provides housing for a population (Special Needs housing) that currently is below long term ARCH Trust Fund goals
- Property will have 24/7 non-resident care provider coverage
- Acquisitions to be done near transit and community amenities
- Developer has several year track record with properties in King County and good reputation with funders and DDD

Potential Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special / Revised Conditions:

1. The funding commitment shall continue for six (6) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City or Administering Agency no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. City or Administering Agency will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.

2. Funds shall be used by the Applicant toward acquisition and closing costs and developer fee. Funds may not be used for any other purpose unless City or Administering Agency has given written authorization for the alternate use.

3. FFC shall not proceed with searching for a home until all funding commitments have been received. The Applicant shall only purchase unoccupied homes or owner occupied homes in order to not trigger local and federal relocation regulations.

4. Prior to acquisition, the Applicant shall submit an appraisal by a qualified appraiser. The appraisal shall be equal to or greater than the purchase price.

5. With CDBG as a funding source, an Environmental Assessment is required. Applicant is directed to King County as to the requirements for Option language and timing of the acquisition

6. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained, and the service/care providers have a contract with DDD for funds necessary to provide services to this population.

7. A covenant is recorded ensuring affordability for at least 50 years, with four beds for individuals with a developmental disability at or below 30% of area median income at move in.

8. Unless otherwise approved by City or Administering Agency the development budget for the ARCH sphere house shall include:

   - The development budget will include a minimum of $3,000 of private sources provided by the applicant.
   - The funding award is based on a combined acquisition and construction cost which does not exceed $432,196. In the event that total acquisition and rehab costs, including contingency, exceeds this amount, upon the approval of public funders and to the extent available from savings in other homes developed in FFC VII, those sources may be transferred to this home to cover additional costs. Any excess costs beyond that which can be covered from public funds made available to FFC VII shall be covered by private sources from the applicant.
   - Developer fee shall not exceed $50,500 and Project Management fee shall not exceed $5,000.

9. Replacement Reserves will be funded out of operations for: a) a replacement reserve at $2,000 for the first year with an annual increase of 3.5% per year; and b) an operating reserve at $1,000 per home for the first year with an annual increase of 3.5%.

10. All cash flow after payment of operating expenses shall be placed into a project reserve account that can be used by the applicant for project related operating, maintenance or services expenses. Any other use of these reserves funds must be approved by City or Administering Agency.

11. Unless otherwise approved by City or Administering Agency, residents referred from DDD should be ones who do not have Section 8 assistance.

12. In the event that any operating support funding levels will be reduced, the Applicant shall inform City or Administering Agency about the impacts the proposed reduction will have on the budget and plan for services to the clients with a developmental disability, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by City or Administering Agency. FFC must find other sources to make up shortfall.

13. The Applicant must notify City or Administering Agency when they enter into an option for any home, providing information on the location of the home and terms for acquiring the home. The Applicant shall obtain approval from City or Administering Agency for any home considered for purchase. No home considered for acquisition will be within two blocks of another home owned by Applicant unless otherwise approved by City or Administering Agency. The option and purchase and sales agreement shall contain language that addresses federal funds' "choice-limiting" restrictions.

14. Prior to closing on a home, an individualized outreach plan will be submitted to City or Administering Agency for review and approval. The outreach plan will include provisions such as:

   - At time of a mutually accepted purchase and sales agreement, provide written notification to neighbors to include FFC's intention to purchase the house, description of the project, and information regarding FFC, property manager and the service provider that will include their websites and contact names/numbers;

- At time when the home is ready to open and after tenants move in, provide invitations to neighbors for an opportunity such as an open house to individually and/or as a group to meet with FFC and the service provider regarding the project. Provide information to neighbors about the program and the residents, and how to contact the service provider, property manager and FFC should they have questions or concerns about the operation of the home and information about what to do in case something out of the ordinary occurs.

15. Once home is selected the Applicant shall include City or Administering Agency in the inspection of the property and development of the final scope of work for the rehab. The final scope of work for the basic construction budget shall include, at a minimum, all work necessary for licensing of the home and correction of substandard health and safety conditions. Prior to start of construction, the Applicant shall submit the final scope of work for City or Administering Agency approval, along with evidence that construction costs have been confirmed by a qualified contractor and are within the basic construction budget. All uses of construction contingency funds must be approved by City or Administering Agency prior to authorization to proceed with such work.

16. Prior to release of funds, the Applicant shall submit to City or Administering Agency for review and approval drafts of all documents related to the provision of services to residents and management of the property, including the Memorandum of Understanding with the service provider, form of lease agreement with residents, and services agreement between DDD and the Service Provider. These documents shall at a minimum address: tenant selection procedures through DDD; management procedures to address tenant needs; services provided for or required of tenants; management and operation of the premises; community and neighbor relations procedures; a summary of ARCH's affordability requirements as well as annual monitoring procedure requirements. The plan shall also detail policies and procedures regarding resident turnover with the express purpose of minimizing time between change in residents.

3. Friends of Youth Transitional Housing for Homeless Young Adults

Funding Request: $240,000 (Secured Grant) Plus 2 Section 8 Vouchers

CAB Recommendation: $240,000 (Secured Grant) Plus 2 Section 8 Vouchers
See attached Funding Chart for distribution of CDBG Funds

Project Summary:
Friends of Youth (FOY) is a local agency providing counseling and shelter to homeless youth and young adults. The application is for funding two new single family homes to each provide housing for five unrelated young adults (ages 18 – 24) who require specialized support due to ongoing mental health issues and problems maintaining sobriety. These homes would be built on two of the four subdivided lots created at their new Kirkland campus adjacent to their administrative offices and the Youth Haven shelter funded in 2011.

Friends of Youth is purposely designing these new homes to create a shared living experience and home-like environment for high need young adults where supports are provided to intervene and help them become independent adults. Their stays are limited to 18 months by terms of the DHHS grant for services.

Funding Rationale:

The CAB supported the intent of this application for the following reasons:

- Provides housing for a population (Special Needs housing) that currently is below long term ARCH Trust goals.
- The project will be serving a population that will be a focus of the King County Committee to End Homelessness (CEH) in the coming year
- FOY owns the site
- This project would expand the FOY campus putting to use two of 4 additional parcels created
- Developer is experienced and successful in serving this population in shelter setting
- Location of proposed project has good access to public transportation, hospital, schools, library and employment opportunities
- Funding award would help leverage capital campaign
- Homes could be re-purposed should operating subsidies not be available

Potential Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. Prior to September 1, 2013, FOY shall provide to City or Administering Agency an update on the status of the project which will include: updates on the status of the capital campaign and applications for other public funding; updated capital and operating budgets (reflecting CDBG funding requirements); evaluation how the project fits into the countywide planning process related to homeless housing for young adults; and progress toward being able to meet all funding conditions within the 18 month period specified in Condition 2. If the City or Administering Agency evaluation indicates that funding conditions cannot be met within the 18 month funding condition period, (e.g. little progress on the capital campaign related to funds for this project, no award of other public funds or application submitted for other public funds, updated budgets not accounting for federal funding requirements or current market conditions), then the ARCH Executive Board will be authorized to have the funding award expire and FOY will have to reapply to ARCH for funding.

2. In the event the first funding condition is met, the funding commitment shall be extended to eighteen (18) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City or Administering Agency no later than sixty (60) days prior to the expiration date. City or Administering Agency will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.

3. Federal Health and Human Services (HHS) or other services funding needs to be applied for but does not need to be approved prior to funding. Property may be used for foster care housing until HHS grant funding is in place.

4. Funds shall be used by FOY toward construction costs. Funds may not be used for any other purpose unless City or Administering Agency has given written authorization for the alternate use.

5. The Funding Agreement will include provisions related to funding of a replacement and operating reserve to be funded out of operations. City or Administering Agency shall determine appropriate level of funding based on final funding awards and operating budget, and a capital needs assessment. It is

anticipated that the replacement reserves will be approximately $7,000 annually and the operating reserve will be approximately $3,500 annually.

6. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained, and the service funds necessary to provide services to this population are available.

7. A covenant is recorded ensuring affordability for at least fifty (50) years for ten (10) beds for homeless young adults, unless otherwise approved by City or Administering Agency, and who are at or below 30% Annual Median Income at move-in.

8. As part of the quarterly monitoring report, FOY shall explicitly include any activities related to the neighborhood outreach plan; and progress of the Capital Campaign including active solicitations, amounts pledged and secured against campaign targets and how funds are allocated to the different projects covered by the campaign.

9. In the event that any operating support funding levels will be reduced, the Applicant shall inform City or Administering Agency about the impacts the proposed reduction will have on the budget and plan for services to clients, and what steps shall be taken to address the impacts. A new budget including sources of funding shall be provided to City or Administering Agency for review. A new budget or services plan must be approved by City or Administering Agency. In the event of loss of funding homes could be re-purposed as foster homes.

10. Prior to March 1, 2013, an outreach plan will be submitted to City or Administering Agency for review and approval. The outreach plan will include provisions such as:

    - Provide written notification to neighbors by April 1, 2013 to include description of the project, and information regarding FOY that will include the website and contact number;
    - Send out invitations and provide an opportunity for neighbors to individually and/or as a group to meet with FOY in an Open House or other format regarding the project.
    - Provide contact information for Friends of Youth and information about what to do in case something out of the ordinary occurs.

11. Prior to release of funds, the Applicant shall submit to City or Administering Agency for review and approval drafts of all documents related to the provision of services to residents and management of the property, including any licensing-related management and service provider plans. These documents shall at a minimum address: management procedures to address tenant needs; services provided for or required of tenants; management and operation of the premises including coordination with the different uses of the campus; community and neighbor relations procedures; a summary of ARCH's affordability requirements as well as annual monitoring procedure requirements.

12. In the event a coordinated system of referrals for youth and young adults is created and becomes operational in the County, FOY will work with the County for appropriate referrals to the facility when beds become available and will fill beds via this coordinated system following implemented protocol.

Standard Conditions applicable to all projects

1. The Applicant shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by city staff. If the Applicant is unable to adhere to the budgets, City or Administering Agency must be immediately notified and (a) new budget(s) shall be submitted by the Applicant for the City's approval. The City shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Applicant. Failure to adhere to the budgets, either original or as amended may result in withdrawal of the City's commitment of funds.

2. The Applicant shall submit evidence of funding commitments from all proposed public sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Applicant shall immediately notify City or Administering Agency, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to City or Administering Agency's review and approval.

3. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to repay (bridge) acquisition finance costs.

4. The Applicant shall maintain documentation of any necessary land use approvals and permits required by the city where the homes are located.

5. Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion. If applicable, submit initial tenant information as required by City or Administering Agency.

Council Meeting: 01/15/2013
Agenda: Other Business
Item #: 8. h. (3).

CITY OF KIRKLAND
Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3235
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dawn Nelson, Planning Supervisor

Date: January 2, 2013

Subject: ARCH 2013 WORK PROGRAM AND ADMINISTRATIVE BUDGET, FILE PLN13-00001

RECOMMENDATION

Staff recommends that the City Council approves the 2013 ARCH Work Program and Administrative Budget.

BACKGROUND DISCUSSION

The ARCH Executive Board has reviewed and approved the 2013 Work Program and Administrative Budget (see Attachments 1 and 2). Pursuant to the ARCH Interlocal Agreement, these are being forwarded to the member Councils for their review and approval.

This year, ARCH will assist the City of Kirkland with the following:

- Housing needs assessment for the Comprehensive Plan update
- Housing and Land Use element updates for the Comprehensive Plan update
- Affordability agreements for the South Kirkland Park & Ride project
- Administration of code required affordable housing regulations
- Section 8 nondiscrimination ordinance
- Affordable housing impact fee exemptions
- TDR approaches and infrastructure financing tools for the Totem Lake Urban Center

A complete list of activities to be undertaken by ARCH in 2013 is contained in Attachment 1.

The proposed 2013 Administrative Budget for ARCH, which totals $543,948, is itemized in Attachment 2. A comparison with the 2012 Budget is provided and shows how the cost to each city has changed from last year. The expenditure of $68,852 for Kirkland's share was approved as part of the City's budget for 2013. This is the first year that Kirkland's share of the ARCH budget has increased since 2009.

Cc: Arthur Sullivan, ARCH, 16225 NE 87th Street, Suite A-3, Redmond, Washington 98052

12-15-12

ARCH WORK PROGRAM: 2013

I. PROJECT ASSISTANCE

A. Oversight of Local Monetary Assistance

ARCH Trust Fund. Review applications and make recommendations for requests of local monetary funds through the ARCH Housing Trust Fund process. Includes helping to coordinate the application process and use of funds for various programs.

Objective: Allocation of $1,000,000 or more through the ARCH Housing Trust Fund Process, and create or preserve a minimum of 50 units.

For the 'Parity Program', provide updated annual information to members, and achieve the base line goal for levels of direct assistance.

Provide a variety of types of affordable housing and that meet other funding priorities as specified in the ARCH Trust Fund Criteria.

Centralized Trust Fund System. Monitor centralized trust fund process including:

- Produce regular monitoring reports for the ARCH Trust Fund account.
- Work with Administrating Agency (Bellevue) to prepare contracts and distribute funds for awarded projects.
- Monitor funded projects including evaluating performance and tracking loan payments.

King County / State Funding Programs. Review and provide input to other funders for Eastside projects that apply for County (HOF, RAHP, HOME, etc) and State (Tax Credit, DOC) funds. Includes providing input to the King County Home Consortium on behalf of participating Eastside jurisdictions. Assist N/E consortium members with evaluating and making a recommendation to the County regarding CDBG allocations to affordable housing.

Objective: In consultation with County, local staff and housing providers, seek to have funds allocated on a countywide basis by the County and State allocated proportionately throughout the County including the ARCH Sphere of Influence.

B. Special Initiatives This includes a range of activities where ARCH staff assist local staff with specific projects. Activities can range from feasibility analysis, assisting with requests for proposals, to preparation of legal documents (e.g. contracts, covenants). Following are either existing initiatives or examples of initiatives likely to emerge:

Trust Fund Long Term Issues.

1. ARCH Trust Fund: Dedicated Funding Source. As follow up to the ARCH Workshops in 2007, explore and evaluate the feasibility of a dedicated funding source. Research and develop a menu of options for creating more sustainable funding source to supplement general fund contributions for the ARCH Trust Fund. Work in 2013 to include convening members to evaluate options. For any options selected for further consideration, follow up on next steps.

2. Long Term Operation of Funded Projects. In 2012 ARCH conducted an evaluation of projects funded in the past through ARCH, including convening panel of real estate experts to assess ongoing operation and long term health of projects. This led to creating an assessment tool to monitor and respond to issues that could impact the long term viability of funded projects. In 2013, undertake initial assessment of funded projects. As needed follow up with individual property owners, to further evaluate project and if needed strategize ways to improve long term viability.

Objective: Develop sustainable strategies for the HTF to meet local housing goals and preserve assisted affordable housing.

Surplus Property/Underdeveloped Property. Assist as needed member cities' evaluation of potentially surplus public property or underutilized private property (e.g. church properties) for suitability of affordable housing. Currently identified opportunities includes:

- Assist Kirkland with implementing local provisions (e.g. land use and multifamily tax exemption affordability requirements) associated with the South Kirkland Park n Ride.
- Assist Sammamish with making surplus city site available to Habitat for Humanity of East King County
- Assist Redmond with evaluating making a surplus city site available for affordable housing, and if approved, assist with development of an RFP, selection of a development team, and other follow up activities
- Continue to explore opportunities for catalyst projects in transit oriented neighborhoods such as Bel-Red, Overlake and central Mercer Island that include affordable housing and other features that help implement neighborhood plan objectives. Explore modifications of existing ARCH Trust Fund criteria and procedures to potentially support such efforts.

As a subset of this item, convene members and other stakeholders to explore how to potentially work more proactively with faith based organizations to utilize their properties to assist with addressing affordable housing needs, especially for homeless populations. This includes supporting efforts by Eastside Human Services Forum, EHAC and cities to develop an East King county sub-regional strategic approach to winter shelter for homeless adults and families.

Objective: Identify one or more specific sites in East King County to be made available for housing.

Eastside Homebuyer Assistance Program. .
Continue working with Washington State Housing Finance Commission to support the third phase of the House Key Plus ARCH Downpayment Assistance Program.

Objective: Maintain operation of the Homebuyer Assistance Program and implement updates.

HUD Assisted Housing. No known projects in the upcoming year, but continue to monitor and actively pursue efforts to preserve existing HUD assisted affordable housing.

Objective: Preserve existing federally assisted affordable housing in East King County and prevent from converting to market rate housing.

II. HOUSING POLICY PLANNING

Work items in this section are grouped into the following basic areas of activity:

- Work with individual members on local planning efforts.
- Efforts coordinated through ARCH that benefit multiple members of ARCH.
- Track legislation that increases tools available to cities to create affordable housing.
- Participation in regional workgroups that impact local housing efforts.

A. Local Planning Activities

ARCH Housing Strategy Program. ARCH members have identified a number of Priority Housing Strategies as well as an ongoing education program for members, several of which can impact local planning efforts, including:

- Ongoing education of staffs and officials through Housing 101 Workshops for staffs and new local officials; updating information in the Housing 101 Workbook, annual study sessions with member councils to review current issues and activities and materials profiling current programs and housing trends.
- Assist cities that incorporate priority strategies into their local work program (e.g. property tax exemption program in mixed use zones, regulatory incentive programs, regulations to increase housing diversity (mixed use, innovative housing, housing emphasis zones). (Note: See Local Housing Efforts below for specific activities by members.)

Housing Background Information. On an annual basis, ARCH will continue to provide updated housing data information as available. This updated housing information will be incorporated into the education fliers and Housing 101 report used as part of the ongoing Housing Education Program**.** In 2013, looking at a Housing 101 event that will help assist member councils and planning commissions to prepare for updates to their Housing Elements.

Objective: On a regular basis, conduct education sessions for new local officials and staffs on local housing conditions and programs (Housing 101 East King County, East King County Plan to End Homelessness), and hold annual discussion with member councils on recent housing trends and efforts.

Continue to keep member jurisdictions and the broader community aware of local housing conditions to assist in their efforts to evaluate current and future efforts to meet local housing objectives. Include research on recent housing trends, and responses to these trends.

Housing Needs Assessment. Members will need Housing Needs Assessments as part of their updates to their Comprehensive Plans. Working with ARCH members, ARCH has developed an overall needs assessment covering East King County. As an initial part of each member's update of their Comprehensive Plan, ARCH will supplement the overall needs assessment with localized information.

Objective: Assist with preparation of Housing Needs Assessment for all members, and to do so through a coordinated effort in behalf of all members.

Local Housing Efforts**:** ARCH jurisdictions are updating land use, zoning and other codes in order to implement policies identified in their Comprehensive Plans. ARCH staff will continue to assist local staffs in these efforts. Following are specifically identified areas that ARCH will assist local staff with accomplishing. For the coming year, ARCH staff expects to spend time assisting members updating local Housing Elements, with initial efforts focused on developing needs assessments for members.

Objective: Assist local staff with completion of the following updates of local codes and specific plans:

Bellevue

Assist City staff with a Housing Needs Assessment and Housing Element as part of the Comprehensive Plan update.

Assist City in the update to the Housing and Land Use Elements of the Comprehensive Plan

Assist City staff with developing and implementing administrative procedures for the Bel-Red land use incentive program.

Assist with Council evaluation of a MF Tax exemption program in the City. In the event Council provides direction to develop a program, assist City Staff to develop code language for a program.

Assist in identifying opportunities for affordable housing and implementation of affordable housing strategies in identified East Link corridors where transit oriented housing and mixed income housing development is an important component of the initial planning work.

Assist in innovative housing ordinance for NB properties within the Newport Hills Commercial Center.

Assist in the “Downtown Livability” program’s review of housing regulations and incentives.

Bothell

Assist city staff with review and update of existing Accessory Dwelling Units regulations.

Assist city with work related to affordable housing component of the city’s LIFT program in their downtown areas. Includes assisting with any reporting requirements and potentially exploring additional opportunities for affordable housing on city owned properties in the downtown revitalization area.

Assist city staff with evaluating the updated state legislation regarding impact fee waivers for affordable housing, and explore potential revisions to local regulations related to impact fee waivers for affordable housing.

Clyde Hill

Assist City staff with update to the Comprehensive Plan Housing Element.

Assist City with rental of City's affordable rental unit.

Issaquah

Central Issaquah Plan: Continue work with City staff to refine development standards and regulations related to the housing policies adopted in the Central Issaquah Plan. .

Based on policy direction in Central Issaquah Plan, assist City staff with research and presentation to council related to establishing a Multifamily Tax Exemption program in Central Issaquah. If program approved by Council, assist staff with establishing administrative procedures.

As needed, assist City staff with administration of the affordable housing provisions of the Lakeside and Rowley development agreements.

Issaquah Highlands: Mostly completed, but monitor the implementation of any remaining portions of the Issaquah Highlands affordable housing development agreement.

Assist city staff with evaluating the updated state legislation regarding impact fee waivers for affordable housing, and explore potential revisions to local regulations related to impact fee waivers for affordable housing.

Kenmore

Assist City staff with a Housing Needs Assessment and advise on potential amendments to the goals and policy for the Comprehensive Plan update scheduled for 2014.

Assist in review of affordable housing regulations as needed for the City's commercial zoning work program for the Regional Business zone.

Consult and provide assistance to City staff on specific sites with affordable housing opportunities such as in the downtown and on city owned property.

Assist in developing administrative procedures for the City's adopted multi-family tax exemption program.

Kirkland

Assist City staff with a Housing Needs Assessment for the Comprehensive Plan update scheduled for 2013 and 2014.

Assist City in the update to the Housing and Land Use Elements of the Comprehensive Plan.

Continue to assist staff with local action related to the South Kirkland Park & Ride property (e.g. documentation to secure affordability requirements.)

Continue to assist with negotiating and administering the provision of affordable housing in developments required to provide affordable housing units pursuant to city regulations and/or using the optional multifamily tax exemption program.

Assist City with review, and if adopted, implementation of Section 8 Nondiscrimination ordinance.

Assist City with updating criteria and process for affordable housing impact fee exemptions.

Consult with city on TDR approaches and infrastructure financing tools for the Totem Lake Urban Center.

Assist City staff with Council Housing Committee and resulting initiatives.

Assist City staff with affordable housing preservation efforts and initiatives.

Mercer Island

Assist City staff with completion of administrative procedures and documents associated with the land use incentive and tax exemption programs for Town Center.

Assist City Staff and Planning Commission with updating the Housing Strategy Plan, and with initial implementation of high priority strategies.

Newcastle

Assist City staff with Housing Element and related housing needs analysis as part of the Comprehensive Plan update.

Assist with updating administrative procedures for city's updated affordable housing provisions based on any final revisions by Council. Assist with agreements for any project that would include an affordable housing requirement, including those related to the Community Business Center.

Assist staff with outreach effort related to ADU.

Redmond

Continue to assist with negotiating and administering the provision of affordable housing in developments required to provide affordable housing units pursuant to city regulations.

Assist staff with preparing a surplus site for senior affordable housing development in Downtown. (See Special Projects).

Assist with further update of housing regulations as needed as follow up to the rewrite of the City's zoning code. Assist with the creation of user guides for implementing housing requirements

Assist with the implementation of other high priority items identified in the Strategic Housing Plan, such as encouraging public/private partnerships to promote the development of affordable housing in urban centers.

Assist with pursuit of creative ways to implement the provisions for affordable housing in the Group Health Development Agreement including exploring ways to leverage other resources.

Assist with the promotion of affordable housing and other programs available to Redmond residents and developers, e.g., Accessory Dwelling Units (ADUs).

Assist with carrying out implementation strategies that result from the investigation of emerging housing markets as described below under regional issues.

Assist City staff and Council with evaluating and, if appropriate, implementing a tax incentive program for affordable housing, as allowed under RCW 84.14.

Provide assistance as needed in updating neighborhood plans (e.g. Southeast Redmond) with respect to housing, including periodic attendance at Citizen Academy and CAC meetings to help identify housing issues and develop policy and regulatory responses.

As follow up to City's adoption of Section 8 anti-discrimination ordinance, assist with education outreach effort to landlords regarding Section 8 program. Potentially do in cooperation with other jurisdictions.

Sammamish

Assist with update to Comprehensive Plan / Housing Element and Housing Strategy Plan.

Assist staff with making surplus site available to Habitat (see special projects).

Evaluate Strategy Plan to assess if work should commence on any median priority strategies (e.g. Senior Housing opportunities).

Assist city staff with evaluating the updated state legislation regarding impact fee waivers for affordable housing, and explore potential revisions to local regulations related to impact fee waivers for affordable housing.

Woodinville

Assist with update to Comprehensive Plan / Housing Element and Housing Strategy Plan.

Review and strengthening of affordable housing and accessory dwelling unit programs and regulations.

Assist City staff and Planning Commission with evaluating and developing

incentives for affordable housing as provided for in the Downtown/Little Bear Creek Master Plan area.

Yarrow Point

Assist Planning Commission and Council with a review and potential update of current ADU regulations, and assist with effort to increase public awareness of local provisions.

King County See Regional/Planning Activities below.

Complete standard covenants, and monitor the implementation of the Northridge/Blakely Ridge and Redmond Ridge Phase II affordable housing development agreements. This includes monitoring annual progress toward achieving affordability goals; and providing information to developers on details about how the program is implemented.

General Assistance**.** In the past, there have been numerous situations where members have had requests for support on issues not explicitly listed in the Work Program. Requests range from technical clarifications, to assisting with negotiating agreements for specific development proposals, to more substantial assistance on unforeseen planning initiatives. ARCH sees this as a valuable service to its members and will continue to accommodate such requests to the extent they do not jeopardize active work program items.

B. Regional/Countywide Planning Activities

PSRC – HUD Sustainability Planning Grant. PSRC in a partnership with public and private agencies from the Central Puget Sound region received a $5 million HUD Sustainable Communities Planning Grant. Continue to work on several housing components of the planning effort, including developing the East King County corridor planning implementation strategies, with ARCH focusing on housing components of these strategies; and participating in the regional affordable housing work group that will be researching and where feasible implementing new tools to support local efforts for affordable housing(e.g. property acquisition fund).

One particular interest in this work is better understanding emerging housing markets. This includes investigating how to encourage housing development in new or unproven markets. What are the barriers, and how can ARCH member jurisdictions address these issues? Further, how can ARCH assist with familiarizing the development community about housing opportunities in these areas?

Objective: Obtain information that is applicable to ARCH member cities' housing development efforts.

Countywide Planning Policies (CPP) for Affordable Housing. The Growth Management Planning Council adopted updated CPPS for housing. This also included several follow up work program items to begin implementation of some of the policies. ARCH staff will assist the regional work group on these follow up work program items.

Legislative Items. ARCH staff will track state and federal legislative items that relate to

affordable housing and could impact members' ability to address affordable housing. As needed, staff will report back to the Executive Board and members, and when directed coordinate with other organizations (e.g. AWC, Prosperity Partnership, WLIHA) to contact legislators regarding proposed legislation. For the upcoming legislative session, primary emphasis would be on potential legislation related to surplus public land Goal of legislation is to provide emphasis on making surplus land suitable for residential development available for development that includes affordable housing. . This legislation would be consistent with one of ARCH Housing Priority Strategies to proactively use surplus public property for affordable housing.

Committee to End Homelessness (CEH)/ Eastside Homeless Advisory Committee (EHAC). Anticipated work of the CEH in the coming year include: continued coordinated allocation of resources; and initiating several specific proposals (e.g. shelters, addressing homelessness for veterans , families, and youth and young adults). Role for ARCH staff is expected to include participating in the CEH Funders group and its efforts to coordinate funding, and inform ARCH members and the general public of CEH/EHAC activities. Also continue to participate in efforts to implement homeless efforts within East King County through EHAC, including longer term solutions for winter shelters in East King County.

Objective: Keep member jurisdictions informed of significant regional issues and pending legislation that could affect providing housing in East King County.

Ensure that perspectives of communities in East King County are addressed in regional housing activities, including the Committee to End Homelessness.

Have one or more specific local programs initiated as part of the 10 Year Plan to End Homelessness.

III. HOUSING PROGRAM IMPLEMENTATION

Monitoring Affordable Rental Housing. Administer ongoing compliance of affordability requirements. This includes affordable rental housing created through direct assistance (e.g. Trust Fund allocation, land donations) from member jurisdictions, and through land use incentives. Some Trust Fund projects also require monitoring of project cash flow related to loans made by jurisdictions to projects (see I Project Assistance).

Objective: Ensure projects are in compliance with affordability requirements which involves collecting annual reports from projects, screening information for compliance, and preparing summary reports for local staffs. To the extent possible this work shall:

- Minimize efforts by both owners and public jurisdictions.
- Coordinate ARCH's monitoring efforts with efforts by other funding sources such as using shared monitoring reports.
- Utilize similar documents and methods for monitoring developments throughout East King County.
- Ensure accurate records for affordable ownership units, including audit units for owner occupancy and proper recording of necessary documentation.

- Establish working relationship with other public organizations that can help assess how well properties are maintained and operated (e.g. code compliance, police, and schools).

Monitoring Affordable Ownership Housing. As more price restricted homes are created, monitoring of affordable ownership housing created through local land use regulations is becoming of increased importance. In addition, will continue to monitor general trends with ownership units, enforcement of covenant provisions (e.g. leasing homes, foreclosure), and as necessary evaluate and if warranted, complete revisions to the ownership covenants. One anticipated effort is to consider updates to the covenants to account for revisions to FHA guidelines. Also continue to maintain a list of households potentially interested in affordable ownership housing.

Objective: Oversee resale of affordable ownership homes. Address issues related to ongoing compliance with program requirements (e.g. leasing homes, foreclosures).

Complete revisions to the affordability covenant and administrative procedures to better protect against potential loss of long term affordability.

Information for public on Affordable Housing. Maintain lists of affordable housing in East King County (rental and ownership), and making that available as needed to people looking for affordable housing.

Objective: Maximize awareness of affordable housing opportunities in East King County through the ARCH web site, public flyers and other means to assist persons looking for affordable housing.

Relocation Plans. Assist as necessary with preparing relocation plans and coordinate monitoring procedures for developments required to prepare relocation plans pursuant to local or state funding requirements.

Objective: Maximize efforts to ensure that existing households are not unreasonably displaced as a result of the financing or development of new or existing housing.

IV. SUPPORT/EDUCATION/ADMINISTRATIVE ACTIVITIES

Education/Outreach. Education efforts should tie into efforts related to public outreach/input on regional housing issues (see local planning activities). However, much of ARCH's outreach/education work will occur through work with individual members on local housing efforts. In addition to the Housing 101 workbook and related brochures, other outreach methods may include housing tours, a portfolio of successful projects, and short videos to be broadcast on local cable channels on local efforts.

Objective: Consistent with the Education program discussed at the ARCH Workshops, using input from the broader community, develop education tools to inform councils, staffs and the broader community of current housing conditions, and of successful efforts achieved in recent years.

Be a resource for members to assist with outreach and education activities on affordable housing associated with local planning efforts.

Conduct specific education events for ARCH member staff, commissioners and council members.

Create outreach tools/efforts that inform the broader community of affordable housing resources available to residents.

ARCH Web site. Update on a regular basis information on the ARCH website, including information related to senior housing opportunities. Add new section to the website that provides more details and administrative materials for affordable incentive programs available through ARCH members and fair housing information.

Objective: Maintain the ARCH web site and update the community outreach portion by incorporating information from Housing 101 East King County, as well as updated annual information, and links to other sites with relevant housing information (e.g. CEH, HDC).

Make presentations, including housing tours, to at least 10 community organizations.

Media coverage on at least six topics related to affordable housing in East King County related to work done by Cities/ARCH and articles in local city newsletters.

Advice to Interested Groups. Provide short-term technical assistance to community groups, faith communities and developers interested in community housing efforts. Meet with groups and provide suggestions on ways they could become more involved.

Objective: Increase awareness of existing funding programs by potential users.

Increase opportunities of private developers and Realtors working in partnership with local communities on innovative/affordable housing.

Assist community based groups who want to provide housing information to the broader community by assisting with preparing background information.

Administrative Procedures. Maintain administrative procedures that efficiently provide services to both members of ARCH and community organizations utilizing programs administered through ARCH. Prepare quarterly budget performance and work program progress reports, including Trust Fund monitoring reports. Prepare the Annual Budget and Work Program. Work with Executive Board to develop multi-year strategy for the ARCH Administrative Budget. Staff the Executive and Citizen Advisory Boards.

Objective: Maintain a cost effective administrative budget for ARCH, and keep expenses within budget. Administrative costs should be equitably allocated among ARCH's members.

Maintain membership on the ARCH Citizen Advisory Board that includes broad geographic representation and wide range of housing and community perspectives.

2013 ARCH Administrative Budget

I. ANNUAL OPERATING EXPENSES

Item	2012 Budget	2013 Budget	Change Budget	Percent Change
Staffing				
Sub-total	$ 474,265	$ 499,768	$ 25,504	5%
Rent	$ 18,000	$ 15,750	$ (2,250)	-13%
Utlities	Incl^	Incl^	Incl^	Incl^
Telephone	$ 2,704	$ 3,200	$ 496	18%
Operating				
Travel/Training	$ 2,000	$ 2,000	$ -	0%
Auto Mileage	$ 3,500	$ 3,000	$ (500)	-14%
Copier Costs	$ 2,500	$ 2,000	$ (500)	-20%
Office Supplies	$ 2,068	$ 2,000	$ (68)	-3%
Office Equipment Service	$ 1,500	$ 1,500	$ -	0%
Fax/Postage	$ 1,200	$ 1,200	$ -	0%
Periodical/Membership	$ 3,700	$ 3,700	$ -	0%
Misc. (e.g. events,etc.)	$ 1,680	$ 1,680	$ -	0%
Insurance	$ 7,400	$ 7,500	$ 100	1%
Reorganization Admin	$ 650	$ 650	$ -	
Sub-total	$ 26,198	$ 25,230	$ (968)	-4%
TOTAL	$ 521,167	$ 543,948	$ 22,782	4.37%

II. ARCH ADMINISTRATIVE BUDGET: RESOURCE DISTRIBUTION

A. Cash Contributions		2012		2013
Bellevue	$	-	$	-
Bothell	$	39,191	$	40,128.01
Issaquah	$	14,698	$	19,745.14
King County	$	43,466	$	43,466.00
Kirkland	$	59,768	$	68,852.18
Mercer Island	$	29,882	$	29,882.38
Newcastle	$	9,960	$	10,677.21
Redmond	$	59,768	$	62,167.43
Woodinville	$	11,898	$	12,365.49
Beaux Arts Village	$	1,569	$	1,569
Clyde Hill	$	2,660	$	2,905
Hunts Point	$	1,569	$	1,569
Medina	$	2,660	$	2,901
Yarrow Point	$	1,569	$	1,569
Sammamish	$	46,188	$	49,167
Kenmore	$	25,195	$	25,564
Other*	$	30,679	$	25,517
TOTAL	$	380,721	$	398,045

B. In-Kind Contributions		2011		2012
Bellevue	$	140,446	$	145,903
TOTAL	$	140,446	$	145,903

C. Total Contributions						Change *
Bellevue	$	140,446	$	145,903	$	5,457
Bothell	$	39,191	$	40,128	$	937.49
Issaquah	$	14,698	$	19,745	$	5,047.51
King County	$	43,466	$	43,466	$	-
Kirkland	$	59,768	$	68,852	$	9,083.80
Mercer Island	$	29,882	$	29,882	$	-
Newcastle	$	9,960	$	10,677	$	717.19
Redmond	$	59,768	$	62,167	$	2,399.05
Woodinville	$	11,898	$	12,365	$	467.53
Beaux Arts Village	$	1,569	$	1,569	$	-
Clyde Hill	$	2,660	$	2,905	$	244.88
Hunts Point	$	1,569	$	1,569	$	-
Medina	$	2,660	$	2,901	$	240.98
Yarrow Point	$	1,569	$	1,569	$	-
Sammamish	$	46,188	$	49,167	$	2,978.39
Kenmore	$	25,195	$	25,564	$	369.06
Other**	$	30,679	$	25,517	$	(5,161.60)
TOTAL	$	521,167	$	543,948	$	22,781.37
TOTAL COSTS	$	521,167	$	543,948	$	22,781.52
BALANCE	$	0	$	(0)		

* Changes are disproportionate in order to realign contributions based on recent annexations and updated census population figures.

** This is a combination of overhead fee for PSRC Growing Transit Community Grant, administrative fee collected from Redmond Ridge East; and admin reserve resulting from previous staff vacancy.

Council Meeting: 01/15/2013
Agenda: Other Business
Item #: 8. h. (4).

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033
425.587-3225 - www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Eric Shields, AICP, Planning Director
Tony Leavitt, Project Planner

Date: January 3, 2013

Subject: Parhaniemi Estates Final Subdivision, File No. SUB12-00894

RECOMMENDATION

That the City Council approves with conditions the Final Subdivision application for the Parhaniemi Estates Plat. The City Council may do so by adopting the enclosed resolution.

BACKGROUND DISCUSSION

The Preliminary Subdivision was heard by the Office of the King County Hearing Examiner on September 26, 2006. The Hearing Examiner approved the project with conditions on November 3, 2006.

The proposal includes the following elements:

- Subdivision of a parcel comprising 2.44 acres, into 18 lots for single-family residences within an R-8 zone (now RSA 8 City of Kirkland);
- Access is to be provided via a new access road. All lots will take access from this new road;
- A SEPA Determination of Non-Significance was issued on September 1, 2006.

The proposal complies with the Final Subdivision Approval Criteria as stated in Exhibit A to the resolution.

RESOLUTION R-4959

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SUBDIVISION AND FINAL PLAT OF PARHANIEMI ESTATES BEING DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. SUB12-00894 AND SETTING FORTH CONDITIONS TO WHICH SUCH SUBDIVISION AND FINAL PLAT SHALL BE SUBJECT.

WHEREAS, a subdivision and preliminary plat of Parhaniemi Estates was approved by the Hearing Examiner on November 3, 2006; and

WHEREAS, thereafter the Department of Planning and Community Development received an application for approval of subdivision and final plat, said application having been made by Select Homes, Inc., the owner of the real property described in said application, which property is within a Residential Single Family RSA 6 zone; and

WHEREAS, pursuant to the City of Kirkland's Concurrency Management System, KMC Title 25, a concurrency application has been submitted to the City of Kirkland, reviewed by the responsible Public Works official, the concurrency test has been passed, and a concurrency test notice issued; and

WHEREAS, pursuant to the State Environmental Policy Act, RCW 43.21C and the Administrative Guideline and local ordinance adopted to implement it, an environmental checklist has been submitted to King County, reviewed by the responsible official of the King County, and a negative determination reached; and

WHEREAS, said environmental checklist and determination have been made available and accompanied the application throughout the entire review process; and

WHEREAS, the Director of the Department of Planning and Community Development did make certain Findings, Conclusions and Recommendations and did recommend approval of the subdivision and the final plat, subject to specific conditions set forth in said recommendation.

WHEREAS, the City Council, in regular meeting, did consider the environmental documents received from the responsible official, together with the recommendation of the Planning Commission, and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Kirkland as follows:

Section 1. The Findings, Conclusions and Recommendations of the Director of the Department of Planning and Community Development, filed in Department of Planning and Community

Development File No. SUB12-00984, are hereby adopted by the Kirkland City Council as though fully set forth herein.

Section 2. Approval of the subdivision and the final plat of Parhaniemi Estates is subject to the applicant's compliance with the conditions set forth in the recommendations hereinabove adopted by the City Council.

Section 3. Nothing in this resolution shall be construed as excusing the applicant from compliance with all federal, state or local statutes, ordinances or regulations applicable to this subdivision, other than as expressly set forth herein.

Section 4. A copy of this resolution, along with the Findings, Conclusions and Recommendations hereinabove adopted shall be delivered to the applicant.

Section 5. A completed copy of this resolution, including Findings, Conclusions and Recommendations adopted by reference, shall be certified by the City Clerk who shall then forward the certified copy to the King County Department of Assessments.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this ___ day of _____, 2013.

_____
MAYOR

Attest:

_____
City Clerk

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3225
www.kirklandwa.gov

MEMORANDUMADVISORY REPORT
FINDINGS, CONCLUSION, AND RECOMMENDATIONS

To: Eric R. Shields, AICP, Planning Director

From: Tony Leavitt, Associate Planner

Date: January 3, 2012

File: PARHANIEMI ESTATES FINAL SUBDIVISION, FILE NO. SUB12-00894

I. RECOMMENDATION

Approve the Final Subdivision application for the Parhaniemi Estates Plat.

II. BACKGROUND

A. The applicant is Select Home Inc.

B. The site is located at 10616 NE 132nd Street (See Attachment 1)

C. This is a final subdivision application to approve an 18-lot subdivision on a 2.44-acre site (see Attachment 2). Lots range in size from 3,240 to 5,994 square feet. The preliminary subdivision proposed 19 lots, but the applicant proposes to reduce the number of lots through a modification.

III. HISTORY

A. The Preliminary Subdivision was heard by the King County Hearing Examiner on September 30, 2006. The Hearing Examiner approved the project with conditions on November 3, 2006. A traffic concurrency test was passed on January 20, 2005 and a Determination of Non-Significance was issued for the proposal on September 1, 2006.

B. The original proposal included the following general elements:

1. Subdivide one 2.44 acre parcel into 19 lots for single family residences within the R-8 zone (now RSA 8 zone in the City of Kirkland). Lot sizes ranged from 3,200 square feet to 6,000 square feet in size.

2. Access provided via a new 42 foot access road. All lots are required to receive access from this road and associated tracts. Direct access from NE 132nd Street is not allowed.

C. King County Department of Development and Environmental Services reviewed and approved the grading permit and tree retention plan for the project. The City handled the issuance of the grading permit.

IV. ANALYSIS

A. Approval Criteria

1. Facts: Section 22.16.080 of the Kirkland Municipal Code also discusses the conditions under which the final plat may be approved by the City Council. These conditions are as follows:

   a. Consistency with the preliminary plat, except for minor modifications; and

   b. Consistency with the provisions of the Subdivision Ordinance and RCW 58.17.

2. Conclusion: The applicant has complied with all of the conditions that were placed on the preliminary subdivision application by the King County Hearing Examiner. The applicant has submitted a security with the City to cover all remaining public improvements and utilities as required by the preliminary subdivision approval.

B. Minor Modification

1. Facts:

   a. The applicant has proposed modifications from the preliminary plat approval. The applicant proposed to reduce the number of lots from 19 to 18 to increase the lot sizes of the proposed lots.

   b. Pursuant to KMC 22.16.090, the City Council may approve these modifications if the change does not increase the number of lots; and does not decrease any lot size by more than ten percent; and does not substantially alter the location or nature of any improvements or any other element of the subdivision; and does not significantly alter the subdivision.

2. Conclusion: The proposed modification complies with the criteria in KMC 22.16.090 for a modification to the preliminary plat approval.

V. CHALLENGE, JUDICIAL REVIEW, AND LAPSE OF APPROVAL

A. Section 22.16.070 of the Kirkland Municipal Code states that any person who disagrees with the report of the Planning Director may file a written challenge to City Council by delivering it to the City Clerk not

later than the close of business of the evening City Council first considers the final plat.

B. Section 22.16.110 of the Kirkland Municipal Code allows the action of the City in granting or denying this final plat to be reviewed in King County Superior Court. The petition for review must be filed within 21 calendar days of the issuance of the final land use decision by the City.

C. Section 22.16.130 of the Kirkland Municipal Code states that unless specifically extended in the decision on the plat, the plat must be submitted to the city for recording with King County within six (6) months of the date of approval or the decision becomes void; provided, however, that in the event judicial review is initiated per Section 22.16.110, the running of the six (6) months is tolled for any period of time during which a court order in said judicial review proceeding prohibits the recording of the plat.

VI. APPENDICES

Attachments 1 through 3 are attached.

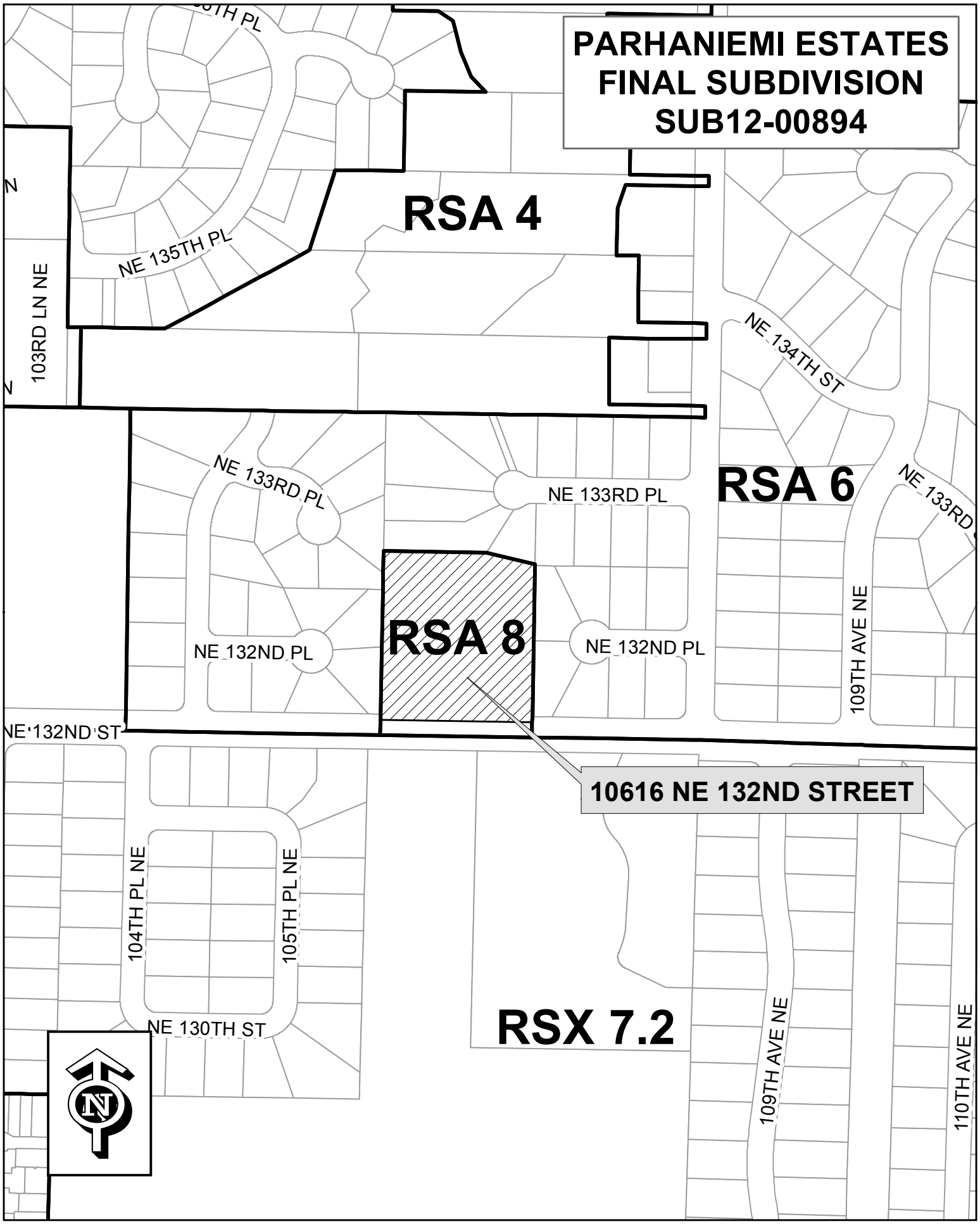
1. Vicinity Map
2. King County Hearing Examiner Decision
3. Final Plat

Review by Planning Director:

I concur ☒ I do not concur ☐

1/2/2013

Eric R. Shields, AICP Date


PARHANIEMI ESTATES
FINAL SUBDIVISION
SUB12-00894
RSA 4
RSA 6
RSA 8
RSX 7.2
NE 135TH PL
103RD LN NE
NE 134TH ST
NE 133RD PL
NE 133RD PL
NE 133RD
NE 132ND PL
NE 132ND PL
109TH AVE NE
NE 132ND ST
10616 NE 132ND STREET
104TH PL NE
105TH PL NE
NE 130TH ST
109TH AVE NE
110TH AVE NE
N

November 3, 2006

OFFICE OF THE HEARING EXAMINER
KING COUNTY, WASHINGTON
400 Yesler Way, Room 404
Seattle, Washington 98104
Telephone (206) 296-4660
Facsimile (206) 296-1654
Email: hearex@metrokc.gov

REPORT AND DECISION

SUBJECT: Department of Development and Environmental Services File No. **L05P0014**
Proposed Ordinance No. **2006-0409**

PARHANIEMI ESTATES
Preliminary Plat Application

Location: 10616 Northeast 132nd Street, approximately 345 feet west of the Northeast 132nd Street and 108th Avenue Northeast intersection

Applicant: **C&B Investments, LLC**
Craig Pierce
19711 – 88th Avenue Northeast
Bothell, Washington 98011
Telephone: (425) 299-2600

King County: Department of Development and Environmental Services (DDES), *represented by* **Trishah Bull**
900 Oakesdale Avenue Southwest
Renton, Washington 98055
Telephone: (206) 296-6758
Facsimile: (206) 296-7051

SUMMARY OF DECISION/RECOMMENDATIONS:

Department's Preliminary Recommendation:	Approve, with conditions
Department's Final Recommendation:	Approve, with revised conditions
Examiner's Decision:	Approve, with revised conditions

EXAMINER PROCEEDINGS:

Hearing Opened:	September 26, 2006
Hearing Closed:	September 26, 2006

FINAL REVIEW COPY

MAIN FILE COPY

Participants at the public hearing and the exhibits offered and entered are listed in the attached minutes. A verbatim recording of the hearing is available in the office of the King County Hearing Examiner.

FINDINGS, CONCLUSIONS & DECISION: Having reviewed the record in this matter, the Examiner now makes and enters the following:

FINDINGS:

1. **General Information**:

Owner/Developer:	Craig Pierce C & B Investments, LLC 19711 88th Avenue NE Bothell, WA 98011 425-299-2600
Consultant:	De-En Lang Lang Associates, Inc. 10658 Riviera Place NE Seattle, WA 98125
Engineer:	Harmsen & Associates Inc. 17614 West Main Street PO Box 516 Monroe, WA 98272-0516 360-794-7811
STR:	SW 20-26-05
Location:	The property is located at 10616 NE 132nd Street, approximately 345 feet west of the NE 132nd Street and 108th Avenue NE intersection.
Zoning:	R-8-SO
Acreage:	2.3
Number of Lots:	19
Density:	7.98 units per acre
Lot Size:	Ranges from approximately 3,200 to 6,000 square feet
Proposed Use:	Single-family detached dwellings
Sewage Disposal:	Northshore Utility District
Water Supply:	Northshore Utility District
Fire District:	King County District No. 41
School District:	Lake Washington School District No. 414
Application Completeness Date:	July 12, 2005

2. Except as modified herein, the facts set forth in the DDES reports to the Examiner and the DDES and King County Department of Transportation (KCDOT) testimony are found to be correct and are incorporated herein by reference.

3. The subject property is a 2.44-acre, near-square parcel located in the unincorporated Juanita area between Kenmore and Kirkland. It has public road frontage on the north side of Northeast 132nd Street at its signalized intersection with Juanita High School's main entrance drive. The site terrain consists of a relatively flat eastern portion and a western portion descending moderately from east to west to the western boundary. Beyond the western boundary, there are steeper slopes in the backyards of adjacent residences. No defined, regulated critical areas, such as streams, wetlands and hazardous slopes, lie onsite or in very close proximity to the property. No seismic hazard is identified onsite or adjacent. Except for areas devoted to existing structural development, which consists of a two-story single-family residence in the east central portion and numerous outbuildings, the site is wooded with a successive-growth mixed-species of trees native to the Pacific Northwest. Low vegetation and ground cover consist of typical Northwest species. The surrounding area consists of a suburban part of the unincorporated county, with a substantial amount of fairly standard-density suburban residential development in all directions except for the high school campus to the south across Northeast 132nd Street.

4. Applicant C&B Investments, LLC, proposes subdivision of the property into 19 lots for detached single-family residences. The residential density would be approximately eight units per acre, with lot sizes ranging from approximately 3,200 to 6,000 square feet in area. Internal access to the lots would be provided by the extension of a relatively short public road cul-de-sac (108th Place NE) northerly from Northeast 132nd Street, aligned with the Juanita High School entry road, which as noted is signalized. Branching easterly from the internal cul-de-sac would be two private lot access tracts and branching northwesterly from the cul-de-sac bulb would be a joint use driveway, all of which would each serve multiple lots. A storm drainage detention and recreation space tract would be placed in the southwest corner of the site (in the northwest corner of the intersection) and developed with an underground drainage detention and water quality vault overlain with recreation open space and amenities.

5. The property is located within the Juanita Creek sub-basin of the Lake Washington drainage basin and is subject to the Conservation flow control and Basic water quality requirements of the 2005 King County Surface Water Design Manual (KCSWDM). Most runoff from the property would be collected and directed to the detention facility, the release from which would travel westerly in the storm drainage system of Northeast 132nd Street to Juanita Creek. Currently, sheetflow from the moderately sloped western portion of the site (the portion west of the existing residential driveway) crosses the western property line and runs into the backyards of the adjoining residential development. With the development of the property as proposed, most of the sheetflow in such location (which in drainage terminology constitutes "nuisance flows" if of any significance) would be significantly reduced. It does not appear that any neighboring parcels discharge upstream sheetflows onto the site.

6. Traffic impacts of the proposed development would be adequately mitigated under the code by the standard collection of MPS mitigation fee payments under Chapter 14.75 KCC. The development has received a concurrency certificate issued under Chapter 14.70 KCC, over which issuance the Examiner has no jurisdiction. The peak hour trip generation of the proposed development, approximately 18 trips (based on the 18 new residences proposed), does not exceed the threshold for consideration of Level of Service (LOS) impact mitigation, governed by Chapter 14.80 KCC. It is acknowledged that the LOS of Northeast 132nd Street is poor, with routine heavy peak hour congestion. However, under the county's traffic mitigation regulations,

developments which direct less than 30 peak hour trips[1] to an LOS-deficient intersection are not required to mitigate such LOS impacts. The existing signal controlling the Juanita High School entry drive intersection with Northeast 132nd Street will be reconfigured upon the development of the site, since the intersection will then become a four-way intersection. Crosswalk delineations and channelization (road markings) may also need to be adjusted in the revised intersection.

7. The intersection spacing of the proposed alignment of the development's entry road with the Juanita High School entry road at the intersection with Northeast 132nd Street is the subject of a road standards variance (a variance from the 1993 King County Road Standards; KCRS), which was granted essentially to accommodate the overriding benefit of fully aligned roadways intersecting Northeast 132nd Street. Stopping sight distance on Northeast 132nd Street will be somewhat diminished from existing KCRS specifications, but will still meet the standards of the American Association of State Highway and Transportation Officials (AASHTO).

8. Resident public schoolchildren will walk to their respective schools; all of the direct routes consist of walkways, paved shoulders, and/or marked crosswalks, which will provide safe walking conditions for resident school pedestrians.

9. Neighboring property owners expressed concern that the their steep bank adjacent to the property, which descends on the adjacent properties down to the residential sites on those adjacent lots, is seismically vulnerable, which vulnerability may be aggravated by the proposed development. There is no persuasive evidence to suggest aggravation of any alleged seismic vulnerability by the development, and in any case, soil examinations and construction engineering requirements including testing and maintaining soil stability will be addressed in the engineered construction plan review stage of the subdivision development. That occurs after preliminary plat approval and will be subject to administratively imposed grading permit requirements and applicable grading specifications, including maintaining soil strength and stability for any road and structural development and utility installations.

10. Persons are also concerned about the density differential which will be presented by the establishment of 19 dwelling units on the subject property, which appears to be a higher density than that of the adjacent developed properties. The density proposed conforms to the R-8-SO zoning of the property, which the Examiner has no authority to limit.

11. Also of concern is that the property may have some historic value and such value should be examined for potential preservation. However, the evidence and testimony in the record indicates that the property is not a designated King County Landmark, nor is it indicated as being on the National Register of Historic Places, and therefore from a historic preservation standpoint there is no regulatory prohibition or procedural requirement on the proposed development.

12. DDES initially recommended a requirement that a pedestrian walkway be installed from the proposed subdivision's internal road system to extend northward to link with an existing offsite five foot walkway easement which has not been developed. Upon further examination and review in response to testimony from the two owners of the properties adjoining such easement,

[1] And/or less than 20 percent of the development's generated traffic.

DDES now recommends that the condition be deleted and that the walkway not be required, concluding that it would not serve a public purpose in this case.

13. Chapter 21A.38 KCC's special overlay requirement SO-220 (Significant Tree Overlay) applies to the site. The Significant Tree Overlay standards require the development to retain a percentage of the significant trees onsite. To implement KCC 21A.38.230, a detailed tree retention plan must be submitted with the engineering plans for the subdivision.

CONCLUSIONS:

1. The proposed subdivision, as conditioned below, would conform to applicable land use controls. In particular, the proposed type of development and overall density are specifically permitted under the R-8-SO zone.

2. If approved subject to the conditions below, the proposed subdivision will make appropriate provisions for the topical items enumerated within RCW 58.17.110, and will serve the public health, safety and welfare, and the public use and interest.

3. The conditions for final plat approval set forth below are reasonable requirements and in the public interest.

4. The dedications of land or easements within and adjacent to the proposed plat, as shown on the revised preliminary plat submitted on February 24, 2006, or as required for final plat approval, are reasonable and necessary as a direct result of the development of this proposed plat, and are proportionate to the impacts of the development.

DECISION:

The preliminary plat of the *Parhaniemi Estates* subdivision, as revised and received February 24, 2006, is approved subject to the following conditions of approval:

1. Compliance with all platting provisions of Title 19A of the King County Code.

2. All persons having an ownership interest in the subject property shall sign on the face of the final plat a dedication which includes the language set forth in King County Council Motion No. 5952.

3. The plat shall comply with the density requirements of the R-8-SO zone classification. All lots shall meet the minimum dimensional requirements of the R-8-SO zone classification or shall be as shown on the face of the approved preliminary plat, whichever is larger, except that minor revisions to the plat which do not result in substantial changes may be approved at the discretion of the Department of Development and Environmental Services.

4. All construction and upgrading of public and private roads shall be done in accordance with the King County Road Standards established and adopted by Ordinance No. 11187, as amended (1993 KCRS).

5. The applicant shall obtain documentation by the King County Fire Protection Engineer certifying compliance with the fire flow and hydrant standards of Chapter 17.08 of the King County Code.

6. Final plat approval shall require full compliance with the drainage provisions set forth in King County Code 9.04. Compliance may result in reducing the number and/or location of lots as shown on the preliminary approved plat. Preliminary review has identified the following conditions of approval which represent portions of the drainage requirements. All other applicable requirements in KCC 9.04 and the 2005 Surface Water Design Manual (SWDM) must also be satisfied during engineering and final review.

   a. Drainage plans and analysis shall comply with the 2005 King County Surface Water Design Manual and applicable updates adopted by King County. DDES approval of the drainage and roadway plans is required prior to any construction.

   b. Current standard plan notes and ESC notes, as established by DDES Engineering Review, shall be shown on the engineering plans.

   c. The following note shall be shown on the final recorded plat:

      All building downspouts, footing drains, and drains from all impervious surfaces such as patios and driveways shall be connected to the permanent storm drain outlet as shown on the approved construction drawings # _____ on file with DDES and/or the King County Department of Transportation. This plan shall be submitted with the application of any building permit. All connections of the drains must be constructed and approved prior to the final building inspection approval. For those lots that are designated for individual lot infiltration systems, the systems shall be constructed at the time of the building permit and shall comply with plans on file."

   d. The drainage facilities shall meet the requirements of the 2005 King County Surface Water Design Manual (KCSWDM). The facilities shall meet the requirements for Conservation Flow Control and Basic Water Quality in the KCSWDM.

   e. DDES has approved a drainage adjustment (L06V0021) for this site. All conditions of approval of this adjustment shall be met prior to approval of the engineering plans.

7. The proposed subdivision shall comply with the 1993 King County Road Standards (KCRS) including the following requirements:

   a. 108th Place NE shall be improved at a minimum to the urban subaccess street standard.

   b. Tract C shall be improved as a joint use driveway per Section 3.01 of the KCRS. This tract shall be owned and maintained by the lot owners served. Notes to this effect shall be shown on the final recorded plat.

   c. Tracts A and B shall be improved as private access tracts per Section 2.09 of the KCRS. These tracts shall be owned and maintained by the lot owners served. Notes to this effect shall be included on the final recorded plat.

d. The existing traffic signal at the intersection of the plat entrance at NE 132nd Street (currently providing signalized access for Juanita High School) and roadway channelization on NE 132nd Street shall be modified as necessary to accommodate the plat street. Plans for the modification of the signalization system and roadway channelization shall be submitted to KCDOT for review and approval.

e. Modifications to the above road conditions may be considered according to the variance provisions in Section 1.08 of the KCRS.

f. KCDOT has approved a Road Variance (L06V0025) for this site. All conditions of approval of this variance shall be met prior to approval of the engineering plans.

8. All utilities within proposed rights-of-way must be included within a franchise approved by the Metropolitan King County Council prior to final plat recording.

9. The applicant or subsequent owner shall comply with King County Code 14.75, Mitigation Payment System (MPS), by paying the required MPS fee and administration fee as determined by the applicable fee ordinance. The applicant has the option to either: (1) pay the MPS fee at final plat recording, or (2) pay the MPS fee at the time of building permit issuance. If the first option is chosen, the fee paid shall be the fee in effect at the time of plat application and a note shall be placed on the face of the plat that reads, "All fees required by King County Code 14.75, Mitigation Payment System (MPS), have been paid." If the second option is chosen, the fee paid shall be the amount in effect as of the date of building permit application.

10. Lots within this subdivision are subject to King County Code 21A.43, which imposes impact fees to fund school system improvements needed to serve new development. As a condition of final approval, fifty percent (50%) of the impact fees due for the plat shall be assessed and collected immediately prior to recording, using the fee schedules in effect when the plat receives final approval. The balance of the assessed fee shall be allocated evenly to the NEW___ dwelling units in the plat and shall be collected prior to building permit issuance.

11. There shall be no direct vehicular access to or from NE 132nd Street from those lots which abut it. A note to this effect shall appear on the engineering plans and final plat.

12. The planter islands (if any) within the cul-de-sacs shall be maintained by the abutting lot owners or homeowners association. This shall be stated on the face of the final plat.

13. Suitable recreation space shall be provided consistent with the requirements of KCC 21A.14.180 and KCC 21A.14.190 (i.e., sport court[s], children's play equipment, picnic table[s], benches, etc.).

a. A detailed recreation space plan (i.e., area calculations, dimensions, landscape specifications, equipment specifications, etc.) shall be submitted for review and approval by DDES and King County Parks prior to or concurrent with the submittal of the engineering plan. This plan must not conflict with the Significant Tree Inventory & Mitigation Plan.

b. A performance bond for recreation space improvements shall be posted prior to recording of the plat.

14. A homeowners' association or other workable organization shall be established to the satisfaction of DDES which provides for the ownership and continued maintenance of the recreation, open space and/or sensitive area tract(s).

15. Street trees shall be provided as follows (per KCRS 5.03 and KCC 21A.16.050):

a. Trees shall be planted at a rate of one tree for every 40 feet of frontage along all roads. Spacing may be modified to accommodate sight distance requirements for driveways and intersections.

b. Trees shall be located within the street right-of-way and planted in accordance with Drawing No. 5-009 of the 1993 King County Road Standards, unless King County Department of Transportation determines that trees should not be located in the street right-of-way.

c. If King County determines that the required street trees should not be located within the right-of-way, they shall be located no more than 20 feet from the street right-of-way line.

d. The trees shall be owned and maintained by the abutting lot owners *or* the homeowners association or other workable organization unless the County has adopted a maintenance program. Ownership and maintenance shall be noted on the face of the final recorded plat.

e. The species of trees shall be approved by DDES if located within the right-of-way, and shall not include poplar, cottonwood, soft maples, gum, any fruit-bearing trees, or any other tree or shrub whose roots are likely to obstruct sanitary or storm sewers, or that is not compatible with overhead utility lines.

f. The applicant shall submit a street tree plan and bond quantity sheet for review and approval by DDES prior to engineering plan approval.

g. The applicant shall contact Metro Service Planning at 684-1622 to determine if NE 132nd Street is on a bus route. If NE 132nd Street is a bus route, the street tree plan shall also be reviewed by Metro.

h. The street trees must be installed and inspected, or a performance bond posted prior to recording of the plat. If a performance bond is posted, the street trees must be installed and inspected within one year of recording of the plat. At the time of inspection, if the trees are found to be installed per the approved plan, a maintenance bond must be submitted or the performance bond replaced with a maintenance bond, and held for one year. After one year, the maintenance bond may be released after DDES has completed a second inspection and determined that the trees have been kept healthy and thriving.

i. A landscape inspection fee shall also be submitted prior to plat recording. The inspection fee is subject to change based on the current County fees.

16. To implement SO-220, which applies to the site, a detailed tree retention plan shall be submitted with the engineering plans for the subject plat. The tree retention and engineering plans shall be consistent with the requirements of SO-220. No clearing of the site is permitted until the tree retention plan is approved by DDES. Flagging and temporary fencing of trees to be retained shall be provided, consistent with SO-220. The placement of impervious surfaces, fill material, excavation work, or the storage of construction materials is prohibited with the fenced areas around preserved trees, except as may be permitted under the provisions of SO-220.
A note shall be placed on the final plat indicating that the trees shown to be retained on the tree retention plan shall be maintained by the future owners of the proposed lots, consistent with KCC 21A.38.230B6. The tree retention plan shall be included as part of the final engineering plans for the subject plat.

17. In the event that any archaeological objects are uncovered on the site, the applicant shall comply with RCW Chapter 27.53, Archaeological Sites and Resources. Immediate notification and consultation with the State Office of Archaeology and Historical Preservation, King County Office of Cultural Resources and relevant tribes (including the Suquamish, Puyallup and Muckleshoot tribes) is required if discovered materials are prehistoric and a site is present.

ORDERED November 3, 2006.

Peter T. Donahue
King County Hearing Examiner

TRANSMITTED November 3, 2006 to the following parties and interested persons of record:

G.A. de Andrea
13305 - 105th Ave. NE
Kirkland` WA 98034

C&B Investments, LLC
Attn: Craig Pierce
19711 - 88th Ave. NE
Bothell WA 98011

Colleen Granger
10616 NE 132nd St.
Kirkland WA 98033

David A. Hodge
10647 NE 133rd Pl.
Kirkland WA 98034

Clyde & Judith Kennard
10520 NE 133rd Pl.
Kirkland WA 98034-2031

Lang Associates, Inc.
Attn: De-en Lang
10658 Riviera Pl. NE
Seattle WA 98125

Katherine & Harry Lingquist
810 - 108th Ave. SE
Bellevue WA 98004-6626

Brian Lockhart
10637 NE 132nd Pl.
Kirkland WA 98034

James W. Peterson
10646 NE 132nd Pl.
Kirkland WA 98034

Ruth Peterson
13228 - 108th Ave. NE
Kirkland WA 98034

Bernie & Patricia Pringle
13244 - 108th Ave. NE
Kirkland WA 98034

Seattle KC Health Dept.
E. Dist. Environ. Health
14350 SE Eastgate Way
Bellevue WA 98007

David Skurnik
10523 NE 135th Ln
Kirkland WA 98034

Tom Stein
10631 NE 133rd Pl
Kirkland WA 98034

Kelly Stevens
10267 NE 129th Ln
Kirkland WA 98034

Sean Totten
10625 NE 133rd Pl.
Kirkland WA 98034

Mr. & Mrs. Jack Towers
10527 NE 133rd Pl.
Kirkland WA 98034

Benjamin Young
10527 NE 132nd Pl
Kirkland WA 98034

Trishah Bull
DDES/LUSD
MS OAK-DE-0100

Kim Claussen
DDES/LUSD
MS OAK-DE-0100

Lisa Dinsmore
DDES/LUSD
MS OAK-DE-0100

Nick Gillen
DDES/LUSD
MS OAK-DE-0100

Kristen Langley
DDES/LUSD
MS OAK-DE-0100

Carol Rogers
DDES/LUSD
MS OAK-DE-0100

Steve Townsend
DDES/LUSD
MS OAK-DE-0100

Larry West
DDES/LUSD
MS OAK-DE-0100

Kelly Whiting
KC DOT, Rd. Srvcs. Div.
MS KSC-TR-0231

Bruce Whittaker
DDES/LUSD
MS OAK-DE-0100

NOTICE OF RIGHT TO APPEAL

In order to appeal the decision of the Examiner, written notice of appeal must be filed with the Clerk of the King County Council with a fee of $250.00 (check payable to King County Office of Finance) ***on or before November 17, 2006*** If a notice of appeal is filed, the original and six (6) copies of a written appeal statement specifying the basis for the appeal and argument in support of the appeal must be filed with the Clerk of the King County Council ***on or before November 27, 2006.*** Appeal statements may refer only to facts contained in the hearing record; new facts may not be presented on appeal.

Filing requires actual delivery to the Office of the Clerk of the Council, Room 1025, King County Courthouse, 516 3rd Avenue, Seattle, Washington 98104, prior to the close of business (4:30 p.m.) on the date due. Prior mailing is not sufficient if actual receipt by the Clerk does not occur within the applicable time period. The Examiner does not have authority to extend the time period unless the Office of the Clerk is not open on the specified closing date, in which event delivery prior to the close of business on the next business day is sufficient to meet the filing requirement.

If a written notice of appeal and filing fee are not filed within fourteen (14) calendar days of the date of this report, or if a written appeal statement and argument are not filed within twenty-one (21) calendar days of the date of this report, the decision of the hearing examiner contained herein shall be the final decision of King County without the need for further action by the Council.

MINUTES OF THE SEPTEMBER 26, 2006, PUBLIC HEARING ON DEPARTMENT OF DEVELOPMENT AND ENVIRONMENTAL SERVICES FILE NO. L05P0014.

Peter T. Donahue was the Hearing Examiner in this matter. Participating in the hearing were Trishah Bull, Bruce Whittaker and Kristen Langley, representing the Department; De-en Lang, representing the Applicant, and Katherine Lindquist, Kelly Stevens, Sean Totten, Tom Stein and Jon LaFollette.

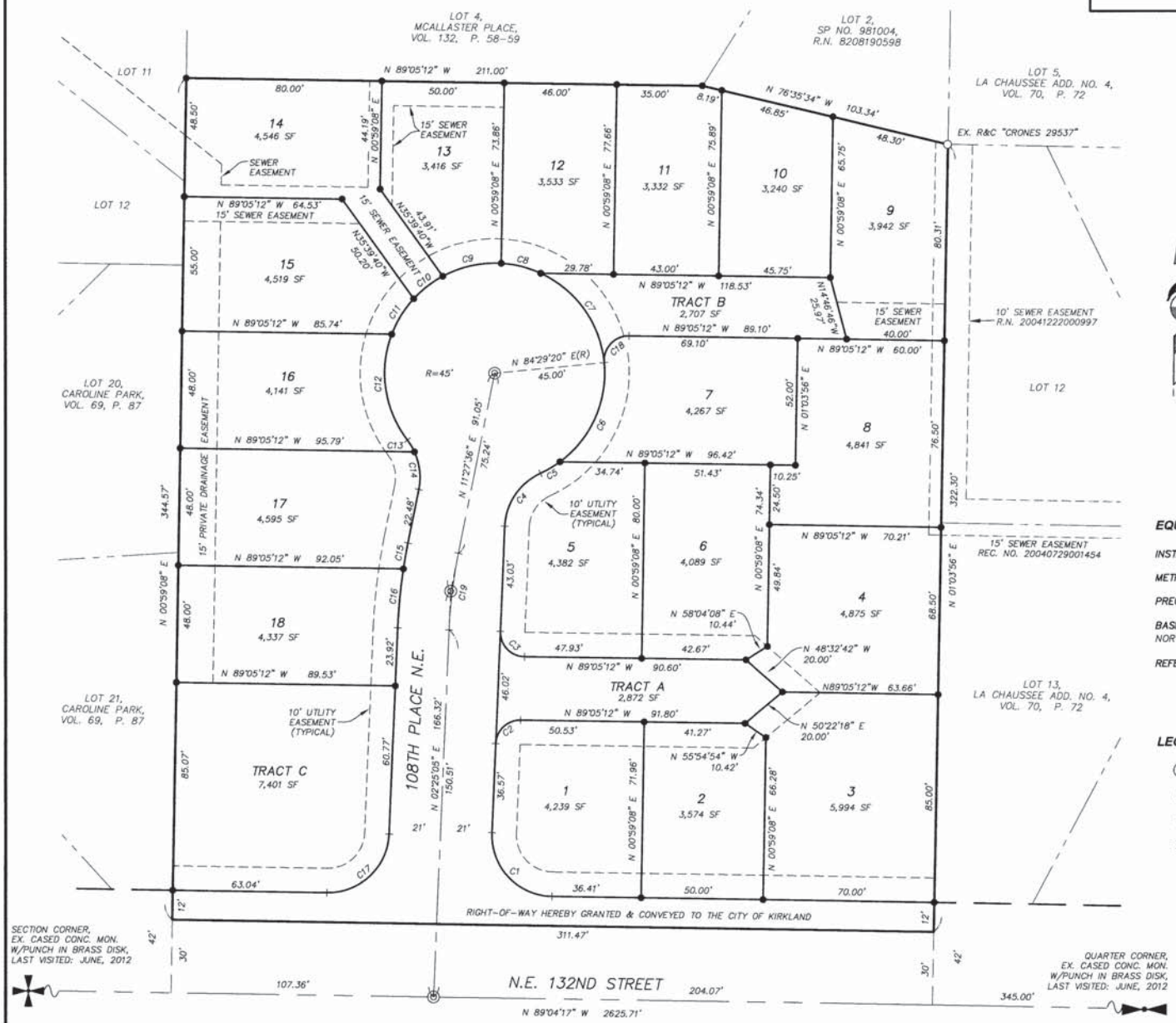
The following Exhibits were offered and entered into the record:

Exhibit No. 1	Department of Development and Environmental Services file no. L05P0014
Exhibit No. 2	Department of Development and Environmental Services Preliminary Report, dated September 26, 2006
Exhibit No. 3	Application for Land Use Permits dated July 12, 2005
Exhibit No. 4	SEPA Environmental checklist dated July 12, 2005
Exhibit No. 5	SEPA Determination of Non-significance issued September 1, 2006
Exhibit No. 6	Affidavit of Posting indicating a posting date of September 8, 2005; received by DDES on September 14, 2005
Exhibit No. 7	Revised Preliminary plat map dated February 24, 2006
Exhibit No. 8	Revised Level 1 Downstream Drainage analysis and conceptual Storm Drainage Report received February 24, 2006
Exhibit No. 9	Revised Conceptual Drainage & Grading Plan received February 24, 2006
Exhibit No. 10	Letter to DDES from Stephen Mason dated May 26, 2005 on sight distance analysis
Exhibit No. 11	Letter to C & Investment NW LLC from John Altmann dated April 2, 2005 on wetland/stream reconnaissance
Exhibit No. 12	Intersection design memo received July 12, 2005
Exhibit No. 13	Approved KCRS Variance L06V0025
Exhibit No. 14	Approved KCSWDM Adjustment L06V0021
Exhibit No. 15	Three photographs showing trees on Sean Totten's property that will have to be cut down

PTD:gao
L05P0014 RPT

K.C. D.D.E.S. FILE NO. L05P0014

RECORDING NO.	VOL./PAGE



GRAPHIC SCALE

30 0 30 60

SCALE: 1" = 30'

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	39.92	25.00	91°29'22"
C2	15.45	10.00	88°29'43"
C3	15.97	10.00	91°30'17"
C4	27.52	25.00	63°04'56"
C5	9.25	45.00	11°46'57"
C6	46.52	45.00	59°13'43"
C7	46.90	45.00	59°42'56"
C8	16.75	45.00	21°19'43"
C9	24.76	45.00	31°31'20"
C10	15.08	45.00	19°12'00"
C11	17.21	45.00	21°54'48"
C12	45.76	45.00	58°16'01"
C13	5.61	25.00	12°51'40"
C14	15.73	25.00	36°03'24"
C15	10.70	221.00	2°46'23"
C16	24.18	221.00	6°16'08"
C17	38.62	25.00	88°30'38"
C18	16.83	10.00	96°25'28"
C19	31.56	200.00	9°02'31"

EQUIPMENT & PROCEDURES

INSTRUMENTATION: LEICA TCRM1205 TOTAL STATION

METHOD OF SURVEY: FIELD TRAVERSE OF EXISTING MONUMENTATION

PRECISION: MEETS OR EXCEEDS W.A.C. 332-130-090 REQUIREMENTS

BASIS OF BEARING: THE SOUTH LINE OF THE S.W. 1/4, AS THE BEARING OF NORTH 89°14'17" WEST, PER THE RECORD OF SURVEY, R.N. 20080528900010.

REFERENCES:
1.) PLAT OF CAROLINE PARK, VOLUME 69, PAGE. 87
2.) PLAT OF LA HAUSSEE ADD. NO. 4, VOLUME 70, PAGE 72
3.) PLAT OF MCALLASTER PLACE, VOLUME 132, PAGES 58-59
4.) RECORD OF SURVEY, R.N. 20080528900010
5.) SHORT PLAT NO. 981004, R.N. 8208190598

LEGEND

- SET CASED CONC. MON. WITH BRASS DISK "ORCA 2019"
- EXISTING REBAR WITH CAP OR IRON PIPE, OR AS NOTED
- SET 1/2" X 24" REBAR WITH CAP "ORCA 20719"
- SET NAIL WITH WASHER "ORCA 20719"

RICHARD A. HEALEY, STATE OF WASHINGTON, 20719, REGISTERED PROFESSIONAL LAND SURVEYOR

7/31/12

PLAT OF PARHANIEMI ESTATES

IN THE SE 1/4 OF THE SW 1/4 OF SECTION 20, T.26N., R.5E., W.M.
CITY OF KIRKLAND, KING COUNTY, WASHINGTON

ORCA Land Surveying
3605 COLBY AVENUE, EVERETT, WA 98201
425-259-3400 FAX: 425-258-1616

JOB NO.	2012-039
DATE:	7/31/12
DWG BY:	K.G.
SHEET	2 of 2

CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Marilynne Beard, Deputy City Manager

Date: January 3, 2013

Subject: CITY COUNCIL COMMITTEES

RECOMMENDATION:

City Council considers the attached resolution updating the Council Policies and Procedures Manual regarding Council Committees and committee assignments. Once the City Council approves a new committee structure, the new structure would go into effect for the February meetings and Council members interested in changing committee assignments should contact the Mayor or Deputy Mayor and committee assignments would be discussed at the February 5 City Council meeting.

BACKGROUND DISCUSSION:

At the January 2, 2013 meeting, the Housing Committee presented a memo outlining proposed changes to the Council Committee structure and clarifying the appointment process. The City Council generally agreed with the revised structure and policy as well as the role of the committees and communications with the City Council. A description of the updated committees and primary staff is included as Attachment A to this memo.

Additional background and clarification is proposed for the Council Policies and Procedures section 3.8 dealing with Council Committees. The existing language is shown below.

> *3.8 City Council Committee Appointments*
>
> *Committee Appointments Procedure*
> *Prior to the end of each year, City Council member should let the Mayor know about their interests in serving on the various City Council and regional committees. The Mayor and Deputy Mayor will then meet to consider committee appointments and they will develop a recommended list of committee appointments. This list of recommended appointments will then be presented at the first City Council meeting in January for Council's consideration at which time the committee appointments will be made.*
>
> *If a vacancy should occur during the year, this appointment opportunity should be announced at a Council meeting. Those Council members that are interested in filling this position should let the Mayor know before the next City Council Meeting. The Mayor and Deputy Mayor will make a recommendation for City Council's consideration to fill this vacancy at that following Council meeting.*
>
> *City Council Committee assignments are noted in Appendix A.1 (page 49).*

The proposed language is intended to clarify several points and to more accurately reflect current practice, including:

- Role of the committees
- Committee topics
- Terms of appointments
- Appointment process
- Ongoing communication between committees and City Council

Proposed Policy:

3.8 CITY COUNCIL COMMITTEE APPOINTMENTS

Purpose and Relationship to City Council

The purpose of Council Committees is to review matters in detail and to make recommendations to the full Council for possible Council actions. Council Committees may be standing committees or ad hoc committees that are appointed for special or time-limited subjects. Ad hoc committees are disbanded when they complete their assigned task.

There are five standing Council Committees:

- Finance and Administration
- Public Safety
- Community Planning, Housing and Economic Development
- Public Works, Parks and Human Services
- Legislative

Committee topics are developed through a collaborative process between the City Council and staff or by referral by the City Council. All topics referred to Council Committees will have final consideration before the full Council after receiving a recommendation from the Council Committee. The chair of each Council Committee is responsible for reporting to the City Council at a regular meeting the topics discussed and results of the committee's most recent meeting. Meeting minutes for every Council Committee meeting will be posted to the City Council's internal web page along with a list of current and future topics being discussed by each committee.

Appointment Process

Council Committee appointments are generally for a two-year period. Unless a vacancy occurs, Council Committee appointments are made every even-numbered year to coincide with the Council selection of the Mayor. Immediately following the first regular Council meeting in even-numbered years, City Council members should let the Mayor know about their interests in serving on the various City Council and regional committees. The Mayor and Deputy Mayor will then meet to consider committee appointments and they will develop a recommended list of committee appointments. This list of recommended appointments will then be presented at the second City Council meeting in January for Council's consideration at which time the committee appointments will be made by the City Council.

If a vacancy should occur during the year, this appointment opportunity should be announced at a Council meeting. Those Council members that are interested in filling this position should let the Mayor know before the next City Council Meeting. The Mayor and Deputy Mayor will make a recommendation for City Council's consideration to fill this vacancy at that following Council meeting.

COUNCIL COMMITTEES

Committee/Topic Areas	Staff
Finance and Administration • Finance and budget • Utility rates • Human Resources and Performance Management • Technology • Public Records • Council Policies and Procedures	*Director of Finance and Administration*
Public Safety • Police • Fire and Emergency Medical Services • Municipal Court • Emergency Management • Code Enforcement	*Deputy City Manager*
Legislative • State and Federal Legislative Agenda and Monitoring • Liaison with State and Federal Elected Officials	*Intergovernmental Relations Manager*
Community Planning, Housing and Economic Development • Business Retention and Recruitment • Business Roundtable • Tourism • Events • Development Services (permitting) • Long Range Planning • Housing	*Planning and Community Development Director and Economic Development Manager*
Public Works, Parks and Human Services • Public Works operations and CIP • Parks Operations and CIP • Parks planning • Environment • Utilities • Facilities and Fleet • Human Services	*Public Works Director and Parks and Community Services Director*

Summary and Next Steps

Once a new committee structure is approved by the Council, the February meetings will be set according to the new structure. In addition, members who are interested in changes to their committee appointments would contact the Mayor or Deputy Mayor and advise them of their interest. Per the Council's previous discussion, a new committee assignment would only be made if an incumbent member of the committee is willing to give up their seat. Committee reassignments would be discussed and approved at the February 5 City Council meeting.

RESOLUTION R-4960

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND REVISING SECTION 3.8 OF THE KIRKLAND CITY COUNCIL POLICIES AND PROCEDURES MANUAL, "CITY COUNCIL COMMITTEE APPOINTMENTS."

WHEREAS, the City Council desires to revise the Council Committee structure and update the City Council Policies and Procedures Manual to reflect the new Council Committee configuration;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The revised Section 3.8, "City Council Committee Appointments," attached as Exhibit A adopted for inclusion in the Kirkland City Council Policies and Procedure Manual.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

_____
MAYOR

Attest:

_____
City Clerk

3.8 CITY COUNCIL COMMITTEE APPOINTMENTS

Purpose and Relationship to City Council

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- Public Works, Parks and Human Services
- Legislative

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Appointment Process

Council Committee appointments are generally for a two-year period. Unless a vacancy occurs, Council Committee appointments are made every even-numbered year to coincide with the Council selection of the Mayor. Immediately following the first regular Council meeting in even-numbered years, City Council members should let the Mayor know about their interests in serving on the various City Council and regional committees. The Mayor and Deputy Mayor will then meet to consider committee appointments and they will develop a recommended list of committee appointments. This list of recommended appointments will then be presented at the second City Council meeting in January for Council's consideration at which time the committee appointments will be made by the City Council.

If a vacancy should occur during the year, this appointment opportunity should be announced at a Council meeting. Those Council members that are interested in filling this position should let the Mayor know before the next City Council Meeting. The Mayor and Deputy Mayor will make a recommendation for City Council's consideration to fill this vacancy at that following Council meeting.

R-4960
Exhibit A

COUNCIL COMMITTEES

Committee/Topic Areas	Staff
Finance and Administration • Finance and budget • Utility rates • Human Resources and Performance Management • Technology • Public Records • Council Policies and Procedures	*Director of Finance and Administration*
Public Safety • Police • Fire and Emergency Medical Services • Municipal Court • Emergency Management • Code Enforcement	*Deputy City Manager*
Legislative • State and Federal Legislative Agenda and Monitoring • Liaison with State and Federal Elected Officials	*Intergovernmental Relations Manager*
Community Planning, Housing and Economic Development • Business Retention and Recruitment • Business Roundtable • Tourism • Events • Development Services (permitting) • Long Range Planning • Housing	*Planning and Community Development Director and Economic Development Manager*
Public Works, Parks and Human Services • Public Works operations and CIP • Parks Operations and CIP • Parks planning • Environment • Utilities • Facilities and Fleet • Human Services	*Public Works Director and Parks and Community Services Director*

Council Meeting: 01/15/2013
Agenda: Other Business
Item #: 8. h. (6).

CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Barry Scott, Purchasing Agent

Date: January 3, 2013

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF JANUARY 15, 2013

This report is provided to apprise the Council of recent and upcoming procurement activities where the cost is estimated or known to be in excess of $50,000. The "Process" column on the table indicates the process being used to determine the award of the contract.

The City's major procurement activities initiated since the last report, dated December 13, 2012, are as follows:

	Project	Process	Estimate/Price	Status
1.	Comprehensive Parks, Recreation, and Open Space Planning	Request for Qualifications	$60,000-$70,000	RFQ issued on 12/27 with qualifications due on 1/15.
2.	GIS Senior Consultant Services	Request for Proposals	$50,000-$90,000/yr	RFP issued on 1/9 with proposals due on 1/30.

Please contact me if you have any questions regarding this report.

Council Meeting: 01/15/2013
Agenda: Unfinished Business
Item #: 10. a.

CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: John MacGillivray, Solid Waste Programs Lead
Ray Steiger, P.E., Public Works Director

Date: January 3, 2013

Subject: Request for Non-Binding Statement of Interest in Signing an Amended and Restated Solid Waste Interlocal Agreement

RECOMMENDATION:

Staff recommends that the City Council authorize the Mayor to sign the attached Non-Binding Statement of Interest affirming that the City of Kirkland will likely sign the Amended and Restated Solid Waste Interlocal Agreement (ILA). Staff also seeks direction from the City Council as to its interest in receiving a briefing from the King County Solid Waste Division on the ILA.

BACKGROUND:

King County and the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) have been working together over the past two years to extend the *Solid Waste Interlocal Agreement of 1988* (original ILA) which every city in King County, excluding Seattle and Milton, has signed. In 2010, the City of Kirkland played a significant role in initiating the ILA renegotiation process as a means to ensure that the County's capital improvement program would be fully funded and consequently, the Houghton Transfer Station would be replaced with an appropriately-sized and modern transfer facility.

After intensive negotiations, a team of city and county representatives has reached an agreement on a new ILA that will foster cooperation in our regional solid waste system. This agreement extends the original ILA by 12.5 years, from June, 2028 to December, 2040, and it will keep rates lower by allowing for longer-term bonding for capital improvement projects.

The new ILA includes several significant enhancements over the original ILA. It deals more effectively with liability by establishing a protocol for payment of environmental liabilities if and when they arise. The intent is to protect both city and County general funds from environmental liabilities to the greatest extent feasible and is explicitly stated in the new ILA language. Other improvements over the original ILA include:

- A commitment to the continued involvement of the city advisory group known as the Metropolitan Solid Waste Advisory Committee (MSWAC).

- An expanded role for cities in system planning that includes long-term disposal alternatives and establishment of financial policies.
- A dispute resolution process that includes non-binding mediation.

Transfer Station Mitigation

The new ILA also contains an acknowledgment that solid waste facilities are regional facilities, and host cities and neighboring cities may receive mitigation for impacts. Below is the mitigation language from the County information sheet.

"When new facilities are sited, or existing facilities are reconstructed, mitigation will be determined with advance input from host communities and neighboring cities, and per state law. The County will collaborate with potential host cities and neighboring cities in advance of both the environmental review and permitting processes, including seeking advance input from such cities as to potential impacts that should be addressed in scoping of environmental studies/documents, or in developing permit applications.

With respect to existing facilities, the County will continue the full range of operational mitigation activities required under law (odor and noise control, maintenance, litter cleanup, etc.).

The ILA will recognize the rights of cities to charge the County for direct impacts from operations consistent with State law (RCW 36.58.080). Cities that believe they are entitled to such mitigation may request the County undertake technical studies to determine the extent of such impacts; the County will undertake analysis it determines is reasonable and appropriate. The costs of such studies will be System costs. Dispute resolution would occur per the state statute provision, rather than the ILA dispute resolution provisions.

Cities retain their full regulatory authority with respect to design, construction or operation of facilities within their jurisdiction."

Statement of Interest

The County is asking all member cities to provide a non-binding statement of interest that indicates their respective city's participation in the new ILA by January 31, 2013. This information will be helpful to the County as it moves forward with a variety of planning efforts.

Informational materials with this memo include a Term Sheet, Solid Waste Governance, Rates Differentials, System Map, Frequently Asked Questions, and a copy of the new ILA.

NEXT STEPS:

By mid-2014, the Solid Waste Division will propose rates for the 2015/16 rate period. Financial policies developed in collaboration with MSWAC will guide the rate study. To allow sufficient time to develop those policies, the County needs each City to act on the ILA by April 30, 2013. After a thorough review, City staff will bring the ILA back to the City Council for its consideration and final ratification.

Attachments: Non-Binding Statement of Interest
Term Sheet & Informational Materials
Solid Waste Interlocal Agreement

King County

Department of Natural Resources and Parks
Solid Waste Division

December 28, 2012

TO: The Honorable Joan McBride, Mayor
City of Kirkland

RE: Request for Non-Binding Statement of Interest in signing an Amended and Restated Solid Waste Interlocal Agreement by January 31, 2013

We are requesting a non-binding statement from each City as to whether you are interested in signing the *Amended and Restated Solid Waste Interlocal Agreement*. To accomplish this, we are asking that a representative of the City complete the form below, indicating which option best reflects the City's position at this time, and email it to me by close of business January 31, 2013. Again, this is non-binding, but will assist the County in planning.

Please respond by completing the information below:

City of Kirkland Non-Binding Statement of Interest with Respect to Entering into the Amended and Restated Solid Waste Interlocal Agreement.

☐ It is **likely** that my City will sign the Amended and Restated Solid Waste Interlocal Agreement.

☐ It is **not likely** that my City will sign the Amended and Restated Solid Waste Interlocal Agreement.

My Name/Title: _____ Date: _____

If you have any questions about the attached materials, please call or email me at 206-296-4385 or pat.mclaughlin@kingcounty.gov.

cc: Kurt Triplett, City Manager, City of Kirkland
Penny Sweet, Deputy Mayor, City of Kirkland
Ray Steiger, Public Works Director, City of Kirkland
Lorrie McKay, Intergovernmental Relations Manager, City of Kirkland
John MacGillivray, Solid Waste Programs Lead, City of Kirkland
Kelly Ferron, Recycling Programs Coordinator, City of Kirkland
Janet Jonson, Executive Assistant, City of Kirkland
Deanna Dawson, Executive Director, Suburban Cities Association
Diane Carlson, Director of Regional Initiatives, King County Executive Office
Christie True, Director, Department of Natural Resources & Parks (DNRP)
Kevin Kiernan, Assistant Division Director, Solid Waste Division (SWD), DNRP
Diane Yates, Intergovernmental Liaison, SWD, DNRP

Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

ILA Term Sheet

- **Accountability**
- **Transparency**
- **Durability: address long-term needs**
- **Simplicity**

Part I: Contract Term, Capital Financing, and Ability to Terminate Agreement in Advance	
Contract Term	ILA is extended 12.5 years, through December 2040. As of June 2012, there would be 28.5 years remaining on the contract.
Bond Term How long could the financing term be for bonds funding the Transfer Station improvement plan?	20 to 28 years, depending on when each series of bonds to finance the transfer station projects is issued.
Disposal Fees (tonnage rates)	Significantly lower cost per ton is possible as compared to the "no extension" option The longer the term, the higher the total price paid for the improvements (more interest paid).
Negotiated ILA Extension	An ILA extension is likely to be necessary at some point during the term of the amended ILA in order to accommodate a cost-effective long-term disposal solution after Cedar Hills closes. The ILA will include language describing the parties' intent to enter into negotiations to extend the ILA before Cedar Hills closes, but after such time as the region has made a decision on the long-term disposal option; that decision will require amending the Comprehensive Solid Waste Management Plan (CSWMP). The parties could choose to begin the negotiations before ratification of the CSWMP amendment is complete. The amended ILA cannot compel either party to agree to a future extension of the term.
If Cedar Hills closes on schedule (2025), what happens if the ILA is <u>not</u> extended again?	The County would have to provide disposal at another location for 15 years (2025 through 2040). The City will continue to be part of the County system during that time. This is a relatively short time period and as a result the assumption is that costs would likely be considerably more expensive than disposal at Cedar Hills.
Early Termination Will cities have the ability to terminate the ILA early?	No. If a city has the ability to terminate the ILA early, the County will, in exchange, need to be able to recoup from that city, at a minimum, all the debt service costs associated with the terminating city's share of the transfer station system upgrades. Not included because the cost of prepaying debt service for a city's share of transfer station system improvements is likely to be so expensive that no city would choose

	to exercise this option. It would imply the city would prepay for a 50-year asset after a few years, and, the terminating city would not be assured of having access to the system assets after leaving.
What if some cities don't agree to extend the ILA?	Non-extending cities would be in a different customer class than extending cities. Non-extending cities would be charged rates to ensure their portion of transfer station debt is fully repaid by June 2028. As a result, their rates would be $7-$9 per ton higher than for cities extending the ILA.
Part 2: Governance	
Cities Advisory Committee	The Cities advisory committee (MSWMAC) is memorialized within the ILA as the Metropolitan Solid Waste Advisory Committee (MSWAC). Its structure and operations are no longer controlled by County Code. It has the same composition, same rules as today: • Each city may appoint a delegate and alternates to MSWAC. • MSWAC retains its existing responsibilities. • MSWAC will elect a chair and vice-chair, and adopt its own bylaws. • MSWAC will be staffed by the County. • MSWAC remains an advisory body. It will coordinate with the Solid Waste Advisory Committee (SWAC) and provide advice to SWAC as it deems appropriate. MSWAC will also provide recommendations to the County Executive, County Council, and other entities. The County agrees to consider and respond on a timely basis to questions and issues from MSWAC, including but not limited to development of efficient and accountable billing practices.
Regional Policy Committee (RPC)	The role of the RPC is not affected by the amended and restated ILA. The RPC will retain its current charter role in acting on Comprehensive Solid Waste Management Plan (CSWMP) amendments and financial policies. Its existing responsibilities as the Solid Waste Interlocal Forum will continue through the end of the current ILA in June 2028. After 2028 those responsibilities will go to the RPC.
Part 3: Comprehensive Solid Waste Management Plan	
Process The CSWMP is reviewed and amended as needed. Several years before the Cedar Hills Landfill closes, the CSWMP will be amended to include language defining the regional disposal option.	The ILA will confirm current practice that the County Council acts to approve the CSWMP *subject to ratification*, in the same way that Countywide Planning Policies are now first approved by the County and then subject to ratification. The County will act after seeking input from MSWAC, among others. Once the County action is effective, the ratification period would run for 120 days.

Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

ILA Term Sheet

Ratification Requirement The current ILA requires that jurisdictions representing 75% of the contract city population must approve CSWMP changes. The 75% is determined based on those cities taking a position.	The negotiating team considered modifying the ratification requirement. Because of the difficulties of administering two different ratification processes if some cities extend and others do not, the current process was left unchanged. It has been used several times over the term of the agreement without significant problems.
Part 4: Other Issues	
Parties Obligations to Communicate	The parties will endeavor to notify each other in the event of the development of any plan, contract, dispute, use of environmental liability funds or other solid waste issue that could have potential significant impacts on the City and/or Cities, the County and/or the regional solid waste system.
Emergency Planning	The County and the cities will coordinate on the development of emergency plans related to solid waste, including but not limited to debris management.
Grants	The ILA will include a provision confirming that grants to cities in support of programs that benefit the Solid Waste system are a permissible use of system revenues.
Mitigation	The ILA will acknowledge that solid waste facilities are regional facilities and host cities and neighboring cities may sustain impacts for which there are three types of mitigation: 1. When **new facilities** are sited, or **existing facilities are reconstructed**, mitigation will be determined with advance input from host communities and neighboring cities, and per state law. The County will collaborate with potential host cities and neighboring cities in advance of both the environmental review and permitting processes, including seeking advance input from such cities as to potential impacts that should be addressed in scoping of environmental studies/documents, or in developing permit applications. 2. With respect to **existing facilities**, the County will continue the full range of operational mitigation activities required under law (odor and noise control, maintenance, litter cleanup, etc.). 3. The ILA will recognize the rights of cities to **charge the County for direct impacts** from operations consistent with State law (RCW 36.58.080). Cities that believe they are entitled to such mitigation may request the County undertake technical studies to determine the extent of such impacts; the County will undertake analysis it determines is reasonable and appropriate. The costs of such studies will be System costs. Dispute resolution would occur per the state statute provision, rather than the ILA dispute resolution provisions. Cities retain their full regulatory authority with respect to design, construction or operation of facilities within their jurisdiction.

Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

ILA Term Sheet

Cedar Hills Landfill Rent The County began leasing the Cedar Hills Landfill from the state in 1960 at a time when the solid waste function was still part of County General Fund operations. Throughout the '60s, '70s and into the '80s, the solid waste system was operated as part of the General Fund through a mix of County General Fund monies and solid waste fees. In 1983, the County formally began the effort to transform the solid waste system from a General Fund operation to a self-sustaining utility enterprise, fully funded from system revenues-- primarily tipping fees charged at the Cedar Hills Landfill. The Landfill was acquired by the General Fund from the state in 1992 and remains a General Fund asset. The General Fund began charging the Division for the use of this asset in 2004.	The ILA will acknowledge that rent is charged to the Division for use of the Cedar Hills Landfill, and clarify how the rent will be determined. The County will continue to charge the Solid Waste System rent for use of the Cedar Hills Landfill. The Landfill is a General Fund asset. The ILA will ensure that Landfill rent will be based on third party professional valuations using accepted MAI valuation principles. Cities will have input into the selection of the appraiser and will have an opportunity to review and comment on data inputs provided by the System to the appraiser for purposes of conducting the appraisal. The December 2011 appraisal setting the rent value for the period from 2013 through 2025 (the current estimated end of the Landfill's useful life) will be adjusted downward to ensure that the System is not charged for Landfill capacity that was included and paid for by the System per the previous (2004) appraisal. The same adjustment will be made with respect to any future appraisal. The ILA will define a clear process by which the value of Cedar Hills to the Division, and the associated rent, may be revalued during the Agreement, and will ensure engagement of MSWAC in that process. Rent costs are an operating cost to the Division that will be incorporated into solid waste rates. MSWAC will have input on all rate proposals, as well as the specific schedule of rent payments derived from the new appraisal. The County will commit to not charge General Fund rent for any transfer station property now in use, and will not charge General Fund rent for assets acquired in the future solely from System revenues. Assets owned by other County funds (e.g., the Roads Division, or other funds) will be subject to rent (and vice versa). Any revenue generated from System owned assets will be treated as revenues of the System.
Financial Policies	The County will develop financial policies to guide the Division's operations and investments. The policies will address debt issuance, cost containment, reserves, asset ownership and use, and other financial issues. The policies will be developed through discussion with MSWAC, RPC, the County Executive and the County Council. Such policies will periodically be codified at the same time as CSWMP updates, but may be adopted from time to time as appropriate outside the CSWMP update cycle.
Dispute Resolution	The ILA will replace the current dispute resolution provisions involving State DOE (State DOE is not willing to serve the role ascribed to it in the current ILA) with more standard provisions, similar to those used in other multi-party County ILAs. In event of a dispute, the first step will be for staff from the parties to meet. If the issue is not resolved, then the City Manager/Administrator from the city(ies) and the County Executive will meet. If the issue is still not resolved, non-binding mediation may be pursued if any party so chooses, prior to pursuing formal legal action. All cities will be notified of disputes at each step, and may join the dispute if they so choose. Costs of mediation will be split, with the cities (all those participating in the matter) paying half of the costs and the County paying half of the costs.

Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

ILA Term Sheet

Liability	SCA Principles as agreed to by Executive Constantine form the basis for the Environmental Liability section. The County and the Cities agree that System-related costs, including environmental liabilities, should be funded by System revenues which include but are not limited to insurance proceeds, grants and rates. A protocol for payment of liabilities if and when they arise is established including: • Insurance, if commercially available with cities as additional insured • Any reserves established for environmental liability shall survive for 30 years after the closure of the Cedar Hills Landfill. • Grants to the extent available • Developing a financial plan including a rate schedule in consultation with MSWAC Specific language is included indicating it is the intent of the parties to protect their general funds from Environmental Liabilities to the greatest extent feasible.
Severability	Team agreed not to include a severability section. Effect is that in the event one section of the contract is found to be invalid the Parties will need to meet to discuss how to remedy the issue
Survivability	No obligations of the agreement shall survive the expiration of the contract except portions of the liability section including: • A three year obligation for tort related operational liability • Any insurance in effect at the end of the agreement shall continue for the term of the policy • Reserve fund is retained for 30 years following Cedar Hills closure
Flow Control	Language in Section 6.2 is simplified to state "The City shall cause to be delivered to the County disposal system…" It does not specify what means the City shall use to accomplish this.
County Commitment to Transfer Station Plan	Section 6.1.g is amended to state "The County shall provide facilities and services pursuant to the Comprehensive Solid Waste Management Plan ***and the Solid Waste Transfer and Waste Management Plan as adopted…***"
Long-Term Bonds	Section 6.1.f includes "The County shall primarily use long term bonds to finance transfer system improvements." This recognizes that in the past these improvements have been partially funded by cash. This section also includes a commitment to develop, through discussions with MSWAC, financial policies.

Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

Solid Waste Governance

	Solid Waste Advisory Committee	Metropolitan Solid Waste Advisory Committee	Solid Waste Interlocal Forum
Basis	RCW 70.95; KCC 10.28	Amended and Restated Interlocal Agreement	Forum Agreement (Addendum to 1988 ILA)
Appointment	Executive appoints; Council confirms	Cities appoint	County Council and Sound Cities Association appoint
Membership	Interested citizens; local elected officials; waste management industry; recycling industry; labor; public interest groups; marketing interests	Cities – staff, elected officials and consultants	Regional Policy Committee members excluding City of Seattle representatives
Advises	King County	King County Executive and Council, Solid Waste Division, Solid Waste Advisory Committee, Solid Waste Interlocal Forum and Regional Policy Committee	King County Executive and Council, and other jurisdictions
Duties	Advise King County on all aspects of solid waste management planning; assist in development of programs and policies concerning solid waste management	Advise the King County Executive and Council, Solid Waste Division, Solid Waste Advisory Committee, and other jurisdictions as appropriate, on all policy aspects of solid waste management and planning	Advise the King County Executive and Council, and other jurisdictions as appropriate, on all policy aspects of solid waste management and planning

Rate Differences Between the *Solid Waste Interlocal Agreement of 1988* and the *Amended and Restated Solid Waste Interlocal Agreement*

The chart below compares estimated fees for Cities that choose to remain with the original 1988 ILA that expires in 2028 and those Cities that choose to sign the new ILA that expires in 2040.

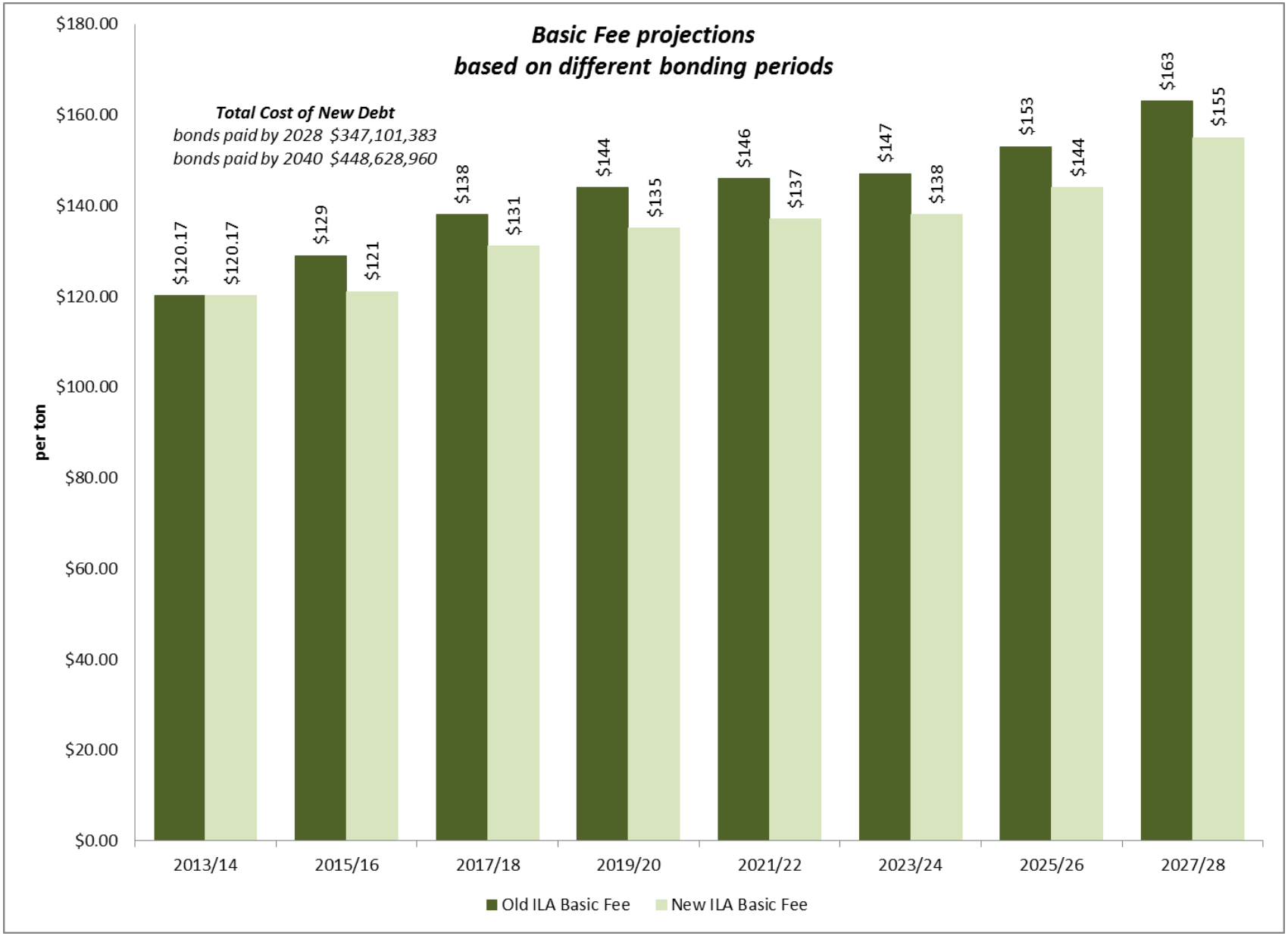
	2013/14	2015/16	2017/18	2019/20	2021/22	2023/24	2025/26	2027/28
Original ILA Basic Fee	$120.17	$129.00	$138.00	$144.00	$146.00	$147.00	$153.00	$163.00
New ILA Basic Fee	$120.17	$121.00	$131.00	$135.00	$137.00	$138.00	$144.00	$155.00
Difference	$0.00	$8.00	$7.00	$9.00	$9.00	$9.00	$9.00	$8.00

See chart on page 2.

Notes:

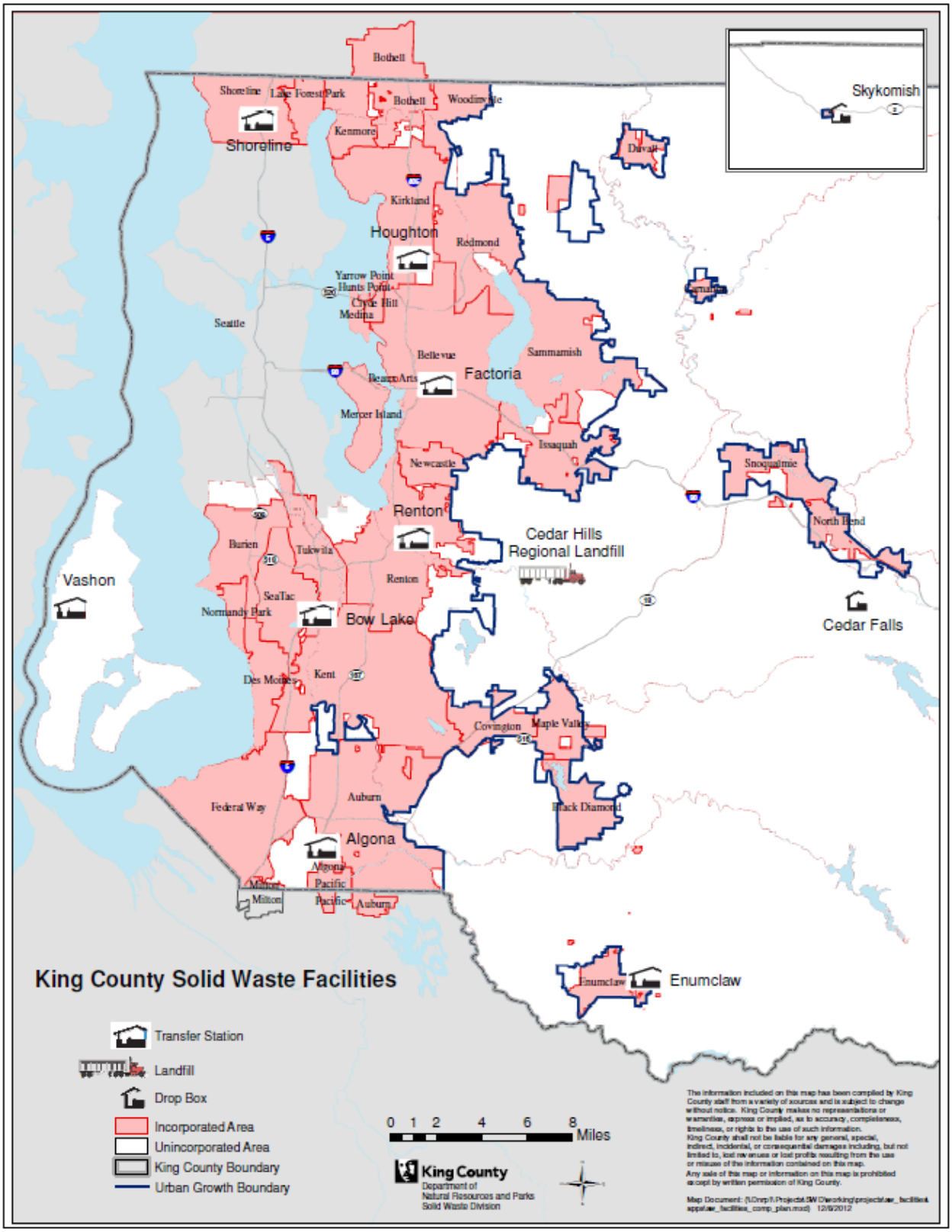
- *This is a planning level projection - actual fees may vary depending on a variety of circumstances, including the exact mix of Cities signing the Amended and Restated ILA*
- *For Cities not signing the new ILA, the fee includes the additional amount needed to pay for shorter-term financing - estimated fees assume interest rates for borrowing for 15 years at 2 percent and for 28 years at 3.25 percent*
- *New ILA 2015/16 fee reflects savings for longer-term bonds issued during the previous period (the 2013/14 fee of $120.17 was based on an assumption of issuing shorter term bonds)*
- *Estimated fees are rounded to the nearest dollar*
- *Estimated fees differ from the 2012 Rate Study because assumptions for inflation and interest rates have been updated*
- *Fee estimates are based on current forecasts for tonnage, interest rates, inflation, transfer system improvements, etc.*
- *Operating expenses (labor costs, fuel, etc.) are assumed to increase at rate of inflation based on the King County Economic Forecast Council's August 2012 Seattle Annual CPI-U Forecast*

Rate Differences Between the *Solid Waste Interlocal Agreement of 1988* and the *Amended and Restated Solid Waste Interlocal Agreement*



Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

System Map



Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

Frequently Asked Questions

1. *What is the timeframe for Cities to adopt the new ILA?*
   By mid-2014 the Solid Waste Division will propose rates for the 2015/16 rate period. Financial policies developed in collaboration with the Metropolitan Solid Waste Advisory Committee will inform the rate study. To allow sufficient time to develop those policies and complete the rate study, the County needs each City to act on the ILA by April 30, 2013.

2. *What is the purpose of the non-binding statement of interest?*
   The County is asking each City to provide a non-binding statement of interest that indicates likely participation in the new ILA by January 31, 2013. This information will be helpful to the County as it moves forward with a variety of planning efforts, including updating the Draft Comprehensive Solid Waste Management Plan.

3. *What are the capital project financing needs in 2013 and 2014?*
   Presently, the division has $75 million in Bond Anticipation Notes (BANs) that will expire on February 28, 2012. Those BANs will be converted to long-term bonds. Later in 2013, an additional $13 million will be required for anticipated capital project expenditures. In 2014, it is anticipated that $35 million will be needed.

4. *How does City participation in the new ILA affect capital project financing?*
   Financing for transfer system capital improvements will be primarily by long-term bonds. Ensuring adequate revenue to repay the bonds is critical and that revenue is directly dependent on City participation in the system. If enough cities sign the extended ILA, the County will issue bonds of 20 years or longer (out to 2040), which will mean lower per ton fees. Conversely, if cities do not choose to extend the ILA, bonds will only be issued out to 2028, which will increase rates. A mix of longer and shorter bonds may be possible if some cities extend the ILA and others do not.

5. *What are the implications for a City that chooses not to sign the new ILA?*
   Cities that choose to remain with the original ILA that expires in 2028 will pay rates that include the additional amount needed to pay for the shorter bonds. The additional amount will be in the range of $7 to $9 per ton. Cities that choose to remain with the original ILA will also not receive the benefits of the new ILA, including those related to potential environmental liability.

6. *How long do cities have to adopt the new ILA?*
   In order to move forward with development of financial policies that will inform the 2015/16 rate period and other planning efforts, the County needs each City by April 30, 2013 to decide whether to sign the new ILA.

7. *How would insurance coverage and liability reserves be established?*
   The insurance coverage and liability reserves provided for under the new ILA would be established based on what is commercially available and determined appropriate in consultation with the Metropolitan Solid Waste Advisory Committee (MSWAC - note that the name of this committee changes in the new ILA from the Metropolitan Solid Waste Management Advisory Committee or MSWMAC).

Amended and Restated Solid Waste Interlocal Agreement between King County and Cities

Frequently Asked Questions

8. *Does this ILA lock Cities into the current Transfer System Plan?*
   No. In the new ILA the County commits to provide facilities and services pursuant to adopted plans. The ILA also acknowledges that plans for transfer station improvements may be modified.

9. *How does the ILA relate to the comprehensive solid waste management plan?*
   The ILA provides a framework for Cities and the County to work collaboratively to maintain and update the comprehensive solid waste management plan and for adoption of the plan. Specific policies, plans, and strategies are not included in the ILA.

10. *What about disposal after Cedar Hills closes?*
    The ILA provides a framework for Cities and the County to plan for disposal post-Cedar Hills. At least seven years before the date that the landfill is projected to close, the County will seek advice and input from MSWAC and others on disposal alternatives.

11. *Does the new ILA address Cedar Hills landfill rent?*
    The ILA establishes a clear process for rent for Cedar Hills, limiting when rental payments can be changed, requiring a certified appraisal process be followed, and seeking review and comment from the Cities. It clearly states that the solid waste system shall not pay rent to the general fund for use of other county properties for transfer stations.

12. *What if my City has more questions about this new ILA?*
    If you have any questions or would like to schedule a briefing, please call or email Pat McLaughlin at 206-296-4385 or pat.mclaughlin@kingcounty.gov.

AMENDED AND RESTATED SOLID WASTE INTERLOCAL AGREEMENT

This Amended and Restated Solid Waste Interlocal Agreement ("Agreement") is entered into between King County, a political subdivision of the State of Washington and the City of ___ _____, a municipal corporation of the State of Washington, hereinafter referred to as "County" and "City" respectively. Collectively, the County and the City are referred to as the "Parties." This Agreement has been authorized by the legislative body of each jurisdiction pursuant to formal action as designated below:

King County: Ordinance No._____

City: _____

PREAMBLE

A. This Agreement is entered into pursuant to chapter 39.34 RCW for the purpose of extending, restating and amending the Solid Waste Interlocal Agreement between the Parties originally entered into in ____ (the "Original Agreement"). The Original Agreement provided for the cooperative management of Solid Waste in King County for a term of forty (40) years, through June 30, 2028. The Original Agreement is superseded by this Amended and Restated Agreement, as of the effective date of this Agreement. This Amended and Restated Agreement is effective for an additional twelve (12) years through December 31, 2040.

B. The Parties intend to continue to cooperatively manage Solid Waste and to work collaboratively to maintain and periodically update the existing King County

Comprehensive Solid Waste Management Plan (Comprehensive Plan) adopted pursuant to chapter 70.95 RCW.

C. The Parties continue to support the established goals of Waste Prevention and Recycling as incorporated in the Comprehensive Solid Waste Management Plan, and to meet or surpass applicable environmental standards with regard to the Solid Waste System.

D. The County and the Cities agree that System-related costs, including environmental liabilities, should be funded by System revenues which include but are not limited to insurance proceeds, grants and rates;

E. The County, as the service provider, is in the best position to steward funds System revenues that the County and the Cities intend to be available to pay for environmental liabilities; and

F. The County and the Cities recognize that at the time this Agreement goes into effect, it is impossible to know what the ultimate environmental liabilities could be; nevertheless, the County and the Cities wish to designate in this Agreement a protocol for the designation and distribution of funding for potential future environmental liabilities in order to protect the general funds of the County and the Cities.

G. The County began renting the Cedar Hills Landfill from the State of Washington in 1960 and began using it for Disposal of Solid Waste in 1964. The County acquired ownership of the Cedar Hills Landfill from the State in 1992. The Cedar Hills Landfill remains an asset owned by the County.

H. The Parties expect that the Cedar Hills Landfill will be at capacity and closed at some date during the term of this Agreement, after which time all Solid Waste under this Agreement will need to be disposed of through alternate means, as determined by the

Cities and the County through amendments to the Comprehensive Solid Waste Management Plan. The County currently estimates the useful life of the Cedar Hills Landfill will extend through 2025. It is possible that this useful life could be extended, or shortened, by System management decisions or factors beyond the control of the Parties.

I. The County intends to charge rent for the use of the Cedar Hills Landfill for so long as the System uses this general fund asset and the Parties seek to clarify terms relative to the calculation of the associated rent.

J. The County and Cities participating in the System have worked collaboratively for several years to develop a plan for the replacement or upgrading of a series of transfer stations. The Parties acknowledge that these transfer station improvements, as they may be modified from time-to-time, will benefit Cities that are part of the System and the County. The Parties have determined that the extension of the term of the Original Agreement by twelve (12) years as accomplished by this Agreement is appropriate in order to facilitate the long-term financing of transfer station improvements and to mitigate rate impacts of such financing.

K. The Parties have further determined that in order to equitably allocate the benefit to all System Users from the transfer station improvements, different customer classes may be established by the County to ensure System Users do not pay a disproportionate share of the cost of these improvements as a result of a decision by a city not to extend the term of the Original Agreement.

L. The Parties have further determined it is appropriate to strengthen and formalize the advisory role of the Cities regarding System operations.

The Parties agree as follows:

I. DEFINITIONS

For purposes of this Agreement the following definitions shall apply:

“Cedar Hills Landfill” means the landfill owned and operated by the County located in southeast King County.

“Cities” refers to all Cities that have signed an Amended and Restated Solid Waste Interlocal Agreement in substantially identical form to this Agreement.

"Comprehensive Solid Waste Management Plan" or “Comprehensive Plan” means the Comprehensive Solid Waste Management Plan, as approved and amended from time to time, for the System, as required by chapter 70.95.080 RCW.

“County” means King County, a Charter County and political subdivision of the State of Washington.

"Disposal" means the final treatment, utilization, processing, deposition, or incineration of Solid Waste but shall not include Waste Prevention or Recycling as defined herein.

“Disposal Rates” means the fee charged by the County to System Users to cover all costs of the System consistent with this Agreement, all state, federal and local laws governing solid waste and the Solid Waste Comprehensive Plan.

"Divert" means to direct or permit the directing of Solid Waste to Disposal sites other than the Disposal site(s) designated by King County.

"Energy/Resource Recovery" means the recovery of energy in a usable form from mass burning or refuse-derived fuel incineration, pyrolysis or any other means of using the heat of combustion of Solid Waste that involves high temperature (above 1,200 degrees F) processing. (chapter 173.350.100 WAC).

"Landfill" means a Disposal facility or part of a facility at which Solid Waste is placed in or on land and which is not a land treatment facility.

“Metropolitan Solid Waste Advisory Committee” or “MSWAC” means the advisory committee composed of city representatives, established pursuant to Section IX of this Agreement.

"Moderate Risk Waste" means waste that is limited to conditionally exempt small quantity generator waste and household hazardous waste as those terms are defined in chapter 173-350 WAC, as amended.

“Original Agreement” means the Solid Waste Interlocal Agreement first entered into by and between the Parties, which is amended and restated by this Agreement. “Original Agreements” means collectively all such agreements between Cities and the County in substantially the same form as the Original Agreement.

“Parties” means collectively the County and the City or Cities.

"Recycling" as defined in chapter 70.95.030 RCW, as amended, means transforming or remanufacturing waste materials into usable or marketable materials for use other than landfill Disposal or incineration.

“Regional Policy Committee” means the Regional Policy Committee created pursuant to approval of the County voters in 1993, the composition and responsibilities of which are prescribed in King County Charter Section 270 and chapter 1.24 King County Code, as they now exist or hereafter may be amended.

"Solid Waste" means all putrescible and nonputrescible solid and semisolid wastes including but not limited to garbage, rubbish, ashes, industrial wastes, swill, commercial waste, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, contaminated soils and contaminated dredged materials, discarded commodities and recyclable materials, but shall not include dangerous, hazardous, or extremely hazardous waste as those terms are defined in chapter 173-303 WAC, as amended; and shall further not include those

wastes excluded from the regulations established in chapter 173-350 WAC, more specifically identified in Section 173-350-020 WAC.

"Solid Waste Advisory Committee" or "SWAC" means the inter-disciplinary advisory forum or its successor created by the King County Code pursuant to chapter 70.95.165 RCW.

“System” includes King County’s Solid Waste facilities used to manage Solid Wastes which includes but is not limited to transfer stations, drop boxes, landfills, recycling systems and facilities, energy and resource recovery facilities and processing facilities as authorized by chapter 36.58.040 RCW and as established pursuant to the approved King County Comprehensive Solid Waste Management Plan.

“System User” or “System Users” means Cities and any person utilizing the County’s System for Solid Waste handling, Recycling or Disposal.

"Waste Prevention" means reducing the amount or type of waste generated. Waste Prevention shall not include reduction of already-generated waste through energy recovery, incineration, or otherwise.

II. PURPOSE

The purpose of this Agreement is to foster transparency and cooperation between the Parties and to establish the respective responsibilities of the Parties in a Solid Waste management System, including but not limited to, planning, Waste Prevention, Recycling, and Disposal. .

III. DURATION

This Agreement shall become effective as of _____, and shall remain in effect through December 31, 2040.

IV. APPROVAL

This Agreement will be approved and filed in accordance with chapter 39.34 RCW.

V. RENEGOTIATION TO FURTHER EXTEND TERM OF AGREEMENT

5.1 The Parties recognize that System Users benefit from long-term Disposal arrangements, both in terms of predictability of System costs and operations, and the likelihood that more cost competitive rates can be achieved with longer-term Disposal contracts as compared to shorter-term contracts. To that end, at least seven (7) years before the date that the County projects that the Cedar Hills Landfill will close, or prior to the end of this Agreement, whichever is sooner, the County will engage with MSWAC and the Solid Waste Advisory Committee, among others, to seek their advice and input on the Disposal alternatives to be used after closure of the Cedar Hills Landfill, associated changes to the System, estimated costs associated with the recommended Disposal alternatives, and amendments to the Comprehensive Solid Waste Management Plan necessary to support these changes. Concurrently, the Parties will meet to negotiate an extension of the term of the Agreement for the purpose of facilitating the long-term Disposal of Solid Waste after closure of the Cedar Hills Landfill. Nothing in this Agreement shall require the Parties to reach agreement on an extension of the term of this Agreement. If the Parties fail to reach agreement on an extension, the Dispute Resolution provisions of Section XIII do not apply, and this Agreement shall remain unchanged.

5.2 Notwithstanding any other provision in this Agreement to the contrary, the Parties may, pursuant to mutual written agreement, modify or amend any provision of this Agreement at any time during the term of said Agreement.

VI. GENERAL OBLIGATIONS OF PARTIES

6.1 King County

6.1.a Management. The County agrees to provide Solid Waste management services, as specified in this Section, for Solid Waste generated and collected within the City, except waste eliminated through Waste Prevention or waste recycling activities. The County agrees to dispose of or designate Disposal sites for all Solid Waste and Moderate Risk Waste generated and/or collected within the corporate limits of the City which is delivered to the System in accordance with all applicable Federal, State and local environmental health laws, rules, or regulations, as those laws are described in Subsection 8.5.a. The County shall maintain records as necessary to fulfill obligations under this Agreement.

6.1.b Planning. The County shall serve as the planning authority for Solid Waste and Moderate Risk Waste under this Agreement but shall not be responsible for planning for any other waste or have any other planning responsibility under this Agreement.

6.1.c Operation. King County shall be or shall designate or authorize the operating authority for transfer, processing and Disposal facilities, including public landfills and other facilities, consistent with the adopted Comprehensive Plan as well as closure and post-closure responsibilities for landfills which are or were operated by the County.

6.1.d Collection Service. The County shall not provide Solid Waste collection services within the corporate limits of the City, unless permitted by law and agreed to by both Parties.

6.1.e Support and Assistance. The County shall provide support and technical assistance to the City consistent with the Comprehensive Solid Waste Management Plan for a Waste Prevention and Recycling program. Such support may include the award of grants to support programs with System benefits. The County shall develop educational materials related to Waste Prevention and Recycling and strategies for maximizing the usefulness of the educational materials and will make these available to the City for its use. Although the County will not be required to provide a particular level of support or fund any City activities related to Waste Prevention and Recycling, the County intends to move forward aggressively to promote Waste Prevention and Recycling.

6.1.f Forecast. The County shall develop Solid Waste stream forecasts in connection with System operations as part of the comprehensive planning process in accordance with Article XI.

6.1.g Facilities and Services. The County shall provide facilities and services pursuant to the Comprehensive Solid Waste Management Plan and the Solid Waste Transfer and Waste Management plan as adopted and County Solid Waste stream forecasts.

6.1.h Financial Policies. The County will maintain financial policies to guide the System's operations and investments. The policies shall be consistent with this Agreement and shall address debt issuance, rate stabilization, cost containment, reserves, asset ownership and use, and other financial issues. The County shall primarily use long term bonds to finance transfer System improvements. The policies shall be developed and/or revised through

discussion with MSWAC, the Regional Policy Committee, the County Executive and the County Council. Such policies shall be codified at the same time as the Comprehensive Plan updates, but may be adopted from time to time as appropriate outside the Comprehensive Plan process.

6.2 City

6.2.a Collection. The City, an entity designated by the City or such other entity as is authorized by state law shall serve as operating authority for Solid Waste collection services provided within the City's corporate limits.

6.2.b Disposal. The City shall cause to be delivered to the County's System for Disposal all such Solid Waste and Moderate Risk Waste which is authorized to be delivered to the System in accordance with all applicable Federal, State and local environmental health laws, rules or regulations and is generated and/or collected within the corporate limits of the City and shall authorize the County to designate Disposal sites for the Disposal of all such Solid Waste and Moderate Risk Waste generated or collected within the corporate limits of the City, except for Solid Waste which is eliminated through Waste Prevention or waste Recycling activities consistent with the Comprehensive Solid Waste Management Plan. No Solid Waste generated or collected within the City may be Diverted from the designated Disposal sites without County approval.

6.3 JOINT RESPONSIBILITIES.

6.3.a Consistent with the Parties' overall commitment to ongoing communication and coordination, the Parties will endeavor to notify and coordinate with each other on the development of any City or County plan, facility, contract, dispute, or other Solid Waste issue that could have potential significant impacts on the County, the System, or the City or Cities.

6.3.b The Parties, together with other Cities, will coordinate on the development of emergency plans related to Solid Waste, including but not limited to debris management.

VII. COUNTY SHALL SET DISPOSAL RATES AND OPERATING RULES FOR DISPOSAL; USE OF SYSTEM REVENUES

7.1 In establishing Disposal Rates for System Users, the County shall consult with MSWAC consistent with Section IX. The County may adopt and amend by ordinance rates necessary to recover all costs of the System including but not limited to operations and maintenance, costs for handling, processing and Disposal of Solid Waste, siting, design and construction of facility upgrades or new facilities, Recycling, education and mitigation, planning, Waste Prevention, reserve funds, financing, defense and payment of claims, insurance, System liabilities including environmental releases, monitoring and closure of landfills which are or were operated by the County, property acquisition, grants to cities, and administrative functions necessary to support the System and Solid Waste handling services during emergencies as established by local, state and federal agencies or for any other lawful solid waste purpose, and in accordance with chapter 43.09.210 RCW. Revenues from Disposal rates shall be used only for such purposes. The County shall establish classes of customers for Solid Waste management services and by ordinance shall establish rates for classes of customers.

7.2. It is understood and agreed that System costs include payments to the County general fund for Disposal of Solid Waste at the Cedar Hills Landfill calculated in accordance with this Section 7.2, and that such rental payments shall be established based on use valuations provided to the County by an independent-third party Member, Appraisal Institute (MAI) certified appraiser selected by the County in consultation with MSWAC.

7.2.a A use valuation shall be prepared consistent with MAI accepted principles for the purpose of quantifying the value to the System of the use of Cedar Hills Landfill for Disposal of Solid Waste over a specified period of time (the valuation period). The County shall establish a schedule of annual use charges for the System's use of the Cedar Hills Landfill which shall not exceed the most recent use valuation. Prior to establishing the schedule of annual use charges, the County shall seek review and comment as to both the use valuation and the proposed payment schedule from MSWAC. Upon request, the County will share with and explain to MSWAC the information the appraiser requests for purposes of developing the appraiser's recommendation.

7.2.b Use valuations and the underlying schedule of use charges shall be updated if there are significant changes in Cedar Hills Landfill capacity as a result of opening new Disposal areas and as determined by revisions to the existing Cedar Hills Regional Landfill Site Development Plan; in that event, an updated appraisal will be performed in compliance with MAI accepted principles. Otherwise, a reappraisal will not occur. Assuming a revision in the schedule of use charges occurs based on a revised appraisal, the resulting use charges shall be applied beginning in the subsequent rate period.

7.2.c The County general fund shall not charge use fees or receive other consideration from the System for the System's use of any transfer station property in use as of the effective date of this Agreement. The County further agrees that the County general fund may not receive payments from the System for use of assets to the extent those assets are acquired with System revenues. As required by chapter 43.09.210 RCW, the System's use of assets acquired with the use of other separate County funds (e.g., the Roads Fund, or other funds)

will be subject to use charges; similarly, the System will charge other County funds for use of System property.

VIII. LIABILITY

8.1 Non-Environmental Liability Arising Out-of-County Operations. Except as provided in this Section, Sections 8.5 and 8.6, the County shall indemnify and hold harmless the City and shall have the right and duty to defend the City through the County's attorneys against any and all claims arising out of the County's operations during the term of this Agreement and settle such claims, provided that all fees, costs, and expenses incurred by the County thereby are System costs which may be satisfied from Disposal Rates as provided in Section VII herein. In providing such defense of the City, the County shall exercise good faith in such defense or settlement so as to protect the City's interest. For purposes of this Section "claims arising out of the County's operations" shall mean claims arising out of the ownership, control, or maintenance of the System, but shall not include claims arising out of the City's operation of motor vehicles in connection with the System or other activities under the control of the City which may be incidental to the County's operation. The provisions of this Section shall not apply to claims arising out of the sole negligence or intentional acts of the City. The provisions of this Section shall survive for claims brought within three (3) years past the term of this Agreement established under Section III.

8.2 Cooperation. In the event the County acts to defend the City against a claim under Section 8.1, the City shall cooperate with the County.

8.3 Officers, Agents, and Employees. For purposes of this Section VIII, references to City or County shall be deemed to include the officers, employees and agents of either Party,

acting within the scope of their authority. Transporters or generators of waste who are not officers or employees of the City or County are not included as agents of the City or County for purposes of this Section.

8.4 Each Party by mutual negotiation hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

8.5 Unacceptable Waste

8.5.a All waste generated or collected from within the corporate limits of the City which is delivered to the System for Disposal shall be in compliance with the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.) (RCRA), chapters 70.95 and 70.105 RCW, King County Code Title 10, King County Board of Health Rules and Regulations, the Solid Waste Division operating rules, and all other Federal, State and local environmental health laws, rules or regulations that impose restrictions or requirements on the type of waste that may be delivered to the System, as they now exist or are hereafter adopted or amended.

8.5.b For purposes of this Agreement, the City shall be deemed to have complied with the requirements of Subsection 8.5.a if it has adopted an ordinance requiring waste delivered to the System for Disposal to meet the laws, rules, or regulations specified in Subsection 8.5.a. However, nothing in this Agreement is intended to relieve the City from any obligation or liability it may have under the laws mentioned in Subsection 8.5.a arising out of the City's actions other than adopting, enforcing, or requiring compliance with said ordinance, such as liability, if any exists, of the City as a transporter or generator for improper transport or Disposal of regulated dangerous waste. Any environmental liability the City may have for

releases of pollutants or hazardous or dangerous substances or wastes to the environment is dealt with under Sections 8.6 and 8.7.

8.5.c The City shall hold harmless, indemnify and defend the County for any property damages or personal injury caused solely by the City's failure to adopt an ordinance under Subsection 8.5.b. In the event the City acts to defend the County under this Subsection, the County shall cooperate with the City.

8.5.d The City shall make best efforts to include language in its contracts, franchise agreements, or licenses for the collection of Solid Waste within the City that allow for enforcement by the City against the collection contractor, franchisee or licensee for violations of the laws, rules, or regulations in Subsection 8.5.a. The requirements of this Subsection 8.5.d shall apply to the City's first collection contract, franchise, or license that becomes effective or is amended after the effective date of this Agreement.

8.5.d.i If waste is delivered to the System in violation of the laws, rules, or regulations in Subsection 8.5.a, before requiring the City to take any action under Subsection 8.5.d.ii, the County will make reasonable efforts to determine the parties' responsible for the violation and will work with those parties to correct the violation, consistent with applicable waste clearance and acceptance rules, permit obligations, and any other legal requirements.

8.5.d.ii If the violation is not corrected under Subsection 8.5.d.i and waste is determined by the County to have been generated or collected from within the corporate limits of the City, the County shall provide the City with written notice of the violation. Upon such notice, the City shall take immediate steps to remedy the violation and prevent similar future violations to the reasonable satisfaction of the County which may include but not be

limited to removing the waste and disposing of it in an approved facility; provided that nothing in this Subsection 8.5.d.ii shall obligate the City to handle regulated dangerous waste, as defined in WAC 173-351-200(1)(b)(i), and nothing in this Subsection shall relieve the City of any obligation it may have apart from this Agreement to handle regulated dangerous waste. If, in good faith, the City disagrees with the County regarding the violation, such dispute shall be resolved between the Parties using the Dispute Resolution process in Section XII or, if immediate action is required to avoid an imminent threat to public health, safety or the environment, in King County Superior Court. Each Party shall be responsible for its own attorneys' fees and costs. Failure of the City to take the steps requested by the County pending Superior Court resolution shall not be deemed a violation of this Agreement; provided, however, that this shall not release the City for damages or loss to the County arising out of the failure to take such steps if the Court finds a City violation of the requirements to comply with applicable laws set forth in Subsection 8.5.a.

8.6 Environmental Liability.

8.6.a Neither the County nor the City holds harmless or indemnifies the other with regard to any liability arising under 42 U.S.C. § 9601-9675 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA) or as hereafter amended or pursuant to chapter 70.105D RCW (MTCA) or as hereafter amended and any state legislation imposing liability for System-related cleanup of contaminated property from the release of pollutants or hazardous or dangerous substances and/or damages resulting from property contaminated from the release of pollutants or hazardous or dangerous substances (“Environmental Liabilities”).

8.6.b Nothing in this Agreement is intended to create new Environmental Liability nor release any third-party from Environmental Liability. Rather, the intent is to protect the general funds of the Parties to this Agreement by ensuring that, consistent with best business practices, an adequate portion of Disposal Rates being collected from the System Users are set aside and accessible in a fair and equitable manner to pay the respective County and City's Environmental Liabilities.

8.6.c The purpose of this Subsection is to establish a protocol for the setting aside, and subsequent distribution of, Disposal Rates intended to pay for Environmental Liabilities of the Parties, if and when such liabilities should arise, in order to safeguard the Parties' general funds. To do so, the County shall:

8.6.c.i Use Disposal Rates to obtain and maintain, to the extent commercially available under reasonable terms, insurance coverage for System-related Environmental Liability that names the City as an Additional Insured. The County shall establish the adequacy, amount and availability of such insurance in consultation with MSWAC. Any insurance policy in effect on the termination date of this Agreement with a term that extends past the termination date shall be maintained until the end of the policy term.

8.6.c.ii Use Disposal Rates to establish and maintain a reserve fund to help pay the Parties' Environmental Liabilities not already covered by System rates or insurance maintained under Subsection 8.6.c.i above ("Environmental Reserve Fund"). The County shall establish the adequacy of the Environmental Reserve Fund in consultation with MSWAC and consistent with the financial policies described in Article VI. The County shall retain the Environmental Reserve Fund for a minimum of 30 years following the closure of the Cedar Hills Landfill (the "Retention Period"). During the Retention Period, the Environmental Reserve Fund

shall be used solely for the purposes for which it was established under this Agreement. Unless otherwise required by law, at the end of the Retention Period, the County and Cities shall agree as to the disbursement of any amounts remaining in the Environmental Reserve Fund. If unable to agree, the County and City agree to submit disbursement to mediation and if unsuccessful to binding arbitration in a manner similar to Section 39.34.180 RCW to the extent permitted by law.

8.6.c.iii Pursue state or federal grant funds, such as grants from the Local Model Toxics Control Account under chapter 70.105D.070(3) RCW and chapter 173-322 WAC, or other state or federal funds as may be available and appropriate to pay for or remediate such Environmental Liabilities.

8.6.d If the funds available under Subsections 8.6.c.i-iii are not adequate to completely satisfy the Environmental Liabilities of the Parties to this Agreement then to the extent feasible and permitted by law, the County will establish a financial plan including a rate schedule to help pay for the County and City's remaining Environmental Liabilities in consultation with MSWAC.

8.6.e The County and the City shall act reasonably and quickly to utilize funds collected or set aside through the means specified in Subsections 8.6.c.i-iii and 8.6.d to conduct or finance response or clean-up activities in order to limit the County and City's exposure, or in order to comply with a consent decree, administrative or other legal order. The County shall notify the City within 30 days of any use of the reserve fund established in 8.6.c.iii.

8.6.f In any federal or state regulatory proceeding, and in any action for contribution, money expended by the County from the funds established in Subsections 8.6.c.i-iii and 8.6.d. to pay the costs of remedial investigation, cleanup, response or other action required

pursuant to a state or federal laws or regulations shall be considered by the Parties to have been expended on behalf and for the benefit of the County and the Cities.

8.6.g In the event that the funds established as specified in Subsections 8.6.c.i-iii and 8.6.d are insufficient to cover the entirety of the County and Cities' collective Environmental Liabilities, the funds described therein shall be equitably allocated between the County and Cities to satisfy their Environmental Liabilities. Factors to be considered in determining "equitably allocated" may include the size of each Party's System User base and the amount of rates paid by that System User base into the funds, and the amount of the Solid Waste generated by the Parties' respective System Users. Neither the County nor the Cities shall receive a benefit exceeding their Environmental Liabilities.

8.7 The County shall not charge or seek to recover from the City any costs or expenses for which the County indemnified the State of Washington in Exhibit A to the Quitclaim Deed from the State to the County for the Cedar Hills Landfill, dated February 24, 1993, to the extent such costs are not included in System costs.

IX. CITY ADVISORY COMMITTEE

9.1 There is hereby created an advisory committee comprised of representatives from cities, which shall be known as the Metropolitan Solid Waste Advisory Committee ("MSWAC"). The City may designate a representative and alternate(s) to serve on MSWAC. MSWAC shall elect a chair and vice-chair and shall adopt bylaws to guide its deliberations. The members of MSWAC shall serve at the pleasure of their appointing bodies and shall receive no compensation from the County.

9.2 MSWAC is the forum through which the Parties together with other cities participating in the System intend to discuss and seek to resolve System issues and concerns. MSWAC shall assume the following advisory responsibilities:

9.2.a Advise the King County Council, the King County Executive, Solid Waste Advisory Committee, and other jurisdictions as appropriate, on all policy aspects of Solid Waste management and planning;

9.2.b Consult with and advise the County on technical issues related to Solid Waste management and planning;

9.2.c Assist in the development of alternatives and recommendations for the Comprehensive Solid Waste Management Plan and other plans governing the future of the System, and facilitate a review and/or approval of the Comprehensive Solid Waste Management Plan by each jurisdiction;

9.2.d Assist in the development of proposed interlocal Agreements between King County and cities for planning, Waste Prevention and Recycling, and waste stream control;

9.2.e Review and comment on Disposal Rate proposals and County financial policies;

9.2.f Review and comment on status reports on Waste Prevention, Recycling, energy/resources recovery, and System operations with inter-jurisdictional impact;

9.2.g Promote information exchange and interaction between waste generators, cities, recyclers, and the County with respect to its planned and operated Disposal Systems;

9.2.h Provide coordination opportunities among the Solid Waste Advisory Committee, the Regional Policy Committee, the County, cities, private waste haulers, and recyclers;

9.2.i Assist cities in recognizing municipal Solid Waste responsibilities, including collection and Recycling, and effectively carrying out those responsibilities; and

9.2.j Provide input on such disputes as MSWAC deems appropriate.

9.3 The County shall assume the following responsibilities with respect to MSWAC;

9.3.a The County shall provide staff support to MSWAC;

9.3.b In consultation with the chair of MSWAC, the County shall notify all cities and their designated MSWAC representatives and alternates of the MSWAC meeting times, locations and meeting agendas. Notification by electronic mail or regular mail shall meet the requirements of this Subsection;

9.3.c The County will consider and respond on a timely basis to questions and issues posed by MSWAC regarding the System, and will seek to resolve those issues in collaboration with the Cities. Such issues shall include but are not limited to development of efficient and accountable billing practices; and

9.3.d. The County shall provide all information and supporting documentation and analyses as reasonably requested by MSWAC for MSWAC to perform the duties and functions described in Section 9.2.

X. FORUM INTERLOCAL AGREEMENT

10.1 As of the effective date of this Agreement, the *Forum Interlocal Agreement* and *Addendum to* Solid Waste Interlocal Agreement *and Forum Interlocal Agreement* by and between the City and County continue through June 30, 2028. After 2028 responsibilities assigned to the Forum shall be assigned to the Regional Policy Committee. The Parties agree that Solid Waste System policies and plans shall continue to be deemed regional countywide policies

and plans that shall be referred to the Regional Policy Committee for review consistent with King County Charter Section 270.30 and chapter 1.24 King County Code.

XI. COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN

11.1 King County is designated to prepare the Comprehensive Solid Waste Management Plan (Comprehensive Plan) and this plan shall include the City's Solid Waste Management Comprehensive Plan pursuant to chapter 70.95.080(3) RCW.

11.2 The Comprehensive Plan shall be reviewed and any necessary revisions proposed. The County shall consult with MSWAC to determine when revisions are necessary. King County shall provide services and build facilities in accordance with the adopted Comprehensive Plan.

11.3 The Comprehensive Plans will promote Waste Prevention and Recycling in accordance with Washington State Solid Waste management priorities pursuant to chapter 70.95 RCW, at a minimum.

11.4 The Comprehensive Plans will be prepared in accordance with chapter 70.95 RCW and Solid Waste planning guidelines developed by the Department of Ecology. The plan shall include, but not be limited to:

11.4.a Descriptions of and policies regarding management practices and facilities required for handling all waste types;

11.4.b Schedules and responsibilities for implementing policies;

11.4.c Policies concerning waste reduction, Recycling, Energy and Resource Recovery, collection, transfer, long-haul transport, Disposal, enforcement and administration; and

11.4.d Operational plan for the elements discussed in Item c above.

11.5 The cost of preparation by King County of the Comprehensive Plan will be considered a cost of the System and financed out of the rate base.

11.6 The Comprehensive Plans will be “adopted” within the meaning of this Agreement when the following has occurred:

11.6.a The Comprehensive Plan is approved by the King County Council; and

11.6.b The Comprehensive Plan is approved by cities representing three-quarters of the population of the incorporated population of jurisdictions that are parties to the Forum Interlocal Agreement. In calculating the three-quarters, the calculations shall consider only those incorporated jurisdictions taking formal action to approve or disapprove the Comprehensive Plan within 120 days of receipt of the Plan. The 120-day time period shall begin to run from receipt by an incorporated jurisdiction of the Forum's recommendation on the Comprehensive Plan, or, if the Forum is unable to make a recommendation, upon receipt of the Comprehensive Plan from the Forum without recommendation.

11.7 Should the Comprehensive Plan be approved by the King County Council, but not receive approval of three-quarters of the cities acting on the Comprehensive Plan, and should King County and the cities be unable to resolve their disagreement, then the Comprehensive Plan shall be referred to the State Department of Ecology and the State Department of Ecology will resolve any disputes regarding Comprehensive Plan adoption and adequacy by approving or disapproving the Comprehensive Plan or any part thereof.

11.8 King County shall determine which cities are affected by any proposed amendment to the Comprehensive Plan. If any City disagrees with such determination, then the City can request that the Forum determine whether or not the City is affected. Such

determination shall be made by a two-thirds majority vote of all representative members of the Forum.

11.9 Should King County and the affected jurisdictions be unable to agree on amendments to the Comprehensive Plan, then the proposed amendments shall be referred to the Department of Ecology to resolve any disputes regarding such amendments.

11.10 Should there be any impasse between the Parties regarding Comprehensive Plan adoption, adequacy, or consistency or inconsistency or whether any permits or programs adopted or proposed are consistent with the Comprehensive Plan, then the Department of Ecology shall resolve said disputes.

XII. MITIGATION

12.1 The County will design, construct and operate Solid Waste facilities in a manner to mitigate their impact on host Cities and neighboring communities pursuant to applicable law and regulations.

12.2 The Parties recognize that Solid Waste facilities are regional facilities. The County further recognizes that host Cities and neighboring communities may sustain impacts which can include but are not limited to local infrastructure, odor, traffic into and out of Solid Waste facilities, noise and litter.

12.3 Collaboration in Environmental Review. In the event the County is the sole or co-Lead Agency, then prior to making a threshold determination under the State Environmental Policy Act (SEPA), the County will provide a copy of the SEPA environmental checklist, if any, and proposed SEPA threshold determination to any identifiable Host City (as defined below) and adjacent or neighboring city that is signatory to the Agreement and that may be affected by the

project ("Neighboring City") and seek their input. For any facility for which the County prepares an Environmental Impact Statement (EIS), the County will meet with any identified potential Host City (as defined below) and any Neighboring City to seek input on the scope of the EIS and appropriate methodologies and assumptions in preparing the analyses supporting the EIS. However, nothing in this Section shall limit or impair the County's ability to timely complete the environmental review process.

12.4 Collaboration in Project Permitting. If a new or reconstructed Solid Waste facility is proposed to be built within the boundaries of the City ("Host City") and the project requires one or more "project permits" as defined in chapter 36.70B.020(4) RCW from the Host City, before submitting its first application for any of the project permits, the County will meet with the Host City and any Neighboring City, to seek input. However, nothing in this Section shall limit or impair the County's ability to timely submit applications for or receive permits, nor waive any permit processing or appeal timelines.

12.5 Separately, the County and the City recognize that in accordance with 36.58.080 RCW, a city is authorized to charge the County to mitigate impacts directly attributable to a County-owned Solid Waste facility. The County acknowledges that such direct costs include wear and tear on infrastructure including roads. To the extent that the City establishes that such charges are reasonably necessary to mitigate such impacts, payments to cover such impacts may only be expended only to mitigate such impacts and are System costs. If the City believes that it is entitled to mitigation under this Agreement, the City may request that the County undertake a technical analysis regarding the extent of impacts authorized for mitigation. Upon receiving such a request, the County, in coordination with the City and any necessary technical consultants, will develop any analysis that is reasonable and appropriate to identify impacts. The cost for such

analysis is a System cost. The City and County will work cooperatively to determine the appropriate mitigation payments and will document any agreement in a Memorandum of Agreement. If the City and the County cannot agree on mitigation payments, the dispute resolution process under chapter 36.58.080 RCW will apply rather than the dispute resolution process under Section XII of the Agreement.

XIII. DISPUTE RESOLUTION

13.1 Unless otherwise expressly stated, the terms of this Section XIII shall apply to disputes arising under this Agreement.

13.2 Initial Meeting.

13.2.a Either Party shall give notice to the other in writing of a dispute involving this Agreement.

13.2.b Within ten (10) business days of receiving or issuing such notice, the County shall send an email notice to all Cities.

13.2.c Within ten (10) business days of receiving the County's notice under Subsection 13.2.b, a City shall notify the County in writing or email if it wishes to participate in the Dispute Resolution process.

13.2.d Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the initial notice of dispute issued under Subsection 13.2.a, the County shall schedule a time for staff from the County and any City requesting to participate in the dispute resolution process ("Participating City") to meet (the "initial meeting"). The County shall endeavor to set such initial meeting a time and place convenient to all Participating Cities and to the County.

13.3 Executives' Meeting.

13.3.a If the dispute is not resolved within sixty (60) days of the initial meeting, then within seven (7) days of expiration of the sixty (60)-day period, the County shall send an email notice to all Participating Cities that the dispute was not resolved and that a meeting of the County Executive, or his/her designee and the chief executive officer(s) of each Participating City, or the designees of each Participating City (an "executives' meeting") shall be scheduled to attempt to resolve the dispute. It is provided, however, that the County and the Participating Cities may mutually agree to extend the sixty (60)-day period for an additional fifteen (15) days if they believe further progress may be made in resolving the dispute, in which case, the County's obligation to send its email notice to the Participating Cities under this Subsection that the dispute was not resolved shall be within seven (7) days of the end of the extension. Likewise, the County and the Participating Cities may mutually conclude prior to the expiration of the sixty (60)-day period that further progress is not likely in resolving the dispute at this level, in which case, the County shall send its email notice that the dispute was not resolved within seven (7) days of the date that the County and the Participating Cities mutually concluded that further progress is not likely in resolving the dispute.

13.3.b Within seven (7) days of receiving the County's notice under Subsection 13.3.a each Participating City shall notify the County in writing or email if it wishes to participate in the executives' meeting.

13.3.c Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the notice of the executives' meeting issued under Subsection 13.3.a, the County shall schedule a time for the executives' meeting. The County shall endeavor to set such

executives' meeting a time and place convenient to all Participating Cities that provided notice under Subsection 13.3.b and to the County.

13.4. Non-Binding Mediation.

13.4.a If the dispute is not resolved within thirty (30) days of the executives' meeting, then any Participating City that was Party to the executives' meeting or the County may refer the matter to non-binding meditation by sending written notice within thirty-five (35) days of the initial executives' meeting to all Parties to such meeting.

13.4.b Within seven (7) days of receiving or issuing notice that a matter will be referred to non-binding mediation, the County shall send an email notice to all Participating Cities that provided notice under Subsection 13.3.b informing them of the referral.

13.4.c Within seven (7) days of receiving the County's notice under Subsection 13.4.b, each Participating City shall notify the County in writing if it wishes to participate in the non-binding mediation.

13.4.d The mediator will be selected in the following manner: The City(ies) electing to participate in the mediation shall propose a mediator and the County shall propose a mediator; in the event the mediators are not the same person, the two mediators shall select a third mediator who shall mediate the dispute. Alternately, the City(ies) participating in the mediation and the County may agree to select a mediator through a mediation service mutually acceptable to the Parties. The Parties to the mediation shall share equally in the costs charged by the mediator or mediation service. For purposes of allocating costs of the mediator or mediation service, all Cities participating in the mediation will be considered one Party.

13.5 Superior Court. Any Party, after participating in the non-binding mediation, may commence an action in King County Superior Court after one hundred eighty (180) days from

the commencement of the mediation, in order to resolve an issue that has not by then been resolved through non-binding mediation, unless all Parties to the mediation agree to an earlier date for ending the mediation.

13.6 Unless this Section XIII does not apply to a dispute, then the Parties agree that they may not seek relief under this Agreement in a court of law or equity unless and until each of the procedural steps set forth in this Section XIII have been exhausted, provided, that if any applicable statute of limitations will or may run during the time that may be required to exhaust the procedural steps in this Section XIII, a Party may file suit to preserve a cause of action while the Dispute Resolution process continues. The Parties agree that, if necessary and if allowed by the court, they will seek a stay of any such suit while the Dispute Resolution process is completed. If the dispute is resolved through the Dispute Resolution process, the Parties agree to dismiss the lawsuit, including all claims, counterclaims, and cross-claims, with prejudice and without costs to any Party.

XIV. FORCE MAJEURE

The Parties are not liable for failure to perform pursuant to the terms of this Agreement when failure to perform was due to an unforeseeable event beyond the control of either Party ("force majeure"). The term "force majeure" shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, terrorism, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, or labor disputes, causing the inability to perform the requirements of this Agreement, if either Party is rendered unable, wholly or in part, by a force majeure event to perform or comply with any obligation or condition of this Agreement, upon giving notice and reasonably full particulars to

the other Party, such obligation or condition shall be suspended only for the time and to the extent practicable to restore normal operations.

XV. MERGER

This Agreement merges and supersedes all prior negotiations, representation and/or agreements between the Parties relating to the subject matter of this Agreement and constitutes the entire contract between the Parties [except with regard to the provisions of the Forum Interlocal Agreement]; provided that nothing in Section XV supersedes or amends any indemnification obligation that may be in effect pursuant to a contract between the Parties other than the Original Agreement; and further provided that nothing in this Agreement supersedes, amends or modifies in any way any permit or approval applicable to the System or the County's operation of the System within the jurisdiction of the City.

XVI. WAIVER

No waiver by either Party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach whether of the same or a different provision of this Agreement.

XVII. THIRD PARTY BENEFICIARY

This Agreement is not entered into with the intent that it shall benefit any other entity or person except those expressly described herein, and no other such person or entity shall be entitled to be treated as a third-party beneficiary of this Agreement.

XVIII. SURVIVABILITY

Except as provided in Section 8.1, 8.2, 8.3, Section 8.6.c, except 8.6.ciii and Section 8.6d, no obligations in this Agreement survive past the expiration date as established in Section III.

XIX. NOTICE

Except as otherwise provided in this Agreement, a notice required to be provided under the terms of this Agreement shall be delivered by certified mail, return receipt requested or by personal service to the following person:

For the City:

For the County:

Director
King County Solid Waste Division
201 South Jackson Street, Suite 701
Seattle, Washington 98104

IN WITNESS WHEREOF, this Agreement has been executed by each Party on the date set forth below:

CITY of	KING COUNTY
_____	_____
(Mayor/City Manager)	King County Executive
_____	_____
Date	Date
_____	_____
Clerk-Attest	Clerk-Attest
Approved as to form and legality	Approved as to form and legality
_____	_____
City Attorney	King County Deputy Prosecuting Attorney
_____	_____
Date	Date

Council Meeting: 01/15/2013
Agenda: New Business
Item #: 11. a.

CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathi Anderson, City Clerk
Tracey Dunlap, Director, Finance and Administration

Date: January 8, 2013

Subject: 2013 Board and Commission Interview Process

RECOMMENDATION:

That the City Council appoints three members to this year's Council Board and Commission Interview Selection committee and selects a date to conduct the 2013 interviews.

BACKGROUND DISCUSSION:

At Council's February 21, 2012 meeting, Council appointed by lottery an Interview Selection Committee (Committee) to make recommendations on which applicants to interview in the current recruitment process as well as some aspects of the interview process itself. The names of Councilmembers Asher, Sternoff and Walen were drawn and they were appointed to the Committee. The Council also agreed that any Council member may suggest adding additional applicants to the interview list above and beyond the Committee's recommendation. The City Council received and accepted the Committee's recommendations at their March 6, 2012 meeting. The Council adopted Resolution 4911, which updated Council's procedures, reduced the maximum number of applicants to be interviewed per vacancy to three, and included the following:

> **Appointment Process:**
> Upon receipt of applications, the Council will review the applications and reduce the number of applicants for interview to three applicants for each vacancy. For example, if there were one vacancy on a board or commission, the Council would reduce the pool of applicants to be considered to three. If there were two vacancies, the Council would reduce the pool of applicants to be considered to six. In cases where the number of applicants for interview require a reduction from the number that have applied, an ad hoc committee of the Council will be appointed **by lot** to review and recommend to the entire Council those to be interviewed for each board or commission and those recommended not to be interviewed.

The 2013 process will begin with a posting of upcoming vacancies during the last week of January. Council will need to select by lot the three members to the selection committee. The selection committee will need to meet and forward on three candidates per vacancy to the full Council. The Council must also select a date to conduct the interviews in March for terms which end on March 31, 2013.

Staff proposes the following dates for full Council interviews: Thursday, March 7th; Thursday, March 21st; or Tuesday, March 26th. If none of those dates work, we will poll the Council for other possible dates in March.