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 Chambers
Tuesday, February 21, 2012
6:00 p.m. – Study Session – Peter Kirk Room
7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.kirklandwa.gov, or at the Public Resource Area at City Hall on the Friday afternoon prior to the City Council meeting. 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*, Peter Kirk Room
   a. Public Safety Building Project Update
4. *EXECUTIVE SESSION*
   a. To Discuss Labor Negotiations
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
   a. *Announcements*
   b. *Items from the Audience*
   c. *Petitions*
7. *SPECIAL PRESENTATIONS*
8. *CONSENT CALENDAR*
   a. *Approval of Minutes:* February 7, 2012

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.

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.

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.

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.

b. Audit of Accounts:

Payroll $

Bills $

c. General Correspondence

d. Claims

e. Award of Bids

(1) Kirkland Transit Center Bus Layover Sidewalk Project, AGR Contracting, Monroe, WA

f. Acceptance of Public Improvements and Establishing Lien Period

(1) 12th Avenue Sidewalk Project, Reed Trucking, Puyallup, WA

g. Approval of Agreements

h. Other Items of Business

(1) Report on Procurement Activities

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

a. 2012 Legislative Update #2

b. Eastside Rail Corridor Due Diligence Update

c. 2012 City Council Retreat Proposed Final Agenda

11. NEW BUSINESS

a. Resolution R-4910, Determining the Anticipated Shortfall in Revenues for Providing Municipal Services to the Annexation Area as Required by RCW 82.14.415

b. Board and Commission Applicant Interview Options

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

Council Meeting: 02/21/2012
Agenda: Study Session
Item #: 3. 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: Public Safety Building Executive Steering Committee
Marilynne Beard, Assistant City Manager
Tracey Dunlap, P.E., Director of Finance and Administration
Eric Olsen, Chief of Police
Ray Steiger, P.E., Director of Public Works
Donna Burris, Internal Services Manager
Noel Hupprich, P.E., Senior Project Engineer

Date: February 10, 2012

Subject: PUBLIC SAFETY BUILDING - PROJECT UPDATE

RECOMMENDATION:

City Council receives the update on the Public Safety Building (PSB) project, and provides direction regarding the Project's program scope and financing plan.

BACKGROUND DISCUSSION:

The Public Safety Building was first considered as part of a 2002 space needs study. The City engaged the services of McClaren, Wilson and Lawrie to conduct a space needs analysis for City Hall and the Municipal Court. The study projected space needs based on current needs, and ten and twenty year projections with and without annexation. The study cited severe overcrowding in the Police and Municipal Court facilities and in City Hall generally. The study determined rough square footage allocations and concluded that the existing City Hall site (including adjoining properties to the south) was not sufficient to house all City Hall functions, Police, jail and the Municipal Court. At the time, the City Council was studying the potential annexation of Juanita, Finn Hill and Kingsgate which would have a significant impact on total facility needs. Actions on facilities were deferred pending the outcome of annexation study.

In 2007, the City conducted another feasibility study that examined the cost/benefit of remodeling existing office space in Totem Lake for a Public Safety Building compared to a new construction option. That study, which projected square footage needs of close to 100,000 square feet for Police, jail and Municipal Courts, concluded that a remodel was more cost effective than new construction. The study estimated the cost of retrofitting existing office space at the 405 Corporate Center in Totem Lake at $42 to $50 million, largely due to the cost of purchasing land with an existing building. Again, the City Council was still in the process of studying the feasibility of annexation and deferred facility decisions until more was known about the annexation.

In 2008, the City Council passed a resolution indicating that they would not be placing the annexation before voters in 2009. At that point, the City began working with architectural consultants again to develop conceptual plans for the expansion of the City Hall facility. The conceptual plan extended the current building to the south and included the construction of structured parking on the southeast portion of the site currently occupied by rental properties. Again, the Municipal Court would remain off site due to their considerable parking requirements. The estimated cost to expand City Hall to include additional space for Police and an expanded jail was estimated at $61 million.

In 2009, the City Council continued to consider annexation and requested an updated financial model. The updated model provided funding for facilities needs related to annexation in addition to operating and staffing costs. In November of that year, the annexation measure was approved by voters. The City Council subsequently set a June 1, 2011 effective date and staff began planning for facilities needs with the growth needed to accommodate annexation.

At their June 1, 2010, Study Session, City Council received an update on City facility needs to accommodate staff and equipment associated with annexation, including a financing plan (Attachment A). The update presented two options and associated cost:

1. Expand City Hall and remodel the Municipal Court to accommodate Police Department and Court space needs plus needed Maintenance Center improvements. **Initial estimated cost was $65 million.**

2. The purchase and renovation of a separate building (formally known as the Costco Home building) to co-locate Police, Court and Jail facilities. This option included a remodel of City Hall to allow for the return of Human Resources and Parks Administration functions to City Hall and needed Maintenance Center improvements. **Initial estimated cost was approximately $50 million.**

Based on the significant cost difference and potential disruption associated with the City Hall expansion option, staff recommended pursuing the purchase and renovation of the Costco Home building. With City Council's concurrence, the Costco Home site was purchased and conceptual design efforts began.

At their July 5, 2011, Study Session, City Council received an update on the PSB project located at the former Costco Home site in the Totem Lake area of Kirkland (Attachment B). For the full July 5, 2011 memo packet go to: July 5, 2011 Public Safety Building - Project Update.

At the time of the update, the Project was at the end of the conceptual design phase. The Project's overall space needs were updated to account for staffing related to annexation and the Council was presented with a detailed analysis that projected future jail capacity needs. The jail analysis determined that a 50 bed jail would meet the City's current capacity needs and that an 85 bed jail would meet capacity needs in ten years. Council emphasized their interest in meeting the future jail capacity needs and the importance of co-locating the Jail and Court facilities.

City Council provided direction to proceed with a preliminary design and cost estimate to include the 85 bed jail capacity scenario with the potential to build as many as 100 beds in the future if needed. The City Council also asked for an analysis of the cost/benefit of adding a second floor to the building.

Preliminary design work began in August, 2011, and major components included: initial layout development, structural analysis, code review, and analysis of the cost/benefit of adding a

second floor to the building. The process has now reached the 50% Schematic Design stage, which has produced a more detailed layout and updated estimate of construction costs.

50% Schematic Design Results

Construction Cost

When the initial bonds for the project were approved in November, 2010, the following breakdown of costs for the Public Safety Building was anticipated:

Public Safety Building
11831 120th Avenue NE
(Based on Conceptual Design)

$445,512	Demolition of existing elements
1,974,052	Court Facility
5,309,155	Police Support
3,229,827	Jail / Sally Port
629,352	Atrium
1,622,571	Firing Range
2,024,446	Other Police Functions (Evidence, SRT, Vehicle exam, etc)
597,150	Site Work
$15,832,065	Opinion of Probable Construction Costs (excluding contingency, escalation, and sales tax)
$19,156,799	Opinion of Probable Construction Costs (w/sales tax, contingency, and escalation added at 21%)
7,662,719	Est. A&E/CM, Permits, FF&Es
$26,819,518	**Subtotal - Recommended Project Costs (Design & Construction)**
10,500,000	**Building Purchase**
$37,319,518	**Total Recommended Project Costs**

The total recommended project cost of $37.3 million was based on a probable construction cost of $15.8 million (excluding contingency, escalation, and sales tax); these were the similar budget parameters when discussed with Council in July, 2011. The ensuing preliminary design work focused on refining the construction cost figure based on Council's direction but also identified significant cost implications as it developed. An initial consultant estimate identified construction costs as high as $23 million, and as a result, staff worked diligently with the design team to press them into looking for ways to reduce cost of the program without impacting the overall functionality.

The most significant change made to the program from its conceptual design has been the elimination of the accessory building. The initial conceptual design proposed leaving large areas within the existing building unfinished for future use and constructing a new accessory building to accommodate functions that could be separated from typical office spaces. However, the costs for routing and re-routing utility services for the new building, providing required storm drainage improvements for a new structure, and constructing the new building shell were considerable. The design team, Police, Court, and Jail staff worked together to place all required functions within the existing building footprint and eliminate the need for the accessory building. The net effect was to reduce available expansion space within the existing building to just 2,000 square feet. However the accessory building can be built at a future time if and when the need arises (Attachment C). By eliminating the accessory building and refining the

project program and finishes without impacting functionality, the estimate to construct the program has been reduced to $20.6 million (excluding contingency, escalation, and sales tax).

Sources of Cost Increases

The conceptual design developed in 2010 served two purposes. First, it confirmed that the necessary functions could be accommodated on the site. Second, it provided an early assessment of probable costs so that the City understood the cost/benefit of retrofitting an existing building versus other alternatives under consideration such as the expansion of City Hall or the construction of a new building. Based on the conceptual design work, the City proceeded with the purchase of the former Costco Home building.

The schematic design process on the other hand has provided a much more in-depth review of structural and functional modifications needed for the building. The 50% schematic design estimate exceeds the conceptual design estimate and can be attributed to a few key areas:

- A program change is recommended to include a vehicle maintenance bay in the PSB rather than at the City Maintenance Center as previously anticipated. This is recommended so that standard maintenance of Police vehicles can be provided more efficiently for the Police operations over the life of the PSB, but it adds an initial cost of $400,000. Funding for this vehicle maintenance bay was included in the 2010 bond component for the Maintenance Center, and that funding will now be incorporated into the PSB project budget.

- The change in use of the building from a warehouse to a jail, courthouse, and police station presented significant challenges in meeting building code requirements for the new use given the existing wood roof. The mixture of uses in a building of this size with a wood roof structure led to significant expense associated with fire separation walls and added structural elements to meet code requirements. An analysis of alternatives suggested that installing a new steel roof structure would be a far more cost-effective solution and would also result in lower long term maintenance costs and a superior end product. The new roof alternative offers structural benefits as well; by installing a new roof at a lower height, it will reduce the need for additional structural bracing along the exterior walls. Upgrades to the existing building were also required to meet energy codes, intended LEED standards, and to meet essential building design criteria. These improvements contribute an additional net cost of $2.9 million.

- Another $1.5 million of the additional costs can be attributed to changes in scope that emerged during the 50% schematic design development. The extent of required modifications to the existing building to meet security requirements as well as the extent of existing concrete slab removal for existing and future jail related plumbing requirements was not fully factored in at the conceptual design level.

The table below summarizes the major components of cost increase that occurred between the 2010 conceptual design estimate of construction cost and the 2012 50% schematic design.

2010 Conceptual Estimate (in 000's)	**$15,832**
Additional Costs due to Program Changes • Move Police Department vehicle maintenance bay from the maintenance center expansion to PSB	**$400**
Running Sub Total	*$16,232*
Additional Costs due to Change in Use and Current Codes • Required seismic and structural upgrades to meet essential building standards ($600K) • Upgrades to meet WA State Energy Code ($100K) • Separation due to construction type, multiple uses and building size – New Roof ($2.2 million)	**$2,900**
Running Sub Total	*$19,132*
Unknown/Unanticipated Scope – Development of Design • Partition types and amounts • Slab removal required for plumbing • Extent of plumbing • Extent of utilities • Secure ceilings • Emergency generator • Extent of secure glazing	**$1,448**
Running Sub Total	*$20,580*
2012 50% SD Estimate	**$20,580**

Program Options to Stay within $15.8 million Budget

Prior to recommending an overall increase in the project budget, the steering committee asked the design team to illustrate what the original $15.8 million construction budget could now support. The design team worked with Police staff to determine various deductive costs that could represent a scenario that more reasonably represented the conceptual budget. The scenario used to complete this exercise maintains Jail and Court functions in the PSB, builds out service, training and storage space, defers improvements to the firing range, and reduces Police functions by leaving all Police staff at City Hall (Attachment D). The table below shows options for jail capacity that meets current needs, leaves the vehicle maintenance bay at the Maintenance Center, deducts the build-out of the firing range as well as approximately 24,000 square feet of police function.

	Deducted Cost	55 Bed Jail
2012 50% Schematic Design Construction Estimate		**$20,580,000**
1) Keep PD vehicle maintenance at MC	$400,000	
Construction Estimate w/ out vehicle maintenance		$**20,180,000**
2) Less firing range Improvements	$833,000	
Construction Estimate w/out vehicle maintenance and range (rough out only)		**$19,347,000**
3) Less Improvement in Police T.I. per Sketch	$2,857,000	
Construction Estimate less vehicle maintenance and range and lower Police tenant improvements		**$16,490,000**

It was not possible to reduce costs to the original $15.8 million due to the significant cost of the roof. The operating implications for the Police Departments being in two vastly separated locations are a significant concern for the Police Chief. Further, the inability to move the Police Department out of City Hall would prevent the consolidation of other City functions such as Parks Administration, CIP Engineering, and Human Resources back into one location.

Second Floor

At the July 5, 2011, study session, the City Council asked staff to investigate the cost/benefit of building a second story within the interior of the existing building to provide expansion space. Installing a new roof is a threshold requirement for considering the addition of a second floor which was determined to be necessary to meet code. However, increasing the project's floor space by adding a second floor will trigger code requirements to add additional on-site parking. For example, the addition of 50,000 square feet of floor space will require approximately 100 additional parking stalls. There is no space available to add parking on site other than constructing a new parking structure. The rough order of magnitude cost to build 50,000 square feet of unfinished shell space is $2.5 million and to build fully finished space is closer to $8 million excluding the cost to build a new parking structure. Additional costs for structured parking could range from $3 to 5 million.

Because all program elements fit within the existing building, and the considerable additional construction cost the Steering Committee recommends not pursuing a second floor scenario.

Revised Full Cost of PSB

The construction cost estimate represents one component of a project's total cost. Changes to construction costs impact other cost components, such as sales tax, contingency, design, etc. The total Public Safety Building cost estimate in the November 1, 2010 staff report was $37.3 million, which reflected probable construction costs of $15.8 million. A comparison of the architect's 50% Schematic Design results for the full project compared to the Conceptual Design Estimate from November 2010 follows:

Program including Firing Range	Conceptual Design 11/1/2010	50% Schematic Design 2/2/12	Difference
Opinion of Probable Construction Costs	**$15,832,065**	**$20,580,000**	**$4,747,935**
Sales Tax at 9.5%	1,504,046	1,955,100	451,054
Escalation	791,603	870,534	78,931
Construction Contingency	1,029,084	1,187,466	158,382
Subtotal - Construction with additions	**$19,156,799**	**$24,593,100**	**$5,436,301**
Planning, Design & Engineering	4,647,180	4,234,100	-413,080
Fixtures, Furnishing & Equipment	2,750,000	2,913,052	163,052
Art (1% of Project Costs)	265,540	317,403	51,863
Subtotal - Recommended Project Costs	**$26,819,518**	**$32,057,655**	**$5,238,136**
Building Purchase	10,500,000	10,500,000	0
Total Project Costs	**$37,319,518**	**$42,557,655**	**$5,238,136**

Based on work done during this schematic design process, the total project cost increases to $42.6 million which is a total increase of $5.2 million. To validate the decision to renovate the structure given the new cost estimates, the architect has also provided a rough estimate to build a new structure with the same program elements. That estimate was in the $67 to $72 million range, indicating that the current approach is still the more cost effective alternative.

Other Recommended Program Changes

The Steering Committee reviewed the options provided by the architects and determined that there would be significant operational impacts to leave the majority of the Police functions in City Hall, so that option is not recommended.

The option of removing build-out of the firing range as a bid alternate is recommended. Chief Olsen indicated that having the range designed but not included in the base package would provide him with information required to approach regional partners that have expressed strong interest using the range to determine their interest in financial participation. If this effort results in funding commitments and/or the bids are favorable and the firing range can fit within the base budget, the full range could be constructed. Otherwise, completion of the firing range will be addressed in a future phase of the project and will be completed when funding is identified. The estimated base construction costs savings achieved by including the firing range as a bid alternate are summarized below.

Estimate for Firing Range Bid Alternate	50% Schematic Design 2/2/12
Opinion of Probable Construction Costs	**$833,000**
Sales Tax at 9.5%	79,135
Escalation	35,236
Construction Contingency	48,064
Subtotal - Construction with additions	**$995,435**
Planning, Design & Engineering	0
Fixtures, Furnishing & Equipment	1,000
Art (1% of Project Costs)	9,964
Subtotal - Recommended Project Costs	**$1,006,399**
Total Project Costs	**$1,006,399**

This recommendation reduces the base construction costs to $19,747,000 as shown in the revised comparison table below. The financing plan currently funds the project, excluding the range, as summarized in the table below.

Base Program (excluding firing range)	Conceptual Design 11/1/2010	50% Schematic Design 2/2/12	Difference
Opinion of Probable Construction Costs	**$15,832,065**	**$19,747,000**	**$3,914,935**
Sales Tax at 9.5%	1,504,046	1,875,965	371,919
Escalation	791,603	835,298	43,695
Construction Contingency	1,029,084	1,139,402	110,318
Subtotal - Construction with additions	**$19,156,799**	**$23,597,665**	**$4,440,866**
Planning, Design & Engineering	4,647,180	4,234,100	-413,080
Fixtures, Furnishing & Equipment	2,750,000	2,913,052	163,052
Art (1% of Project Costs)	265,540	307,448	41,908
Subtotal - Recommended Project Costs	**$26,819,518**	**$31,052,265**	**$4,232,747**
Building Purchase	10,500,000	10,500,000	0
Total Project Costs	**$37,319,518**	**$41,552,265**	**$4,232,747**
Difference from 6/1/10 Estimate ($37,869,517)	*-549,999*	*3,682,748*	

Adding 30 New Beds and Contracting Them Out

The architects were also asked to provide an additive alternate to finish out the additional 30 jail beds. The total cost of this option is summarized below.

50% SD Estimate for Additional 30 Beds	50% Schematic Design 2/2/12
Opinion of Probable Construction Costs	**$223,000**
Sales Tax at 9.5%	21,185
Escalation	9,433
Construction Contingency	12,867
Subtotal - Construction with additions	**$266,485**
Planning, Design & Engineering	47,967
Fixtures, Furnishing & Equipment	6,000
Art (1% of Project Costs)	3,205
Subtotal - Recommended Project Costs	**$323,657**
Total Project Costs	**$323,657**

Although the cost of the additional jail beds is not recommended as part of the base construction costs, the additional beds offer an opportunity to consider providing jail beds to neighboring cities on an as-available basis. For example, if the City is able to sell 10 jail beds per day for one year at $100 per bed-day, completion of this alternative could be recouped in one year. If there are beds available over subsequent years, these revenues could help fund completion of the firing range.

The financing plan presented in the next section allows for a base construction cost of $19,747,000. The additional jail beds and completion of the firing range are recommended as additive alternates to be included in the bid responses. Depending on the bid results, the jail and firing range build out could be considered.

Financing Plan

Recap of June 2010 Plan

At the June 1, 2010 Study Session, the City Council received a briefing on facilities planning, including a facilities financing analysis (see Attachment A). The total estimated cost of facilities for the 5-year period 2010-2014 was $49.9M, as summarized in the table below.

Summary of Facilities Cost Estimates - June 2010

	2010	2011	2012	2013	2014	Total
Public Safety Building - Police/Court	$ 11,500,000	$ 3,000,000	$ 20,969,517	$ 2,400,000	$ -	$ 37,869,517
Temporary Parking	152,600	-	-	-	-	152,600
Remodel City Hall	-	-	-	3,000,000	7,000,000	10,000,000
Maintenance Center Improvements	50,000	420,000	1,440,000	-	-	1,910,000
Total Estimated Costs	**$ 11,702,600**	**$ 3,420,000**	**$ 22,409,517**	**$ 5,400,000**	**$ 7,000,000**	**$ 49,932,117**

The financing plan identified a variety of resources that could be brought to bear to support the facilities program, primarily through the payment of debt service on bonds issued. Those sources from the June 1, 2010 staff report are summarized below:

Potential Funding Sources - June 2010

Source	Total
Available Capital Reserves	6,368,350
Use of Reserves toward Debt Service	(2,590,000)
Subtotal Net Use of Capital Reserves	**3,778,350**
CTED Grant	418,569
NEC Funds	293,000
Facilities Sinking Fund	1,043,747
Deferred CIP Project	307,000
Proceeds from Sale of Property	3,500,000
Total Debt Proceeds	39,460,000
Potential Available towards Facilities	48,800,666

Note that the estimated funding sources identified at that time were short of fully funding the program by about $1.1 million. To close the gap, staff indicated that they would continue to evaluate and refine the available funding options or reduce the scope of the projects if needed. The first round of financing was approved by the City Council on November 1, 2010, through the issuance of $35.3 million in Build America Bonds. These bonds were intended to finance the first three years' costs related to the Public Safety Building and the Maintenance Center.

Changes to Program

Since the original financing plan was created, there have been several changes to the facilities program costs, including:

- The land acquisition cost included in the original plan assumed that the City would pay the $11.05 million asking price. When the final transaction was closed, the City paid $10.5 million, a savings of $550,000, which is available for other project costs.

- Completion of 50% Schematic Design of the Public Safety Building, resulted in a net increase in the cost of $4.2 million (excluding the firing range), for the reasons summarized earlier in this memorandum.

- Refinement of the Temporary Parking project at City Hall, which was reduced from developing a new lot south of City Hall to improvements to the leased lot ($10,000), reduced the total project cost by $142,600.

- Inclusion of the vehicle maintenance bay in the Public Safety Building resulted in moving $400,000 of funding from the Maintenance Center to the PSB budget (no net effect to the total facilities plan).

After factoring in these changes, the revised facilities cost estimates reflect a net increase in the total program of $3.1 million as summarized in the updated table below.

Summary of Facilities Cost Estimates - February 2012

	2010/11 - Actual	2012	2013	2014	2015	Total
Public Safety Building - Police/Court	$ 10,888,515	$ 7,066,083	$ 23,597,667	$ -	$ -	$ 41,552,265
Temporary Parking	-	10,000	-	-	-	10,000
Remodel City Hall	-	-	-	3,000,000	7,000,000	10,000,000
Maintenance Center Improvements	26,127	1,483,873	-	-	-	1,510,000
Total Estimated Costs	**$ 10,914,642**	**$ 8,559,956**	**$ 23,597,667**	**$ 3,000,000**	**$ 7,000,000**	**$ 53,072,265**

Funding Sources

Since the original plan was developed in 2010, staff has been working to refine the financing plan and identify additional funding sources to allow for the recommended project budget. Major resources changes include:

- Inclusion of additional capital-related reserves based on further analysis of current balances and commitments ($1,469,076). The 2010 analysis assumed that a portion of the capital reserves would be needed to pay debt service in the first few years of the bonds (until the 2014 debt retired). Due to the favorable terms of the actual bond issue, this use was not necessary and the figure shown reflects actual balances available for use toward the project costs.

- Recognizing additional balances available from the facilities sinking fund for projects that will be included in the projects and remaining balances from closed projects ($918,490 million).

- Rental revenues from My Home, which has continued to occupy the PSB site during design. These revenues were originally assumed to be set aside toward eventual replacement of the PSB roof. With the inclusion of the roof replacement as part of the project, these revenues are available to fund those costs ($450,000).

- The Build America Bonds issued in December 2010 have been earning investment interest, which must be used toward the project ($202,783).

- Shifting funds previously allocated for the additional maintenance bay at the Maintenance Center, which will now be built as part of the PSB (no net change) and other adjustments to reflect actual balances ($99,799).

The current financing plan anticipates a second bond issue in 2015 to finance the City Hall project after completion of the PSB. Once the specific City Hall requirements are identified, a more detailed financing plan will be developed. Depending on the financing available at that time, the project could be scaled back or phased in if needed.

The net additional funds are from the following sources:

Sources of Additional Funding

Source	Total
Additional Use of Capital Reserves	1,469,076
Additional Facilities Sinking Fund	918,490
My Home Wholesale Rent	450,000
Interest Earnings on Bond Proceeds	202,783
Net Adjustments to Other Items	99,799
Total Additional Sources Identified	3,140,148

The table below identifies the updated potential funding sources identified for the three major projects.

Potential Funding Sources - February 2012

Source	PSB	MC	City Hall	Total
REET 1	*2,200,000*			*2,200,000*
General Fund Cash	*631,407*			*631,407*
Building & Property Reserve	*1,566,019*			*1,566,019*
Facilities Expansion Reserve	*800,000*			*800,000*
Capital Contingency		*50,000*		*50,000*
Subtotal Capital Reserves	**5,197,426**	**50,000**		**5,247,426**
CTED Grant	325,496			325,496
NEC Funds	294,837			294,837
Facilities Sinking Fund	975,255	291,558	695,424	1,962,237
Deferred/Closed CIP Projects	402,078		101,314	503,392
Proceeds from Sale of Property			3,500,000	3,500,000
My Home Wholesale Rent	450,000			450,000
Interest Earnings	202,783			202,783
Maintenance Bay to PSB from MC	400,000	(400,000)		0
BAB Debt Proceeds (net of issuance)	33,304,390	1,568,442		34,872,832
Future Debt Issuance			5,713,262	5,713,262
Potential Available towards Facilities	**41,552,265**	**1,510,000**	**10,010,000**	**53,072,265**

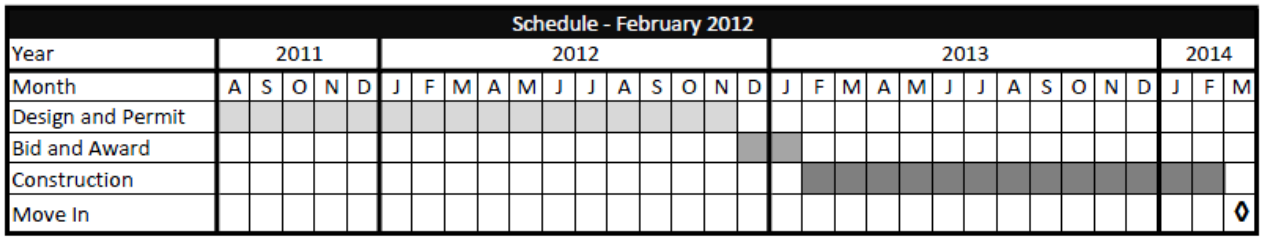
Summary and Conclusion

The staff has been working diligently with the Police Department, Municipal Court, and the design team to design a building that is functional and as close to the original budget as possible. The Steering Team believes that the operational trade-offs posed by remaining within the original budget are unwise and, therefore, recommends that the City Council increase the total facilities plan budget using the resources identified above.

Staff is requesting direction from City Council for the following:

- Confirmation of the staff recommendation to not pursue a second floor scenario.
- Approval of the recommended financing plan. If approved, the formal change to the budget will occur as part of the 2013–2018 CIP.
- Authorization to identify the range as a bid alternate in the construction bid package.
- A decision on whether or not to include the build-out of 30 additional jail beds to increase jail capacity to 85 beds.
- Initial direction on whether Council would like to pursue contracting out the extra beds to offset the construction costs.

With this direction, staff will authorize the architects to proceed with design work. The additional design and estimating completed to date has affected the design schedule by approximately three months. However, design modifications to eliminate the need to construct the accessory building have shortened the anticipated time to construct the project. The anticipated completion of the Project is now early 2014. The following schedule provides an update to the general anticipated timeline for the project.



Attachment A - May 2010 City Hall/Facilities Planning Memo
Attachment B - June 2011 Public Safety Building Project Update Memo
Attachment C - 50% Schematic Design Building Layout for Option 2 (Recommended)
Attachment D - 50% Schematic Design Building for Option 1

ATTACHMENT A

Council Meeting: 06/01/2010
Agenda: Study Session
Item #: 3. a.

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Ray Steiger, P.E., Interim Public Works Director
Donna Burris, Internal Services Manager

Date: May 20, 2010

Subject: CITY HALL / FACILITIES PLANNING

RECOMMENDATION:

City Council review this update on facility needs and options and provide direction to staff regarding the recommended actions.

BACKGROUND DISCUSSION:

This memo summarizes the needs and details of three key facility elements for the City:

- City Hall
- Public Safety Campus
- Maintenance Center

Staff has looked into a number of factors and options for providing additional space for City staff, particularly for public safety staff that will be hired as a result of annexation. At this time, staff is proposing recommendations and seeking feedback from the City Council.

City Hall/Public Safety

As the annexation implementation proceeds, additional facilities are necessary to accommodate staff and equipment that will be added to serve the area. In November 2007, staff presented preliminary findings for the additional facilities that envisioned an expansion to City Hall, a new, independent, Public Safety Building, and an expansion of the Maintenance Center; however costs were trending significantly above the original estimates. The Public Safety Building alone was estimated to cost in the neighborhood of $50 million. On March 2, 2010, City Council asked staff to identify alternatives to the original facilities plan which could accommodate the annexation but reduce costs of the overall facilities. Staff was directed to develop more complete plans and projected costs for the expansion at City Hall and prepare a financing plan. Since that time two separate options have been explored and costs have been assembled:

Option A - City Hall/Public Safety Expansion ("Hybrid Option")

This option includes a City Hall Expansion primarily to accommodate Police Department space needs. The option reallocates the remaining space to other City functions currently housed in City Hall. Human Resources and Parks Administration would remain at 505 Market Street. The size of this facility which would include an adjacent three level parking structure south of the existing City Hall is as follows:

City Hall/Public Safety ("Hybrid Option")	
Total Current Square Footage	70,258 sf
Expansion Square Footage (Approx.)	
Additional Square Footage in City Hall:	28,884 sf
Parking Garage Square Footage:	79,900 sf
Police Support Areas in Parking Garage:	40,100 sf
Total Gross SF (City Hall w/Expansion):	99,142 sf
Parking Garage SF w/Police Support Areas:	120,900 sf

Under this option, additional actions would be required to meet interim and intermediate needs:

- Secure on or off-site parking space to accommodate additional police and staff vehicles to meet interim needs:
  - Opportunity 1: Utilize an existing parking agreement with the First Baptist Church of Kirkland (southeast corner of 1st Street and 7th Ave) to accommodate additional police and staff vehicles for annexation through the City Hall construction period.
  - Opportunity 2: Construct a temporary parking lot on the Carter House property (vacant City-owned lot south of City Hall) that would be removed upon the start of construction of the parking garage.

  Due to the cost of constructing temporary parking, staff recommends using the Baptist church parking lot for staff parking and put new police and staff vehicles in the City Hall parking lot until a new facility is constructed.
- Lease space to relocate current police evidence storage from the Municipal Court building to another location until the City Hall/Public Safety Expansion is completed (the Municipal Court needs expansion to accommodate annexation also);
- Remodel the Municipal Court in space vacated by Police for additional court room(s) and staff space; and
- Temporarily relocate staff at City Hall including Police Department to an off-site facility during construction period.

The cost of the Hybrid Option City Hall expansion project, temporary parking and the Municipal Court remodel are estimated at approximately $60 million excluding the cost of temporarily relocating all City Hall operations during construction of the expansion.

Option B – Separate Public Safety Building

Subsequent to the March study session, an opportunity arose for the City to pursue purchase of an existing building situated on property in the Totem Lake area that would allow the Police and Municipal Court functions to be incorporated into one centrally-located facility. The City received an estimated cost for this option in early May and determined that this alternative was less costly and less disruptive. Based on this information, the City provided a letter of intent to negotiate a Purchase and Sale Agreement with representatives of the property owners. If the City Council decides to pursue this option, staff is requesting City Council authorization for the City Manager to execute a purchase and sales agreement subject to a 60 day feasibility period (see separate agenda item under "New Business" during the regular meeting. Staff is also working with the Planning and Community Services Department on review of potential land use issues that is described in a separate memo (Attachment A to this memo).

Under this Option, City Hall facilities would not need to be expanded immediately, however a remodel of the City Hall facility would be necessary to provide efficiency, both functionally and energy-wise, and to return functions now at 505 Market Street and the recently renovated City Hall Annex to City Hall. For comparison, the size of the facility envisioned is:

Separate Public Safety Building (incl Municipal Court)	
Total Current Square Footage	102,429 sf
Additional Police Support Building (to be added)	21,000 sf
Total Gross Square Footage:	123,429 sf

Additional actions needed to pursue a separate public safety building include:

- Secure on or off-site parking space to accommodate additional police and staff vehicles to meet interim needs:
  - Opportunity 1: Utilize an existing parking agreement with the First Baptist Church of Kirkland (southeast corner of 1st Street and 7th Ave) to accommodate additional police and staff vehicles for annexation through the City Hall construction period.
  - Opportunity 2: Construct a temporary parking lot on the Carter House property (vacant City-owned lot south of City Hall) that would be removed upon the start of construction of the parking garage.

  Due to the cost of constructing temporary parking, staff recommends using the Baptist church parking lot for staff parking and put new police and staff vehicles in the City Hall parking lot until a new facility is constructed.

- Remodel City Hall after the Public Safety Building is completed;
- Return 505 Market and City Hall Annex functions to remodeled City Hall

The estimated costs to remodel an existing building for Public Safety with a new separate auxiliary building for Police support functions, remodel the current City Hall space, and remodel areas of the Maintenance Center would be approximately $50M.

Maintenance Center

In lieu of a major expansion at the Maintenance Center Yard, Council approved the exploration of the following recommended strategies to meet potential interim and intermediate needs for the Maintenance Center:

- Add storage mezzanines to Buildings B, C, and E
- Enclose the covered mechanic bays and add lifts on the south side of Building B.
- Add parking stalls to the east side of Building E and expand surface parking spaces at Administration Building to accommodate additional visitor, staff, and city pool vehicle parking
- Lease additional warehouse space with minimal office space to provide more shop space and parking in a facility close to current Maintenance Center
- Lease space central to the City (post-annexation City limits) and relocate Parks Operations & Maintenance

Preliminary review, further discussion with end users, and early concepts for the Maintenance Center has resulted in the following options:

- Add storage mezzanines to Building B and C only; Mezzanines at Building E is not necessary
- Enclose the covered mechanic bays and add lifts on the south side of Building B. However, constructing two vehicle maintenance bays at a separate Public Safety Building may be an option in lieu of expanding Building B. This would allow for more productive staff time performing vehicle maintenance and less time spent transporting police vehicles back and forth for maintenance needs (further study is needed for this option which is not currently included in the estimated cost of the Public Safety Building).
- Conceptually, fifteen (15) parking spaces may be added to the Administration Building parking lot; dependent on City code requirements. Parking stalls to the east side of Building E is not being pursued due to continued vandalism of vehicles when parked in that area overnight; Additionally, the area is currently used for storage of materials
- In lieu of leasing additional warehouse space adjacent to the current Maintenance Center or an off-site space dedicated to Parks, pursue a fallow lot for use as a satellite facility for storage of materials and equipment in the north end of the future City limits accommodating both Public Works and Parks Operations and Maintenance.

Comparison of Options

The following table compares the cost of the two options presented above.

	Option A "Hybrid"	**Option B Public Safety Building**
City Hall Expansion/Remodel*	61,214,155	10,000,000
Temporary Parking**	152,600	152,600
Public Safety Building	0	37,869,517
Municipal Court	1,200,000	0
Maintenance Center	1,910,000	1,910,000
Total	**64,476,755**	**49,932,117**

*Assumes two year relocation lease and operating costs
**Only needed if temporary parking constructed on Carter property

Based on the significant cost difference and degree of potential disruption for Option A, staff recommends pursuing Option B and executing a purchase and sale agreement pending a sixty day feasibility period.

Financing Plan

The following table summarizes actions recommended by staff, which will be discussed in more detail at the Council Study Session and as summarized in an accompanying memo by Finance Director Tracey Dunlap.

	2010	**2011**	**2012**	**2013**	**2014**	**Total**
Public Safety Building	11,500,000	3,000,000	20,696,517	2,400,000	0	37,869,517
Temporary Parking*	152,600	0	0	0	0	152,600
Remodel City Hall	0	0	0	3,000,000	7,000,000	10,000,000
Maintenance Center	50,000	420,000	1,440,000	0	0	1,910,000
Total Costs	**11,702,600**	**3,420,000**	**22,409,517**	**5,400,000**	**7,000,000**	**49,932,117**

**Only needed if temporary parking is constructed on Carter property.*

Recommendations and Direction Needed

In summary, Staff recommends pursuing the following course of action to address space needs for City Hall, Municipal Court, and the Maintenance Center:

1. Move forward with a separate Public Safety Building to accommodate the Police Department and Municipal Court functions.

2. Authorize the City Manager to enter into a purchase and sale agreement for the purchase of property for a public safety building

3. Remodel City Hall and relocate Human Resources and Parks Administration back to City Hall.

4. Update parking agreement with First Baptist Church of Kirkland for weekday use of their parking lot located at the southeast corner of 1st Street and 7th Avenue for an extended period in lieu of construction of a temporary parking lot at the "Carter House" property.

5. Surplus 505 Market and Municipal Court buildings to provide a portion of the financing for new and remodeled facilities.

6. Build storage mezzanines in Maintenance Center Buildings B and C to accommodate new staff and materials storage.

7. Enclose the covered mechanic bays and add lifts to the south side of Maintenance Center Building B or add two vehicle bays to the Public Safety Building location to accommodate increased vehicle maintenance needs.

8. Expand surface parking spaces at Maintenance Center Administration Building to accommodate additional visitor, staff, and city pool vehicle parking.

Attachment A

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: Donna Burris, Internal Services Manager

From: David Barnes, Project Planner

Date: May 20, 2010

Subject: Zoning Requirements for TL4B

The Planning Department has begun internal review of a property under consideration by the City for purchase with the intent of using the site for a new public safety building. The site is located in Totem Lake neighborhood's TL4B Zone. A government facility is an allowed use in this zone. The general regulation of Kirkland Zoning Code 55.31.4, which applies to all uses within the TL4B zone, requires that 50% of the ground floor areas of existing and new buildings be used for retail establishments, restaurants, taverns, hotels and motels. The proposed use of a government facility without the retail component does not meet this requirement.

However, the Planning Department believes that the regulations were not intended to require retail uses on the ground floor of government facilities. A Planning Director's interpretation will be prepared to exclude government facilities form the above referenced requirement. This will allow the subject site to be considered for a new public safety building without ground floor retail.

We are aware this issue is time sensitive and will work quickly to resolve it.

If you have any questions please contact me at 425-587-3250.

cc: Eric Shields
Nancy Cox

CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Tracey Dunlap, Director of Finance and Administration

Date: May 19, 2010

Subject: Facilities Financing Analysis

RECOMMENDATION:

City Council review the facilities financing analysis and provide direction to staff on related policy issues.

BACKGROUND DISCUSSION:

The purpose of this analysis is to identify financial resources that could be available to finance the City's facilities needs, particularly a Public Safety Campus and remodels at the Maintenance Center and City Hall[1]. This analysis is based on the following facilities configuration and project cost estimates:

Summary of Facilities Cost Estimates

	2010	2011	2012	2013	2014	Total
Public Safety Building - Police/Court	$ 11,500,000	$ 3,000,000	$20,969,517	$ 2,400,000	$ -	$37,869,517
Temporary Parking	152,600	-	-	-	-	152,600
Remodel City Hall	-	-	-	3,000,000	7,000,000	10,000,000
Maintenance Center Improvements	50,000	420,000	1,440,000	-	-	1,910,000
Total Estimated Costs	**$ 11,702,600**	**$ 3,420,000**	**$22,409,517**	**$ 5,400,000**	**$ 7,000,000**	**$49,932,117**

*Parking on Carter House Property and NE 188th Signage for Court

Potential Sources:

Cash Resources

Available capital reserves: There are three capital-related reserves that could be made available for the identified projects:

- The City collects a ½% Real Estate Excise Tax (REET) on real estate transactions. Half of the tax (¼%) is dedicated for transportation projects (REET 2). The other ¼% is available for other types of municipal capital projects (REET 1), including facilities. The projected 2010 REET 1 ending balance is $6.3 million, of which $1.65 million is set aside as a minimum balance based on one year's worth of planned REET 1 use in the CIP. REET 1 is also the source of Parks debt service payments in the event that Parks Impact Fee revenues fall short of meeting those payments. Due to the decline in impact fee receipts, staff recommends reserving an additional $1 million for potential interest backfill. If not needed for interest backfill, these funds could also

[1] If the separate public safety facility project does not materialize, the cost estimate for the alternative of building out the City Hall site is $60.5 million and involves significant operating disruption and costs associated with relocating existing City staff. The financing plan would need to be updated in this event and the higher cost would represent a significant additional financial drain on City resources.

be used for land acquisition, consistent with prior practice. This leaves approximately $3.6 million available toward the facilities needs.

- The Building and Property Reserve balance of $1.9 million is available as a funding source for facility needs. This reserve does not have a target and has been used for such projects in the past as land acquisition and building improvements. Examples of past projects include all or partial funding for the Carter house, McAuliffe property, 505 Market building and Heritage Hall.

- The Facilities Expansion Reserve does not have a predetermined target and has a projected 2010 ending balance of $800,000. These funds were set aside for the specific purpose of funding facilities needs.

These cash resources total $6.4 million (as summarized below) and are available to provide a source for a portion of the upfront design and acquisition costs, prior to issuing long-term debt.

Reserves	REET 1	Building & Property Reserve	Facilities Expansion Reserve (157)	TOTAL
2010 Estimated Ending Cash Balance	6,287,181	1,934,669	800,000	9,021,850
LESS: Target	(1,653,500)	-	-	(1,653,500)
LESS: Set aside for debt service backfill	(1,000,000)	-	-	(1,000,000)
Potential Available towards Facilities	**3,633,681**	**1,934,669**	**800,000**	**6,368,350**

Grant Funding: The City has received a $750,000 state grant for Phase I planning and design funding for a public safety campus that would provide a wide range of services to citizens that are engaged in the criminal justice system. Of this amount, $9,375 is retained by the state for administration and $322,056 was used toward purchase of the existing Municipal Court building. The remaining $418,569 is available toward the design of the public safety improvements.

Potential sale of 505 Market St. building and the Municipal Court: When the remodel of City Hall and the Public Safety building are completed, the City could sell the 505 Market St. building and the Municipal Court. The City paid $1.75 million for the 505 Market St. building in 2001. The Municipal Court building was purchased in 2009 for $2.7 million. The intent would be that the sale price of these buildings would at least recover the original purchase prices, although the current market might not support those prices. These funds would only be available once the projects are completed and the buildings could be sold, but they could repay interfund loans that could be used for cash flow to fund the City Hall improvements. The timing of the sale would also be impacted if the market would not support recovery of the purchase costs.

NEC Funds: The Northeast King County Cities (NEC) had been evaluating potential regional jail sites using funds from the proceeds of the sale of the Bellevue site. That evaluation process has ended and Kirkland's share of the remaining proceeds ($293,000) is available for use toward securing additional jail beds, which is part of the planned public safety facility.

Project Sinking Fund Balances: The City finances on-going major maintenance requirements of facilities through contributions to a facilities sinking fund. Since improvements to City Hall have been expected to occur in the near future, selected projects have been deferred, such as carpet replacement. In addition, there are planned projects that will be incorporated into the renovations, so the sinking fund payments can be diverted to those needs. The Facilities Division has identified $1.04 million in deferred or planned projects that will not be needed and those balances can be made available for financing of the projects.

Previously Funded CIP Project: In anticipation of upcoming facilities projects, the unspent portion of previously funded police facilities projects (about $957,000) had been set aside for use on a new public safety facility. A portion of these funds ($650,000) was returned to the General Fund as part of the

funding for the early hiring of police officers for annexation, leaving $307,000 available toward the public safety facility. If all of the $650,000 is not needed to finance the annexation hiring, a portion of those funds could be returned to the facilities CIP.

The table below summarizes the known and potential cash resources available toward the projects.

Summary of Cash Resources	TOTAL
Reserves	6,368,350
CTED Grant	418,569
NEC Funds	293,000
Facilities Sinking Fund	1,043,747
Deferred CIP Project	307,000
Subtotal Available Cash	**8,430,666**
Potential 505 Market/Court Sale	4,450,000
Total Available and Potential Cash	**12,880,666**

In total, identified cash resources fall in the $8.4-12.9 million range, assuming that no other expenditures are authorized against these balances.

Types of Debt Financing Available

In the absence of cash resources to finance major facilities projects, the use of debt financing is the main alternative.

The two most common types of tax supported debt issued by cities to fund capital projects are Limited Tax and Unlimited Tax General Obligation Bonds. General Obligation bonds are the most secure type of debt a City can issue because they pledge the "full faith and credit" of the City based on the ability to levy taxes to repay the debt. As a result of the low risk nature of general obligation debt, it has a lower cost of borrowing than other types of debt (i.e. can be issued at lower interest rates).

Unlimited Tax General Obligation (UTGO) Bonds provide new revenue to fund the debt service as they represent debt that is approved by voters for a specific purpose. Citizens must vote by a supermajority (60%) to levy property taxes to repay the debt over a period of years.

Limited Tax General Obligation (LTGO) Bonds (Councilmanic or non-voted bonds) can be issued with approval of the City Council. The debt is repaid from general revenues of the City. It is still based on the City's ability to tax citizens to repay debt, however, it does not provide any additional revenue to fund debt service payments and must be paid from existing revenue sources.

Attachment A summarizes the City's current General Obligation debt outstanding (LTGO of $6.1 million and UTGO of $7.0 million). The legal limits on the City's remaining debt capacity are quite large ($194 million for LTGO and $779 million for UTGO). However, there are practical limits in terms of affordability (for LTGO which is paid for from existing revenues) and political realities (for UTGO which requires a 60% majority vote).

If voted (UTGO) debt is considered for this project, there are several factors to consider in scheduling the election:

- If a successful election is held before the effective date of annexation, the excess property tax levy imposed would only apply in the existing City limits. The first feasible election date would be the November 2, 2010 General Election. The Council would need to take action to place the question on the ballot no later than August 10, 2010. The City does not have any positions or questions on the General Election ballot, which means that adding this question would increase election costs by an estimated $75,000-$95,000.

- For the debt to apply to the entire new City, the election would need to be held after June 1, 2011. The first election date is the August 16, 2011 Primary Election, which means Council action to place the question on the ballot must be taken no later than May 24, 2011. Since the City will likely have positions on the primary ballot, the incremental costs of adding this question would be less than $2,000.

- Note that, in either case, a supermajority of 60% approval is required. For each $1 million in voted debt issued, the excess levy rate would be $0.088/$1,000 of assessed valuation (AV) if it applies to the existing City only and $0.063/$1,000 AV if applied to the existing City and annexation area (based on 2009 AV). For each $1 million in voted debt issued, the owner of a home assessed at $500,000 would pay $44 per year if the tax applied only to the existing City or $31.50 per year if it applied to the existing City and annexation area.

- Given the uncertainty associated with a voted bond issue, this financing analysis assumes that non-voted debt supported by existing revenues would be used.

Due to the timing of expenditures and the lead time to issue bonds, the option of using interfund loans is available for meeting short-term cash flow needs. An interfund loan is a short-term mechanism to borrow from a fund that has cash balances that are not needed in the near-term, but must be repaid for use by that fund. For example, the utility funds have cash balances that are planned for future use (and can only be used for utility purposes), but are not needed for activities such as system replacement until sometime in the future. The State of Washington defines the minimum acceptable procedures for making and accounting for interfund loans are as follows:

1. The legislative body of a municipality must, by ordinance or resolution, approve all interfund loans, indicating the lending fund, and provide in the authorization a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest (based on the external rate available to the municipality) to be paid to the lending fund.

2. Interest should be charged in all cases, unless:
   a. The borrowing fund has no other source of revenue other than the lending fund; or
   b. The borrowing fund is normally funded by the lending fund.

3. The borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments as required in the authorizing ordinance or resolution.

4. The term of the loan may continue over a period of more than one year, but must be "temporary" in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. A loan that continues longer than three years will be scrutinized for a permanent diversion of moneys. (Note: these restrictions and limitations do not apply to those funds which are legally permitted to support one another through appropriations, transfers, advances, etc.)

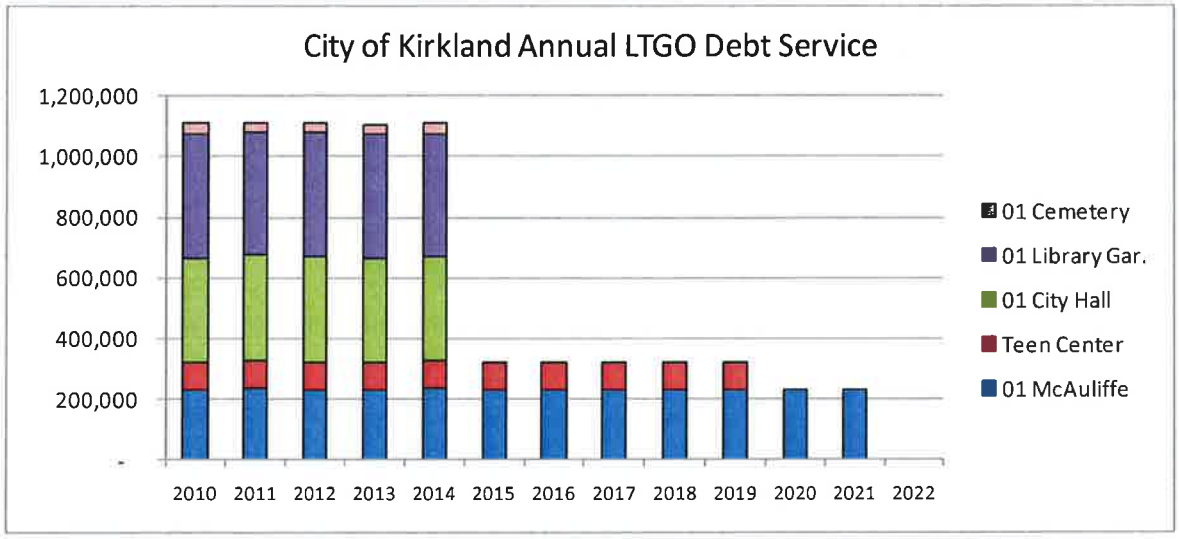
5. Appropriate accounting records should be maintained to reflect the balances of loans in every fund affected by such transactions.

Specific uses of interfund borrowing will be brought forward to the City Council for approval as they are identified. For example, if the purchase of property for the Public Safety building occurs within the next 90 days, an interfund loan from the utilities will be used until it can be repaid from a General Obligation bond issue.

Revenues to Support Debt

Existing City revenues supporting current debt: The graphic below shows the annual debt service on LTGO (councilmanic) bonds by year, which is currently being paid from a variety of general revenue

sources. As this debt is retired, the revenue streams currently dedicated to pay the debt service can be used for new debt without impacting General Fund operating revenues.



The current outstanding principal balance on this debt is $6.15 million. As this debt is retired, the revenue streams currently dedicated to pay the debt service can be used for new debt without impacting General Fund operating revenues. In 2015, $750,000 becomes available as the parking garage and City Hall expansion debt is retired. By 2021, all of the outstanding non-voted G.O. debt will be retired. The City has the ability to structure debt and/or to combine the use of reserves and debt in order to take advantage of these revenue streams as they become available. By "wrapping" new debt service around the existing debt service resources as the debt retires, the City could issue up to $15.0 million[2] in new bonds, using $2.6 million in reserves to make interest only payments until the existing debt retires. An example of this strategy is included as Attachment B.

Court lease payments: With the purchase of the Municipal Court building in 2009, the City ceased to make lease payments averaging about $210,000 per year (base rent) and payments of other costs, for an average annual savings of about $250,000 per year. This savings was used as a one-time budget balancing strategy in 2010, but the intent is that the revenue stream freed up by the savings could be available to service additional debt (either related to purchase of the Court or the Public Safety building project). Since the Court building would be sold in the event a separate Public Safety building is constructed, this revenue stream could support an additional $3.4 million in borrowing.

Contribution/Participation of City utilities: A portion of the planned projects benefits the City's utilities by providing additional space. The Maintenance Center improvements are mostly related to annexation and therefore only the Surface Water Utility (and the Street, Fleet, and Facilities funds) will benefit. However, some utility staff will be added to City Hall. The specific share of the facilities costs that could be allocated to the utilities will need to be developed on more detailed space planning than that currently available. A very rough estimate is that 31% of the Maintenance Center could be allocated to the Surface Water Utility and perhaps 3% of City Hall could be attributed to utilities. These estimates could support an additional $930,000 in borrowing.

Annexation area revenues: The annexation area financial analysis assumed that the incremental facilities related to providing service in the potential annexation area would be eligible cost for inclusion in the 10-year annexation sales tax credit calculation.

[2] Debt calculations assume 30 year bonds at 4.4% interest.

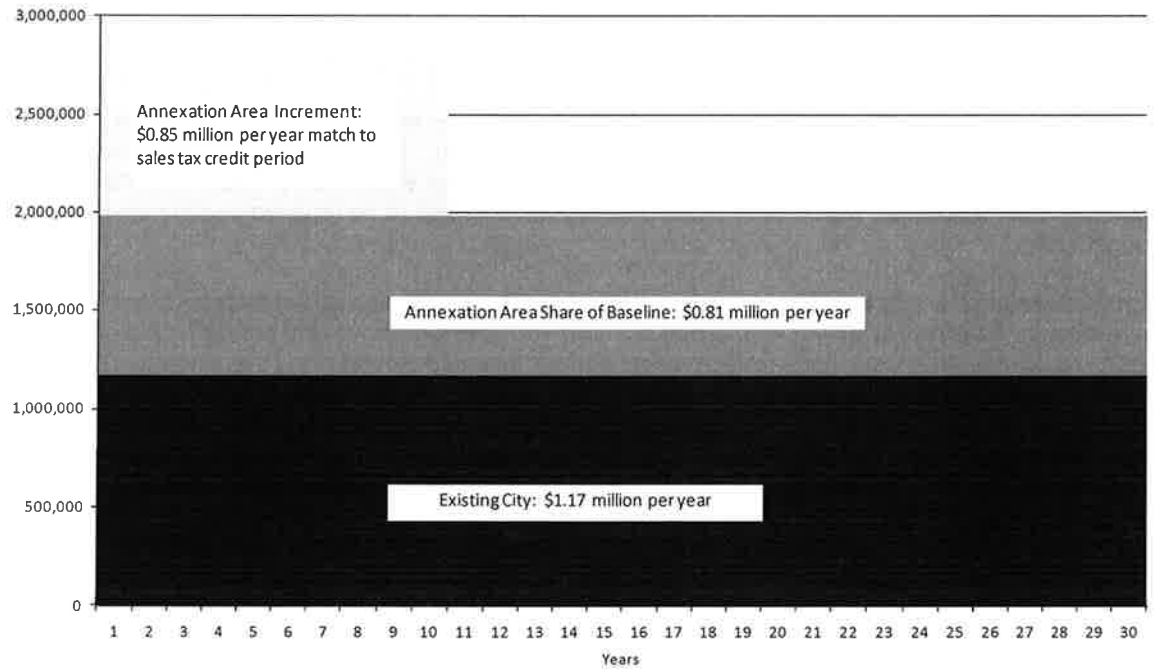
The table that follows summarizes the Facilities Division estimates of the annexation area share of the project costs, based on planned full-time equivalent employees (for all but the maintenance center, all of which are allocable to annexation).

Summary of Facilities Cost Estimates

	Total	Annexation Area %	Annexation Area $
Public Safety Building - Police/Court	$ 37,869,517	40%	$ 15,147,807
Temporary Parking	152,600	30%	45,780
Remodel City Hall	10,000,000	30%	3,000,000
Maintenance Center Improvements	1,910,000	100%	1,910,000
Total Estimated Costs	**$ 49,932,117**		**$ 20,103,587**

A total of $20.1 million of the project is allocable to the annexation area, all of which is assumed to be funded with debt. Consistent with the assumptions from the annexation financial analysis, a share of the debt consistent with the per capita debt issued in the existing City will be amortized over the 30-year term, and the amount in excess will be amortized over a 10-year term to coincide with the annexation sales tax credit period. The existing City's portion of the facility debt will be supported by three sources: sources for retiring GO debt service, Court lease savings, and the portion contributed by Utilities. These sources total $19.36 million. At the City's current population of 49,010, this translates to a per capita debt of $395. Applying this per capita debt rate to the annexation area population of 33,800 yields $13.35 million. The remainder, $6.75 million will be amortized over 10 years. This methodology allows for an equitable allocation of the debt service over the long-term and also matches the annexation area's incremental facilities costs with the anticipated 10-year stream of State sales tax credit. The annexation area's total amount of debt service for the first 10 years is estimated to be $1.66 million per year. The anticipated debt service payments supported by the annexation area are illustrated in the graph below.

Annual Debt Service for Facilities



The final structure of the debt issue will be determined in consultation with the City's bond advisors, to recognize the "wrap around" scenario for existing City debt, the two different terms to be applied in the annexation area, and the fact that no revenues will be received from the annexation area until later in 2011.

Other Sources: There may be additional financing options that can be pursued, but specific dollar amounts cannot be sized at this time, such as:

- Additional grants: Given the public safety and emergency preparedness focus of many of the identified improvements, it is likely that there may be additional grant opportunities that the City can pursue. Staff will continue to work to identify and pursue these sources.

- Public Safety sales tax: There is a voted option for King County to impose a 0.3% sales tax increment for public safety purposes that the King County Council is currently considering placing on the ballot. If that tax passes, the City would receive a third of the tax collected in the City (0.1%). If the tax is not imposed by the County, the City has the option of placing the 0.1% increase before the voters.

Total debt that could be supported from identified revenues is in the range of $39.5 million, assuming use of $2.6 million in reserves to make initial interest only payments. The timing of debt issues will be dependent on a variety of factors including:

- The projected month-by-month cash flow needs,
- The lead time to issue debt,
- How the debt will be structured to recognize the revenues of the annexation area, which the City will not begin receiving until late 2011.

Since this bond issue will be somewhat unique given the annexation, the City may opt to use a competitive process to select the financial advisor and underwriter for the bond issue. Traditionally, the City has negotiated with the firm had handled the City's previous debt issues.

Other Considerations:

Early estimates of operating and maintenance (O&M) costs for the remodeled City Hall and the proposed new Public Safety building are approximately $1.5 million per year. Sinking fund charges for major maintenance for these two buildings is estimated to average about $320,000 per year. Any increases in operating costs associated with new or expanded facilities will need to be factored into the operating budget.

Draft revisions to the City's debt management policy have been reviewed by the Finance Committee and were submitted for review by the Association of Public Treasurers of the United States & Canada (APT US&C) on April 5, 2010. We hope to receive feedback in June and plan to bring the recommended changes forward for consideration by the full City Council in advance of any potential debt issues.

Summary:

The potential sources identified in this memorandum approach the amount required to finance the $49.9 million estimated project cost, as summarized in the table that follows. As month-by-month cost estimates are developed, the specific timing of the use of interfund borrowing, cash resources, and long-term debt issues will be identified and brought forward to the City Council. Project scopes (and therefore costs) will be modified and bids structured to stay within available funding.

Potential Resources for Project	Total
Available Capital Reserves	6,368,350
CTED Grant	418,569
NEC Funds	293,000
Facilities Sinking Fund	1,043,747
Deferred CIP Project	307,000
Proceeds from Sale of Property	3,500,000
Debt Supported by Retiring GO Sources	15,030,000
Less: Reserves for Interest Only Payments	(2,590,000)
Debt Supported by Court Lease Savings	3,400,000
Debt Supported by Utilities	930,000
Debt Supported by Annexation Area	20,100,000
Potential Available towards Facilities	48,800,666

Attachment A

City of Kirkland Outstanding General Obligation Debt

Limited GO Bonds Retirement Schedule

Issue	Outstanding 12/31/2009	Scheduled Retirement (Last Payment)	Annual* Payment
[1] 2001 Cemetery Refund	130,000	12/1/2014	29,930
[1] 2001 City Hall Refund	1,515,000	12/1/2014	348,200
[1] 2001 Parking Garage Refund	1,780,000	12/1/2014	408,055
[1] 2001 McAuliffe	2,065,000	12/1/2021	235,383
1999 Teen Center	660,000	12/1/2019	90,328
Fund Total	**6,150,000**		**1,111,896**

UnLimited GO Bonds Retirement Schedule

Issue	Outstanding 12/31/2009	Scheduled Retirement (Last Payment)	Annual* Payment
2001 Public Safety Refund	520,000	12/1/2012	186,253
1995 Forbes Creek	380,000	12/1/2014	82,528
2003 Parks Bond	6,105,000	12/1/2022	640,205
Fund Total	**7,005,000**		**908,986**

Total GO Debt	**13,155,000**	**2,020,881**

[1] These four issues were refunded with one issue in 2001 and consolidated to one org key.

* Annual Payment is the annual payment for 2011, actual payments fluctuate from year to year.

Attachment B

CITY OF KIRKLAND, WASHINGTON

Limited Tax General Obligation Bonds

$1,100,000 Overall Debt Service Target After 2014

Net Debt Service Schedule

Fiscal Year	Principal	Interest [1]	Total P+I	Existing D/S	Net New D/S	Net D/S vs Target [2]
12/01/2010	-	-	-	1,108,010.00	1,108,010.00	
12/01/2011	-	648,692.50	648,692.50	1,111,895.00	1,760,587.50	660,587.50
12/01/2012	-	648,692.50	648,692.50	1,108,122.50	1,756,815.00	656,815.00
12/01/2013	-	648,692.50	648,692.50	1,101,475.00	1,750,167.50	650,167.50
12/01/2014	-	648,692.50	648,692.50	1,107,235.00	1,755,927.50	655,927.50
12/01/2015	130,000.00	648,692.50	778,692.50	319,605.00	1,098,297.50	(1,702.50)
12/01/2016	130,000.00	645,962.50	775,962.50	322,667.50	1,098,630.00	(1,370.00)
12/01/2017	135,000.00	642,582.50	777,582.50	319,822.50	1,097,405.00	(2,595.00)
12/01/2018	135,000.00	638,667.50	773,667.50	321,397.50	1,095,065.00	(4,935.00)
12/01/2019	140,000.00	634,482.50	774,482.50	322,137.50	1,096,620.00	(3,380.00)
12/01/2020	235,000.00	630,002.50	865,002.50	232,037.50	1,097,040.00	(2,960.00)
12/01/2021	245,000.00	622,012.50	867,012.50	231,275.00	1,098,287.50	(1,712.50)
12/01/2022	485,000.00	611,600.00	1,096,600.00	-	1,096,600.00	(3,400.00)
12/01/2023	505,000.00	590,987.50	1,095,987.50	-	1,095,987.50	(4,012.50)
12/01/2024	530,000.00	569,525.00	1,099,525.00	-	1,099,525.00	(475.00)
12/01/2025	550,000.00	547,000.00	1,097,000.00	-	1,097,000.00	(3,000.00)
12/01/2026	575,000.00	523,625.00	1,098,625.00	-	1,098,625.00	(1,375.00)
12/01/2027	600,000.00	499,187.50	1,099,187.50	-	1,099,187.50	(812.50)
12/01/2028	625,000.00	473,687.50	1,098,687.50	-	1,098,687.50	(1,312.50)
12/01/2029	650,000.00	447,125.00	1,097,125.00	-	1,097,125.00	(2,875.00)
12/01/2030	680,000.00	419,500.00	1,099,500.00	-	1,099,500.00	(500.00)
12/01/2031	705,000.00	390,600.00	1,095,600.00	-	1,095,600.00	(4,400.00)
12/01/2032	740,000.00	358,875.00	1,098,875.00	-	1,098,875.00	(1,125.00)
12/01/2033	770,000.00	325,575.00	1,095,575.00	-	1,095,575.00	(4,425.00)
12/01/2034	805,000.00	290,925.00	1,095,925.00	-	1,095,925.00	(4,075.00)
12/01/2035	845,000.00	254,700.00	1,099,700.00	-	1,099,700.00	(300.00)
12/01/2036	880,000.00	216,675.00	1,096,675.00	-	1,096,675.00	(3,325.00)
12/01/2037	920,000.00	177,075.00	1,097,075.00	-	1,097,075.00	(2,925.00)
12/01/2038	960,000.00	135,675.00	1,095,675.00	-	1,095,675.00	(4,325.00)
12/01/2039	1,005,000.00	92,475.00	1,097,475.00	-	1,097,475.00	(2,525.00)
12/01/2040	1,050,000.00	47,250.00	1,097,250.00	-	1,097,250.00	(2,750.00)
Total	**$15,030,000.00**	**$14,029,235.00**	**$29,059,235.00**	**$7,605,680.00**	**$36,664,915.00**	

Notes:

(1) Average coupon rate at 4.40% (current market on May 12, 2010)

(2) Debt service over/under $1,100,000.

ATTACHMENT B

Council Meeting: 07/05/2011
Agenda: Study Session
Item #: 3.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: Noel Hupprich, P.E., Senior Project Engineer
Ray Steiger, P.E., Public Works Director

Date: June 23, 2011

Subject: PUBLIC SAFETY BUILDING - PROJECT UPDATE

RECOMMENDATION:

City Council receives an update on the Public Safety Building (PSB), and provides direction regarding correctional facility capacity and subsequent sizing.

BACKGROUND DISCUSSION:

At their June 1, 2010, Study Session, City Council authorized staff to pursue purchase of an existing building in the Totem Lake area with the intent to renovate and incorporate Police and Municipal Court functions into one centrally located facility (Attachment A). On September 1, 2010, the purchase was completed, and planning for the PSB progressed.

Since the fall of 2010, a variety of program issues have been evaluated, and in particular, two significant issues have been identified: the projected capacity needs of the jail and the feasibility of constructing a second story within the existing building shell. The PSB Steering Committee has been working on these issues, and at this time, Council's feedback and direction are needed.

Budget

At the November 16, 2010 City Council meeting, Council authorized the issuance of limited tax general obligation bonds for a number of City facility projects; the majority of funding for the PSB comes from the sale of these bonds. Other sources of funding are a Community Trade and Economic Development (CTED) grant, a State Capital Request, City reserves and the proceeds from the sale of two City buildings. The following tables show the facility improvements budgets and the funding sources and amounts for this project:

ANNEXATION FACILITIES	
Public Safety Building	$37,319,518
Maintenance Center Remodel	$1,910,000
City Hall Remodel	$10,000,000
Temporary Parking	$152,600
Total Costs	$49,382,118

PSB PROJECT - FUNDING SOURCES	
LTGO Bond Sales	$35,000,000.00
CTED Grant	$400,000.00
State Capital Request*	$400,000.00
City	$1,519,518.00
Total	$37,319,518.00

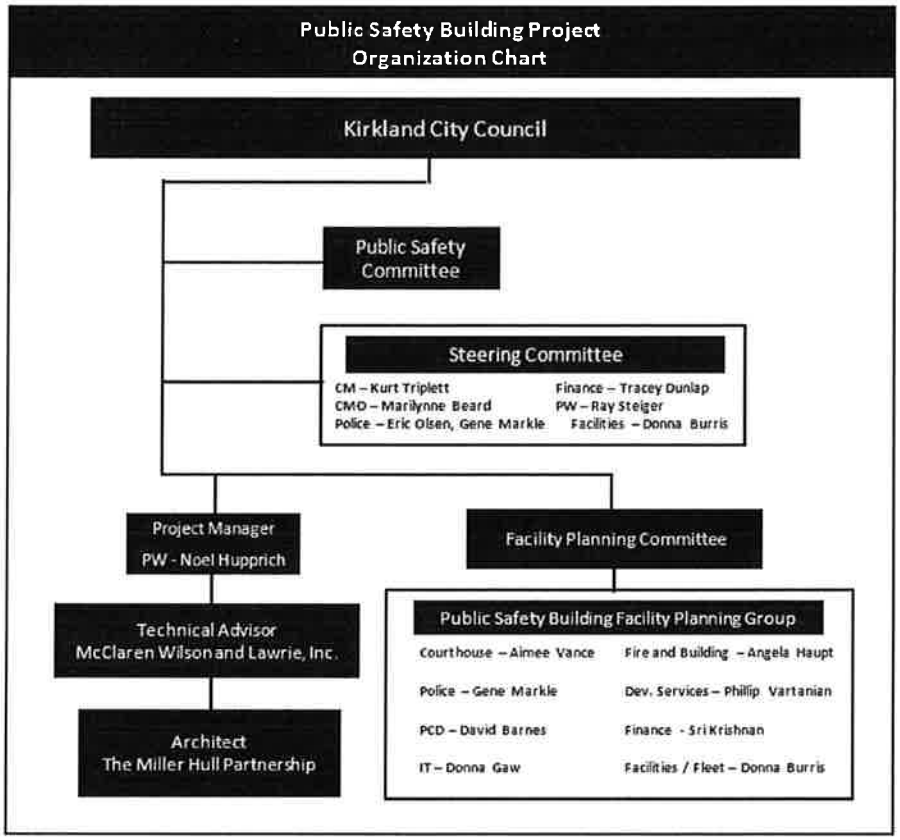
* Pending approval

The Project budget was established using information from the conceptual design estimate completed in May, 2010, and was presented at the November 16, 2010, City Council meeting. The following table shows how the individual components of the PSB are broken down:

PSB PROJECT - BUDGET BREAKDOWN	
Building Purchase	$10,500,000
Planning Design and Engineering	$7,662,719
Construction	$17,316,807
Contingency	$1,839,992
Total	$37,319,518

Project Management Organization and Contracted Services

Due to the complex nature of this project and the involvement from most City Departments, staff prepared the project management organizational structure shown below. The organizational structure identifies the departments and staff involved with the project.



The **Steering Committee** provides oversight for budget, schedule, contracted services, and operational options as well as communication with the Public Safety Committee and City Council. The **Facility Planning Committee** represents staff from City Departments that are involved with the Project and provides input on operational objectives, best practices, permitting, and design.

Major contracted design services include the **Technical Advisor** and **Architect/Engineer** (Architect). McClaren Wilson and Lawrie, Inc. (MWL), of Phoenix, Arizona, was selected to provide Technical Advisor services. They have worked with the City throughout feasibility analysis for this Project and are very familiar with Kirkland Police and Court facility program needs.

MWL's services as Technical Advisor include:

- Work with staff to determine Court and Police program space requirements.
- Assist with the Architect selection process.
- Work with staff and the Architect to finalize program space requirements and ensure they fit the construction budget.
- Develop initial floor and site plans illustrating options for placement of Court and Police areas.
- Provide design and details for all specialized spaces and work in collaboration with the Architect during the schematic design and design development phases.
- Provide support during construction for review of shop drawings, material submittals and requests for information from the contractor.

Staff has completed the selection process for **Architect** services and has selected the firm Miller Hull, based in Seattle, Washington. The Architect Selection Committee was represented by staff from the City Manager's Office, Police, Court, Planning, Public Works and the Project's Technical Advisor. Currently, Miller Hull is preparing a scope of work for staff review; their contract is expected to be finalized in July.

The Miller Hull architectural services will include:

- Supervision and management of all design elements.
- Collaboration with the project's Technical Advisor.
- Lead for permitting efforts.
- LEED certification support.
- Support during construction for review of shop drawings, material submittals and request for information from the contractor.
- Attendance at weekly construction meetings, field observation and review of change order requests.

Key Project Elements

The Public Safety Building project co-locates Court and Police functions including the corrections facility (Kirkland jail). The building will provide increased capacity and enhanced efficiency for public safety functions and offers a central location for Police and Court within the new City boundaries. The project is also an example of adaptive re-use of an existing building addressing the City's sustainability goals and provides the opportunity for the reprogramming of vacated Police space within City Hall.

Key Design and Permitting Elements

Building codes identify all police stations as essential facilities. Code requirements for essential facilities involve design and construction standards that meet higher seismic and wind force

standards. Although the Court and corrections functions are not identified as essential facilities, they will be required to meet separate design standards related to their use. New construction greater than 4,000 square feet requires that building design go through a State Environmental Protection Act (SEPA) determination. **The SEPA process will provide an opportunity for public comment.** Design of the building will also go through the Design Review Board approval process. The Kirkland Zoning Code requires design review to meet guidelines for the Totem Lake Neighborhood. This design review process will also provide an opportunity for public comment. The Project will be designed to meet or exceed LEED Silver certification as required by City Council policy and requirements of the CTED grant received.

Needs assessment

Since last fall when funding was secured and the property was purchased, an update of the Project's overall space needs was completed. The Technical Advisor met with staff from the Police Department and the Municipal Court in order to review the original space assumptions that were completed in June, 2010, and has made adjustments based on updated staffing projections and additional defined operational needs.

The space needs update has identified an increase in the anticipated space needs for staff and operations by approximately 8,000 square feet in addition to that estimated in 2010. Elements that account for the increase in space needs include larger court and hearing assembly rooms, the potential addition of a vehicle maintenance bay and incorporating American Disability Act (ADA) and jail accreditation standards not considered in the original space assessment.

As part of this update, staff also developed information related to adding a second floor within the existing building shell. A preliminary structural review was completed for the second floor option. The structural review concluded that, if a second floor were to be added, the existing roof would need to be upgraded with a non-combustible material (the existing roof is made of wood). There may be several ways to meet this requirement; however, combined with other upgrades needed to address seismic loads, it appears that replacing the existing roof with a metal frame structure will be the most viable. The costs and benefits associated with the second story options need further review. Options and recommendations regarding the second story and the roof improvements will be brought to Council at a later date.

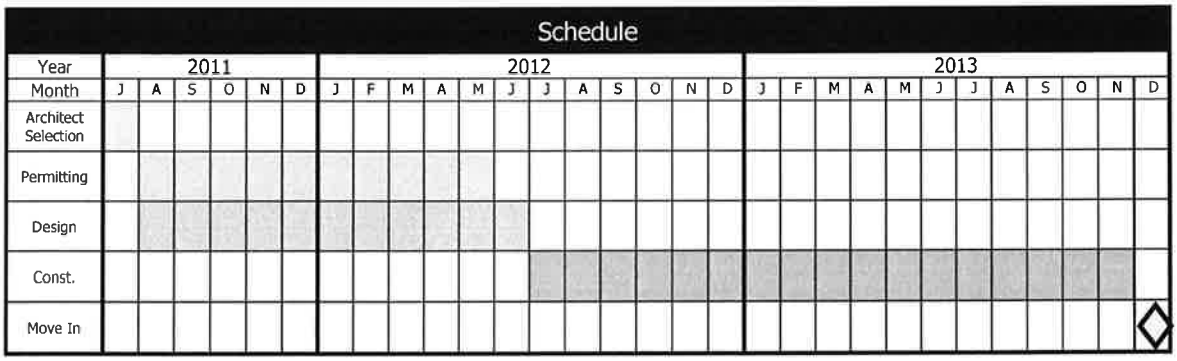
Concurrent with the space needs update, staff prepared a detailed analysis and projection of jail beds for the facility; the results of which are described in a memo from Captain Mike Ursino (Attachment B). The capacity of the corrections facility was one of the threshold issues established early in the process since it drives the design of the building; **the original space requirements assumed a 50 bed jail.** More recent staff analysis indicates that an 85 bed jail may be a more appropriate facility capacity based on projected use. If the City decided to increase the number of jail beds from 50 to 85, that increases square footage needs by another 4,000 square feet. Combined with the corresponding operational update, this increases the identified needs in the PSB by 12,000 square feet over the original estimation.

Staff is working with the Technical Advisor and Architect to provide an updated cost estimate for the potential increase in projected building size; an analysis will be provided to compare costs for each element, the number of jail beds, and for adding a second story within the building shell. The cost estimate will be compared to the construction budget and alternatives will be developed to ensure the final scope of work aligns with the construction budget prior to beginning design.

Once a defined scope of work within the approved construction budget is developed, design work will proceed. The Architect will lead this effort with guidance from the Technical Advisor. The

Architect will prepare a detailed schedule that will show timing of design stages, permitting deadlines and with input from staff, reports to council. Staff recommends that the next project update occur after schematic design is complete and the layout of the building can be more fully presented which will likely be early this fall.

The following schedule provides an overview of the general anticipated project timeline.



Communication and Outreach

Similar to other capital improvement projects, a communications and outreach plan is being developed for the PSB Project. The plan's implementation will be centered on key messages such as the requirement to expand services due to annexation, the benefits of public safety services located in the City's center and so forth; the messages will be used in print and electronic communications, as well as public presentations and outreach. The purpose of the plan will be to identify key stakeholders to communicate project information, communications tools, and a timeline for implementing the tools.

Typical communications methods for capital improvement projects include:

- Project webpage and Neighborhood Hot Sheet
- Project newsletter or flyer and "Totem Lake: On Track" updates
- Presentations and updates to neighborhood association(s)
- List-Serv (subscriber-based system that sends email notifications)
- City newsletter articles (produced quarterly)
- Currently Kirkland TV show highlights (weekly production)

City Council Direction

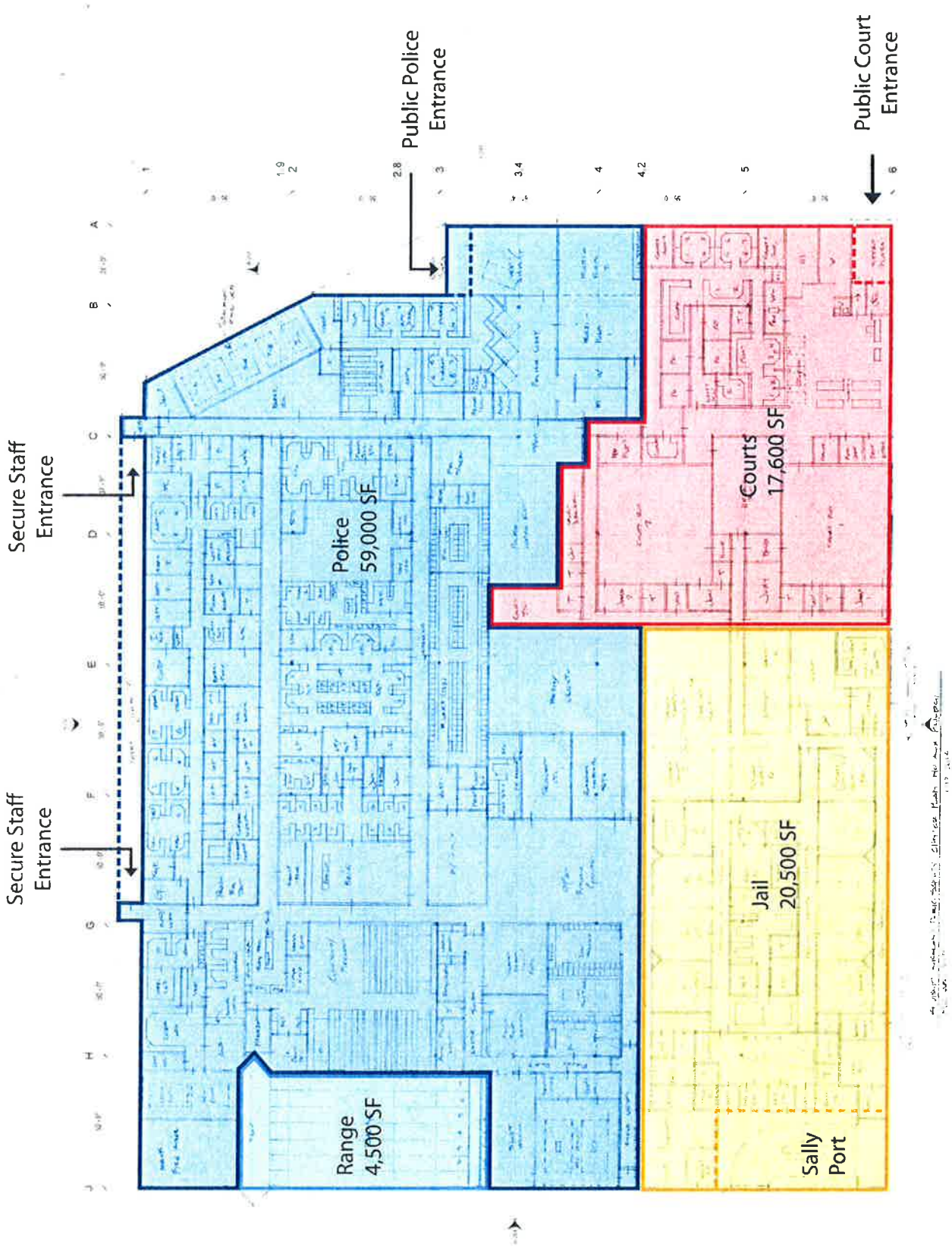
The key decision at this preliminary design stage is determining the size and capacity for the correctional facility. Staff requests direction from City Council on whether or not to increase the correctional facility program size from 50 to 85 beds and allow space for sentencing alternative programs. With this direction, initial layout will be developed around the correctional facility needs and the Police Department and Court facilities will be designed to fit within the remaining space.

Attachments (2)

Attachment A

City of Kirkland Public Safety Building Project
Vicinity Map

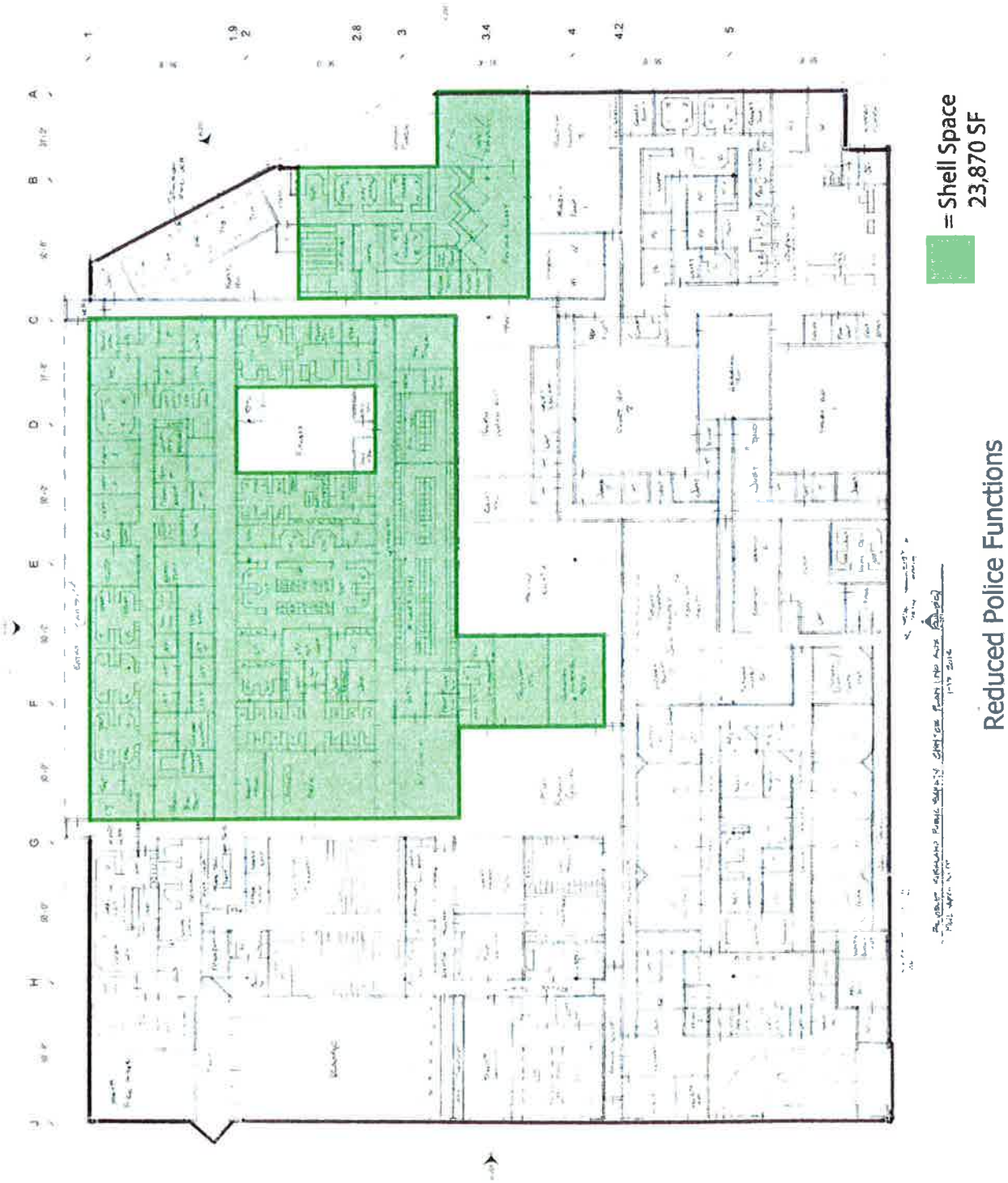
ATTACHMENT C



Total 101,600 GSF

50% Schematic Design – Building Layout

ATTACHMENT D



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
February 07, 2012

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. Downtown Parking Discussion

Joining Councilmembers at the table for this discussion were City Manager Kurt Triplett, Public Works Director Ray Steiger, Transportation Engineering Manager Dave Godfrey, Parking Advisory Board members Ken Dueker (via conference phone), Roxanne Louise, Vice Chair Jack Wherry, Chair A. Lienboonlertchai and police Lieutenant Mike Murray. Director of Finance and Administration Tracey Dunlap also contributed to the discussion.

4. EXECUTIVE SESSION

None.

5. HONORS AND PROCLAMATIONS

a. Kirkland History Month Proclamation

History Month Chair Mark Amick and Kirkland Heritage Society (KHS) President Loita Hawkinson were joined by KHS members Bob Burke and Nora Carlson in receiving the proclamation from Mayor McBride and Councilmember Sweet.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Clark Ellis
Marlene Vacknitz
Sheri Sanders
Mike Nykreim
Sonny Halbawy
Georgine Foster
Loita Hawkinson

c. Petitions

7. SPECIAL PRESENTATIONS

a. Frontier Donation Recognition

Frontier Communications Senior Vice President Rich Klena, Local Operations Manager Leo Church, and Construction Manager Craig Ortloff accepted the City's thanks and recognition for Frontier's donation of nearly $61,000.

b. 2011 Eastside Month of Concern for the Hungry Results

Kirkland Alliance of Neighborhoods Chair Norm Storme and Teresa Andrade of Hopelink accepted certificates of appreciation.

8. CONSENT CALENDAR

a. Approval of Minutes: January 17, 2012

b. Audit of Accounts:
Payroll $1,980,555.22
Bills $4,307,586.05
run #1067 checks #531744 - 531753
run #1068 checks #531754
run #1069 checks #531782 - 531940
run #1070 checks #531942 - 532094
run #1071 checks #532095 - 532136
run #1072 checks #532137 - 532262

c. General Correspondence

d. Claims

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

(1) Elementary School Walk Route Enhancements, Pellco Construction, Mountlake Terrace, WA

g. Approval of Agreements

h. Other Items of Business

(1) Resolution R-4909, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SUBDIVISION AND FINAL PLAT OF HARMON RIDGE BEING DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. FSB11-00001 AND SETTING FORTH CONDITIONS TO WHICH SUCH SUBDIVISION AND FINAL PLAT SHALL BE SUBJECT."

(2) Ordinance O-4347, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO REVISING THE TITLE OF KIRKLAND MUNICIPAL CODE CHAPTER 3.82 CURRENTLY ENTITLED "CODE OF ETHICS" TO "EMPLOYEE CODE OF ETHICS.""

(3) 120th Avenue NE Watermain Replacement - Approve Funding

Council approved the use of Water/Sewer Capital Reserve funds in the amount of $272,000 to replace an existing watermain within 120th Avenue NE in the South Rose Hill Neighborhood.

Motion to Approve the Consent Calendar.
Moved by Councilmember Amy Walen, seconded by Councilmember Dave Asher
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

None.

10. UNFINISHED BUSINESS

a. Transit Oriented Development at the South Kirkland Park and Ride Update

Senior Planner Janice Coogan presented an update of activities in connection with the Transit Oriented Development project at the South Kirkland Park and Ride. She was joined by Gary Prince of King County Metro Transit, Gary Young of Polygon Northwest Company, Eric Evans of Imagine Housing and Mindy Black of Weber Thompson Architects.

b. Ordinance O-4348 and its Summary, Relating to the Establishment of a New Chapter 3.14 in the Kirkland Municipal Code, Code of Ethics

Motion to Approve Ordinance O-4348 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE ESTABLISHMENT OF A NEW CHAPTER 3.14 IN THE KIRKLAND MUNICIPAL CODE, CODE OF ETHICS."
Moved by Councilmember Toby Nixon, seconded by Councilmember Penny Sweet

Vote: Motion carried 7-0
Yes: Deputy Mayor Doreen Marchione, Councilmember Amy Walen, Councilmember Penny Sweet, Councilmember Bob Sternoff, Mayor Joan McBride, Councilmember Dave Asher, and Councilmember Toby Nixon.

Motion to Amend the text of 0-4348, where currently Section 3.14.080, Subsection 4–Disposition references Subsection E to reference Subsection 5.
Moved by Councilmember Toby Nixon, seconded by Councilmember Dave Asher
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.

c. 2012 Legislative Update 1

Intergovernmental Relations Manager Lorrie McKay provided a status report on the City's legislative agenda.

Motion to Agree to take no position on HB 2610, "Repealing Provisions Governing Community Municipal Corporations."
Moved by Deputy Mayor Doreen Marchione, seconded by Councilmember Amy Walen
Vote: Motion carried 5-2
Yes: Deputy Mayor Doreen Marchione, Mayor Joan McBride, Councilmember Toby Nixon, Councilmember Penny Sweet, and Councilmember Amy Walen.
No: Councilmember Dave Asher, and Councilmember Bob Sternoff.

d. 2012 City Council Retreat Draft Agenda

Council provided additional feedback on the draft agenda.

11. NEW BUSINESS

a. Ordinance O-4346 and its Summary, Relating to Planning Department Fees and Amending KMC 5.74.070 by Correcting Format/Typographical Errors, and Adding Clarifications, Adding an Affordable Housing Incentive Fee, Homeless Encampment with Modification Fee and Adding Fees for Integrated Development Plan Modifications, File MIS11-00023

Motion to Approve Ordinance O-4346 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PLANNING DEPARTMENT FEES AND AMENDING KMC 5.74.070 BY CORRECTING FORMAT/TYPOGRAPHICAL ERRORS, ADDING CLARIFICATIONS, ADDING AN AFFORDABLE HOUSING INCENTIVE FEE, HOMELESS ENCAMPMENT WITH MODIFICATION FEE AND ADDING FEES FOR INTEGRATED DEVELOPMENT PLAN MODIFICATIONS. FILE MIS11-00023."
Moved by Councilmember Penny Sweet, seconded by Councilmember Amy Walen
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.

Development Review Manager Nancy Cox responded to Council questions.

Motion to Amend Ordinance O-4346 and its Summary, by not adding an additional modification fee to the base fee.
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.

b. Electronic Readerboard Signs at Middle Schools

Development Review Manager Nancy Cox responded to Council questions.

Motion to Consider Electronic Readerboard Signs at Middle Schools in the 2012 miscellaneous code amendment process.
Moved by Deputy Mayor Doreen Marchione, seconded by Councilmember Penny Sweet
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.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding the Puget Sound Regional Council Executive Board meeting and 2012 non-motorized transportation project funding; Regional Transit Committee Meeting caucus activities; Suburban Cities Board Annual Retreat where Bob Sternoff was elected as the Vice President of the Board of Directors for Suburban Cities; Parks Funding Exploratory Committee; Association of Washington Cities Conference; Seattle/King County Coalition of Homelessness One Night Count; Jasper's Off-Leash Dog Park grand opening; Tourism Development Committee meeting; Emergency Medical Services advisory taskforce meeting; King County Subarea Boards joint meeting; request and agreement to post Council committee assignments on the City website; thanks to the City Manager and Fire Chief Nalder for working with the Finn Hill Neighborhood Alliance and the Reserve Firefighters Association regarding the Station 24 closure issues; upcoming Finn Hill fire station siting meeting at Finn Hill Junior High; participation in a State Supreme Court public hearing on court administrative records issue; request and agreement to research draft resolution related to public records requests; invitation to the Youth Eastside Services (YES) annual Invest in Youth breakfast on March 13; Boards and Commissions interview options; Mayor

requested and received approval to sign a letter endorsing the Washington Mayors Transportation Policies Principals; EnterpriseSeattle financial forecast; announcement that the City of Kirkland is once again a sponsor of the Bully Slam on March 10 at the Lake Washington High School Theatre; Councilmember Asher has been appointed to the Mental Illness and Drug Dependency Oversight Committee by the Suburban Cities Association.

b. City Manager

(1) Calendar Update

The August 21 council meeting and all August Council committee meetings have been cancelled.

City Manager Kurt Triplett requested and received approval from the council to move forward with a preliminary indication to King County that the City of Kirkland intends to explore withdrawing from its contract for animal control services.

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT

The Kirkland City Council regular meeting of February 7, 2012 was adjourned at 10:00 p.m.

City Clerk

Mayor

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: February 15, 2012

Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION
It is recommended that the City Council acknowledge receipt of the following Claim(s) for Damages and refer 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) Anas Property, LLC
11516 124th Avenue NE
Kirkland, WA 98033

Amount: Unspecified Amount

Nature of Claim: Claimant states damage resulted from a recorded lien.

(2) Peter Christiansen
6905 120th Avenue NE
Kirkland, WA 98033

Amount: $870.00

Nature of Claim: Claimant states damage to property resulted from a water main break.

(3) Janelle McMillian
12814 SE 80th Way
Newcastle WA 98056

Amount: Unspecified amount

Nature of Claim: Claimant states damage resulted from working conditions.

(4) Mutual of Enumclaw Insurance Co. for Heath Warnock
1460 Wells Street
Enumclaw, WA 98022

Amount: $2,231.89

Nature of Claim: Claimant states damage to vehicle was a result of being struck by a City vehicle.

Note: Names of claimants 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.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

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

Date: February 9, 2012

Subject: KIRKLAND TRANSIT CENTER BUS LAYOVER SIDEWALK PROJECT AWARD CONTRACT

RECOMMENDATION:

It is recommended that City Council award a construction contract on the Kirkland Transit Center Bus Layover Sidewalk Project to the lowest responsive bidder, AGR Contracting, Monroe WA, in the amount of $58,672.84.

BACKGROUND DISCUSSION:

The Kirkland Transit Center (KTC) Bus Layover Sidewalk Project is a component of Sound Transit improvements associated with the Downtown Kirkland Transit Center. The ability of Transit to utilize Central Avenue for layover allowed for construction of a smaller footprint along 3rd Street. The Project will complete a missing section of sidewalk along Central Avenue, between 6th Street and 7th Avenue, where transit buses stage prior to arrival at the KTC (Attachment A). The Project will provide for the construction of 230 feet of new sidewalk, curb and gutter, minor storm drainage improvements, and the installation of two new street lights.

Central Avenue Project Area

With an engineer's estimate of $76,500, staff advertised for contractor bids on January 11 through the City's Shared Procurement Portal as a Small Public Works Roster project. On January 25, ten bids were opened with an apparent low bid received from Trinity Contractors of Marysville, WA. After review of all bids, it was determined that the apparent low bidder was

non-responsive having not fulfilled all eligibility requirements for a contract award; the second low bidder, AGR Contracting, was found to be the lowest responsive bidder.

BID RESULTS

Contractor	Total Bid
Trinity Contractors, Marysville	$ 46,079.00
AGR Contracting	**$ 58,672.84**
Pacific NW Earthworks, LLC.	$ 59,034.50
R.L. Alia Co.	$ 59,555.00
Pro-Grade Enterprises	$ 61,118.00
NPM Construction Company	$ 61,597.80
Campbell Schaeffer, LLC.	$ 62.600.00
Ponderosa Pacific	$ 66,940.00
PELLCO Construction	$ 73,700.00
Engineers Estimate	$ 76,500.00
Westwater Construction Company	$ 80,476.00

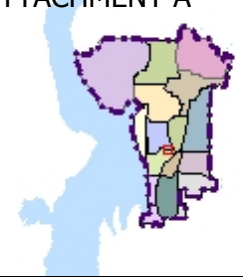
The funding for this Project is from Sound Transit, as per the Kirkland Transit Center Agreement dated July, 2009. Within that agreement, Sound Transit will reimburse the City for 100% of all expenditures related to the Project.

An award of the construction contract by City Council at their February 21 meeting will allow work to begin in March with Project completion by June, 2012. In advance of construction, Public Works staff will notify adjacent property owners and businesses. All pertinent Project information, along with a regularly updated construction schedule, will also be posted on the City's web site.

Attachments: (2)

CST-0004-001 KIRKLAND TRANSIT CENTER BUS LAYOVER SIDEWALK

ATTACHMENT A



Legend

- Address
- City Limits
- Grid
- QQ Grid
- Railroad
- Streets
- Parcels
- ComPlace Names
- Buildings
- Lakes
- Parks
- Schools
- z_Image09
  - Red: Band_1
  - Green: Band_2
  - Blue: Band_3

1: 1,273

0.0 0 0.02 0.04 Miles

NAD_1983_StatePlane_Washington_North_FIPS_4601_Feet

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THIS MAP IS NOT TO BE USED FOR NAVIGATION

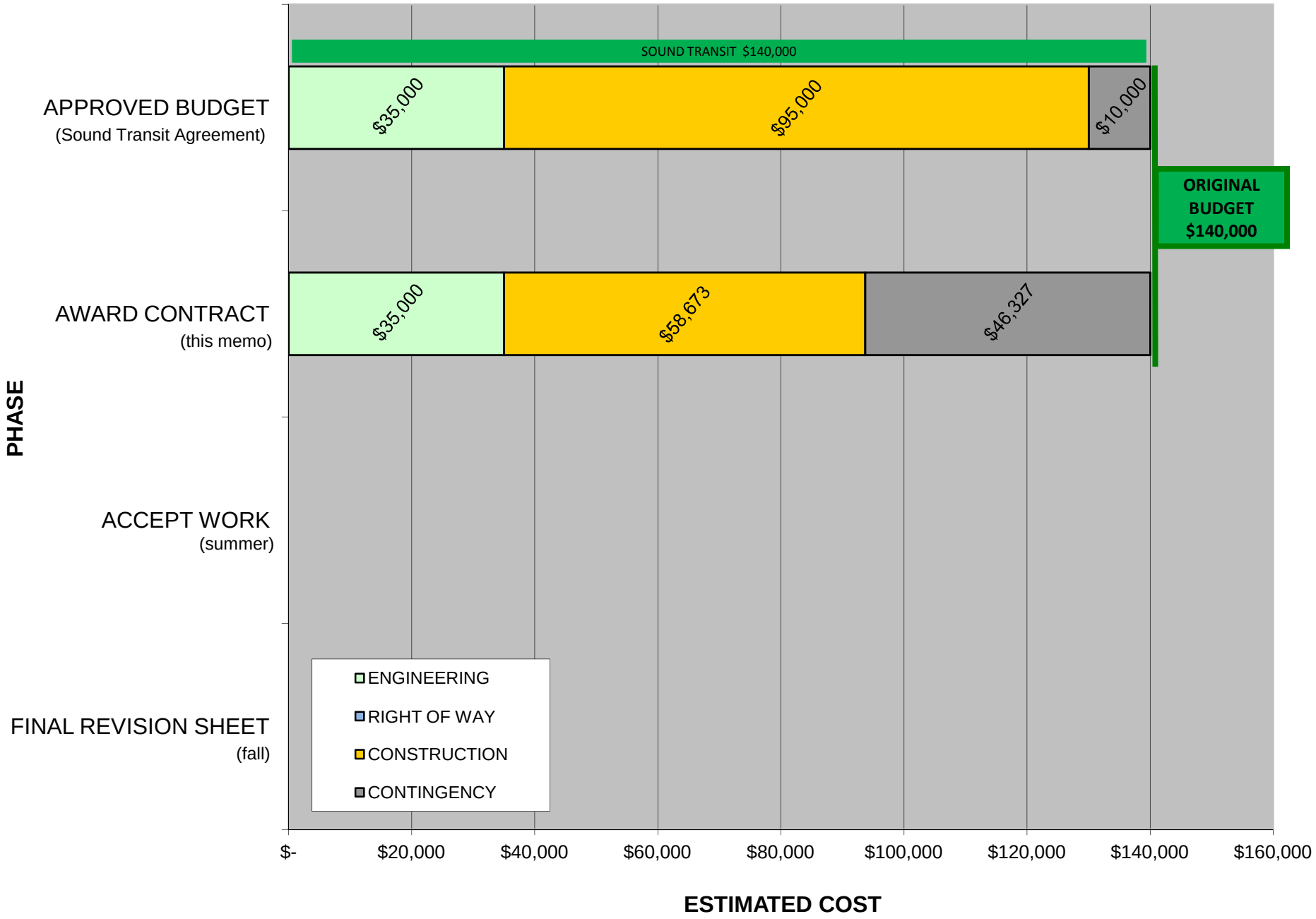
Notes

230 FEET OF SIDEWALK, CURB AND GUTTER, AND DRAINAGE IMPROVEMENTS. 2 STREETLIGHTS TO BE ADDED. GRASS LANDSCAPING.

ATTACHMENT B

Kirkland Transit Center Bus Layover Sidewalk
CTR-0004-001

Project Budget Report



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: February 9, 2012

Subject: 12TH AVENUE SIDEWALK – ACCEPT WORK

RECOMMENDATION:

It is recommended that City Council accept the work on the 12th Avenue Sidewalk Project, as completed by Reed Trucking, Puyallup WA, and establish the statutory 45 day lien period.

BACKGROUND DISCUSSION:

The 12th Avenue Sidewalk Project provided for the construction of 800-feet of new concrete sidewalk and a completed element within the Peter Kirk Elementary School Walk Route network. While located in the Norkirk Neighborhood, the Project also serves to connect the Norkirk and Highlands Neighborhoods (Attachment A).

The City was selected to receive State Transportation Improvement Board (TIB) funding through its Sidewalk Program. The City was awarded $200,000 in grant funds and through the Capital Improvement Program (CIP), City Council approved an additional $272,000 of City funds for a total Project budget of $472,000 (Attachment B).

Pedestrian Bridge over Creek

In addition to providing a continuous pedestrian/school walk route sidewalk for the Neighborhoods and for Peter Kirk Elementary, the Project also supports a number of other neighborhood goals, including:

- The protection and improvement of the natural environment through enhancements of existing wetland buffers near the eastern limits of the Project;
- The enhancement of the urban forest through the installation of new trees, both in an existing wetland buffer and with added street trees along 12th Avenue, and
- The providing of an educational opportunity through the placement of an informational sign near the existing stream and associated wetlands, defining their critical functions and the importance of protecting the environment.

City Council awarded the construction contract to Reed Trucking at their May 17, 2011 meeting in the amount of $178,256; construction began on June 28 and was substantially complete in October, 2011. The total amount paid to the contractor was $206,355 with the increase coming as a result of added material quantities and five additive change orders. The change orders, totaling $26,711, came mostly as a result of significant differing site and soils conditions associated with the stream and surrounding sensitive areas; staff worked closely with the contractor, various State agencies and the City's Planning Department to effectively work through these issues so as to minimize impacts to the sensitive areas.

Wetland Enhancement Plantings

The Project's budget was also impacted by a reduction in grant funding through the TIB. The original grant fund amount was subject to the outcome of the contract price awarded and, upon award of an amount that was less than the engineer's estimate, staff was notified that $9,200 of grant funding was no longer available – staff worked closely with the TIB Engineer administering the grant funds in an effort to retain the funds; however, the TIB's standard policy in this regard is absolute and those remaining funds were re-programmed elsewhere. The net result is a revised and final grant amount of $190,800 (Attachment B).

The Project also experienced increased expenditures for engineering, permitting, public outreach and contract administration mostly as a result of the sensitive/wetlands area at the eastern limits of the site. There were many staff and consultant hours spent in permitting negotiations with various regulatory agencies, as well as the school district in reaching a reasonable outcome for providing a practical, safe and regulatory based walking surface. The product of these negotiations is a combination of standard pavement, pervious concrete, a pin-pile boardwalk and wetland enhancements to mitigate the impact of added impervious surface. In addition, the use of school property for these improvements was negotiated with a no-cost right-of-way dedication and a maintenance easement being secured.

As a result of work performed in the adjacent wetlands and surrounding sensitive area, as per Kirkland Municipal Code, there is a requirement to provide four years of area monitoring and plant establishment. During the design phase, based on previous projects, it was anticipated that up to $40,000 would be needed to perform the required monitoring and maintenance efforts; however, as the project proceeded, it became known that a robust volunteer network

exists among Peter Kirk Elementary School staff and parents, together with Norkirk and Highlands Neighborhood Association members. Staff has now secured a commitment from the network that monitoring and maintenance will be done by them as a part of their ongoing stewardship of the area. With this volunteer resource in place, the amount of remaining Project funds will be adequate for purchasing replacement plant material, as well as providing limited staff hours for oversight. The outcome of this volunteer commitment is to allow the project to be completed within the Project budget of $462,800 (Attachment B).

The completion of this Project, combined with others that were identified by the 2001 School Walk Route Advisory Committee (Attachment C), brings to nearly 90% of the identified routes being completed. For 2012, two more improvements, 104th Avenue/NE 68th NE (LV3h) and NE 100th Street sidewalk improvements (PK6) have each received external grant funding and are scheduled to be completed.

Attachments: (3)

12th Avenue Sidewalk Improvements CNM-0066

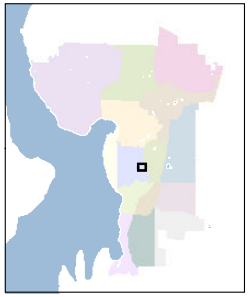
MAP LEGEND

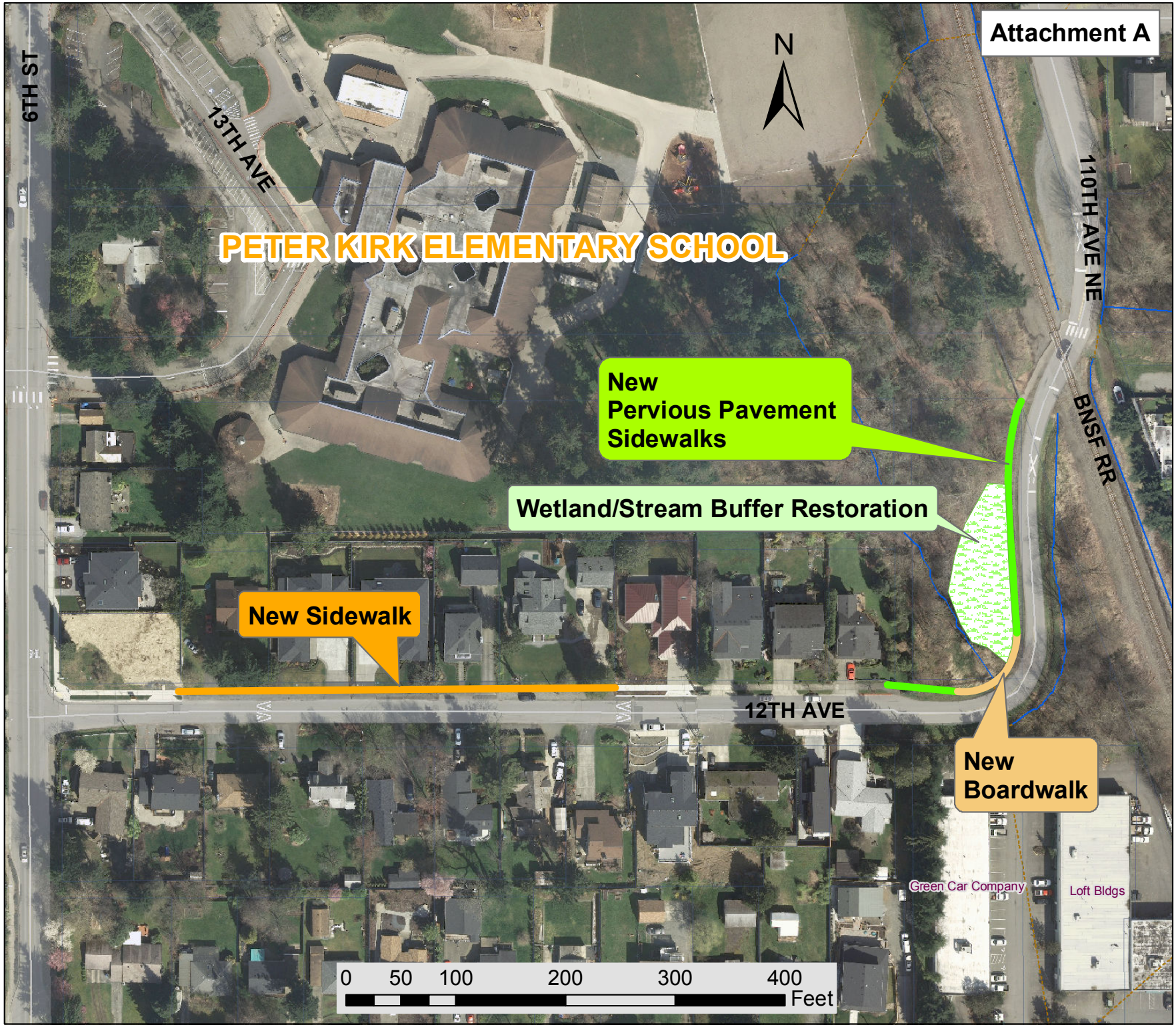
- Streams in Pipe
- Open Streams
- Major Streets
- Railroad

New Sidewalk

New Pervious Sidewalk

New Boardwalk





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Author: A. McDonald
Name: Location
Date Saved: 5/3/2011 10:42:43 AM

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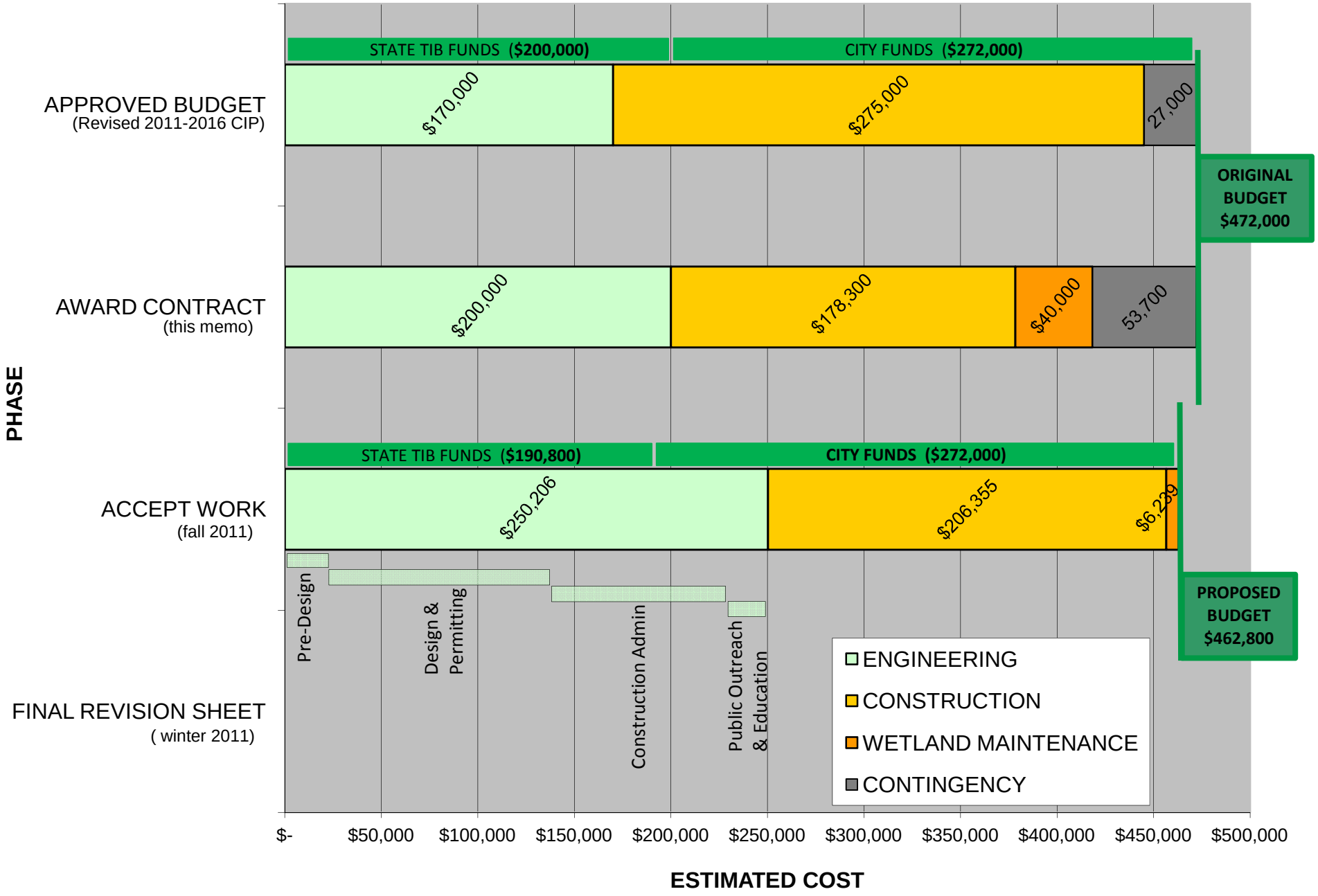
12th AVENUE SIDEWALK
(CNM-0066)

Attachment B

Project Budget Report



ATTACHMENT C

Original School Walk Route Committee Projects (2001)

ID	DESCRIPTION	COMMENTS	TOTAL ESTIMATED COST (2001)	OTHERS ADDED OR GRANTS SCORED	TOTAL EXPENDITURES	Completed	Year Completed (or anticipated)
J1	Approximately 900 feet of pathway along the south side of NE 128th St between 94th Ave NE and approximately 98th Ave NE; pathway could be constructed by narrowing current roadway with new or extruded curbing, filling the created area and paving with aspha	2002 overlay project; will look at adding extruded curbing to contract as a fall back	$99,000		$953,000.00	√	2002 (all schedules)
J2	Approximately 900 feet of raised or separated pathway along the east side of 94th Ave NE from approximately NE 124th Street to NE 128th St. NE	need add'l r-o-w?	$226,200				unfunded
J3a	Refurbish 124th St crossings	Crosswalks are in exc. Condition; will revisit and do with annual striping program	$1,000			√	2002
J3b	No school signs	Will review during inventory of schools	$-				NA
	Sidewalk on the west side of 97th PL NE, from NE 128th ST to NE 129th PL.	2010-2011 SRTS grant program		$111,553	$1,198,000.00	√	2011 (all schedules)
AGB1	Pathway/sidewalk along south side of NE 112th Street between 112th Ave NE and approximately 115th Ave NE adjacent to the school.	funded CIP 2001-2 project; $1,062,000	$350,000			√	2002
AGB2	Sidewalk/pathway along 108th Ave NE from NE 116th st to NE 112th St (request from LWSK 4/12/00)	west side (some exist s/w & xwalk @ 116th)	$266,900				unfunded
	Sidewalk on east side of 110th Ave NE from NE 116th ST south to the end of the cul-de-sac which is the back entrance to A.G. Bell.	2010-2011 SRTS grant program		$106,576		√	2011
MT1	Improve facilities along 132nd Ave between NE 95th St and NE 104th St. (improvements could include: signage, speed bumps, traffic calming, lighting at crosswalk)	exist. ACP path w/ extruded curb	$50,000				unfunded
MT2	Sidewalk improvements along NE 95th Street between 124th Ave NE and 130th Ave NE (These improvements are currently funded in the 2001 CIP and are in process).	funded CIP 2001-2 project; $461,000	$314,000		$503,000	√	2003
MT3	Pathway/improvements along the south side of 104th Street between 132nd Ave NE and existing improvements; remove existing vegetation that blocks walking on shoulder	Ultimately concrete, but use asphalt for now	$92,500				unfunded
MT4	Sidewalk improvements along west side of 130th Ave NE from NE 100th Street to NE 95th Street (currently funded in the CIP)	2010-2011 SRTS grant program	$-	$104,404		√	2011
MT5	Intersection improvements at 128th Ave NE and NE 107th Place	assume 50' of concrete curb, gutter, and bump-out landings" at each corner"	$58,000			√	2002
MT6	Sidewalk on 126th Ave NE from NE 85th St to NE 95th St (approximately 2500' request from LWSD 4/12/00)		$571,300				unfunded
PK1	Sidewalk improvements along 110th Ave NE between existing improvements at 97th Ave NE and the back entrance to the School at the BNSFRR crossing (area includes concomitant agreement properties)	concomitant needs to be pursued; remaining issues with BNSFRR xing	$25,000		$25,000	√	2002
PK2	Sidewalk along west side of 6th Street between 8th Ave and 12th Ave		$195			√	2002
PK3	95th/97th /112th Ave Intersection improvements (traffic calming, circle, sight distance, 5-way stop??)	assume 50' of concrete curb, gutter, and bump-out landings" at each corner"	$43,500		$15,000	√	2003
PK4	Sidewalk along south side of 13th Ave from Van Aalst Park to the school entrance (currently funded in the CIP)		$144,000		$191,000	√	2005
PK5	Sidewalk along north side of 12th Ave between 6th St and back entrance to the School at the BNSFRR crossing (this is not currently a LWSD identified walk route)		$275,000		$472,000	√	2011
PK6	Sidewalk along NE 100th Street between 116th Ave NE and 112th Ave NE	receipt of 2012 TIB grant pending; design is complete, construction in 2012	$188,500		$540,000		2012
PK7	Improvements to gravel pathway along 116th Ave from approximately NE 95th Street to NE 97th Street by addition of curbing or protection from vehicles		$4,500		$4,500	√	2010
PK8	Sidewalk along south side of NE 95th St from 116th Ave NE to 112th Ave NE		$353,800				unfunded
PK9	Sidewalk along 116th Ave from approximately NE 87th Street to NE 100th Street		$812,000		$837,000	√	2010
PK10	Sidewalk along 13th Ave from 3rd St to 4th St at Van Aalst Park (this is not currently a LWSD identified walk route)		$118,500		$118,500	√	2005??
PK11	Sidewalk along 111th Ave from NE 104th St to NE 100th St (this is not currently a LWSD identified walk route)		$284,200				unfunded
	Sidewalk on west side of 6th St, between 13th Ave and 15th Ave	2010-2011 SRTS grant program		$99,948		√	2011
RH1	Install concrete sidewalk along east side of 126th Ave NE from NE 80th St to existing sidewalk at Mormon Church (some existing area is subject to concomitant agreement)		$72,500			√	2002
RH1	Install modified" sidewalk along west side of 130th Ave NE from NE 80th St to NE 78th StFlashing crosswalks 75th St/132nd Ave"	modified eliminates planter strip… minimal cost impact	$182,700			√	2002
RH1	Install gravel path/shoulder between Mormon Church improvements on 126th Ave to NE 73rd St.	assumes no extruded curbing associated	$26,250				2002
RH2	Install concrete sidewalk along south side of NE 80th St between 125th Lane NE to 130th Ave NE (include bikelane along this section); design would include raised or striped brick crosswalk at 128th, bump outs at 128th, add textured rumble strips.	2010-2011 SRTS grant program	$406,000	$172,049		√	2011
RH3a	Pathway/Sidewalk along north side of NE 73rd St from 132nd Ave NE to 130th Ave NE	explore three options	$233,100		$588,000	√	2009

ATTACHMENT C

RH3b	Flashing crosswalk at intersection ofo NE 75th St and 132nd Ave NE	on current list of proposed flashing crosswalks	$30,000		$35,000	√	2011
RH3c	Covered bus stops at 120th Ave (Metro Transit)/ NE 80th St		$5,000				unfunded
LV1	Install sidewalk along north side of NE 64th Street between 103rd and Lakeview drive (if gravel or asphalt used, install curbing to prevent parking).	Include improvements to steps	$37,500			√	2002
LV1	6400 - 6500 Lakeview Drive - install sidewalks on east side of Lakeview including the corner of NE 64th St/Lakeview Drive.	replacing broken sections and landings with 2001 overlay project	$-	$-		√	2001
LV2a	Repair and complete sections of sidewalk on both sides of 103rd Ave NE EAST	significant (special) trees would be affected by repair; need to have buy-off with neighborhood association	$37,500		$5,000	√	2005
LV2b	(Above) WEST	significant (special) trees would be affected by repair; need to have buy-off with neighborhood association	$18,750		$5,000	√	2005
LV3a	Look at sight distance for crosswalks at 106th/NE 68th	maybe VERIFY; however sight dist appears much more than adequate	$-				
LV3b	a speed hump with a crosswalk painted on top at 7th Ave S crossing at 4th St S (similar to that on 6th Street in front of Peter Kirk School	this location needs markings; will add in 2001; overlay scheduled for 2002	$-				
LV3c	Add crosswalks at NE 60th and 106th to guide walkers to the sidewalks	2001 PM?; check with Godfrey; this request was also submitted by Houghton Community Council	$500				
LV3d	Paint crosswalk on 108th Ave at NE 61st as indicated on walk route map	1) there is no 61st St" on 108th; 2) exist flashing xwalk at 60th; 3) exist xwalk in 6200 block"	$500				
LV3e	Trim vegetation from the sidewalk along Lakeview Drive along curve between 64th and State	street dept request?	$-				
LV3f	Improve signal timing at 108th and 68th to favor school children/pedestrians	being incorporated to current 108th and 68th Signal improvements	$-	$ -			2012
LV3g	Install No free right turns in school zones" signs at signalized intersections"	concurrent with right turn lane at NE 68th St/State St	$-		$500	√	2003
LV3h	More effective school crossing sign on BNSFRR at NE 68th St (request from LWSD 4/12/00)	more effective than big yellow sign with flashing lights?	$-		$15,000	√	2008
	Sidewalk on east side of 103rd Ave NE @ NE 65th St, which will elimate the gap between NE 64th st and NE 67th St.	2010-2011 SRTS grant program		$66,972		√	2011
BF1	Eliminate parking at entrance to 60th in front of school to improve sightdistance issue	will require school sign-off and parent notification	$500		$500	√	2002
BF2	Provide wider parking to serve GTE vaults @ 60th /122nd to keep repair vehicles off gravel pathway	will require keystone wall	$4,500		$4,500	√	2002
BF3	Curbing and landings at corner of 122nd/NE 60th	will expand 122nd overlay project to include extruded asphalt curb and landings	$-		$12,000	√	2002
BF4a	Sidewalks both sides of NE 60th St between 116th Ave NE and 132nd Ave NE (NORTH) request from LWSD on 4/12/00	equestrian issues with concrete; need Bridle Trails buy-off	$1,450,000			√	2011
BF4b	(Above) SOUTH request from LWSD on 4/12/00	equestrian issues with concrete; need Bridle Trails buy-off	$1,392,000				will not be done per Bridle Trails
BF5a	Where is the school zone"?"	inventory	$-				
BF5b	Post double fines" in school zone"	inventory	$-				
BF5c	Explore obtaining easements through NE 61st @ 124th Ave		$46,000				NA
	Sidewalk on the east side of 125th Ave from approximately 100' south of NE 65th Ct to southerly property line of 6547 125th, and from southerly property line of 6916 125th Ave north to NE 70th St. Includes new crosswalk locations and markings on 122nd Ave	2010-2011 SRTS grant program		$72,981		√	2011
	Sub-Total improvements (identified by SWRC)		$8,416,700				
	less NE 60th Street (equestrian routes and community feedback)		$5,574,700	$734,483			
	Total			$6,309,183	$5,522,500		88%

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: February 9, 2012

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF FEBRUARY 21, 2012

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 January 4, 2012, are as follows:

	Project	Process	Estimate/Price	Status
1.	Transit Center Bus Layover Sidewalk Project	Small Works Roster	$58,672.84	Notices sent on 1/10 and bids received on 1/25.
2.	2012 Comprehensive Water Plan Update	A&E Roster	$112,625.00	Contract awarded to RH2 Engineering, Inc. based on qualifications and using A&E Roster process as provided for in RCW 39.80.

Please contact me if you have any questions regarding this report.

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: Lorrie McKay, Intergovernmental Relations Manager

Date: February 14, 2012

Subject: 2012 LEGISLATIVE UPDATE No. 2

RECOMMENDATION:

Council should receive its second update on the 2012 legislative session.

BACKGROUND DISCUSSION:

At the writing of this memo the 2012 State Legislative Session is in its sixth week of a short, nine week session. The regular 2012 Session is scheduled to conclude on March 8, 2012.

At the writing of this memo, today (February 14) is the last day to consider bills in their house of origin. The cutoff calendar for the 2012 regular session shows that February 24 is the last day to read in committee reports in the opposite house, except fiscal committees and Senate Ways and Means and Transportation committees. February 27 is the last day to read in committee reports from House fiscal committees and Senate Ways and Means and Transportation committees. March 2 is the last day to consider opposite house bills (except initiatives and alternatives to initiatives, budgets and matters necessary to implement budgets, differences between the houses, and matters incident to the interim and closing of the session). March 8 is the last day allowed for regular session under state constitution.

This is an update on the City's legislative interests as of February 14.

COUNCIL LEGISLATIVE SUBCOMMITTEE:
The Council's Legislative Subcommittee meets weekly on Friday's at 3pm (Mayor McBride, Deputy Mayor Marchione and Council Member Asher).

The Council's Legislative Subcommittee met on February 10 to discuss the status of the city's 2012 legislative priorities (Attachment A), and other bills of interest to the City (Attachment B).

Week 4 (1/30 – 2/5)

Week 4 focus was largely on follow-up to requests for information from legislators during our visits with them in Olympia the previous week. Staff added new bills to the City's bill tracker and requested staff review and recommendations. Legislative Committee members were on-call for possible weekend testimony in Ways & Means.

Week 5 (2/6 – 2/12)

Staff focus in week 5 began with Legislative Committee member Asher testifying in both House and Senate Ways & Means committees on the Fire Benefit Charge bill (Attachment C – Position Paper). Staff also prepared initial information on Kirkland Jobs & Transportation requests for Capital Budget. Legislative Committee members identified legislators to whom calls needed to be made with regard the City's priorities. Staff focused closely on Transportation Revenue bills.

Week 6 (2/13 – 2/19)

Staff focus in week 6 turned to preparation for upcoming budget discussions. A letter signed by Mayor McBride on behalf of City Council was sent to Ways & Means Committee regarding state's budget needs and city's budget needs. Staff completed Community Project Forms for BNSF Corridor Interim Trail project as well as South Kirkland Park and Ride Parking Garage Expansion project. Legislative Committee members made calls to legislators to regarding the City's priorities. With February 14th cut off, Legislative Committee members made calls to members of Rules Committees in efforts to move bills to the floor in each chamber for votes.

2011 LEGISLATIVE PRIORITIES:

A detailed matrix tracking the status (as of February 14) of Kirkland's legislative priorities is attached to this memorandum. Below is an at-a-glance summary:

2012 Legislative Priority	Bill Number	Hearing Status
State Annexation Sales Tax Credit	HB 2146	1/9 - retained in House Ways and Means
Oppose new mandates and cost shifting		See bill tracker – monitoring status of all bills.
Financial assistance for the construction of the Public Safety Building	*Several vehicles*	
Preserve all options for future use of the BNSF corridor and state financial assistance to implement multiple uses	*Several vehicles*	
Transfer fire hydrant-related costs from the City's General Fund to other more appropriate sources	HB 2591	Suspended
Financing options to support public/private partnerships (including flexibility in the use of existing tax sources)	HB 1881 (AWC) SB 5705	"Dead" "Dead"
Amend RCW 82.02.060 to eliminate cities' obligation to pay impact fees when exempting low-income housing from impact fee requirements.	HB 1398 SB 5524	1/27 – Passed House - yeas, 53; nays, 42; absent, 0; excused, 3
Allow cities the same Fire Benefit Charge authority that fire districts receive under RCW 52.18.010.	HB 2615 SB 6470	2/13 – Passed House - yeas, 51; nays, 46; absent, 0; excused, 1 2/14 – Passed Senate - yeas, 34; nays, 15; absent, 0; excused, 0
State funding mitigation to communities impacted by diversion caused by tolling of state facilities.	*Several vehicles*	

HEARINGS AND CORRESPONDENCE:

Bill	Cmte	Dt/Time	City Rep.	SME
SB 6470 Fire Benefit Charge authority	GOTRE	2/2 10:00am	Doreen Marchione	
HB 2615 Fire Benefit Charge authority	W&M	2/6 10:00am	Dave Asher	
SB 6470 Fire Benefit Charge authority	W&M	2/6 1:30pm	Dave Asher	
SB 6470 Fire Benefit Charge authority	LG	2/17 8:00am		

Cmte (Committee) Legend

GOTRE = House Committee on Government Operations, Tribal Relations & Election
W&M = House Committee on Ways and Means
LG = House Committee on Local Government

BILL TRACKING:
Waypoint Consulting is tracking other bills of interest to the City. To date, Waypoint has identified over 170 bills as having potential impact on or interest to the City of Kirkland and has sought the City's analysis and position on these bills. City staff reviews these bills, measure them against our 2012 legislative agenda and provide recommended positions to the Legislative Subcommittee A bill tracker from February 10 is attached to this memorandum.

A matrix updated February 21, for Kirkland's legislative priorities will be provided to Council at the dais for the meeting on February 21

Attachments: Status of city's 2012 legislative priorities
List of bills the City is tracking and positions
Position Paper on Fire Benefit Charge authority bill

City of Kirkland Legislative Priorities and Status: 2012 Legislative Session

Updated 2.14.12

Attachment A

	Legislative Priority	Bill #	Prime Sponsor	Status
	State Annexation Sales Tax Credit	HB 2146	Hunter/Gov	1/9 - By resolution, reintroduced & retained in present position (House Ways and Means)
1	Oppose new mandates and cost shifting			See bill tracker – monitoring status of all bills.
2	Financial assistance for the construction of the Public Safety Building	*Several vehicles*		
3	Preserve all options for future use of the BNSF corridor and state financial assistance to implement multiple uses	*Several vehicles*		
4	Transfer fire hydrant-related costs from the City's General Fund to other more appropriate sources	HB 2591	Rep. Eddy	1/25 – 1:30PM Heard in Local Government - SUSPENDED
5	Financing options to support public/private partnerships (including flexibility in the use of existing tax sources)	HB 2746 (AWC) SB 5705	Rep. Springer Sen. Kilmer	1/30 – Heard in Community & Economic Development & Housing - DEAD 1/9 - By resolution, reintroduced &retained in present status - DEAD
6	Amend RCW 82.02.060 to eliminate cities' obligation to pay impact fees when exempting low-income housing from impact fee requirements.	HB 1398 SB 5524	Rep. Fitzgibbon *(Sen White)*	1/27 – **Passed House** - yeas, 53; nays, 42; absent, 0; excused, 3 1/30 – Referred to Senate Financial Institutions, Housing & Insurance 1/9 - By resolution, reintroduced &retained in present status
7	Allow cities the same Fire Benefit Charge authority that fire districts receive under RCW 52.18.010.	HB 2615 SB 6470	Rep. Goodman Sen. McAulliffe	2/13 – **Passed House** - yeas, 51; nays, 46; absent, 0; excused, 1 2/14 – **Passed Senate** - yeas, 34; nays, 15; absent, 0; excused, 0
8	State funding mitigation to communities impacted by diversion caused by tolling of state facilities	*Several vehicles*		

Kirkland Bill Tracker: House Bills
(updated 2.10.12)

Attachment B

Bill	Title	Position	Status
Support			
HB 1018	Bicyclists and motorists	2011 - Support	
HB 1033	Court actions/RCW 42.566.550	2011 - Support	
HB 1234	Security alarms, crime watch	2011 - Support	1/16 - Passed (90 yeas, 0 nays, 8 excused). 1/17 GOTRE
HB 1377	Interest arbitration panels	2011 - Support	
HB 1398	**Low income housing/fee ex.**	**2011 - Support**	1/27 - Passed (53 yeas, 42 nays, 3 excused) 1/30 FIHI
HB 1469	Landscape conservation	2011 - Support	1/12 Referred to W&M.
HB 1598	Additional REET authority	2011 - Support	
HB 1735	Clean water jobs	2011 - Support	
HB 1881	**Community redevelopment financing - TIF**	**2011 - Support**	
HB 2128	Clarifies sales tax exemption for local phone srvc	Support	
HB 2135	Charging application fee for hydraulic project permits	Support	1/9 - Retained in W&M
HB 2162	Appeal and permit procedures under SMA	Support w/concerns	1/31 - Referred to Rules 2 Review
HB 2190	Transp. Supplemental Budget	Support	2/16 - Scheduled for 3:30 hearing - Transportation
HB 2191	Police Dogs	Support	2/8 - Passed (98 yeas, 0 nays, 0 excused) 2/10 - Read into Judiciary
HB 2201	Use and governance of hearing examiners	Support	1/30 - Referred to Rules 2 Review
HB 2216	Vehicular homicide & assaault	Support	2/9 - Referred to Rules, placed on 2nd reading
HB 2253	Modernizing the functionality of the state environmental policy act	Support	2/9 - Referred to Rules, placed on 2nd reading
HB 2302	Being under the influence w/ child in the vehicle	Support	2/8 - Referred to Rules, placed on 2nd reading
HB 2390	Regarding the reissuance of a municipal storm water general permit	Support	1/13 Referred to Environment
HB 2417	Increasing $ amount for construction of a dock that doesn't qualify as a substantial development under SMA	Support	1/30 - Passed (96 yeas, 0 nays, 2 excused) 1/31 - Referred Energy, Nat Rsrcs & Marine Waters
HB 2465	Modifying the property tax revenue limit	Support	1/16 - Referred to HWM
HB 2482	Designating innovation partnership zones.	Support	2/8 - Passed (81 yeas, 16 nays, 1 excused)
HB 2591	**Regulating fire hydrant services provided by local governments**	**Support**	Suspended
HB 2594	Concerning criminal street gangs	Support	1/31 - Referred to Rules 2 Review
HB 2615	**Authorizing benefit charges for the enhancement of fire protection services**	**Support Priority #7**	2/7 Referred to Rules 2 Review
HB 2641	Reducing nontax administration costs associated with the conduct of city and county operations.	Support	1/31 - referred to Judiciary
HB 2662	Authorizing community economic revitalization board funding to benefit innovation partnership zones	Support	2/3 - Referred to Rules 2 Review
HB 2746	**Concerning community redevelopment financing in apportionment districts**	**Support Priority #5**	1/30 - Heard in Comm Econ Dev & Housing
Neutral			
HB 1702	Establishing a process for the payment of impact fees through provisions stipulated in recorded covenants.	Neutral	1/20 Placed 3rd Reading by Rules
HB 2610	Repealing provisions governing community municipal corporations	Neutral	2/9 - Placed on 3rd Reading by Rules 2/9 - Passed (56 yeas, 40 nays, 2 excused)
Oppose			
HB 2146	**Reducing certain local sales & use tax provsns**	**2012 - Oppose**	1/9 - Retained in W&M
HB 1082	Shoreline & growth mngmnt acts	2011 - Oppose	
HB 1088	Cty/city moratoria authority	2011 - Oppose	
HB 1300	Public Records copying costs	2011 - Oppose	
HB 2140	Concerning liquor revenue	Oppose	1/9 - Retained in W&M
HB 2143	Modifying community supervision provisions	Oppose	1/11 Heard W&M.
HB 2144	Modifying offender release provisions	Oppose	1/11 Heard W&M.
HB 2403	Exempting industrial development sites from specified land use regulations	Oppose	1/13 - Read Environment
HB 2480	Regulating the documents used in complying with the growth management act	Oppose	1/16 - Reffered to LG

Kirkland Bill Tracker: House Bills
(updated 2.10.12)

Attachment B

HB 2490	Simplifying state & local tax & licensing systems	Oppose	1/16 - Referred to HWM
HB 2520	Concerning the assessment of property with substantial land use limitations	Oppose	1/17 - Referred to W&M
HB 2552	Requiring compensation for government required actions on private property.	Oppose	1/17 - Heard in Local Gov
Undecided			
HB 2728	Increasing flexibility and diversity of local government revenue	Concerns as drafted / AWC Rcmmd Support	1/27 - Referred to W&M 2/1 - Heard in W&M
SHB 2751	Concerning local transportation revenue	AWC Rcmmd Support	1/31 - Referred to Transportation 2/6 - Heard in Transportation 2/7 - Referred to Rules 2 Review
HB 2660	Addressing transportation revenue	Rcmmnd Support	1/23 - Referred to Transportation 1/24 - Heard in Transportation 2/7 - Referred to Rules 2 Review
HB 2612	Enacting the Washington voting rights act of 2012	Concerns	2/8 - Placed on 2nd Reading by Rules 2/8 - Placed on 3rd Reading by Rules
HB 2469	Regarding boatyard storm water treatment systems	Rcmmnd Neutral	2/8 - Passed (97 yeas, 0 nays, 1 excused)
HB 2671	Clarifying procedures for appealing department of ecology final action on a local shoreline master program by ensuring consistency with existing procedural provisions of the growth management act, chapter 36.70A RCW, the administrative procedure act, chapter 34.05 RCW, and the state environmental policy act, chapter 43.21C RCW	No recommendation	1/31 - Placed on 2 Review
HB 2695	Concerning the categorical exemption of certain nonproject actions by local governments from environmental review under the SEPA	Rcmmnd Support	1/25 - Referred to Environment
HB 2696	Regarding planned actions under the SEPA	Rcmmnd Support	1/25 - Referred to Environment

Kirkland Bill Tracker: Senate Bills
(updated 2.10.12)

Attachment B

Bill	Title	Position	Status
Support			
SB 5022	Court actions/42.56.550	2011 - Support	
SB 5143	Annexation/fire prot. Dists.	2011 - Support	
SB 5154	Modifying vehicle prowling prov	2011 - Support	1/25 - Moved to Rules White sheet
SB 5193	Bicyclists and motorists	Support	
SB 5198	Utility services joint mgmt.	2011 - Support	
SB 5243	Growth mgmt/local progress	2011 - Support	
SB 5244	security alarms, crime watch	2011 - Support	1/13 - Rules for 2nd reading
SB 5360	**Cities & towns fiscal relief**	**2011 - Support**	
SB 5420	Intrastate mutual aid system	2011 - Support	
SB 5524	**Low-income housing/fee exemption**	**2011 - Support**	
SB 5604	Clean water jobs	2011 - Support	
SB 5705	**Community redev financing - TIF**	**2011 - Support**	
SB 5755	Additional REET authority	2011 - Support	
SB 5922	Taxpayer accountability requiring a net benefit to the state in order to claim the benefit of a tax expenditure	Support	
SB 6001	Extend time to enforce civil judgments for damages caused by impaired drivers	Support	
SB 6008	Criminal street gangs	Support	
SB 6048	Permitting nursing homes to recycle unused prescription medicines	Support	1/11 - Heard in Health & LT Care
SB 6049	Requiring the DOH to establish a cancer drug repository program	Support	1/23 - Exec Action Taken Health & LT Care. 1/24 - Referred to W&M
SB 6051	Concerning the donation & redistbtn of unused prscrptn drugs	Support	1/11 - Heard in Health & LT Care
SB 6109	Exempting video & audio recordings of closed executive session mtgs from public inspection & copying	Support	2/2 - Passed to Rules for 2nd Reading 2/7 - Eligible to be place on 2nd Reading
SB 6130	Modernizing the functionality of the state environmental policy act	Support	2/6 - Heard in W&M 2/7 - Passed to Rules for 2nd Reading
SB 6140	Concerning local economic development financing	Support	2/6 - Heard in W&M 2/7 - Passed to Rules for 2nd Reading
SB 6146	Clarifying restrictions on the use of the PRA for purpose of obtaining records for commercial or profit-making	Support	2/6 - Exec Action GOTRE 2/7 - Passed to Rules for 2nd Reading
SB 6190	The designation of urban growth areas	Support	1/30 - Heard GOTRE
SB 6192	Defining sprawl and low-density sprawl under the growth management act	Support	1/30 - Heard GOTRE
SB 6470	**Authorizing fire benefit charges**	**Support**	2/7 - Passed to Rules 2nd Reading
SJR 8218	limit certain initiatives placed on ballot	Support	1/9 read GOTRE. 12/15 prefiled
Oppose			
SB 5013	Land use permit process	2011 - Oppose	
SB 5995	Urban growth area boundaries	Oppose	2/7 - Placed on 2nd Reading
SB 6176	Simplifying state & local tax & licensing systems	Oppose	2/7 - Heard in W&M
SB 6474	Changing sales tax sourcing from destination based to origin based if congress does not enact legislation requiring remote sellers to collect sales tax	Oppose	1/25 - Referred to W&M

Kirkland Bill Tracker: Senate Bills
(updated 2.10.12)

Attachment B

Undecided			
SB 6381	Enacting the Washington voting rights act of 2012	Concerns	2/3 - Passed to Rules for 2nd reading
SB 6582	Concerning local transportation revenue options	AWC Rcmmd Support	2/3 - Passed to Rules for 2nd reading 2/7 - Placed on 2nd Reading
SB 6521	Increasing flexibility and diversity of local government revenue	Concerns as drafted / AWC Rcmmd Support	2/2 - Heard in GOTRE 2/3 - Referred to W&M 2/6 - Heard in W&M
SB 6455	Addressing transportation revenue	Rcmmnd Support	1/24 - Heard in Transportation 2/6-7 - Exec Action . Passed to Rules for 2nd reading 2/7 - Placed on 2nd Reading
SB 6329	Streamlining the shoreline management act to avoid duplicative review	Rcmmnd Support	1/18 - Read in Energy, Nat Rsrcs & Marine
SSB 5234	collection, transportation, and disposal of unwanted medicines	Rcmmnd Support	1/9 - By resolution reintroduced Rules 1/25 - Moved to White sheet 2/7 - Placed on 2nd Reading

Attachment C

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

February 7, 2012

Kirkland Position on Substitute HB 2615 and SB 6470

Authorizing benefit charges for the enhancement of fire protection services

1. **HB 2615 and SB 6470 solve a specific problem for a limited number of cities.** These bills by design apply to only a few cities that have annexed since 2006 or are about to annex fire district territory where a fire benefit charge is already authorized. When a city annexes fire district territory there can be a drop in border response times that impacts both jurisdictions. If a station is closed or staffing reduced by a fire district, response times in some areas can be slower from a station further away. Kirkland annexed territory from Woodinville Fire and Rescue (WFR) that already imposed a benefit charge. WFR closed a border fire station. Kirkland hired 9 firefighters and spent over a million dollars to approximate that service from a Kirkland fire station that is further away. Some new residents are getting better response times as a result and others are getting slower response times. **The purpose of the bill is to allow cities like Kirkland to ask the voters if they want more service added.**

2. **HB 2615 and SB 6470 benefit both cities and fire districts.** Before the station closure, WFR and Kirkland had approximately equal automatic mutual aid into each other's territory. Since the station closure, Kirkland has responded into Woodinville 88 times and WFR has responded into Kirkland 22 times. WFR does not have the resources to serve the border. A Kirkland benefit charge would address this gap. An increase of staffing on the borders helps both WFR and Kirkland residents. This will be true of any annexing city that borders a fire district.

3. **Fewer governments with more tools.** A voter approved fire benefit charge for cities that have annexed is an essential additional tool that allows a city to focus service to a specific sub-area of the city without a general property tax increase or the need to create a new government such as a fire authority. Cities need this in addition to the annexation sales tax credit. The credit supports all city services such as police, parks, roads and more. It may be reduced by the state and goes away in 10 years and so is not a fund that can responsibly be used for increased ongoing operations. The credit was designed to bridge a service gap, not add enhanced services. **These bills only grant authority that fire districts already have and voters must approve.**

4. **This authority would not encourage annexations.** Cities have already annexed the dense urban and commercial territories that create a surplus of sales tax and property tax revenue. The remaining annexation areas do not pay for themselves which is why the state annexation sales tax credit was created to incentivize them. This charge would not cover the gap alone and the voter approval requirement makes it too uncertain as a funding source to encourage annexation. Even if it did, that would be a positive. The state Growth Management Act mandates that annexation to cities is the appropriate local governance for urban areas.

5. **Residents want it. Voters decide.** Community leaders in Kingsgate and Finn Hill have been asking Kirkland to increase fire service in their areas after annexation. These bills create that possibility. These bills require enhanced service, and do not allow a swap out of funding sources. The bills requirements for enhanced services are a higher standard than the current fire district authority. **60% of the voters must approve the charge.** With a yes vote Kirkland, Bothell, Kenmore and Woodinville will all benefit from the enhanced service on the borders.

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: David Godfrey, P.E. Transportation Engineering Manager
Oskar Rey, Assistant City Attorney

Date: February 14, 2012

Subject: Eastside Rail Corridor Due Diligence Update

RECOMMENDATION:

It is recommended that the City Council receives an update on the due diligence process for the purchase of the Kirkland segment of the Eastside Rail Corridor and provides any necessary guidance to staff.

BACKGROUND DISCUSSION:

On December 12, 2011, the City Council approved execution of a Purchase and Sale agreement with the Port of Seattle (Port) for $5 million dollars to acquire a 5.75 mile long segment of the former BNSF rail corridor which the City has named the "Kirkland Segment". With the execution of the Purchase and Sale agreement on January 5, 2012 by both parties, a 60-day due diligence period began. During this period, the City may withdraw from the Purchase and Sale agreement without penalty if it discovers problems with the acquisition of the Kirkland Segment.

The Purchase and Sale agreement allows either party to extend the closing date by 30 days without penalty. **For reasons set forth in more detail below, staff has extended the closing date from March 15, 2012 to April 13, 2012.** The primary reasons are to complete the environmental analysis to remain eligible for federal funds and to complete title work. Staff has also requested that the Port extend the expiration of the due diligence period by 15 days from March 5, 2012 to March 20, 2012. This will ensure that the City and its consultants have enough time to complete the due diligence process. As of February 16, 2012 the Port has verbally agreed to this due diligence extension and an amendment has been sent to them but it is not yet signed.

This memo is an update on the work that staff has been conducting to further investigate the Kirkland segment during the due diligence period. The purpose of this investigation is to discover any major issues that might cause the City to withdraw from the purchase and sale agreement. Staff has also researched issues that, while not perhaps of the magnitude that warrants withdrawal from the purchase and sale agreement, may have important risks or implications for ownership of the corridor. The issues and implications are broken down as follows:

Legal issues

--Title Report Review

City staff has ordered title reports from First American Title Company ("First American") for this transaction. There will be a total of 14 title reports for the Kirkland Segment--one title report for each of the 14 quarter sections that the Corridor passes through with respect to the Kirkland Segment. It has taken First American longer than expected to produce the title reports for the Kirkland Segment. The City will not likely receive all the title reports by the original due diligence date of March 5, 2012 which is why the City requested the extension to the due diligence period.

In the meantime, the City has copies of the title reports that were obtained by King County and the Port of Seattle ("Port") in connection with the Port's acquisition of the Eastside Rail Corridor in 2009. Those title reports were last updated in December 2009 and they likely provide much of the same information that will be in the upcoming title reports to be provided by First American. City staff has performed a complete review of those reports for the Kirkland Segment.

There are several items of significance in the title reports. First, the title reports contain determinations by the title company of whether the Port has outright ownership of specific portions of the Kirkland Segment (referred to as "fee ownership") or an easement for rail purposes. The nature of the Port's ownership interest in the Corridor is important because if a portion of the Corridor is found to be an easement for rail purposes, as opposed to fee ownership, then title to that portion of the Corridor is subject to reversion to the prior owners upon abandonment of the rail use.

With respect to the Kirkland Segment, according to the 2009 title reports, in twelve of the fourteen quarter sections through which the segment passes, the property is likely owned in fee simple. That means that even in the event of full-blown abandonment of rail use in the Kirkland Segment, the City would still retain ownership of those portions of the Kirkland Segment. The southernmost two sections of the Kirkland Segment may be held in the form of rail easements. If those two sections are determined to be easements, they would be subject to reversion to the predecessors of BNSF if the rail use of those sections was fully abandoned.

It should be noted that BNSF acquired the Kirkland Segment through 36 separate deeds, most of which were executed in the 1890's and the early 1900's. The case law surrounding whether a particular deed conveyed a fee simple interest or an easement is murky and dependent on the specific language used in the deed. In analyzing each deed, the title company has offered its opinion on whether the interest conveyed was fee simple or an easement, but in at least some instances, it is not clear. It is anticipated that First American will not provide title

insurance with respect to claims that a portion of the Kirkland Segment is held as an easement instead of fee simple.

Despite the complexity of these title issues, it is important to note that the City will likely acquire a fee simple interest in the large majority of the Kirkland Segment. Even the easements remain as a corridor unless the underlying railbanking is eliminated. In that extremely unlikely scenario, the City could take actions ranging from purchase to condemnation.

As a result, staff is of the view that these title issues (which are present in all rail corridor acquisitions) should not deter the City from moving forward with the acquisition of the Kirkland Segment.

- ***Rail Banking and Interim Trail Use***

In an effort to address the possible loss of rail corridors through abandonment, Congress adopted the Rails to Trails Act in 1983. The Rails to Trails Act is intended to forestall the loss to rail corridors to abandonment by allowing a railroad to "railbank" an unprofitable or underperforming rail line instead of abandoning it. In the railbanking process, the federal Surface Transportation Board approves an "Interim Trail User" who is responsible for planning and developing the rail corridor for interim trail use. Railbanking allows for the preservation of rail corridors because the corridors are not abandoned. Instead, the corridors become available for trail use subject to the possible reactivation of freight use.

In the case of the Eastside Rail Corridor, King County was named the Interim Trail User by the Surface Transportation Board. In addition, King County (not BNSF) holds the Right of Reactivation for freight use. Upon completion of the transaction, the City and the King County will negotiate transferring Interim Trail User status for the Kirkland Segment to the City. King County would likely retain the Right of Reactivation for the Eastside Rail Corridor as a whole, and Kirkland staff support this since the County's portion would begin North of Kirkland and end South of Kirkland.

- ***Encumbrances and Encroachments***

The title reports also disclose recorded encumbrances against the Kirkland Segment. Most of the recorded encumbrances involve relatively minor utility and telecommunications easements and permits. There are also some private crossing agreements. *Puget Sound Energy*, *Sound Transit* and *King County* have easements that cover larger portions of the Kirkland Segment. Moving forward, the City will need to coordinate and reach agreements with these entities to ensure efficient use of the Kirkland Segment.

Finally, the title reports contain surveys that in some cases reveal possible encroachments from adjoining property owners. This information has been provided to the City's surveyor who will

prepare a survey document for the Kirkland Segment that depicts the location and extent of encroachments. At that point, the City would have to evaluate each encroachment on a case by case basis to determine if it is subject to removal or if there is a possible adverse possession claim. Although a few of the encroachments appear to be significant, extending up to 25 feet into the Corridor, none of them appear to interfere with the City's planned use of the Kirkland Segment. Upon acquiring the Kirkland Segment, the City would work towards removal of existing encroachments, where possible.

--Lane Litigation

The Lane case is a legal challenge by several taxpayers to the Port's legal authority to acquire the Eastside Rail Corridor. On December 9, 2011, the trial court dismissed the taxpayers' claims against the Port. However, the taxpayers appealed, seeking direct review from the Washington Supreme Court. At this point, the Washington Supreme Court has not yet indicated whether it will accept review.

The taxpayers seek to rescind the transfer of a portion of the Eastside Rail Corridor from BNSF to the Port. However, it is important to note that the transaction between the Port and BNSF contained two components. The Port purchased the portion of the Corridor from Woodinville north to the City of Snohomish for approximately $81,000,000. The portion of the Corridor south of Woodinville (including the Kirkland Segment) was treated as a donation by BNSF to the Port for which no consideration was paid. The taxpayers have indicated that they seek only to rescind the portion of the transaction for which the Port paid $81,000,000. As a result, even if the taxpayers end up prevailing in the case, the portion of the transaction involving the Kirkland Segment may not be subject to rescission. However there is a provision in the Purchase and Sale agreement that says if the purchase is rescinded at any point due to the Lane litigation, the Port will return the purchase price back to the City of Kirkland.

--Appraisal

The City obtained an appraisal report for the Kirkland Segment from Murray Brackett, MAI, with Allen Brackett Shedd. Mr. Brackett has extensive experience appraising rail corridors and the Eastside Rail Corridor in particular. Mr. Brackett has concluded that the Kirkland Segment has a value of $6,500,000. The appraisal does not change the $5 million purchase price.

Land Survey

A survey contractor began working on the Kirkland segment in late January. The main purposes of the survey work are to:

- Identify any encroachments, especially those that could be impediments to future development
- Prepare a recordable survey of the area to be purchased

- Monument the location of the right of way
- Conduct a topographic survey for future design purposes
- Capture photographic images of the corridor

Before the survey work was undertaken, staff conducted a review of encroachments using existing GIS data. It was found that while there are multiple landscaping/pavement encroachments, there are very few, if any, building encroachments. As of the date of this memo, the survey contractor is still gathering and analyzing data. However, encroachments of buildings greater than a foot or so have not been found. In the Totem Lake area, paved areas encroach into the right-of-way, but the survey data has not yet been fully coordinated with existing permits, leases, agreements etc. A more detailed report will be available at Council's February 21, 2012 meeting. The current survey schedule calls for the encroachment analysis to be completed March 1, 2012. If anything significant is found, Council will be notified at once.

At this time the survey has not revealed any information that would suggest that purchase of the corridor should not proceed.

Environmental Analysis

An environmental engineering firm began analysis of the corridor on January 23, 2012. The main product of this work is completion of a Phase I Environmental Site Assessment (ESA) report. Completion of this report prior to closing will mean that the City has conducted "All Appropriate Inquiry" [1] and make the City eligible for certain federal funds, in particular those aimed at environmental clean-up, should any clean-up be necessary.

Obtaining and analyzing records from the Department of Ecology is necessary to fulfill the objectives of the Phase I ESA. As of February 9, 2012 all of the necessary records have been reviewed by the consultant and selected records are being copied for more detailed evaluation and inclusion in the Phase I ESA report. A site visit of has been conducted by the consultant as well, and no issues were discovered that represent a high risk of environmental impairment.

As described when Council considered the Purchase and Sale agreement, the main sites to review for possible contamination are located in the vicinity of the current Google campus. Further investigation has shown that there are several other sites to evaluate in order to fulfill the objectives of the Phase I ESA review, but they are not expected to be significant. A more thorough update will be available at the February 21, 2012 Council meeting. The Consultant is on schedule to complete the initial investigation of the Phase I ESA report by March 1, 2012. However the final report was not likely to be completed by closing on March 15, 2012. To avoid any change of becoming ineligible for federal remediation dollars, the closing was extended.

At this time, the environmental report has not revealed any information that would suggest that purchase of the corridor should not proceed.

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[1] The federal Environmental Protection Agency defines All Appropriate Inquiry as: "The assessment or evaluation of a property to identify potential environmental contamination and assess potential liability for any contamination present at the property." Reference: http://www.epa.gov/brownfields/aai/aaigg.htm

Rail Removal

Staff has contacted several national firms that specialize in removing existing railroad rails and ties, in order to find out more about how rails and ties are typically removed. Equipment used to remove the rails is trucked to the site and then transported to the rails to be removed. The companies will salvage or scrap materials based on the material's condition. Scrap ties are disposed of appropriately and are the responsibility of the company removing them. The existing ballast is graded smooth after ties and rails are removed.

Given the 5.75 mile length of the rail line, it is likely that there would be a net payment to the City for removal of the rail and ties. The size of this payment is dependent upon the quality of the rails and ties, a factor that would be evaluated by the companies prior to a bid submittal. Removal of the street grade crossings, the signals at the crossings and other work would decrease the size of the payment to the city. A bidding process for rail removal would take several months in order to get the most favorable prices. Bids would likely be due 4-6 months after a call for bids is issued. This time allows the firms to schedule work and make inspections of the material to be removed. Actual removal takes 4 to 6 weeks.

Staff is exploring the types of permits required in order to remove the rails. Removal is not governed by the federal Surface Transportation Board or the State Utilities and Transportation Commission. It is likely that a SEPA process managed by the City of Kirkland would be necessary in order to obtain a grading permit to remove the rails.

Improvements and Maintenance

The Public Works Department has prepared a set of items that would be performed shortly after or coincidental with the segment coming into City of Kirkland ownership. These items are shown in Table 2. A separate set of tasks will be performed as a part of maintenance of the corridor. Those tasks are shown in Table 3.

Before preparing the lists, Street Division staff made a careful review of the corridor, choosing tasks that filled three objectives:

- Increase safety – Performing tasks that will increase the safety of corridor users
- Low cost - Feasible with limited or no budget increase and by reprioritizing existing staff time. Also take actions that minimize future costs.
- Upgrade existing levels of maintenance from previous owners – Tasks that will add to the aesthetic value of the corridor and increase its overall condition.

In preparing the maintenance list, it was assumed that rails will be removed during 2012. Removing the rails greatly increases the ease of maintaining the corridor beyond 2012 because, at that point, no special vehicles are necessary to perform maintenance. If the rails are to remain for any period of time, the purchase of special vehicles will be necessary to safely and efficiently perform maintenance activities such as mowing, spraying, debris removal etc. Rail vehicle prices begin at around $10,000.

It is expected that surface water maintenance will be conducted using existing crews and materials. As with other maintenance operations, removing the rails and ties would make maintenance much easier and would remove the need to acquire special rail-based equipment.

Expenditures

To date, approximately $200,000 has been spent or is obligated for developing information for the purchase and sale agreement and due diligence, as shown in Table 1. These expenses are expected to be paid from the City's share of the King County Open Space, Regional Trails, and Woodland Park Zoo levy lid lift approved by County voters on August 21, 2007. Those funds are available for *"acquisition acquisition of open space and natural lands and the acquisition and development of county regional trails or city trails that are regional in nature, and may specifically include local trails in underserved areas linking to city or county trails that connect to regional trails".*

Table 1: Expenses to Date

Category	Cost
Initial corridor inventory and reconnaissance	$3,497
Corridor Survey	Not to exceed $109,900
Environmental review	Not to exceed $36,377
Environmental data report	$930
Land value Appraisal	Not to exceed $16,800
Legal description	$2,250
Title reports	Not to exceed $28,000
Access to title report database	$1,750
Rails to Trails meeting	$500
TOTAL	**Not to exceed $200,004**

In addition, the development costs shown in Table 2 are also expected to be funded using the Park and Open Space Levy funds.

However the labor and maintenance costs on Table 4 are not eligible for levy funds. These tasks would be accomplished in 2012 by reprioritizing existing resources. On-going maintenance levels would be evaluated and prioritized as part of the 2013-2014 budget process. In addition, the Parks Funding Exploratory Committee will be recommending corridor maintenance dollars be included as part of a potential 2012 parks maintenance levy.

Table 2: Development Activities to be Performed upon Ownership:

Location	Description	Cost*
Throughout the corridor	Remove legacy signs, hardware	$2,000
	Remove litter and debris (including car remnants)	$1,200
Where rails cross roadways at grade	Remove gate arms, turn flashers away from traffic. Other equipment associated with crossings will remain.	$5,250
	Disconnect power supplies; remove unnecessary power poles	Performed by Puget Sound Energy
	Add TRACKS NOT IN USE signs	$800
	Remove railroad warning signs and pavement markings	$3,150
	Add appropriate pedestrian warning signs	$2,700
Kirkland Way Bridge	Remove existing railing; install new 4′ high chain link fence both sides of bridge	$10,000
NE 68th Street Bridge	Remove existing railing; install new 4′ high chain link fence both sides of bridge	$10,000
	Add decking to provide wider walkway	$2,500
Ingress/Egress locations (mainly grade crossings)	Remove existing gates, bollards, posts etc (1 each)	$1,800
	Install ecology blocks in order to provide uniform, easy to maintain treatment (82 each), prevent general vehicle access. Use chained openings to allow maintenance vehicles to access (combined)	$14,100
	Install trail signing indicating ownership, number to call etc.	$5,400
NE 124th Street/Ave crossing	Install signing directing pedestrians to use traffic signal	$500
Parking areas in the vicinity of NE 128th Street	Install appropriate parking signs and concrete parking stops	$1,500
Select trail crossings	Improve trails where they cross the rail right of way ($1000 ea)	$3,000
	TOTAL COST	**$63,900**

* Costs shown are for materials and labor. No new staff is planned. These costs are eligible for payment by the King County Open Space, Regional Trails, and Woodland Park Zoo levy.

Table 3: Maintenance Activities to be Performed during 2012:

Location	Description	Cost*
Throughout the corridor	Protect/maintain sensitive areas	$2,000
	Remove litter and debris Two visits per year	$800
	Arborist work	$2,000
	Code enforcement issues	$800
	Graffiti control	$2,400
	Mowing: one pass per year	$10,900
	Spraying: one spray operation per year	$2,400
	Grading: Once per year after rail removal	$10,000
Kirkland Way Bridge	Maintain fences/railings	$200
NE 68th Street Bridge	Maintain fences/railings	$200
Ingress/Egress locations (mainly grade crossings)	Maintain signs, approaches, etc	$1,200
Parking areas in the vicinity of NE 128th Street	1 evaluation and repair per year	$1,200
Select trail crossings	Spring/Fall repair of improved crossings	$1,800
	TOTAL COST	**$35,900**

* Costs shown are for labor and materials. No new staff or budget is planned. Existing 2012 budgets will be reprioritized.

Moving the Closing Date

As stated above, the Purchase and Sale Agreement allows for the City to extend the closing date 30 days from March 15, 2012. Because the title company is unable to meet their proposed schedule, staff extended the closing date to April 13, 2012. This will allow time for the City Attorney's Office and the surveying contractor to evaluate the information provided in the new title report. The current Purchase and Sale agreement calls for the due diligence period to end March 5, 2012. Staff has proposed to the Port an extension of the due diligence period for an additional 15 days. The Port has verbally agreed to the extension. This will extend the City and its contractors to right to be on the corridor for the purposes of evaluation and data gathering.

Other Issues

King County is constructing a new sewer main from the lift station near the Kirkland Transit Center to the sewer facilities under the rail corridor. The Port of Seattle required the County to bore the new main under the rail bed. The County has approached the City as the potential new owner of the corridor to see if the City would allow an open cut of the corridor. The City's initial position has been that we are potentially open to such an arrangement in exchange for other improvements. Negotiations are continuing between the County and the City but given the extension of the closing date this may not be possible since the work is expected to be completed late spring/early summer 2012.

The Transportation Commission work plan calls for the Commission to undertake a corridor strategic plan in partnership with the Park Board. At the March 6 Council meeting, the Commission will present their recommendations on developing a plan.

Public Feedback on Loan Repayment

As was highlighted at the December 12, 2011 Council meeting, the initial acquisition of the Kirkland segment would be paid for with a $4 million interfund loan from utility reserve funds. By state law, this loan needs to be repaid within three years. Staff has proposed three options for repaying the loans: 1) reprioritization of CIP projects reviewed and approved by the Park Board and the Transportation Commission; 2) the issuance of long-term councilmanic bonds; and 3) inclusion of repayment in a parks ballot measure. Staff was asked by Council to solicit public input on the three options. The Parks Funding Exploratory Committee (PFEC) was asked to review the options and state their preference. The PFEC preferred a councilmanic bond narrowly over CIP reprioritization, with including repayment in a ballot measure as the least popular option. The City Manager also made a presentation on the three options to 55 members of the Kirkland Rotary. The Rotarians overwhelmingly selected a councilmanic bond (48 votes) over the CIP reprioritization (6 votes) or inclusion in a ballot measure (1 vote.)

In order to get a snapshot of how the greater public felt about the three options, a non-scientific online questionnaire was posted and the survey was sent out to all media, blogs and listservs. Respondents were asked to consider the three funding options and indicate the level

of their support for each option. The survey as it was posted online is shown in Attachment 1 to this memo. Results as of February 16, 2012 are shown in Table 4:

Table 4: Survey results as of February 16, 2012
226 Total Responses

Option	Level of Support					
	Strongly Oppose	Oppose	Subtotal Oppose	Subtotal Support	Support	Strongly Support
Reprioritize CIP Projects	66	48	114	97	37	60
Councilmanic Bonds	82	40	122	86	54	32
Voted Park Bond	74	29	103	106	44	62

* No opinion or Neutral was not included in either oppose or support.

Based on the results above, there is no clear public consensus. The option with the most support is a Voted Park Bond with Reprioritization of CIP projects as a close second. It has the most *strongly support* responses and the fewest *total oppose* responses. Updated results will be presented at the February 21 Council meeting.

No decision about loan repayment is needed at this time, but staff is seeking direction on whether additional public input on the three options is desired by Council.

Conclusions

The City has entered into a purchase and sale agreement for a segment of the rail corridor. A 60 day due diligence period began January 5, 2012. During this time, environmental, survey, title and rail removal issues have been investigated. Costs for maintenance and opening the corridor have also been assembled.

Because updated title reports have not been provided on schedule, staff extended the closing date from March 15, 2012 to April 13, 2012. Staff has also requested that the Port extend the due diligence period by 15 days.

Based on current analysis of environmental data, survey work, investigation of title reports, and maintenance needs, staff recommends proceeding with the segment purchase.

Because of the extensions, it is possible to also discuss the acquisition at the March 6, 2012 Council meeting. Staff is seeking input from the Council on whether it has sufficient information to concur with the staff recommendation or whether additional information is needed.

Attachment 1: Online Survey

Citizen feedback on purchase funding options for Eastside Rail Corridor

Please send the City your preferred options by February 17, 2012.

Background

The City has had a long-standing vision to purchase and develop the Eastside Rail Corridor as a multi-modal transportation amenity that would be enjoyed by pedestrians, bicyclists, and at some future point, transit commuters. The vision became closer to reality in December 2011 when the City Council unanimously voted to pursue a purchase and sale agreement to buy 5.75 miles of the corridor that lie within Kirkland city limits from the Port of Seattle for $5 million. The Kirkland Segment extends from 108th Avenue NE near the South Kirkland Park and Ride north to Slater Avenue/132nd Avenue NE in Totem Lake. As with any major land purchase, the City is conducting a due diligence study on the property and is identifying short term and long term costs to develop and maintain the corridor.

Acquisition Costs

At the time the City Council approved the purchase and sale agreement, it also approved interim financing in the form of an Interfund Loan of $4 million from the City's Water/Sewer and Surface Water utilities and a contribution of $1 million from the surface water utility capital reserves. The loans from the utilities will accrue interest and need to be paid back by within three years.

Citizen Preference on Interfund Loan Repayment for Acquisition

The City Council was presented with three options to repay the $4 million Interfund Loan and would like feedback from Kirkland citizens - those who live, work and have a business here - on their repayment preference.

Please read the following explanations and submit your preference of Option 1, 2, or 3 by February 17, 2012. Your responses will be shared with the City's Rail Corridor Coordinating Team and a summary will be provided to the City Council at its February 21, 2012 meeting.

Option 1: Reprioritize Parks and Public Works Capital Improvement Projects

This option would involve delaying identified capital improvement projects such as sidewalk construction and park development and renovation. The Park Board and Transportation Commission recommend projects to be deferred to provide funding for this high priority opportunity. For example, delayed Parks projects include Waverly Beach Park and Spinney Homestead Park renovations and approximately one quarter of the non-motorized transportation funding would be directed to this purpose. A complete list is available for Public Works and Parks. In addition to the project deferrals, $1 million of the real estate excise tax reserves (REET 2) set aside for future capital projects and up to $500,000 of reserves set aside for property acquisition would be used to repay debt.

Option 2: Issue Non-Voter Approved Councilmanic Bonds

The City's financial policies allow for the City Council to issue Limited Tax Obligation Bonds, also known as Councilmanic Bonds, which are paid back with existing revenue sources over a long period of time. Councilmanic bonds do not require voter approval. The estimated annual debt service would be $285,000 for 20 years. If the King County Parks levy is renewed, the funds received by the City would be dedicated to this purpose. Otherwise, paying the debt service would be the first call on real estate excise tax revenues, which range between $3 and $7 million annually, with the remainder available for other transportation and parks projects.

Option 3: Include Acquisition Cost in Voter-Approved Park Bond

Repayment of the loan using a portion of a voter-approved park bond is the third funding option. A park bond would require approval by registered Kirkland voters. This approach would be similar to the park bond approved by Kirkland voters in 2002. A citizen-based Park Funding Exploratory Committee has been tasked with identifying funding options to help meet the capital, maintenance, and operational needs of the City's park, open space and recreation system and to make recommendations to the City Council about a park bond measure. Repayment of the loans could be one project included in an over all park bond measure.

What is Your Preferred Method to Repay the Interfund Loans?

Page 1 of 1 Preview

Option 1: Reprioritize parks and capital improvement projects

- I strongly support this option
- I support this option
- I have no opinion (neutral)
- I oppose this option

- [ ] I strongly oppose this option

Reason for my answer:

Option 2: Non-voter approved councilmanic bonds

- [ ] I strongly support this option
- [ ] I support this option
- [ ] I have no opinion (neutral)
- [ ] I oppose this option
- [ ] I strongly oppose this option

Reason for my answer:

Option 3: Voter-approved park bond

- [ ] I strongly support this option
- [ ] I support this option
- [ ] I have no opinion (neutral)
- [ ] I oppose this option
- [ ] I strongly oppose this option

Reason for my answer:

Other comments I have:

Preview

Thank you for taking the time to complete our survey!

CITY OF KIRKLAND
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MEMORANDUM

To: City Council

From: Kurt Triplett, City Manager

Date: February 10, 2012

Subject: FINAL 2012 CITY COUNCIL RETREAT PLANNING

RECOMMENDATION:

City Council approves proposed final 2012 retreat agenda.

BACKGROUND DISCUSSION:

The annual Council retreat will be held on Friday, March 23 and Saturday March 24. The Council reviewed and debated topics at both the January 17th and February 7th Council meetings. There was consensus around the following topics:

- Discussion of a Transportation Benefit District (TBD) or 2012 roads ballot measure
- Discussion of a 2012 Parks ballot measure
- Review of the 2012 Citizen Survey Results
- Financial update and 2013-2014 budget priorities and themes
- Briefing on enhanced public engagement efforts in 2012 for 2013-2014 budget
- Council brainstorming session
- Communications Training and Team Building

Each of these topics has been incorporated into the proposed final retreat agenda that follows the memo. Attachment A is a general agenda. Attachment B includes suggested presenters for each topic.

The communications and team building exercise will be "Colors" communication training facilitated by Rhonda Hilyer of Agreement Dynamics.

Reviewing the Mission, Vision and Value Statements for the City

There was also discussion at the February 7th Council meeting about reviewing the Mission, Vision and Value (MVV) Statements for the City at the retreat. Council asked for staff to consider how to incorporate such a review without taking away from the time necessary to devote to the other retreat topics.

Staff is proposing that the current Mission, Vision and Value statements be distributed to all members in advance of the retreat. The MVV statements will also be posted prominently on the walls during the retreat. As the other topics are discussed throughout the day, we will periodically refer to the statements to see whether decisions made by the Council at the retreat are consistent with the current Mission, Vision and Values, or if those decisions highlight a need to change the MVV statements. At the end of the retreat, we will have a brief discussion of the MVV statements and see whether there are any suggested edits. If it appears that significant edits are necessary we will schedule time at a future Council study session to make the changes.

City of Kirkland
2012 City Council Retreat
Peter Kirk Room

Proposed Final Agenda

Friday, March 23

9:00 Agenda Overview and Housekeeping

9:10 Community Survey Results

10:15 Break

10:30 Discussion of Possible 2012 Ballot Measures for Parks and/or Roads

12:30 Lunch

1:15 2013-2014 Budget

- Financial Context for Kirkland's Next Budget Process
- Public Engagement Plan
- Council Themes and Priorities

3:00 Break

3:15 Council Brainstorming

5:00 Adjourn

Saturday, March 24

9:00 City Council Communications

10:30 Break

12:00 Adjourn

City of Kirkland
2012 City Council Retreat
Peter Kirk Room

Proposed Final Agenda

Friday, March 23

9:00 Agenda Overview and Housekeeping (Mayor and Kurt)

9:10 Community Survey Results (Marilynne Beard and EMC Research)
- Overview of Survey Results – Andrew Thibault
- Council Questions and Discussion

10:15 Break

10:30 Discussion of Possible 2012 Ballot Measures for Roads and Parks (Kurt)
- Roads (Ray)
    - Recap of needs
    - TBD options
- Parks (Jenny)
    - Recap of PFEC recommendation
    - Options
- City Council Discussion and Direction

12:30 Lunch (provided)

1:15 2013-2014 Budget

- Financial Context for Kirkland's Next Budget Process (Tracey)
    - 2011 financial results
    - 2012 budget forecast and beyond
- Public Engagement Plan (Marilynne, Tracey and Marie)
    - Recap of planned activities
    - City Council Discussion
- Council Themes and Priorities (Kurt)

3:00 Break

3:15 Council Brainstorming (Facilitated by Marilynne as needed)

5:00 Adjourn

Saturday, March 24

9:00 City Council Communication Styles (Rhonda Hilyer – Agreement Dynamics)

10:30 Break

12:00 Adjourn

CITY OF KIRKLAND
Department of Finance & Administration
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www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Robin Jenkinson, City Attorney

Date: February 8, 2012

Subject: Annexation State Sales Tax Credit Resolution

RECOMMENDATION:

City Council approves the resolution required for notification of the Department of Revenue regarding the annexation state sales tax credit amount for July 1, 2012 through June 30, 2013.

BACKGROUND DISCUSSION:

An important part of the implementation strategy for annexation is the use of the annexation state sales tax credit to assist the City in providing municipal services in the area where the revenues are not yet sufficient to fund those services. In February 2011, the City Council approved Resolution 4867 identifying an anticipated shortfall in the annexation area revenues of $3.5 million for the state fiscal year starting July 1, 2011 and ending June 30, 2012. RCW 82.14.415 requires the City to provide the Department of Revenue (DOR) with an estimate of the anticipated shortfall (labeled, "new threshold amount") in the annexation area for the next fiscal year (July 1, 2012 through June 30, 2013). To be eligible for the credit this year, DOR must be notified no later than March 1, 2012, which necessitates approval of the attached resolution at the February 21 City Council meeting.

The state sales tax credit will help bridge the gap between revenues and expenditures in the annexation area. It is important to note that the credit is only available up to the amount needed to offset actual shortfalls due to annexation. The distribution is set up to match the State's fiscal year of July through June. The new threshold amount for the fiscal year beginning July 1 is $3.64 million. The increase in the threshold amount in 2012 over 2011 is primarily the result of the estimated revenue from the new neighborhoods falling short of projections partly because the earlier revenue estimates from King County appear to have been overstated. The City's budget is based on the County's 2008 estimate for sales tax revenue from the annexation area discounted by 20 percent to reflect the economic downturn. The table below summarizes the estimated shortfall based on the City's experience since annexation.

Annexation Sales Tax

2008 King County Estimate (Annual)	1,354,155
Less: 20% Assumed Sales Decline	(270,831)
Basis for Budget (Annual)	**1,083,324**

	2011*	2012	Total
Budgeted Revenue	369,699	1,083,324	1,453,023
2011 Actual/2012 Estimate	106,436	312,000	418,436
Variance to Budget	**(263,263)**	**(771,324)**	**(1,034,587)**

*2011 Revenue received starting September (4 months)

City staff continues to work with the County to determine the basis of the original revenue estimate. We will monitor the revenue trends and keep the City Council updated as new information becomes available. DOR will begin the monthly distributions (with July revenue received in September) and continue until the threshold amount has been reached or until June 30 of the following year, whichever occurs first.

RESOLUTION R-4910

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND DETERMINING THE ANTICIPATED SHORTFALL IN REVENUES FOR PROVIDING MUNICIPAL SERVICES TO THE ANNEXATION AREA AS REQUIRED BY RCW 82.14.415.

WHEREAS, RCW 82.14.415 authorizes the City to impose a sales and use tax as a credit against the state tax to assist the City in providing municipal services to the Finn Hill, Kingsgate and North Juanita Annexation Area; and

WHEREAS, on April 7, 2009, the City Council passed Resolution R-4751 which directed the City Clerk to file a notice of intent to annex the Finn Hill, Kingsgate and North Juanita Annexation Area with the King County Boundary Review Board; and

WHEREAS, the Boundary Review Board held a public hearing on the proposed annexation on June 8, 2009, and approved the annexation on July 9, 2009; and

WHEREAS, the City Council passed Resolution R-4763 calling for an election which was held pursuant to state statute; and

WHEREAS, the King County Council transmitted a certified abstract of the vote in the November 3, 2009, general election reflecting that the annexation was approved by the voters; and

WHEREAS, the City Council passed Ordinance No. 4229 on December 15, 2009, annexing the Finn Hill, Kingsgate and North Juanita Annexation Area, an area that has a population of at least twenty thousand people; and

WHEREAS, on February 16, 2010, the City Council passed Ordinance No. 4237 creating Chapter 5.07 of the Kirkland Municipal Code and imposing the sales and use tax at the rate of 0.2 percent; and

WHEREAS, the City was notified by the Washington State Department of Revenue (DOR) on March 31, 2010, that the City would not be eligible to draw on the state sales tax credit until after the effective date of the annexation, June 1, 2011; and

WHEREAS, RCW 82.14.415 requires the City to provide DOR with an estimate of the anticipated shortfall or "threshold amount" in the Annexation Area for the next fiscal year by March 1, 2012; and

WHEREAS, the City Council finds and determines that the projected cost to provide municipal services to the Annexation Area exceeds the projected general revenue that the City would receive from the Annexation Area by $3.64 million for the state fiscal year starting July 1, 2012, through June 30, 2013; and

WHEREAS, state fiscal year July 1, 2012, through June 30, 2013, represents the second year of the ten-year period available to the City for the imposition of the tax authorized by RCW 82.14.415; and

WHEREAS, the effective date of annexation was June 1, 2011 and the Department of Revenue has acknowledged that the City has yet to receive a full year's annexation sales tax credit as of the date of this resolution, therefore certification of actual costs for the period of July 1, 2011 to June 30, 2012 will occur in the notification occurring March 1, 2013;

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

Section 1. Purpose. The Kirkland City Council determines that the City's projected net cost in providing municipal services to the Finn Hill, Kingsgate and North Juanita Annexation Area is in the amount of $3.64 million. The City Council previously imposed a sales and use tax at the rate of 0.2 percent, with the passage of Ordinance No. 4237 on February 16, 2010.

Section 2. Implementation. The City Manager is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this Resolution.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2012.

Signed in authentication thereof this ____ day of _____, 2012.

_____
MAYOR

Attest:

_____
City Clerk

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: February 9, 2012

Subject: Process for Selecting Applicants to Interview for Current Board and Commission Vacancies

RECOMMENDATION:

City Council review the current policy and evaluate options for selecting applicants to interview for current vacancies on boards and commissions.

BACKGROUND DISCUSSION:

In September 2010, Council reviewed their procedures and evaluated options for the boards and commissions appointment process (Attachment A) and directed staff to bring back a resolution incorporating their direction.

Resolution 4858 was adopted on January 4, 2011 (Attachment B). At that time Council decided that when more than five applications were received per vacancy, the Council would review the applications and reduce the number of applicants for interview to five applicants for each vacancy.

Within the current policy, options available to achieve that goal include the appointment of a committee to review all applications and recommend which applicants to interview, or Council may choose to discuss and vote in open meeting which applicants to interview from those who apply.

If the Council chooses also to make additional changes to the current policy, other options include:

- further reducing the minimum number, or not having a minimum number, of applicants; and/or
- interviewing only incumbents for seats where an incumbent in good standing has applied for reappointment.

If the decision is to change the policy, a resolution incorporating Council's revisions can be brought back for consideration at the regular meeting on March 6th.

Attachment A

CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathi Anderson, City Clerk
Tracey Dunlap, Director, Finance and Administration
Robin Jenkinson, City Attorney

Date: September 10, 2010

Subject: Council Procedures – Board & Commission Appointment Process

RECOMMENDATION:

City Council considers amending the rules of procedure for board and commission appointments and provides direction to staff regarding any changes to the current practices or procedures.

BACKGROUND DISCUSSION:

The City Council earlier indicated an interest in revising the board and commission recruitment, interview and appointment process. Three issues cited in particular were a process for the selection of applicants to be interviewed when there is a large field of applicants, clarification of the maximum term length a member may serve, and criteria for considering removal of a member.

Current practice is for the full Council to interview all applicants. Council procedures also allow for the use of a screening process by the full Council in open meeting, or by a Council subcommittee appointed by the Mayor.

Term limitations have been set at "no… more than two full four-year terms" which in practice has been interpreted in two ways; either a member who is appointed to fill an unexpired term remainder is still eligible for two "full" terms, or a member cannot be reappointed to a term that will take him/her past the eight year total of two full terms. An unexpired term can range from nearly the full four years to less than six months. Council has indicated a desire to clarify this language.

Council does not specify in their procedures any process for removal of a member. However, there is a requirement for attendance at 80% of all meetings within a 12-month period which, if not met, would apparently be grounds for removal. There are also existing criteria set for considering re-appointments, which could also be used as standards to be met in considering a request for removal (see attachment).

Options

Council may continue their current recruitment process or, alternatively, Council may choose to discuss and vote in open meeting which applicants to interview from those who apply. Another option is to appoint a subcommittee to review all applications and recommend which, and how many, applicants to interview. This could be a standing subcommittee, or a new subcommittee chosen each time a new recruitment is needed. Council could also choose to amend their procedures to allow staff to screen applicants to be interviewed.

In regard to term limitations, Council may wish to amend their procedures to clarify the language in favor of one of the two recent interpretations, or some other option not yet brought forward.

Procedures could be amended to include more specific criteria for removal of a member, including lack of attendance, and a process for doing so. This might involve a formal vote or recommendation from the board for consideration by the City Council.

Based on direction from the Council, staff will prepare a resolution making appropriate edits to the Council Rules of Procedure for adoption at an upcoming Council meeting.

For your information, attached is a table of some local Cities' processes for applicant selection and section 5.1 from Council's current procedures.

City	Process
Auburn	No written process. Mayor makes appointments which are presented to Council for confirmation at regular meeting.
Bothell	Full Council interviews and makes appointments. Council has option to not interview and appoint after application review only, but has not utilized it.
Mountlake Terrace	Council subcommittee conducts interviews, full Council reviews recommendations in study session, followed by appointments in regular meeting.
Redmond	Staff reviews applications and makes interview recommendations to Mayor. Mayor, staff and board chair conduct interviews. Full Council interviews Mayor's recommended candidate(s), followed by appointments in regular meeting.
Shoreline	Council subcommittee interviews and makes recommendations for appointments by full Council.
Woodinville	Council subcommittee interviews and makes recommendations for appointments by full Council.

CHAPTER 5

5.1 APPOINTMENT AND REAPPOINTMENT POLICY

It shall be the policy of the Kirkland City Council to make appointments to official advisory boards or commissions generally in accordance with the following:

Applicability/Definition
For the purposes of this policy, the term advisory board shall include the following appointed bodies:

Cultural Council
Design Review Board
Disability Board
Human Services Advisory Committee
Kirkland Senior Council
Library Board
Lodging Tax Advisory Council
Park Board
Planning Commission
Transportation Commission

Eligibility
Relatives or family members of Councilmembers will not be eligible to serve on City advisory boards. Members of the family of a City employee who works in a department, that provides staff assistance or support to an advisory board, shall not be eligible to serve on that board .

Non-Discrimination
The Council shall not discriminate on the basis of an applicant's race, ethnic background, creed, age*, sex, marital status, sexual orientation, or sensory or physical handicap in the making of appointments.

*City Council has made age a qualification for specific seats on certain advisory bodies.

Concurrent Offices
At no time shall any person serve concurrently as a member of more than one of the above listed City boards.

Terms
Appointments shall be made for four-year terms. Terms shall expire on the 31st of March of the applicable year. A member being appointed to fill a vacant position shall be appointed to fill the vacancy for the remainder of the unexpired term.

Term Limitations
No individual shall serve more than two full four-year terms as a member of a City of Kirkland appointed advisory board.

Attendance
Appointees shall attend 80% of all meetings in any 12-month period for which there is no prearranged absence, but in any case shall attend no less than 60% of all meetings unless waived by the City Council.

Appointment / Reappointment

An open competitive process will be used to fill vacancies. City Council will initiate an open and competitive application process and solicit applicants for the position(s). All advisory board members completing their term and who are interested in reappointment will be required to go through the open competitive process.

Application Process

Openings for advisory board positions shall be widely advertised in local newspapers, as well as other means available and appropriate for this purpose. If an incumbent is eligible to apply for reappointment, this information shall be included in the announcement. Applicants shall be required to complete a City application form provided for this purpose, and to submit a completed application by the specified recruitment deadline. Late applications will not be accepted; however, the City Council may choose to extend an application deadline, if necessary, to obtain a sufficient number of applicants for consideration. Copies of all applications will be provided to the City Council.

Criteria for Reappointment

Information will be sought from the Board/Committee Chairs and the City Manager (or appropriate staff) when considering reappointments. Reappointments are based on the following criteria:

Minimum performance - attendance, incumbent reads the materials, has a basic understanding of the issues and participates in discussion.

Performance - has well-thought-out arguments, logically presented, and is a good advocate. Shows ability to analyze complex issues and to judge issues on substantive grounds. Understands difference between quasi-judicial and legislative matters.

Personal relations - has good understanding of relative roles of Council, Commissioners and staff and is sensitive to staff's job. Is generally respectful of others' viewpoints. Is a good team player, shows willingness to compromise, work toward a solution, without sacrificing his/her own principles.

Growth/improvement - has shown personal and/or intellectual growth in the position. Has shown improved performance, has taken advantage of continuing education opportunities or other indicia of growth or improvement.

Public benefit - reappointment provides a benefit to the commission as a body; provides or enhances balance on the commission geographically and/or philosophically.

Appointment Process

Upon receipt of applications, the Council may choose to interview all applicants or in the event of a large number of applicants, use a screening process to reduce the number of candidates for interview. The Council may establish criteria for screening. Preliminary screening may be performed by the Council serving as a committee of-the-whole, or by a Council subcommittee appointed by the Mayor for this purpose. In the event a subcommittee is utilized to screen applicants, non-subcommittee Councilmembers will be invited to convey their comments and questions regarding the qualifications of the applicants to the screening committee.

Interviews of applicants shall be conducted in open session. The chairperson of the respective advisory board (or a representative) will also be invited to attend the interviews, and may participate in the process to the degree desired by the Council. Upon completion of the interviews, the Council will convene in executive session to discuss the qualifications of candidates, as provided for by law. The Council shall make its appointment in open session. Following appointment, the appointee, as well as all other candidates, will be notified in writing of the Council's decision.

Attachment B

CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathi Anderson, City Clerk
Tracey Dunlap, Director, Finance and Administration

Date: December 14, 2010

Subject: Revisions to Council Procedures - Boards & Commissions Appointment Process

RECOMMENDATION:

Council approves the attached resolution incorporating their direction from the October 5, 2010 regular meeting.

BACKGROUND DISCUSSION:

Council was asked for direction in three areas where they had indicated an interest in revising their Council procedures relating to Boards and Commissions. Following is a synopsis of that direction, which has been incorporated in the attached resolution.

First, Council agreed that the full Council will continue to interview all applicants except, where more than five applications are received per vacancy, the full Council will narrow the field by selecting, in open meeting, which applicants to interview from the total applications received.

Second, Council sought to clarify the language relating to term length eligibility. Council agreed that members appointed to initial terms of one year or under may reapply for membership for two additional four year terms; if members are appointed to initial terms of over one year, they may reapply for only one additional four year term.

Third, Council agreed that, in addition to the attendance policy, the criteria for consideration of removal of a member would be the same as for reappointment.

RESOLUTION R-4858

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE BOARD AND COMMISSION APPOINTMENT AND REAPPOINTMENT POLICY.

WHEREAS, adoption of a City Council policy for the appointment and reappointment of Kirkland board and commission members will provide guidelines for eligibility, terms, the application and appointment process, and reappointment criteria; and

WHEREAS, providing such guidelines and criteria will aid in expeditiously filling of vacancies for boards and commissions;

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

Section 1. The Board and Commission Appointment and Reappointment Policy attached as Exhibit A is adopted.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

_____
MAYOR

Attest:

_____
City Clerk

5.1 APPOINTMENT AND REAPPOINTMENT POLICY

It shall be the policy of the Kirkland City Council to make appointments to official advisory boards or commissions generally in accordance with the following:

Applicability/Definition
For the purposes of this policy, the term advisory board shall include the following appointed bodies:

Cultural Council
Design Review Board
Disability Board
Human Services Advisory Committee
Kirkland Senior Council
Salary Commission
Library Board
Lodging Tax Advisory Council
Park Board
Planning Commission
Transportation Commission

Eligibility
Relatives, family members or domestic partners of Councilmembers will not be eligible to serve on City advisory boards. Members of the family of a City employee who works in a department, that provides staff assistance or support to an advisory board, shall not be eligible to serve on that board.

Non-Discrimination
The Council shall not discriminate on the basis of an applicant's race, ethnic background, creed, age*, sex, marital status, sexual orientation, or sensory or physical handicap in the making of appointments.

*City council has made age a qualification for specific seats on certain advisory bodies.

Concurrent Offices
At no time shall any person serve concurrently as a member of more than one of the above listed City Boards.

Terms
Appointments shall be made for four-year terms, unless otherwise provided by statute or Kirkland Municipal Code. Terms shall expire on the 31st of March of the applicable year. A member being appointed to fill a vacant position shall be appointed to fill the vacancy for the remainder of the unexpired term.

Term Limitations
No individual shall serve more than two full four-year terms as a member of a City of Kirkland appointed advisory board; provided, if an individual is appointed to fill 365 days or less of an unexpired term and serves that term, the individual is eligible to apply for and serve two additional four-year terms. If an individual is appointed to fill 366 days or more of an unexpired term and serves that term, the individual would be eligible to apply for and serve for only one additional four-year term.

Attendance
Appointees shall attend 80% of all meetings in any 12-month period for which there is no prearranged absence, but in any case shall attend no less than 60% of all meetings unless waived by the City Council.

Appointment/Reappointment
An open competitive process will be used to fill vacancies. City Council will initiate an open and competitive application process and solicit applicants for the position(s). All advisory board members completing their term who are interested in and eligible for reappointment will be required to go through the open competitive process.

Application Process
Openings for advisory board positions shall be widely advertised in local newspapers, as well as other means available and appropriate for this purpose. If an incumbent is eligible to apply for reappointment, this information shall be included in the announcement. Applicants shall be required to complete a City application form provided for this purpose, and to submit a completed application by the specified recruitment deadline. Late applications will not be accepted; however, the City Council may choose to extend an application deadline, if necessary, to obtain a sufficient number of applicants for consideration. Copies of all applications will be provided to the City Council.

Criteria for Reappointment
Information will be sought from the Board/Committee Chairs and the City Manager (or appropriate staff) when considering reappointments. Reappointments are based on the following criteria:

Minimum performance – attendance, incumbent reads the materials, has a basic understanding of the issues and participates in discussion.

Performance – has well-thought-out arguments, logically presented, and is a good advocate. Shows ability to analyze complex issues and to judge issues on substantive grounds. Understands difference between quasi-judicial and legislative matters.

Personal relations – has good understanding of relative roles of Council, Commissioners and staff and is sensitive to staff's job. Is generally respectful of others' viewpoints. Is a good team player, shows willingness to compromise, work toward a solution, without sacrificing his/her own principles.

Growth/improvement – has shown personal and/or intellectual growth in the position. Has shown improved performance, has taken advantage of continuing education opportunities or other indicia of growth or improvement.

Public benefit – reappointment provides a benefit to the commission as a body; provides or enhances balance on the commission geographically and/or philosophically.

Appointment Process

Upon receipt of applications, the Council will review the applications and reduce the number of applicants for interview to five 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 five. If there were two vacancies, the Council would reduce the pool of applicants to be considered to ten.

Interviews of applicants shall be conducted in open session. The chairperson of the respective advisory board (or a representative) will also be invited to attend the interviews, and may participate in the process to the degree desired by the Council. Upon completion of the interviews, the Council shall make its appointments in open session. Following appointment, the appointee, as well as all other candidates, will be notified in writing of the Council's decision.

Criteria for Removal

Failure to continue to meet the criteria for reappointment to boards and commissions and the attendance standard set forth above is cause for the removal of a member of a board or commission by a majority vote of the Council.