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# CITY OF KIRKLAND

## CITY COUNCIL

Joan McBride, Mayor • Doreen Marchione, Deputy Mayor • Dave Asher  
Toby Nixon • 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.*

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123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • [www.kirklandwa.gov](http://www.kirklandwa.gov)

## AGENDA

### KIRKLAND CITY COUNCIL MEETING

City Council Chamber  
Tuesday, April 2, 2013  
6:00 p.m. – Study Session  
7:30 p.m. – Regular Meeting

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

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

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

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
  - a. Regional Watershed Issues
4. *EXECUTIVE SESSION*
5. *HONORS AND PROCLAMATIONS*
  - a. April as Child Abuse Prevention Month Proclamation
6. *COMMUNICATIONS*
  - a. *Announcements*
  - b. *Items from the Audience*
  - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
  - a. Comprehensive Plan Update #1 – Community Outreach
8. *CONSENT CALENDAR*
  - a. *Approval of Minutes:*      March 19, 2013

**QUASI-JUDICIAL MATTERS**

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

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

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

**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

- b. Audit of Accounts:*
  - Payroll*     \$
  - Bills*        \$

*c. General Correspondence*

*d. Claims*

*e. Award of Bids*

- (1) Award Contract for Totem Lake Culvert Replacement Project to Scarsella Brothers, Inc., Seattle, Washington, and Approve a Reduced Overall Project Budget

*f. Acceptance of Public Improvements and Establishing Lien Period*

*g. Approval of Agreements*

- (1) Resolution R-4972, Authorizing the City Manager to Execute an Interlocal Agreement Between the Seattle Department of Parks and Recreation, the University of Washington, the Port of Seattle, Tacoma Metroparks, the Cities of Bellevue, Kent, Mountlake Terrace, Renton, Tukwila, Woodinville and Kirkland to Manage Waterfowl.

*h. Other Items of Business*

- (1) Use of Park Easement Proceeds
- (2) Park Lane Corridor Enhancements – Project Update
- (3) Report on Procurement Activities

*9. PUBLIC HEARINGS*

*10. UNFINISHED BUSINESS*

- a. 2013 Legislative Update #5*
- b. Street Levy Update and Community Outreach*

*11. NEW BUSINESS*

- a. Ordinance O-4403, Amending the Biennial Budget for 2013-2014.*
- b. Filling Vacancy on City Council*
- c. Roadside Memorial Policy*

*12. REPORTS*

- a. City Council*

- (1) Finance and Administration Committee
- (2) Public Safety Committee
- (3) Community Planning, Housing and Economic Development Committee
- (4) Public Works, Parks and Human Services Committee
- (5) Regional Issues

*b. City Manager*

- (1) Calendar Update

13. *ITEMS FROM THE AUDIENCE*

14. *ADJOURNMENT*

**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.



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

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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Pam Bissonnette, Interim Public Works Director  
Jenny Gaus, Surface Water Engineering Supervisor

**Date:** March 8, 2013

**Subject:** Regional Watershed Issues

### **RECOMMENDATION:**

Staff recommends that City Council review the information provided with the understanding that new Council Members will be need to be chosen in January of 2014 to fill roles that will be vacated by Mayor McBride on the WRIA 8 Salmon Recovery Council, the King County Flood Control Zone District Advisory Board, and the King Conservation District Advisory Committee (if this is reconvened). In addition, staff recommends that Council prepare to develop positions on items that will come before the King County Flood Control Zone District in summer/fall of 2013, and on potential 2014 State legislation on Watershed Improvement Districts.

### **BACKGROUND DISCUSSION:**

#### *A. Introduction*

Kirkland is a member of several regional forums that work on watershed issues. The purpose of this memo is to describe the relationships between these groups, and to highlight upcoming issues on which the Council may wish to develop a position.

The attached table (Attachment A) gives a summary of the funding mechanisms, membership, and area of focus for each of these groups. Each group is described in further detail here.

#### *B. Salmon Recovery*

The Puget Sound Chinook Salmon was listed as a threatened species under the Federal Endangered Species Act (ESA) in 1999. Under ESA, any action that could be construed as a "take" of the species is prohibited. As long as the species is listed under ESA, activities such as land development, construction of vital infrastructure, and discharge of stormwater could potentially be prohibited if these are found to negatively impact the listed salmon species. In addition to being a cultural and historical issue, salmon recovery is vital to our region's economy. Although ESA only prohibits "take" of the species, recovery and de-listing of Chinook Salmon would provide a much larger measure of security for our regional interests.

The decline of salmon species has generally been attributed to four factors: habitat, hydropower, harvest, and hatcheries (Lake Washington/Cedar/Sammamish (WRIA 8) Watershed Chinook Salmon Conservation Plan, 2005). Habitat can be further broken down into water quality, flow, and the physical channel and related environs. Local governments such as Kirkland can have the most impact on habitat because they have responsibility for land use, water, sewer, and stormwater management policies, local protection and restoration projects, and public involvement opportunities.

In order to respond to the ESA listing, local governments and interested stakeholders in the Lake Washington/Cedar/Sammamish Watershed, otherwise known as Water Resources Inventory Area 8 (WRIA8) collaborated to write the *Lake Washington /Cedar/Sammamish (WRIA 8) Chinook Salmon Conservation Plan* (the Plan – see [2005 WRIA 8 Salmon Recovery Plan](#)) in 2005. In 2007, the elected official and stakeholder groups merged to form the WRIA 8 Salmon Recovery Council. Mayor McBride is currently the Vice Chair of this organization.

Great progress has been made toward implementation of the plan as shown in the attached implementation report (Attachment B), but much remains to be done. Funding of salmon recovery has been an on-going challenge. The development of the Plan was funded by State and Federal Grants, and by an interlocal agreement between the 27 jurisdictions in WRIA 8. Planning and coordination work to implement the Plan is funded via an interlocal agreement (ILA) whereby each of the participating jurisdictions contributes an amount based on a formula that includes assessed value, median income, and population. The overall ILA budget for planning and coordination services is about \$500,000 per year, and Kirkland's current ILA contribution is \$26,211 per year.

Implementation of projects and regional programs in the Plan is supported by local jurisdictions and by grants. State and Federal grants have provided a small but important source of funds but the amounts have varied over the years, and funding of any amount is not guaranteed. Up until 2012, the only reliable and steady source of funding was grants to WRIA 8 that were provided by the King Conservation District. For WRIA 8, these grants totaled approximately \$1.2 million per year.

In 2012, the King Conservation District faced a lawsuit over its system of assessments. Because of the uncertainty of funding, and the need to continue projects that were already in progress, WRIsAs within King County appealed to the King County Flood Control Zone District (the Flood District) to provide funding for 1 year, and to consider becoming the "home" for WRIA funding in future years. The King County Flood Control Zone District voted to provide funding for salmon recovery in King County for 2012 and 2013, and it is expected that it will continue to provide this funding into the future. Under this arrangement, WRIA 8 will receive approximately \$1.2 million per year in grant funding.

Kirkland participates in regional salmon recovery efforts because of the potential for third party lawsuits without demonstrated recovery efforts, the dire economic consequences that could come from further loss of the species, and because recovery would eliminate these threats.

The Plan divides stream and shorelines into Tiers 1 through 3 based on how important the areas are to recovery of Chinook salmon, with Tier 1 being most important. Kirkland's streams are noted as Tier 3 areas in the Plan, meaning that they are important to salmon recovery mostly because they provide (or should provide) cool clean water to Lake Washington. This means that Kirkland has not been the direct recipient of salmon recovery grant funds. At the same time, Kirkland has benefitted directly from regional education programs such as the Green Shorelines effort and the Salmon Watcher Program, as our Lake Washington shoreline is part of the migration corridor for Chinook.

### Salmon Recovery – Upcoming Issues

Issue	Timing	Advocacy Method/Next Steps
Continued funding of salmon recovery	Budget discussions begin in summer 2013	Advocate for continued funding of salmon recovery by the Flood District
Mayor McBride will be vacating her position as Vice Chair of the WRIA 8 Salmon Recovery Council	January 2014	Identify an interested Council member, then forward person's name to WRIA 8 SRC staff
Funding of flood control projects that have the maximum possible benefits for salmon habitat	On-going	Advocate for levy setbacks and flood buyouts that give the rivers more space, thus allowing for increased restoration of salmon habitat

#### *C. Flood Control*

Major river flooding has a large economic impact on King County (see [Economic connection between the King County Floodplain and the Greater King County Economy](#)). The King County Flood Control Zone District (the District) was established in 2007 to protect public health and safety, regional economic centers, public and private properties and transportation corridors associated with large rivers. The District addresses the backlog of maintenance and repairs to levees and revetments, acquires repetitive loss properties and other at-risk floodplain properties, and improves countywide flood warning and flood prediction capacity.

The District is governed by a Board of Supervisors that has the same membership as the King County Council. The District periodically convenes an Advisory Committee to gather input on project planning and funding allocation. Mayor McBride currently serves as a representative of the Sound Cities Association on the Advisory Committee.

The Flood Control District is funded via a tax levy on all properties in King County, which is currently set at \$0.135 per \$1,000 of assessed value. The total annual budget of the Flood Control District is approximately \$46 million.

Although Kirkland is not directly impacted by major river flooding, the City does indirectly benefit from the regional economic lift provided by improved flood management. In addition, many flood management projects provide benefits to salmon habitat as they are situated on large rivers. An example of this is a levy setback project that reduces flood levels and at the same time provides increased habitat area for use by salmon.

Kirkland benefits directly from the District in that it receives approximately \$190,000 per year from the District's Sub Regional Opportunity Fund. The State legislation that enables creation of flood control districts (RCW 86.15) allows that up to 10% of funds can be spent on sub regional scale stormwater and flood reduction projects. Under this authority, the District returns 10% of the funds collected in a given jurisdiction to that jurisdiction. To date, the majority of Kirkland's sub regional opportunity funds have been spent to reduce flooding at Totem Lake.

### King County Flood Control District – Upcoming Issues

Issue	Timing	Advocacy Method/Next Steps
Continued funding of salmon recovery	Budget discussions begin in summer 2013	Send letter and/or testify before Board of Supervisors
Mayor McBride will be vacating her position as a representative of SCA on the District Advisory Committee	January 2014	Propose that Sound Cities Association appoint a new Kirkland Council member to the Flood District Advisory Committee
Advocate for flood control projects to maximize salmon habitat benefits	On-going	Participate in Advisory Committee meetings

#### *D. Natural Resources Conservation*

The King Conservation District (KCD) was established under State legislation in 1949. Originally, this organization was focused on soil conservation associated with agriculture. Over the years its focus broadened to include natural resource conservation areas such as stream restoration, and agricultural issues such as technical assistance (farm plans) to support farms bordering streams and rivers, support for farmers' markets and urban/hobby farm management. Following the listing of Chinook salmon as a threatened species in 1999, King County worked with the KCD to provide a stable source of funding for salmon recovery projects in the form of grants to WRIAs. The budget of the KCD was increased to accommodate this change, as well as to add non-competitive grants for cities to further encourage stewardship in urban areas.

KCD is governed by a Board of Supervisors which is partially elected, and partially appointed. Up until 2012, funding came from a per-parcel assessment which was equal to about \$10 per parcel. The King County Council has the authority to accept or reject the proposed system of assessments or rates/charges, and to change the proposed amount of these things, and to set the term of the assessment or system of rates/charges. The approximate use of the \$10 per parcel from 2009-2012 was as follows:

- \$5 WRIA 7,8,9 grants for salmon recovery
- \$3 noncompetitive grants to cities
- \$2 King Conservation District programs

The overall annual budget for KCD was approximately \$6 million. This resulted in approximately \$1.2 million in grant funds per year for WRIA 8, and about \$45,000 per year in non-competitive grants to Kirkland for use in projects such as the Green Kirkland Program, a Horses for Clean Water education program, and small stream restoration projects.

In 2011/2012 a lawsuit challenged the system of assessments. As a result, KCD proposed a system of rates and charges as an alternative to the assessment system. At the same time, because of the uncertainty, WRIA salmon recovery funding was moved to the Flood District. In late 2012, the King County Council approved a reduced system of rates and charges in recognition of a shift in WRIA funding to the Flood District that will result in overall collections of approximately \$3.3 million for 2013. The noncompetitive grants to cities were retained, so Kirkland will continue to have access to approximately \$45,000 per year for restoration and stewardship projects.

As part of the 2012 discussions, the King County Council in its 2012 interlocal agreement with KCD authorized creation of a 12-member task force to study the "...availability of conservation and natural resource programs and services in King County, the needs within the County, both met and unmet for such services and programs, and the actual and prospective sources of funding to meet such needs." (King County Ordinance 17474, Attachment A page 10). The task force membership will include members appointed by the KCD Board and the King County Council. These core members will "seek advice" from additional members from Bellevue, Seattle, the Sound Cities Association, and rural land owners. The task force is set to convene in the near future, and is scheduled to produce recommendations by October 15, 2013.

#### **King Conservation District – Upcoming Issues**

Issue	Timing	Advocacy Method/Next Steps
Advocate for inclusion of urban issues in the work program?	Work Program is proposed to King County Council by August 1 <sup>st</sup> of each year	Review and comment on work program via Advisory Committee and/or Board of Supervisors
KCD and King County will be convening a task force to discuss natural resources programs and funding	Task force work to be complete by October 2013	Participate in task force and/or comment on task force recommendations
Mayor McBride will be vacating her position on the Advisory Committee	January 2014	Send letter to KCD asking that a Kirkland Council Member be appointed to the Advisory Committee

#### *E. Kirkland's Program*

Kirkland's Surface Water Utility addresses stormwater flooding and aquatic habitat issues at the local level. Kirkland is entirely contained within King County and within The Lake Washington/Cedar/Sammamish Watershed (WRIA 8). The Utility also provides funding and staff support for participating in salmon recovery efforts. The utility is largely locally focused, but is included here to show the full amount that Kirkland citizens contribute to watershed protection and restoration.

#### *F. Puget Sound Partnership*

The Puget Sound Partnership (PSP) sets an agenda and goals for cleanup of Puget Sound by 2020. PSP provides limited grant funding through participation in the National Estuary Program, and through State funding. Most recently, PSP developed an Action Agenda that includes specific salmon recovery, stormwater, and natural resources conservation items – see [PSP](#)

[2012-2013 Action Agenda](#) . PSP is an important ally in securing funding. PSP, for example, has been working in parallel with other salmon recovery groups on the concept of a Watershed Improvement District, as discussed below.

*G. Watershed Improvement District*

In 2009, The WRIA 9 Watershed Forum met to discuss how to provide on-going stable sources of funding for salmon recovery (see [WRIA 9 Funding Mechanism Report](#)). Out of this effort, the most promising candidate to the group seemed to be creation of Watershed Improvement Districts. A cross-WRIA group met several times in 2011 and 2012, and developed draft State legislation to allow for creation of Watershed Improvement Districts (Attachment C). These districts would be authorized by State legislation, and would be organized by WRIA, with counties and cities within a given watershed serving as the governing body. A variety of allowable funding mechanisms are included in the bill, in order to allow individual districts flexibility in developing programs. The Puget Sound Partnership has also been working on this issue, and developed a bill that was used as the basis for the cross-WRIA effort.

**Watershed Improvement District – Upcoming Issues**

Issue	Timing	Advocacy Method/Next Steps
Advocate for State legislation that allows for creation of Watershed Improvement Districts	2014 Legislative Session	Advocate for study bill to be introduced during 2014 Legislative session

*H. Summary*

Kirkland is an active participant in regional watershed issues. This participation protects City interests, and promotes a healthy and thriving Puget Sound Region. Mayor McBride’s participation and leadership in these issues has reaped significant benefits for Kirkland. Kirkland staff strongly recommends that current members of the Council consider succeeding Mayor McBride as prominent regional players in the issues of salmon recovery, flood control and natural resource protection.

Attachment A – Table of Regional Watershed Groups in King County

Attachment B – Lake Washington/Cedar/Sammamish Watershed Chinook Conservation Plan Implementation Progress Report 2005-2010

Attachment C – Watershed Improvement District Draft Legislation

## Groups Working on Regional Watershed Issues in King County

Group	Authorizing Legislation	Governance	Funding	Current Total Funding Amount	Kirkland Contribution	Major Focus	Minor Foci
King County Flood Control Zone District (KCFCZD)	RCW 86.15 King County Council voted to establish District in 2007	County Council acts as Board of Supervisors	Levy rate passed by County, currently \$0.135 per \$1000 of assessed value	\$46 million per year	Property owners pay approximately \$1.92 million per year	Improvement and maintenance of flood control facilities along major rivers in King County for protection of life, property and the regional economy	Most flood control projects require mitigation measures that assist with salmon recovery
King Conservation District	RCW 89.08 King County Council voted to establish KCD in 1949	Board of Supervisors, 2 appointed by King County Council, 3 elected via a special election	System of rates and charges based on benefit accruing to each property type. For 2013-2014 rates are between \$4.72 and \$5.38 per parcel	\$3.3 million per year	Property owners pay approximately \$152,000 per year	Conservation of agricultural lands and natural resources, support of local agriculture	Has historically funded salmon recovery grants at \$1.2 million per year in WRIA 8
WRIA 8 Salmon Recovery Council	RCW 77.85	Each jurisdiction party to the interlocal agreement (ILA) appoints an elected official to serve, stakeholders apply to join (no limit to the number)	Interlocal agreement between participating cities funds administration, projects funded via KCFCZD for 2013, in the past has been funded by KCD grants and other State and Federal Grant sources	Interlocal agreement covers \$500k annually for planning/operations/admin with staff housed at King County  Flood District funding for 2013 will be \$1.2million for projects in WRIA 8	Kirkland Surface Water Utility pays \$26,211 per year for ILA/planning services	Recovery and De-Listing of Chinook salmon and Bull Trout which are currently listed as threatened under the Federal Endangered Species Act	Some salmon recovery projects also provide flood relief benefits
Kirkland Surface Water Utility	RCW 35A.80 and 35.67  KMC 15.52 City Council established the Surface Water Utility in 1998	City Council	Council sets rates based on impervious surface and land use type. Rate for 2013/2014 is \$187.20 per year for single family properties	\$9 million per year	Property owners pay \$9 million per year	Local flood control, water quality(NPDES compliance), and aquatic habitat	Regional coordination and cooperation to achieve Utility goals
Puget Sound Partnership	RCW 90.71.210 Created by the State legislature in 2007	7 member Leadership Council appointed by the Governor	State Legislative Appropriation	\$2.4 million per year for operations/administration, \$30 million per year is distributed via the EPAs National Estuary Program to Puget Sound, some of which is distributed as grants by PSP	Kirkland citizens pay indirectly through State and Federal taxes	Cleanup of Puget Sound by 2020, including recovery of species currently listed as threatened or endangered under Federal Endangered Species Act	Overlap with all areas of other groups noted in this chart

# SALMON AND PEOPLE LIVING TOGETHER

## Lake Washington/Cedar/Sammamish Watershed Chinook Salmon Conservation Plan

Implementation  
Progress Report  
2005-2010

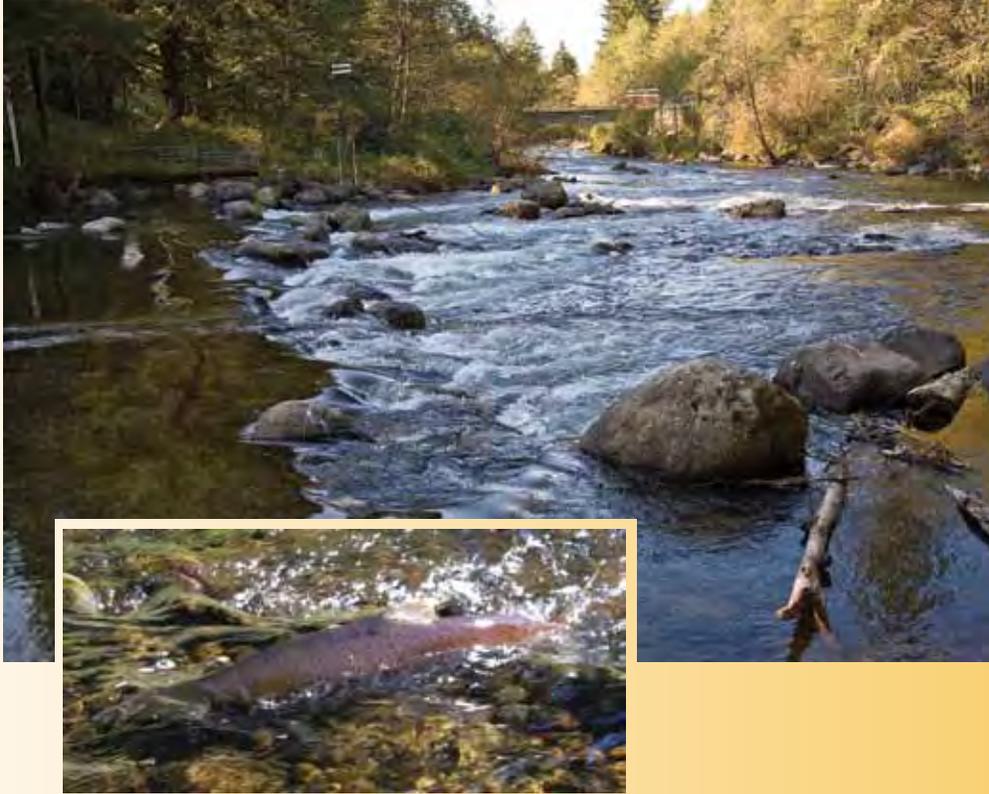


December 2011



## THE LAKE WASHINGTON/CEDAR/SAMMAMISH WATERSHED

The Lake Washington/Cedar/Sammamish Watershed Chinook Salmon Conservation Plan guides our efforts to create a future where people and salmon can live together. This report documents our progress during the first five years of Plan implementation.



**“I’m thrilled** when people tell me they saw salmon near Microsoft in Kelsey Creek. That’s upstream of downtown Bellevue. It means our hard work is paying off – for both salmon and people in our watershed. When my grandkids get excited about returning salmon, it reminds me why our efforts are so worthwhile.”

*Don Davidson, Bellevue Mayor and  
Chair, WRIA 8 Salmon Recovery Council*

# I. The First Five Years and Our Future

*“Solving shared problems together on behalf of a shared place is the essence of democracy.”*

—Kemmis 2001

Author Timothy Egan described the Pacific Northwest as “any place salmon can get to.” Since 2000, members of the Lake Washington/Cedar/Sammamish Watershed (WRIA 8<sup>1</sup>) Salmon Recovery Council, and its supporting staff and committees, have worked to ensure that our watershed remains a quintessentially Northwest place where salmon return each fall.

Our shared goal is to make our watershed a place where salmon and people can live together. We are working to ensure that Chinook and other salmon species can return to sustainable, harvestable levels. In the most populated watershed in Washington State this is no small task, and it requires both optimism and resolve. The community that cleaned up Lake Washington in the 1950s is applying that same spirit and commitment to recovering salmon today.

In 1999, the federal government listed Puget Sound Chinook salmon as threatened under the Endangered Species Act. In 2000, concerned about the need to protect and restore habitat for Chinook salmon for future generations, 27 local governments in WRIA 8 came together to develop a salmon conservation plan. They were joined by citizens, community groups, state and federal agencies, and businesses. Participating local governments include King and Snohomish counties, Seattle, and 24 other cities.

In 2005, local jurisdictions ratified the WRIA 8 Chinook Salmon Conservation Plan. They agreed to pay for a small team to coordinate implementation of the WRIA 8 Plan through 2015. The WRIA 8 Plan was approved by the National Oceanic and Atmospheric Administration (NOAA) in 2006 as a chapter in the overall Puget Sound Salmon Recovery Plan. What we do for salmon in this watershed is an important component of restoring Puget Sound.

On December 3, 2010, over 100 stakeholders from throughout the WRIA 8 Watershed and Puget Sound gathered to learn about the state of our watershed and its salmon, talk about the progress we have made during the first five years of salmon recovery implementation, and chart a course for the next five years. This Watershed Summit was a vital component in the “adaptive management” of our efforts. This progress report summarizes the analysis done in preparation for the five-year Watershed Summit and points to priorities for future action based on our analysis and progress to date.



<sup>1</sup> WRIA stands for Water Resource Inventory Area, a geographic watershed area designated by the Washington Department of Ecology for watershed planning purposes. The WRIA boundaries were also used to delineate watersheds for salmon recovery planning in Puget Sound.

## II. Status of WRIA 8 Chinook Salmon

The Puget Sound region uses the Viable Salmonid Population (VSP) concept as its general approach to determine the conservation status of Chinook salmon.<sup>3</sup> A viable salmonid population is defined as an independent population with a negligible risk of extinction over a 100-year time frame. The VSP attributes used by NOAA and others (including WRIA 8) to evaluate the status of Chinook salmon are abundance, population growth rate (also called productivity), population spatial distribution, and diversity (Table 1).<sup>4</sup>



### Abundance

Abundance is what the public most often thinks of when they consider the status of a population, and is the most commonly reported indicator in the news media. Abundance is measured by counting the number of adults returning to the spawning grounds, either through estimation methods or by directly counting the number of redds (nests) that have been constructed by females.

However, this indicator is often heavily influenced by factors beyond the control of watershed managers (for example, ocean conditions and fishing pressure). Because of this, abundance is not the best overall measure for watershed managers trying to gauge the effects of local actions on salmon conservation and recovery. An accurate abundance estimate is the critical first step, however, in determining egg-to-migrant survival, one of the most important measures of freshwater productivity.

The WRIA 8 Plan lists both short-term (10-year) and long-term (50-year) goals for Chinook salmon abundance (Figure 1). Compared to the NOAA Fisheries measures reported at the time of ESA listing of WRIA 8 Chinook salmon, abundance has increased for the Cedar population and remained low for Bear/Cottage Creek (a surrogate measure for the Sammamish population).

**Table 1. Monitoring of Chinook salmon in WRIA 8**

Parameters for Evaluating Chinook Populations				
Monitoring Program	Abundance (How many fish?)	Productivity (Is the population growing?)	Distribution (Where are the fish?)	Diversity (Genetics, life history)
Spawner Surveys	Escapement, Redd Counts (Figure 1, Table 2)	Prespawning mortality rate; Redd:red productivity (Figure 2)	Redd mapping (Table 2)	Age structure, Hatchery/natural origin (Table 3)
Fry/Parr Trapping	Juvenile abundance (Figure 4)	Egg to migrant survival (%) (Figure 3) Juvenile abundance (Figure 4)		Fry vs. parr (Figure 6), Migration timing
PIT-Tag Monitoring		Migration survival		Migration timing to ocean

<sup>3</sup> McElhany, P., M. Ruckelshaus, and others. 2000. Viable salmonid populations and the recovery of evolutionarily significant units. U. S. Department of Commerce. 156 p. [http://www.nwfsc.noaa.gov/assets/25/5561\\_06162004\\_143739\\_tm42.pdf](http://www.nwfsc.noaa.gov/assets/25/5561_06162004_143739_tm42.pdf)

<sup>4</sup> Since 1998, annual Chinook salmon population status and trends monitoring has been funded primarily by King Conservation District, with collaboration and support from Washington Department of Fish and Wildlife, Muckleshoot Indian Tribe, Seattle Public Utilities, and King County.

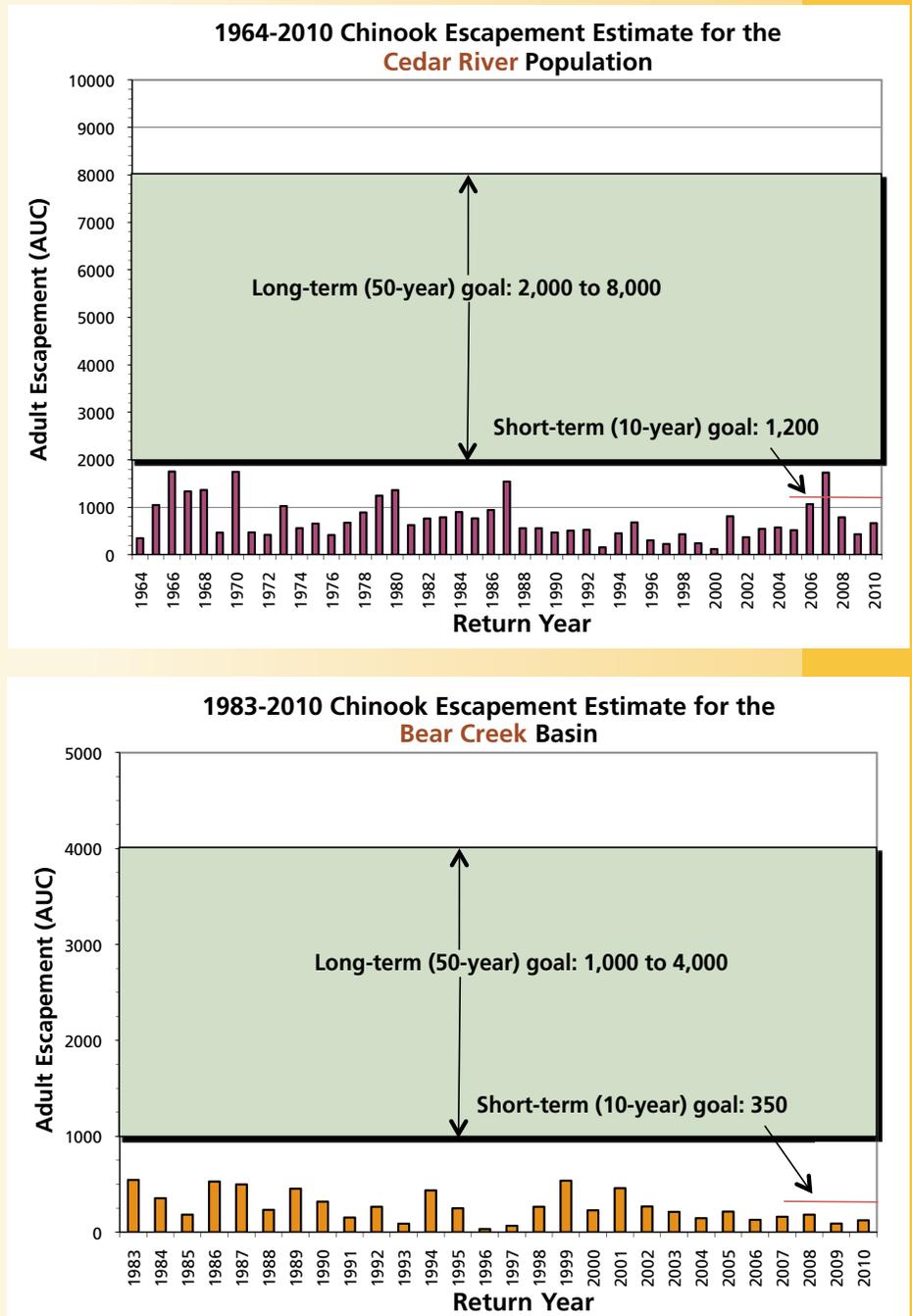
## Productivity

Productivity indicates whether a population is growing or shrinking over time. A productivity value of one indicates that for each fish returning, one fish is produced – that is, the population is essentially replacing itself. A value greater than one indicates that the population is increasing, while a value less than one indicates the population is decreasing.

Scientists can measure overall population productivity (whether the number of Chinook salmon returning to a watershed is increasing from year to year), which includes survival throughout the entire salmon life-cycle. This is complicated by a number of factors, including the variable return age for Chinook salmon (they may return to spawn after two, three, four, or even five years at sea). Redd-to-redd productivity (Figure 2) is WRIA 8’s indicator of productivity over the entire Chinook life cycle, and incorporates age class proportions into the productivity estimate.

**Freshwater productivity.** Two indicators of freshwater salmon productivity that are especially important for watershed managers are *egg-to-migrant survival* (Figure 3) and *overall juvenile output* (Figure 4 and 5). Egg-to-migrant survival compares the estimated number of eggs deposited by spawning Chinook salmon in the fall (through redd counts) against the number of juvenile Chinook salmon migrating out of the watershed the following spring. This number can be compared over time as well as against regional averages. Overall juvenile outmigrant abundance provides an estimate of the overall numbers of juvenile Chinook produced in the Bear Creek and Cedar River basins. Ideally, both these numbers should increase over time if freshwater restoration and conservation efforts are successful.

**Figure 1. Number of adult Chinook on the spawning grounds in the Cedar and Bear/Cottage basins.** Escapement refers to the number of fish that escaped various causes of mortality to reach the spawning grounds. The numbers include both natural-origin and hatchery-origin adults. Bear/Cottage Creek Chinook surveys began in 1983. Data source: WDFW.



Juvenile Chinook productivity is influenced by a number of factors, including restoration efforts, flooding during the incubation and rearing period, and habitat for refuge and rearing. WRIA 8's main objective is to improve the amount and condition of juvenile habitat, which will improve both egg-to-migrant survival and overall juvenile survival. Egg-to-migrant survival in WRIA 8 remains variable, while overall juvenile output in the Cedar River appears fairly constant by comparison (Figure 4).

## Spatial Distribution

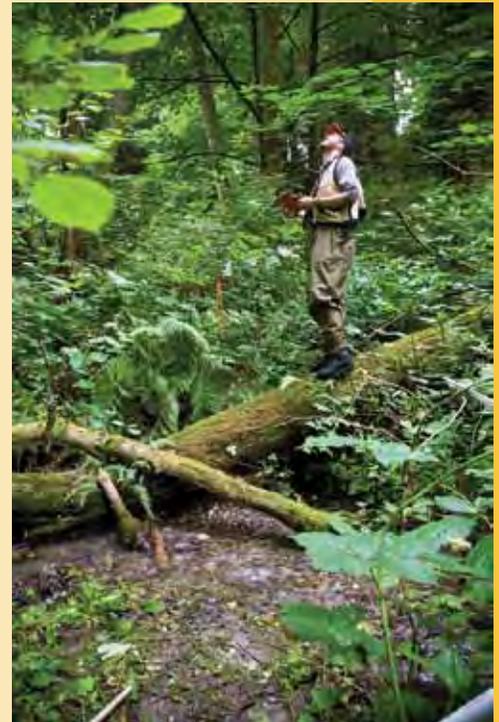
In WRIA 8 our goal is to maintain and increase the spawning and rearing distribution of both Chinook populations throughout the watershed. Annual Chinook spawning ground surveys have been conducted in WRIA 8 Chinook salmon streams since 1999 (Table 2). While spawning has varied from year to year, there is no evidence that spawning and rearing distribution has declined, with the exception of the loss of spawning on the Walsh diversion, an artificial tributary to the lower Cedar River. Streamflow from the Walsh diversion was restored to upper Rock Creek in 2009.

The construction of a fish passage facility at the Landsburg diversion dam on the Cedar River in 2003 nearly doubled the length of available habitat for Chinook salmon in that river.<sup>5</sup>

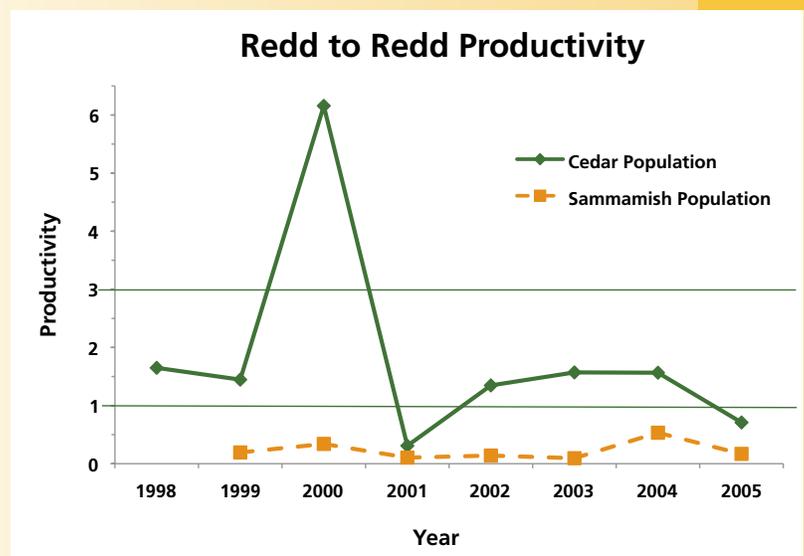
## Diversity

Scientists give three primary reasons why genetic and life-history diversity is important for species and population viability (McElhany et al. 2000):

1. Diversity allows a species to use a wider array of environments.
2. Diversity protects a species against short-term spatial and temporal changes in the environment.
3. Genetic diversity provides the raw material for surviving long-term environmental change.



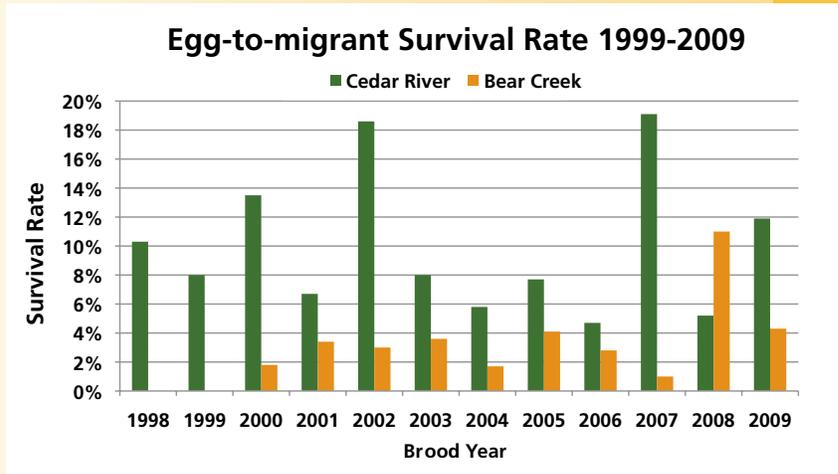
**Figure 2. Cedar River and Bear Creek redd productivity.** Each point on this graph represents the number of salmon nests (redds) counted each year divided by the number of redds counted in following years, when the salmon that hatched would be returning to create their own redds. Chinook salmon in WRIA 8 spend 2 to 5 years at sea before returning to spawn. Most Chinook in WRIA 8 return after 3 to 4 years. A population replaces itself at a value of 1; the WRIA 8 Plan has a short-term goal of 3 for the Cedar River and Bear Creek (Sammamish) population. In other words, 3 redds would need to be produced for each returning redd in the parent year. (Note: since it may take up to 5 years for Chinook to return to spawn, the 2005 spawning year is the latest for which we can accurately assess productivity.)  
Data source: King County unpublished data.



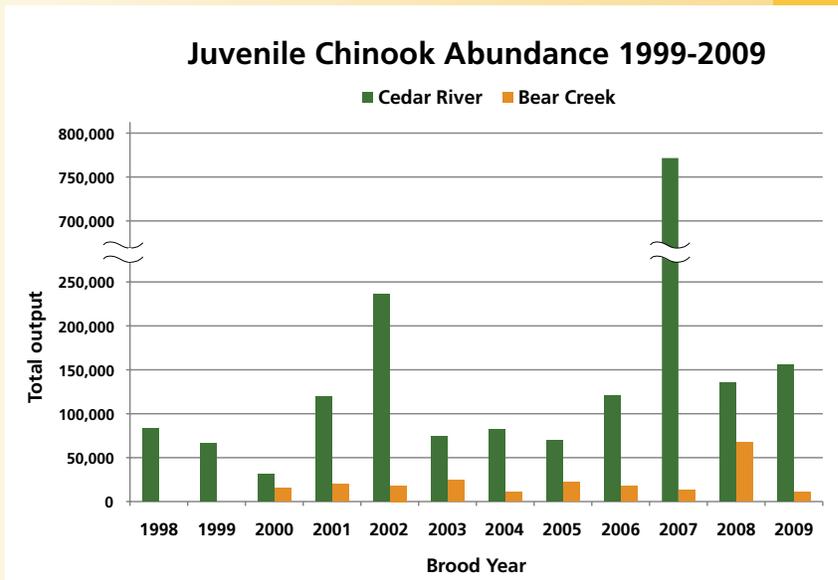
<sup>5</sup> [http://www.seattle.gov/util/About\\_SPU/Water\\_System/Habitat\\_Conservation\\_Plan/FishPassageAboveTheDam/](http://www.seattle.gov/util/About_SPU/Water_System/Habitat_Conservation_Plan/FishPassageAboveTheDam/)

In WRIA 8, we monitor diversity through assessing the age of returning adults, proportion of juvenile salmon migrating as fry or parr (Figure 6), overall timing of migration, and proportion of hatchery fish on the spawning grounds (Table 3). WRIA 8 goals are to increase the proportion of parr migrants on the Cedar River and to decrease the proportion of hatchery-origin Chinook spawning with natural-origin fish on the spawning grounds.

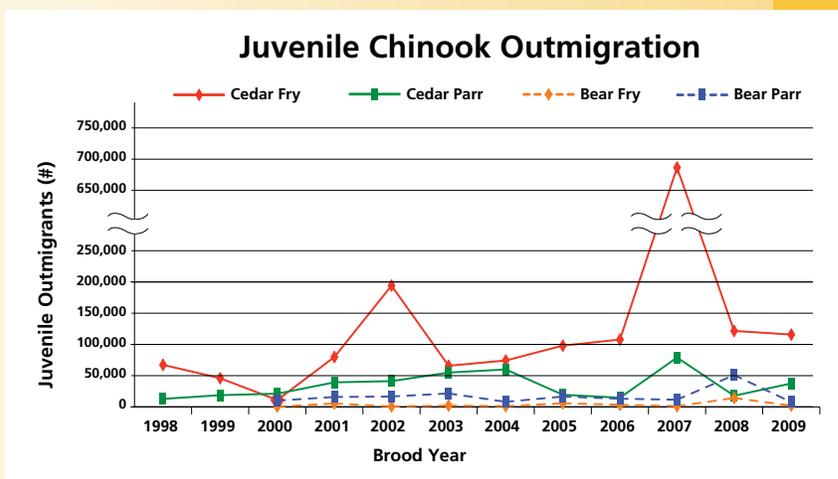
**Figure 3. WRIA 8 Chinook salmon egg-to-migrant survival rates for Bear Creek and Cedar River Basins.**  
Data source: WDFW.



**Figure 4. WRIA 8 Chinook salmon juvenile abundance estimates for Bear Creek and Cedar River populations.**  
Data source: WDFW.



**Figure 5. Juvenile Chinook outmigrants in the Cedar and Bear basins.** Juvenile Chinook salmon have two different life history strategies. Very small fish called “fry” migrate out of streams into Lake Washington between January and late March, while larger juvenile migrants (“parr”) rear in streams for a few more months and migrate later, between May and July. Chinook conservation goals in both basins include increasing the percentage of fish rearing in the basins and migrating to the lake at a larger size. Research has shown that larger migrants have a higher survival rate.  
Data source: WDFW.

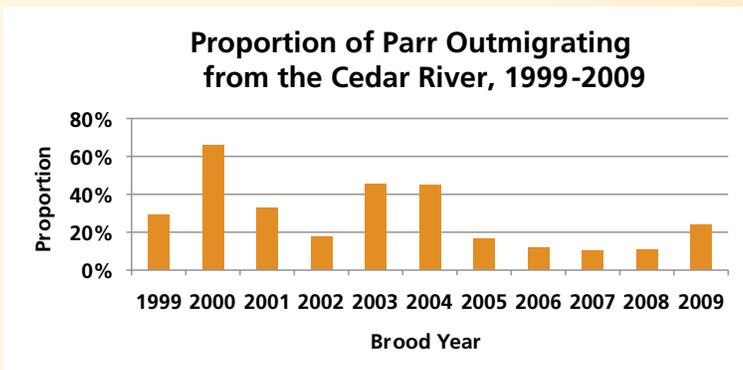


**Table 2. WRIA 8 Chinook redd survey results, 1999-2010.** Shaded cells represent years when surveys were not performed. Cells with "X" represent an artificial tributary that no longer supports spawning. *Data source: King County unpublished data.*

Creek	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bear	140	30	42	25	24	25	40	12	20	44	9	1
Cottage	171	103	96	102	120	96	82	119	69	88	60	59
EF Issaquah				0	3	26	8	3	30	3	19	29
Little Bear	1	1	1	3	3	1	0	0	2	1	0	0
North Creek	2	4	6	10	1	4	5	9	3	8	7	3
Kelsey Creek		5	4	4	0	0	4	72	77	8	5	1
May Creek	0	1	3		5	9	1	0	7	1	2	1
Rock Creek (Lower)	0	0	0	0	0	0	0	0	0	0	0	0
Taylor Creek	0	0	7	12	11	8	7	1	30	0	0	1
Peterson Creek	0	0	0	0	1	1	1	0	0	0	0	0
Walsh Diversion	0	0	1	0	6	12	0	0	10	0	X	X
Cedar River Mainstem (and tribs above Landsburg)	182	53	390	269	319	490	331	586	859	599	285	265

**Figure 6. Proportion of parr migrants from the Cedar River, 1999-2009.**

*Data source: WDFW.*



**Table 3. Proportion of hatchery-origin Chinook salmon detected in Cedar River and Bear/Cottage Lake Creek spawning surveys since 2004.**

*Data source: WDFW and King County unpublished data.*

	2004	2005	2006	2007	2008	2009
Cedar River	34%	32%	20%	10%	11%	18%
Bear/Cottage Lake Creek		79%	80%	75%	77%	68%



## III. Status of the Watershed

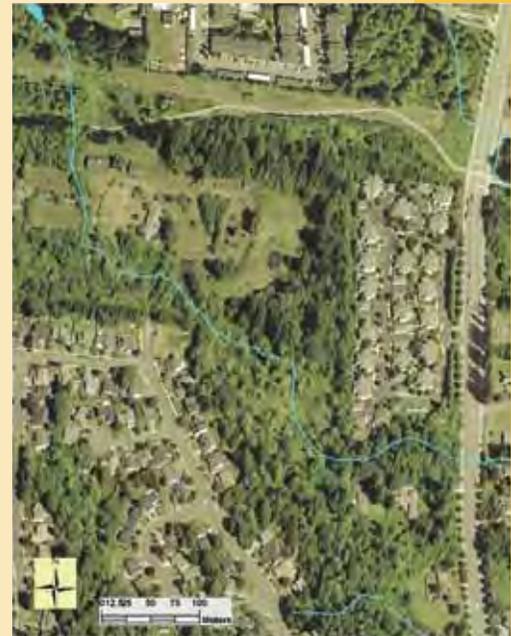
### Monitoring Watershed Conditions

In WRIA 8, we monitor for changes in habitat and water quality as recommended by the WRIA 8 Plan, to the degree possible with limited funding. Thanks to a National Estuary Program grant awarded through the Puget Sound Partnership, we assessed land cover change to gauge the rate of change in overall forest cover and streamside areas. For water quality trends in the watershed, we rely on water quality and benthic macroinvertebrate data collected by King County. Overall trends in watershed stream conditions are monitored by King County through an Environmental Protection Agency (EPA) grant co-administered by WRIA 8 and King County – a program that contributes data to the Washington Department of Ecology Status and Trends monitoring project.<sup>6</sup> Funding for this project lasts through 2013.

### Land Cover Change

The WRIA 8 Plan places a high priority on protecting forest cover wherever practical throughout the watershed. Intact forests contribute to natural watershed processes and high water quality, both of which are necessary for salmon survival. In priority areas where forest cover no longer exists or cannot be maintained, it is crucial to protect and restore riparian buffers (i.e., forested streamside areas).

Overall forest cover declined in 42 of 47 WRIA 8 subbasins between 1991 and 2006. Areas *outside* the urban growth area (UGA) boundary displayed negligible forest cover loss during that period, while forest cover *inside* the UGA boundary declined 21% in Tier 1<sup>7</sup> areas and 23% in Tier 2 areas (Figure 7). For streamside areas, the amount of impervious area increased between 2005 and 2009 in nearly all subbasins studied. Forest cover in streamside areas declined in some subbasins and stayed constant in others (Table 4). The majority of forest cover loss in the streamside areas analyzed appeared to be the result of “vested” development – that is, construction legally permitted under older sensitive areas rules.<sup>8</sup>



Between 2005 (top) and 2009 (bottom), houses and roads replaced forest along a tributary to Bear Creek.

Change between 2005 and 2009	
<b>Forest Cover</b>	
Inside UGA	-3.8%
Outside UGA	-1.5%
<b>Impervious Cover</b>	
Inside UGA	10.6%
Outside UGA	5.5%

**Table 4. Change in forest cover and impervious cover along selected WRIA 8 streams, 2005-2009.**  
Data source: King County Department of Natural Resources and Parks.

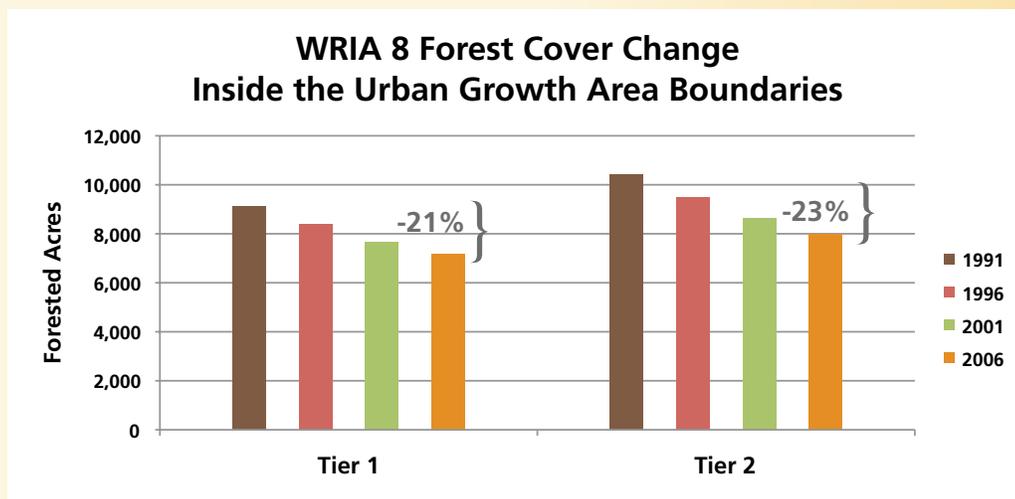
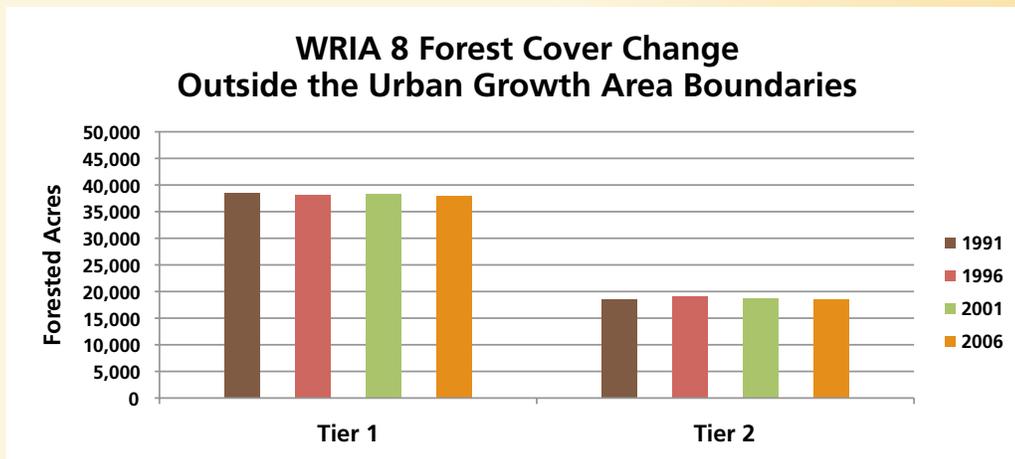
<sup>6</sup> <http://www.ecy.wa.gov/programs/leap/stsmfi/index.html>

<sup>7</sup> “Tiers” denote priority areas for Chinook salmon in WRIA 8. Generally, Tier 1 and 2 areas are highest priority and have the greatest potential for salmon habitat conservation and restoration. Tier 3 areas are important for water quality improvement and protection.

<sup>8</sup> <http://www.gowlink.org/watersheds/8/reports/W8LandcoverChangeReport7-19-2011.pdf>. See report for details.

**Figure 7. Forest cover change in Tier 1 and Tier 2 areas in WRIA 8, 1991-2006.**

Data source: King County Department of Natural Resources and Parks.



## Water Quality

The WRIA 8 Plan relies on the efforts of state and local jurisdictions to protect and improve water quality to help salmon. Likewise, WRIA 8 relies on monitoring efforts by King County and others to provide information on the status and trends in water quality in the watershed. One metric commonly used to report water quality is the Water Quality Index.<sup>9</sup>

The Water Quality Index (WQI) incorporates eight water quality parameters that include temperature, pH, fecal coliform bacteria concentration, dissolved oxygen concentration, sediment load, and nutrient levels. A higher number indicates better water quality, with 100



<sup>9</sup> <http://www.ecy.wa.gov/biblio/0203052.html>

the highest possible score. In general, stations scoring 80 to 100 meet expectations for water quality and are of "lowest concern;" scores of 40 to 80 indicate "marginal concern." Water quality at stations with scores below 40 does not meet expectations, and these streams are of "highest concern." Water quality data is presented in **Figure 8**.

### Benthic Index of Biotic Integrity

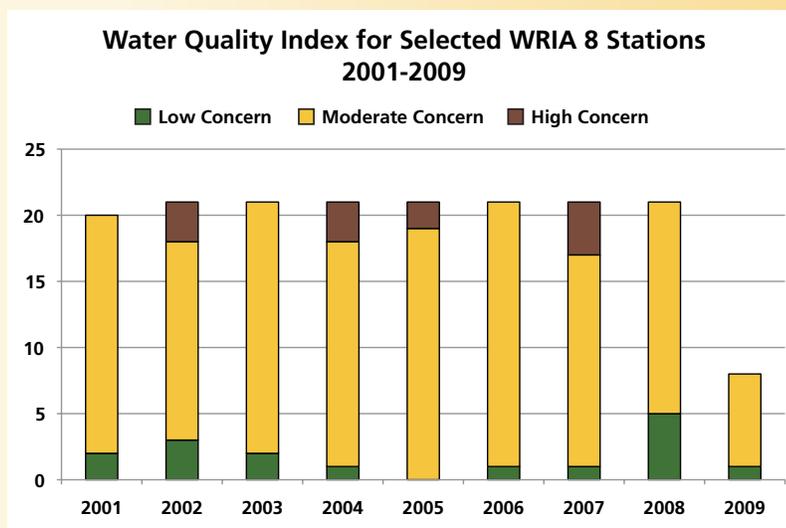
Another overall indicator of stream health, the Benthic Index of Biotic Integrity<sup>10</sup> (BIBI) incorporates information on the composition and numbers of aquatic insects living in streams into a score between 10 and 50, with 10 being very poor and 50 being excellent. In WRIA 8, between 2002 and 2010, on average 53% of the sample sites scored "Poor" or "Very Poor," 33% scored "Fair," and 14% scored "Good" or "Excellent." The data display no apparent trend during this period (**Figure 9**).

### Watershed Habitat Status and Trends

In 2009, WRIA 8 began a project to conduct physical and biological monitoring in 30 stream reaches in the watershed to characterize watershed conditions. In 2010, we added 20 stream reaches with the aid of an EPA grant written in partnership with King County. We are still analyzing data from the first few field seasons; these will inform our next progress report.

<sup>10</sup><http://www.pugetsoundstreambenthos.org/>

**Figure 8. Water Quality Index (WQI) for selected WRIA 8 streams, 2001-2009.** Cuts to the King County water quality monitoring program in 2009 reduced the number of stations in WRIA 8 (hence the shorter bar for 2009). *Data source: King County Department of Natural Resources and Parks Water Quality Monitoring Program.*



**Figure 9. Benthic index of biotic integrity scores for WRIA 8 streams.** Percentages represent aggregate scores of 79 to 89 survey reaches per year. *Data source: King County Department of Natural Resources and Parks Ambient Monitoring Program.*

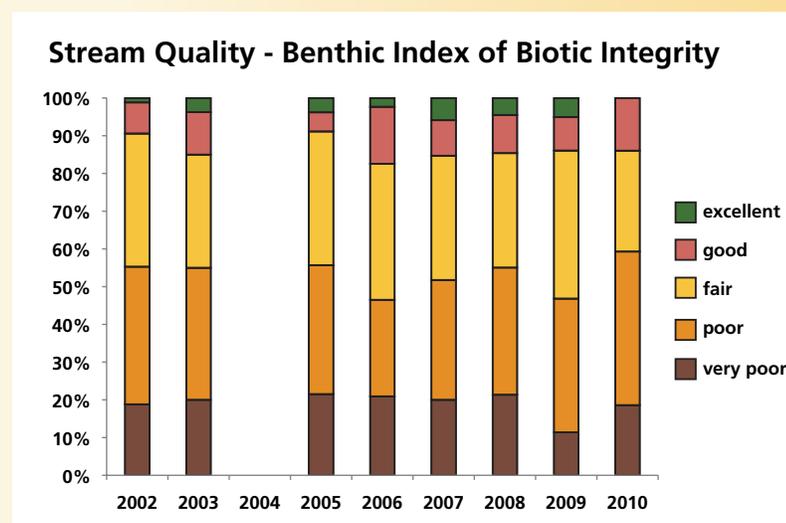
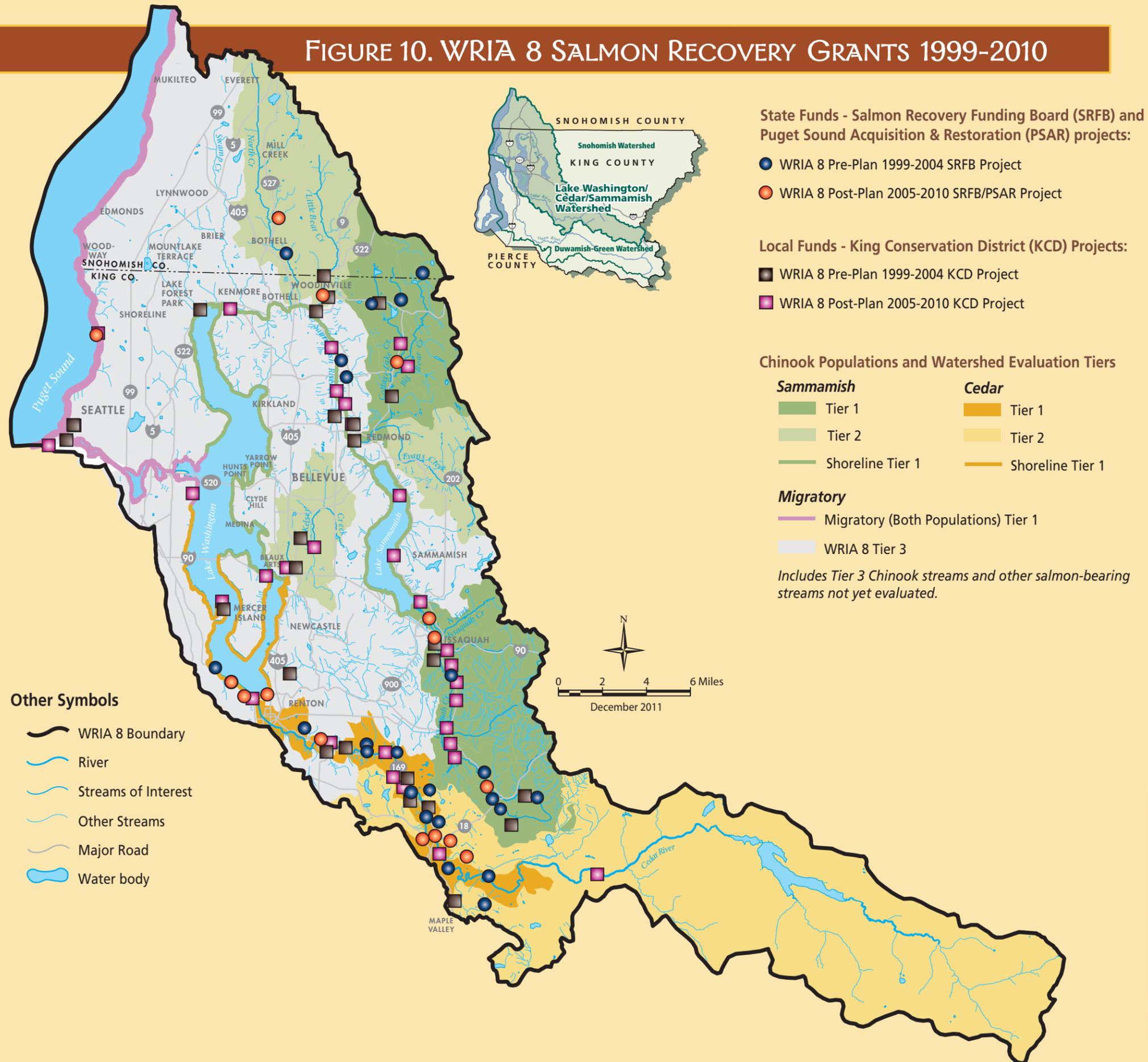


FIGURE 10. WRIA 8 SALMON RECOVERY GRANTS 1999-2010



Since 1999, salmon recovery partners in the Lake Washington/Cedar/Sammamish Watershed received over 90 grants for priority salmon habitat protection and restoration projects.

This map shows grants awarded between 1999 and 2010 to projects throughout the watershed from the Salmon Recovery Funding Board, Puget Sound Acquisition and Restoration program, and King Conservation District. The projects are divided between those that were funded between 1999 and 2005, before ratification of the WRIA 8 Plan in 2005, and those funded between 2005 and 2010 to implement the Plan.

The watershed is divided into "tiers," which denote priority habitat areas for Chinook salmon in WRIA 8. Tier 1 areas are highest priority and include primary spawning areas as well as migratory and rearing corridors. Tier 2 areas are second priority and include areas less frequently used by Chinook salmon for spawning. Tier 3 areas are infrequently used by Chinook salmon, but are still important areas for water quality and flow management.



## IV. Habitat Protection and Restoration Progress

The Lake Washington/Cedar/Sammamish Watershed has a long history of habitat protection and restoration (**Figure 10** – map on previous page). For decades, local governments have led habitat efforts in the watershed. In addition, many WRIA 8 partners are doing habitat projects that are not specifically called for in the WRIA 8 Plan but still benefit salmon.

### First Five Years of Project Implementation (2005 - 2010)

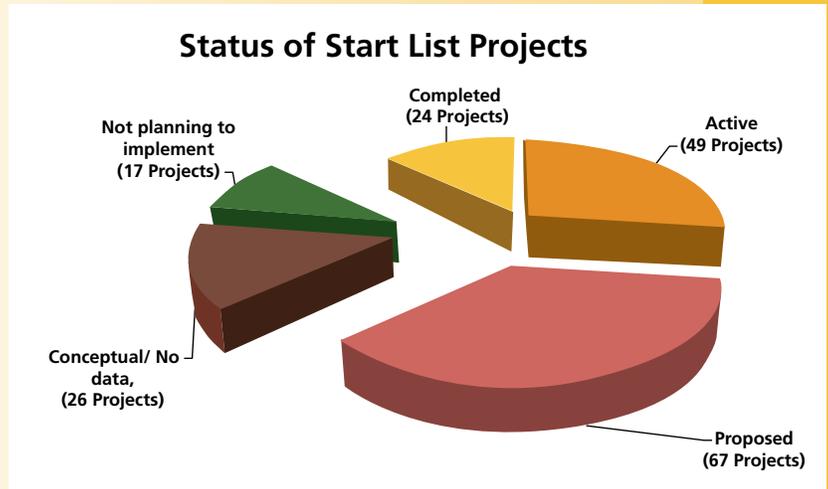
The Plan recommends nearly 700 site-specific protection and restoration projects approved by teams consisting of scientists, local experts, knowledgeable citizens, and technical staff from state and federal resource management agencies and local jurisdictions. From this list, a subset of the highest-priority projects was chosen for implementation during the first 10 years of the Plan (the “Start List”). The Start List is updated as implementation advances, to reflect changes in project status, and to add new projects as they become ready or opportunities arise.

### Status of Implementation

Of the 166 projects currently on the Start List, 44% either have been completed (24 projects) or are funded and in progress (49 projects). An additional 40% (67 projects) have been proposed and await funding. Twenty-six projects (16%) are either conceptual project ideas that a sponsor has not developed into a proposed project, or are projects for which we lack data on their status and are assumed to be conceptual (**Figure 11**).

### Priorities for recovery actions

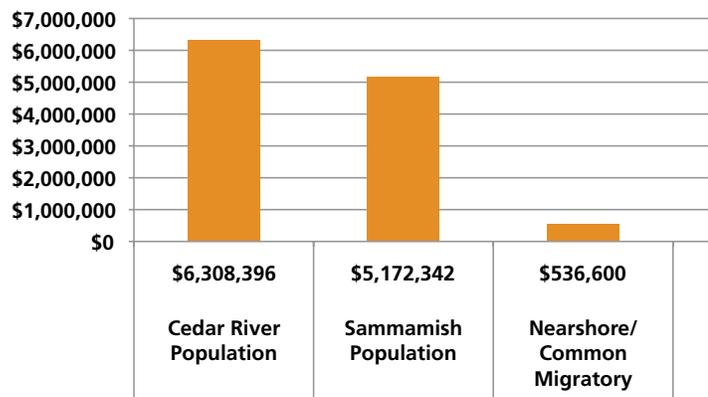
Conservation actions that benefit the Cedar population are our highest priority, followed by actions to benefit the Sammamish population. To date, grant funding distribution generally follows these priorities, although funding for actions in the nearshore and common migratory areas has been lower than it should be (**Figure 12**).



**Figure 11.** Status of all Start List projects since 2005 (183 projects). There are 166 projects currently on the Start List. Seventeen projects have been deemed infeasible and removed from the Start List.

**Figure 12.** WRIA 8 grant funding (Salmon Recovery Funding Board, Puget Sound Acquisition and Restoration, and King Conservation District grants) for habitat protection and restoration between 2005 and 2010, distributed to areas supporting the Cedar population, Sammamish population, and nearshore/migratory areas common to both populations.

### Grant Funding by Chinook Population (2005-2010)



## Habitat Successes

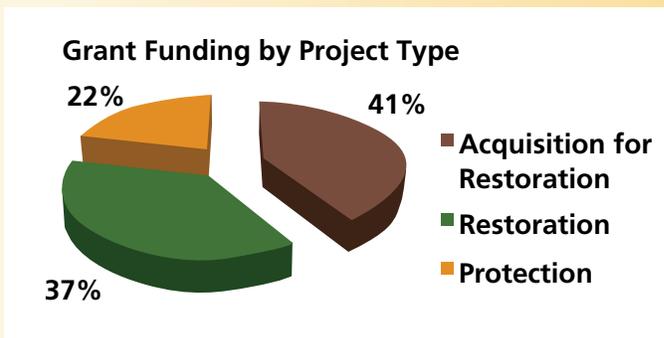
Although a lack of funding has slowed the pace of habitat restoration and protection, WRIA 8 partners continue to implement projects throughout the watershed (Table 5). Recovering salmon in our watershed requires protecting or restoring habitat processes. This typically requires large areas and often encompasses multiple properties. During the first five years of implementing the WRIA 8 Plan, nearly two-thirds of the available funding was dedicated to acquisition projects to protect existing high-quality habitat or to enable future habitat restoration (Figure 13). The remaining one-third went to restoration projects. As the “last best places” are protected, more of the land acquired for future restoration will be restored.

**Table 5. Project sponsors completed 24 projects between 2005 and 2010.** Projects are organized by areas supporting the Cedar population, Sammamish population, and migratory and nearshore areas common to both populations.

Completed Habitat Projects 2005 – 2010	
Cedar Population	Project Sponsor
<b>Cedar River</b>	
Cedar Rapids Floodplain Acquisition: Acquired 15 acres of floodplain for future levee removal and floodplain restoration	King County
Cedar Rapids Floodplain Restoration: Removed levee and restored 15 acres of floodplain	King County
Rainbow Bend Acquisition: Purchased 40 acres, including mobile home park and nine single-family homes; relocated residents from 55 mobile homes	King County
Lions Club Side Channel Restoration: Restored 800 foot historic side channel and floodplain	King County
Lower Taylor Creek Floodplain Restoration: Relocated 800 feet of stream away from Maxwell Road, and restored floodplain habitat	King County
<b>Migratory Area – South Lake Washington Shoreline</b>	
Chinook Beach (Rainer Beach Lake Park): Removed marina and bulkhead, and restored shoreline	City of Seattle
Martha Washington Park Shoreline Restoration: Removed armoring and restored shoreline	City of Seattle
Seward Park Riparian (Shoreline) Habitat Restoration: Restored 300 feet of lakeshore habitat	City of Seattle
Lake Washington Shoreline Restoration (Section 4): Daylighted Madrona Creek and restored shoreline	Friends of Madrona Creek
<b>Sammamish Population</b>	
<b>North Lake Washington Tributaries</b>	
Twin Creeks Project: Expanded existing restoration project to restore riparian and floodplain habitat	Snohomish County
Little Bear Creek Forest Protection: Protected 105 acres of forest on Little Bear Creek	Snohomish County
Fish Passage on Kelsey Creek: Improved fish passage by replacing culvert on NE 8th St.	City of Bellevue
<b>Issaquah Creek</b>	
Sammamish State Park Restoration: Restored wetlands, streams and lakeshore areas	Mountains to Sound Greenway Trust
Sammamish State Park Recreation Management: Updated park management plan to improve park management and enforcement to protect site from human disturbance	Washington State Parks
Anderson Property Acquisition: Acquired property at the confluence of Issaquah Creek and East Fork Issaquah Creek, to be restored and added to Issaquah Creek Park	City of Issaquah
Guano Acres Acquisition: Acquired 8 acres on lower Issaquah Creek	City of Issaquah
Juniper Acres Acquisition: Acquired 5 acres along Issaquah Creek	City of Issaquah
Squak Valley Park Restoration: Restored 8 acres of riparian and floodplain habitat and 1,000 lineal feet of stream	City of Issaquah
Issaquah Creek Protection: Acquired 118 acres on Issaquah Creek in the Log Cabin reach	King County
Fish Passage Improvements on Issaquah Creek: Replaced partial fish barrier culvert at 298th St. within Taylor Mountain Park	King County
<b>Migratory Area – Lake Sammamish and Sammamish River</b>	
Sammamish River Bank Restoration: Regraded banks, created habitat benches and restored riparian areas on nearly 2,000 lineal feet of river	City of Redmond
Wildcliff Shores Riparian Wetland Enhancement and Reconnection: Reconnected riparian wetlands to Sammamish River and restore vegetation at Wildcliff Shores, across from Swamp Creek	City of Kenmore
Zacusse Creek Restoration: Daylighted Zacusse Creek and restored creek mouth along Lake Sammamish	City of Sammamish
<b>Both Populations – Common Migratory Areas and Marine Nearshore</b>	
Salmon Bay Natural Area: Restored 700 feet of shoreline	City of Seattle

### Cedar Population

After five years of acquiring and protecting habitat, several project sites now have enough land to begin large-scale restoration activities. This is most notable in the Cedar River, where the WRIA 8 Plan identifies reconnecting the river to the floodplain to increase habitat for juvenile Chinook as the most important action. The Cedar Rapids project was the first large-scale floodplain restoration project on the river (see below). Other floodplain habitat restoration projects are moving forward in the next three years. While these projects will greatly improve habitat conditions for both adult and juvenile Chinook salmon, more large-scale floodplain restoration is needed.



**Figure 13.** Distribution by project type of \$12.1 million in grant funding received from Salmon Recovery Funding Board, Puget Sound Acquisition and Restoration program, and King Conservation District between 2005 and 2010. This distribution reflects grant funds only, and does not include funds used to match grant funds. Between 2005 and 2010, over 60% of grant funding has gone to protecting habitat and acquiring land for future restoration. As the remaining high quality habitat is protected, more funding will support restoring land acquired for restoration.

## CEDAR RAPIDS FLOODPLAIN RESTORATION PROJECT



*Cedar Rapids pre-project (2007)...*



*...and post-project after flooding in both 2009 and 2011.*

This project, one of the first major floodplain reconnection projects on the Cedar River, aims to both reduce flood hazards and restore salmon habitat.

In 2008, the levees and bank armoring were removed from a 30-acre site, allowing the river to reconnect with its floodplain. Setback levees were built on the site's outer edges to protect adjacent homes and Jones Road. The project was designed to allow the river to migrate freely within the new setback levees.

The Cedar River experienced major flooding in 2009 and 2011 that reshaped the site dramatically. The river shifted its mainstem channel, a new large gravel bar formed, and historic side channels filled with water. However, logs and logjams moved downstream during the flooding and had to be removed.

King County will be applying lessons learned from this project to future restoration projects, including the Rainbow Bend site, where a levee will be removed and 40 acres of floodplain will be restored. Construction will begin in 2013.

Unique to WRIA 8 in the Puget Sound region, lakes are an important part of Chinook migratory habitat. Therefore, restoring stream mouths and beach habitats along the shoreline is particularly important. WRIA 8 partners have implemented several important shoreline restoration projects from Seward Park south to the mouth of the Cedar River. These projects provide important habitat for juvenile Chinook as they migrate from the Cedar River through Lake Washington.

### **Sammamish Population**

Actions to support the Sammamish population have focused on protecting existing habitat and restoring areas of Issaquah Creek and Bear Creek, the two primary spawning areas for the Sammamish population. The Sammamish River is a critical migratory corridor for the Sammamish population, emphasizing the need to restore riparian areas and off-channel habitat. We have also protected and restored habitat on Little Bear and North Creeks, which provide additional diversity of spawning habitat for the Sammamish population.

### **Nearshore/Common Migratory areas**

Twice during their lives, as an outmigrating juvenile and a returning adult, Chinook salmon from both WRIA 8 populations migrate through the Ballard Locks, Ship Canal, and along the marine nearshore. Salmon face several challenges in this migratory bottleneck, and work is needed to improve fish passage.

- Passing through the Ballard Locks is hazardous for both juvenile and adult salmon. Some improvements have been made, but much more needs to be done.
- High water temperatures in the Ship Canal may be harmful or even lethal.
- The railway along the marine shoreline limits the opportunity to restore natural processes.

## **ISSAQUAH RESTORES SQUAK VALLEY PARK NORTH**

In 2010, the City of Issaquah restored eight acres of fish and wildlife habitat at Squak Valley Park North. This is one of the largest restoration projects in the City's history.

The City removed portions of a levee along Issaquah Creek to reconnect it to the floodplain. The area had been a straight, uniform channel more than 1,000 feet long, providing poor fish habitat. Public benefits include a new nature park, with trails and stream overlooks, and reduced flooding in the Sycamore neighborhood.



## V. Funding Salmon Recovery

To protect and restore the habitat necessary for salmon recovery, the WRIA 8 Plan set an ambitious funding goal of over \$17 million annually from federal, state, and local sources. Funding during the first five years of implementing the Plan has fallen short of funding goals in most categories (**Table 6** and **Figure 14**).

Salmon recovery in WRIA 8 relies on grant funding from several local, state, and federal sources. Between 2005 and 2010, WRIA 8 partners received over \$12 million in grants for habitat protection and restoration projects (**Figure 13**).

### Federal and State Funding

The Salmon Recovery Funding Board (SRFB) has been a crucial, consistent source of federal and state funds for salmon habitat protection and restoration. From 2005 to 2010, annual SRFB funding was one-third of what the WRIA 8 Plan anticipated from this source.

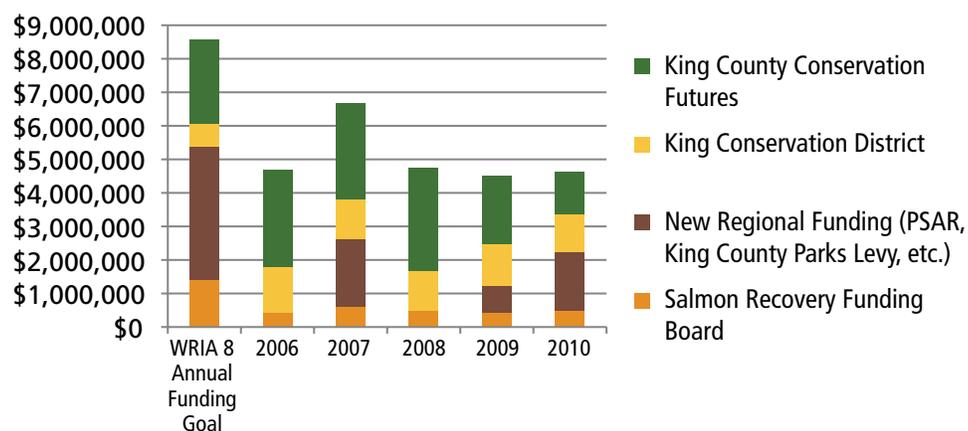
In 2007, recovering Puget Sound became a greater state and federal priority. This additional focus on Puget Sound brought new regional funding to accelerate the pace of salmon recovery efforts. In the 2007 biennial budget, the state legislature appropriated \$42 million through the newly created Puget Sound Acquisition and Restoration (PSAR) program to Puget Sound watersheds. This increased funding to implement the highest priority salmon habitat protection and restoration projects.

WRIA 8 received \$2,015,099 in 2007 PSAR funds and \$1,623,911 in 2009 PSAR funds. Although PSAR only provided about half of the anticipated new funding from regional grants, it was a substantial, much-needed investment. The PSAR program is not a guaranteed funding source, and the legislature appropriates it every two years. It is important for WRIA 8 partners to actively support PSAR funding and demonstrate the on-the-ground habitat improvement that results from this investment.

Federal funding has been much lower than anticipated. In particular, U.S. Army Corps of Engineers funding has been far lower than expected in the Plan goals, largely a result of reduced congressional allocations to the Corps of Engineers and some potential project partners deciding to seek funding elsewhere rather than go through the Corps project funding process.

Funding Sources	WRIA 8 Plan Annual Funding Goal
Salmon Recovery Funding Board	\$1,400,000
New Regional Funding	\$4,000,000
Other State (agency grants, etc.)	\$800,000
Federal (Army Corps of Engineers, Environmental Protection Agency, other federal grants, etc.)	\$3,500,000
King Conservation District	\$660,000
King County Conservation Futures	\$2,500,000
Other Local Match (utility fees, stormwater management fees, etc.)	\$4,500,000
TOTAL	\$17,360,000

**Table 6.** WRIA 8 Plan anticipated funding sources and annual goal. WRIA 8 is unable to track all funding sources; shaded rows indicate funding sources tracked by WRIA 8.



**Figure 14.** WRIA 8 Plan annual funding goals for four primary funding sources compared to actual annual funding levels during the first five years of implementing the Plan.

However in 2009, with the increased focus on recovering Puget Sound, several important WRIA 8 priorities received over \$4 million in federal grant funding from the EPA. EPA grants are advancing the following priorities:

- Monitoring watershed conditions in up to 50 stream reaches (King County)
- Establishing a stormwater flow control plan for the Piper’s Creek watershed (City of Seattle)
- Developing an incentives and credits program to improve ecosystem functions and processes along shorelines of single-family waterfront homes (City of Seattle)
- Supporting a partnership to restore riparian ecosystems and eradicate invasive species (City of Seattle)

### Local Funding

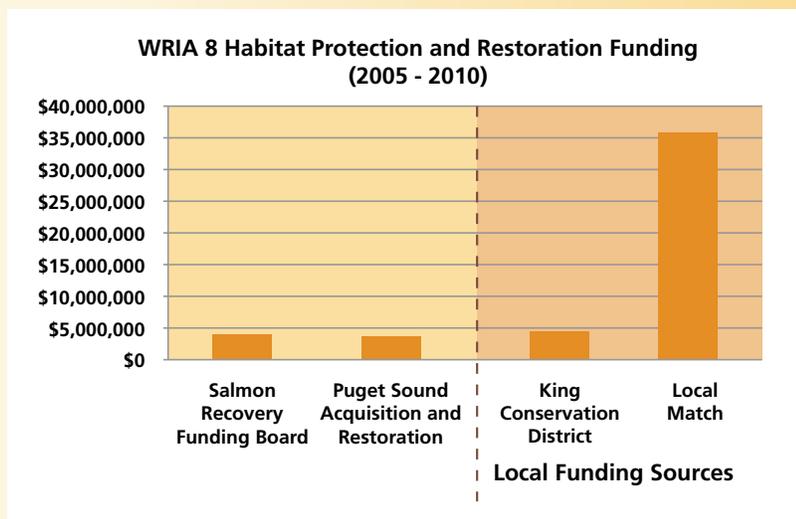
During the past five years, local funding for salmon recovery has contributed over \$40 million towards implementing priority habitat projects, much of which serves to match state and federal grants (Figure 15). Local funds come from a number of sources, most notably King Conservation District (KCD), King County Conservation Futures, King County Parks Levy, and local government surface water management fees, utility fees, and other sources. With the doubling of KCD funds in 2006, KCD has contributed nearly twice the funding for habitat restoration and protection anticipated in the WRIA 8 Plan. Additionally, King County Conservation Futures provides annual funding from property taxes levied throughout King County and its cities for the purchase and permanent protection of habitat and open space. Beginning in 2008, the King County Parks Levy also provides annual funding to acquire open space and restore county parkland that supports salmon habitat. These local funding sources serve as indispensable match to leverage grant funds for habitat protection and restoration projects.

### Recovering Salmon in Challenging Economic Times

The last few years have been difficult for salmon recovery funding. Beginning in 2009, as a result of the recession, funding suffered as local, state, and federal budgets were greatly reduced. The PSAR program was reduced from \$42 million in the 2007-2009 biennial budget to \$33 million in the 2009-2011 biennial budget. In coming years, with the prospect of continued budget shortfalls at all levels, we could see further reductions in salmon recovery funding. This will continue to hinder implementation of the WRIA 8 Chinook Recovery Plan.

Although the reality of funding for habitat protection and restoration has fallen well short of the goals set by the Plan (Table 6), we have used the available funding to accomplish substantial priority project work. We will not be able to increase the pace and effectiveness of habitat restoration and protection without additional funding sources.

**Figure 15.** Amount of WRIA 8 grant funding by grant source compared to the amount of local funding. State and federal grant funds are leveraged heavily by local matching funds. Although King Conservation District grants are separated from local match in the figure, they should be included in the total local funds that serve as match to state and federal grants.





### Program is controlling Cedar River knotweed

Invasive knotweed is an aggressive invader of riparian habitats, forming dense stands along stream banks. A collaborative program has been working to control knotweed along the Cedar River and its tributaries. This is often an essential first step in restoring native habitat.

The King County Noxious Weed Control Program began working on knotweed with landowners on the Cedar in 2007. In 2010, King County, Seattle Public Utilities, Forterra (formerly Cascade Land Conservancy), and the Friends of the Cedar River Watershed joined together to form the Cedar Stewardship in Action Program.

Partners reach out to all property owners, public and private, seeking permission to control knotweed on their property and promoting better land stewardship. Hundreds of volunteers participate in over 50 events each year to remove invasives and replant. The process is time-intensive; it takes about a year to treat (and re-treat) two river miles.

## VI. Programmatic Actions

### Implementation of Actions Related to Land Use and Education & Outreach

Programmatic actions in the Plan related to land use and public outreach may seem less directly tied to salmon in a WRIA 8 stream than on-the-ground habitat projects. But they are actually more critical to the long-term success of our salmon recovery efforts. WRIA 8 is the most populated watershed in the state, and it is still growing. How well we manage growth and development, and motivate people who live in our watershed to take positive actions to benefit salmon, will determine our success in recovering Chinook salmon.

In 2008, the WRIA 8 team administered a survey to jurisdictions in the watershed to assess progress made in implementing programmatic recommendations in the Plan.

The survey found a high rate of implementation for the following actions, ranked as being of “high importance” by a WRIA 8 staff group:

- Forest cover/riparian buffer education
- Water quality education
- Promoting stormwater best management practices
- Critical Areas Ordinances
- Shoreline Master Plan updates
- Tree protection regulations
- Stormwater regulations
- Regulatory flexibility to promote habitat protection/restoration

For these highly-ranked actions, WRIA 8 partners should be vigilant to keep the implementation level high. They should also look for ways to measure their effectiveness.

The following programmatic actions were found to have lower levels of implementation and were ranked as being of high or medium importance to salmon recovery. These Plan recommendations should be revisited by the WRIA 8 Salmon Recovery Council and supporting committees to identify ways to increase implementation:

- Outreach regarding the benefits of large wood in streams
- Education programs for landscape designers/contractors on sustainable design
- Programs to address illegal water withdrawals
- Incentives to protect/restore ecological function
- Outreach to property owners to protect forest cover/habitat
- Promotion of low-impact development
- Natural Yard Care education

WRIA 8 partners are working collaboratively to address many outreach and education actions in the Plan. For example, many WRIA 8 jurisdictions, as part of implementing their stormwater permit requirements, are participating in the Stormwater Outreach for Regional Municipalities (STORM) Consortium. STORM coordinated extensive outreach campaigns related to reducing the water quality impacts of car washing and yard care, which are both high-priority outreach recommendations in the WRIA 8 Plan. Also, lakeshore jurisdictions in the

watershed have partnered with state and federal agencies on the Green Shorelines campaign to work with lakeshore property owners to improve shoreline habitat for salmon (see below). Pooling resources and collaborating has not only been more efficient in these cases, but has also led to much more effective outreach programs.

Non-governmental organizations and community groups and other WRIA 8 partners who were not part of the implementation survey are important partners in implementing many plan recommendations. For example, many nonprofit organizations such as the Mountains to Sound Greenway Trust, Friends of the Cedar River Watershed and Adopt-a-Stream Foundation, offer volunteer stewardship events. Local water districts offer educational programs and incentives to promote water conservation. The Washington Department of Ecology, Parks and Recreation Commission, and Puget Soundkeeper Alliance all have programs and materials to help boaters reduce pollution from recreational boating and boat maintenance.

## Connecting People and Salmon

People are more likely to take actions to protect salmon, streams, and beaches if they have a personal experience that connects them with the resource. For several years, WRIA 8 has supported efforts to create personal connections through the annual Salmon SEEson campaign. Salmon SEEson promotes events sponsored by several cities and organizations where people can see salmon traveling upriver to spawn. Trained interpreters from Friends of the Issaquah Salmon Hatchery, Friends of the Cedar River Watershed, Salmon Stewards, City of Redmond, and elsewhere are on site at specific locations to provide information and answer questions.

WRIA 8 also supports the Cedar River Salmon Journey (CRSJ), Beach Naturalists, and Salmon Watchers through King Conservation District grants. These programs train volunteers about the watershed's natural resources and how to educate diverse audiences. Motivated people who know the science and can engage others are valuable resources for salmon recovery.

## BRINGING BACK THE BEACH FOR BETTER HABITAT

Bulkheads and rip rap that line the shores of Lakes Washington and Sammamish have greatly reduced essential habitat for juvenile Chinook salmon. WRIA 8 has been working to encourage homeowners to restore their shoreline by adding beaches and native vegetation.

The City of Seattle developed an attractive and informative Green Shorelines guidebook for lakeshore property owners. Thousands of guidebooks have been distributed by jurisdictions, shoreline consultants and contractors, and through other means.

In 2009, WRIA 8 held a series of four green shorelines workshops about the definition of green shorelines, the permit process, incentives, and green shoreline design.

In 2010, lakeshore property owners received mailers with color photos and information about green shorelines. WRIA 8 also developed a Green Shorelines website. WRIA 8 plans to continue Green Shorelines work through outreach to professionals, project case studies, and new media.





### Watershed Report uses video to inspire high school students

How do you engage a new generation in protecting our watershed? Try making them leaders in producing a video.

Friends of the Cedar River Watershed (FCRW) has been working with high school students to research, narrate, and produce The Watershed Report. The innovative project is a series of short video reports on positive sustainability trends in the 13 school districts and 27 cities of the greater Lake Washington Watershed.

Updated every year, the report is like a collaborative report card. The report is featured each year on 19 public access channels.

The first report premiered in June 2010 with over 150 community leaders in attendance. The video won an award for watershed films sponsored by the Whole Watershed Restoration Initiative.

FCRW recruits students for the report through sustainability presentations in all 13 school districts in the watershed.

## VII. Our Future: Challenges and Opportunities

We have much to celebrate after the first five years of implementing the Chinook Conservation Plan. We have reason to believe that salmon will continue to be a vibrant, thriving part of our watershed into the future. We appear to be holding the line on Chinook salmon population trends and maintaining forest cover in the rural parts of the watershed. Collectively, we are taking the right actions in the right places for salmon recovery. Our commitment to improving the health of our watershed, and recovering salmon, remains strong.

### Too Little Progress in Implementing Plan Recommendations

Although the commitment to salmon recovery is strong in WRIA 8, at the five-year point of implementing the Plan we are not as far along as we anticipated when we ratified the Plan in 2005. We've only implemented 14% of the projects on our "Start List" of high priority habitat projects, and we should be closer to 50%. As discussed in Section VI, we've identified land use and outreach recommendations in the Plan needing more focused implementation efforts. A primary reason we have not made more progress is that, like most watersheds in Puget Sound, we are behind on our ambitious goals for funding salmon recovery.

In 2011, the National Marine Fisheries Service issued its five-year status review of implementation of the Puget Sound Chinook Recovery Plan (of which the WRIA 8 Chinook Plan is a chapter). It found that habitat is still declining Puget Sound-wide and that not enough is being done to protect and restore habitat.

### New Focus Areas for the Next Five Years

Based on our watershed analysis and Chinook salmon population trends, we need to:

- Restore more Cedar River floodplain habitat.
- Continue working with lakeshore property owners through our Green Shorelines outreach program.
- Protect and restore riparian areas in both the urban and rural parts of the watershed.
- Find solutions to address the barrier to restoring natural shoreline processes caused by railroads along the WRIA 8 marine nearshore.
- Improve fish passage through the Ballard Locks and Ship Canal.

### Opportunities and New Partnerships

With so many partners and our strong record of local match for state and federal funding, WRIA 8 is an influential voice for change. We need to ask for continued state and federal funding for salmon recovery and work with other Puget Sound watersheds and partners to develop new funding sources. We need to look at creative partnerships for implementing recovery actions, and focus on actions that provide multiple benefits. We can be more effective and efficient at implementing some actions in the WRIA 8 Plan when we collaborate and share the load. We should also work more with nonprofit and community groups to advance the most important projects and programs. We need to tell our salmon stories, highlight our challenges, celebrate our successes, and invite watershed residents to join us in our work to ensure a future for salmon in the Lake Washington/Cedar/Sammamish Watershed.

## WRIA 8 Coordination Team

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Jean White

*Watershed Coordinator*

Jason Mulvihill-Kuntz

*Actions and Funding Coordinator*

Scott Stolnack

*Technical Coordinator*

Annette Frahm

*Green Shorelines Outreach Coordinator*

Linda Grob

*Administrative Coordinator*

## Photos courtesy of:

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Ned Ahrens, Hans Berge, Geoff Clayton, Friends of the Cedar River Watershed, Ray Heller, Charlotte Spang, Roger Tabor, U.S. Army Corps of Engineers, Washington Department of Fish and Wildlife, Dar Webb, and Jo Wilhelm.



## Progress Report Preparation

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**Contributors:** Jean White, Jason Mulvihill-Kuntz, Scott Stolnack, Annette Frahm, and Hans Berge (King County Department of Natural Resources and Parks)

**Graphic Design:** Sandra Kraus (King County IT Services, Visual Communications Group)

Additional copies of this report are available from:



**King County**

Department of Natural Resources and Parks  
**Water and Land Resources Division**  
201 South Jackson Street, Suite 600  
Seattle, WA 98104  
206-296-6519 TTY Relay: 711  
[www.kingcounty.gov/wlr](http://www.kingcounty.gov/wlr)

## Alternate Formats Available

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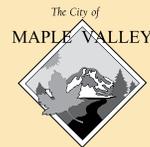
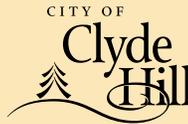
206-296-7380 TTY Relay: 711

♻️ Printed on recycled stock. Please recycle.

File: 2360\_1112WRIA8progressReport.ai skrau  
King County DNR IT Services, Visual Communications Group 



Financial support to coordinate implementation of the 2005 Lake Washington/Cedar/Sammamish Watershed (WRIA 8) Chinook Salmon Conservation Plan is provided by the following local governments and the Washington Department of Fish and Wildlife:



**For more information, contact:**

**Jean White**

*Lake Washington/Cedar/Sammamish Watershed Coordinator*

**Phone: 206-263-6458**

**Email: [jean.white@kingcounty.gov](mailto:jean.white@kingcounty.gov)**

**WRIA 8 website: [www.govlink.org/watersheds/8/](http://www.govlink.org/watersheds/8/)**

**WATERSHED INVESTMENT DISTRICTS**  
**A SUMMARY OF DRAFT LEGISLATION**  
**July 20, 2011**

**Rationale for Watershed Investment Districts (WIDs)**

The intent of the proposed legislation is to:

- Provide a framework to enable sustained funding for implementation of watershed programs, activities and projects;
- Allow for more efficient financing of infrastructure;
- Recognize that solutions must be at the scale of problems; and
- Empower local decision-making while providing for efficient local, regional, state and federal coordination.

**Purpose**

The proposed legislation allows creation of special purpose "watershed investment districts" organized on watershed boundaries and authorizes them to raise and disburse funds to conserve and restore lands and waters. It authorizes WIDs to seek funds to implement watershed and salmon habitat recovery plans. While the legislation was developed by WRIAs in Central Puget Sound, it could apply statewide.

**Process to Create a District**

The boundaries of a district may include all or a portion of a single Watershed Resource Inventory Area (WRIA) or all or portions of contiguous WRIAs. One or more counties (within which a Watershed Investment District was located) would pass an ordinance to create a WID. Cities with a majority of the population within a proposed WID could petition a county or counties to create a WID.

**Governance**

The board of a WID would include elected officials of counties and cities that are wholly or partly within a WID. The legislation defines an optional process for forming a board in WIDs with more than 15 participating local governments. Each WID board may appoint non-voting advisory members representing stakeholders' interests directly to the board or appoint a separate advisory committee.

**Activities Funded by a District**

The primary purpose of the proposed legislation is to create local funding and coordinate all funding for implementation of watershed and salmon habitat plans. WIDs could also apply for and accept federal, tribal, state and private funds. A few examples of activities, programs and projects that could be funded include: acquisition of high-value aquatic and upland habitat; restoration of key aquatic habitat; and projects and programs to address regional problems related to storm water; outreach and education; and multi-benefit projects such as floodplain management.

To the maximum extent possible, WIDs must seek other sponsors (such as cities, counties, tribes or non-profit organizations) to carry out activities, programs and projects. A WID itself could carry these out if it finds that it is specially qualified to do so.

### **Funding Sources**

Types of funding that a WID could incorporate into a funding plan and a funding proposition include:

- General property tax
- Sales and use tax
- Utility fee
- Per parcel assessment
- Real estate excise tax; and
- Pollution discharge tax

### **Watershed Funding Plans**

Within three years of creation of a WID, the WID board must adopt a watershed funding plan for future activities, programs and projects. The board must consider allocating up to 10 percent of the funding to activities, programs and projects identified by individual participating cities and counties.

### **Watershed Funding Propositions; Voter Approval**

Within seven years of creation of a WID, the WID must prepare a funding proposition for submittal to the voters within the WID. The funding proposition would include a list of activities, programs and projects (from the WID's funding plan) and proposed increases in taxes, fees or charges to support their implementation. Each participating county within the WID must submit the funding proposition to voters in the WID who reside in that county at either a special or general election.

If the voters fail to approve a WID's first funding proposition, the WID may submit additional funding propositions to voters. If voters fail to approve two consecutive funding propositions, the counties that created the WID must act to dissolve it.



**CITY OF KIRKLAND**  
City Manager's Office  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001  
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**MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Marie Stake, Communications Program Manager  
**Date:** February 27, 2013  
**Subject:** Proclamation: April as Child Abuse Prevention Month

**RECOMMENDATION:**

The Mayor proclaims April as Child Abuse Prevention Month.

**BACKGROUND DISCUSSION:**

The Children's Response Center, a program of Harborview Medical Center, provides services and support for children and youth under the age of 18 who have experienced sexual assault or other traumatic events. Services are also available for non-offending family members and children and youth who display sexual behavior problems.

Ms. Kim Bao, advisory board member from the Center will be present at the April 2 City Council meeting to accept the proclamation.

For more information about the Center, go to [www.childrensresponsecenter.org](http://www.childrensresponsecenter.org).



## A PROCLAMATION OF THE CITY OF KIRKLAND

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### Proclaiming April as “Child Abuse Prevention Month” in Kirkland, Washington

**WHEREAS**, all children deserve to grow up in a safe and nurturing environment to ensure they reach their full potential; and

**WHEREAS**, safe and healthy childhoods help produce confident and successful adults; and

**WHEREAS**, child abuse and neglect often occur when people find themselves in stressful situations, without community resources, and not knowing how to cope; and

**WHEREAS**, decreasing the occurrence of child abuse and neglect relies upon the efforts of every individual in order to make a positive, substantial impact upon the children of today so they can be the leaders of tomorrow; and

**WHEREAS**, Harborview Children’s Response Center serves residents in East and North King County, including Kirkland, by providing support to children and families who have been impacted by abuse, promotes awareness on issues concerning child abuse, and seeks to end the sexual assault of children; and

**WHEREAS**, the City’s Police Department’s Family Violence Unit and the Parks and Community Services Department’s Human Services Program coordinate with the Children’s Response Center to help victims and their families in dealing with the impacts of abuse and neglect; and

**WHEREAS**, victims of child abuse can receive help from the Children’s Response Center by calling 425-688-5130 and those who suspect child abuse can report it to the Washington State Department of Social & Health Services’ toll free number 1-866-END HARM; and

**WHEREAS**, wearing or displaying a pinwheel in April will serve as a positive reminder that together we can prevent child abuse and keep children safe;

**NOW, THEREFORE**, I, Joan McBride, Mayor of the City of Kirkland, do hereby proclaim *April as Child Abuse Prevention Month* in the City of Kirkland, and urge all citizens to seek help if they need it, to report child abuse if they see it, and to support all agencies that provide services to help those who are dealing with child abuse and neglect.

Signed this 2<sup>nd</sup> day of April, 2013

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Joan McBride, Mayor



**CITY OF KIRKLAND**  
Planning and Community Development Department  
123 Fifth Avenue, Kirkland, WA 98033  
425.587-3225 - [www.kirklandwa.gov](http://www.kirklandwa.gov)

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Eric Shields, AICP. Planning Director  
**Date:** March 21, 2013  
**Subject:** Comprehensive Plan Update #1 – Community Outreach

**RECOMMENDATION**

The City Council receives a short staff presentation on the status of the 2013- 2014 update of the Comprehensive Plan

**BACKGROUND DISCUSSION**

During the February 8<sup>th</sup> Council retreat, the Council was given an initial briefing on the preliminary Comprehensive Plan Update work plan and outreach efforts. The Council requested that regular briefings be provided to the Council throughout the year on the progress of the Comprehensive Plan Update. This will be the first of those regular reports.

At the April 2, 2013 meeting staff will provide a brief update of the recent activities related to the update of the Comprehensive Plan, including:

- Development of more detailed work plans
- Webpage design
- Establishment of an interdepartmental coordination team
- Completion of a communications plan
- Contract with a public outreach consultant to assist in developing an overarching and integrated outreach plan (Funding for the consultant and other supplemental outreach efforts is included in the carryover ordinance also on the Council agenda.)
- Board and commission briefings and discussions
- Neighborhood association and KAN briefings
- Consultant hiring
- Public participation training

Further information will be provided at the meeting.



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES  
March 19, 2013

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, Mayor Joan McBride, Councilmember Toby Nixon, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.

Members Absent: None.

3. STUDY SESSION

a. Development Services Study

Joining Councilmembers for this discussion were City Manager Kurt Triplett, Deputy City Manager Marilynne Beard, and Director of Planning and Community Development Eric Shields. Contributing to the conversation was Building Services Manager Tom Phillips.

4. EXECUTIVE SESSION

a. Potential Litigation

Mayor McBride announced at 6:45 p.m. that Council was entering into an executive session to discuss potential litigation and would return at 7:30 p.m., which they did. City Attorney Robin Jenkinson was also in attendance.

5. HONORS AND PROCLAMATIONS

a. Sustainable Kirkland Earth Hour Proclamation and Presentation

Vivian Weber and Tania Scutt of Sustainable Kirkland shared information about Earth Hour and accepted the proclamation from Mayor McBride and Councilmember Asher.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Brent Carson  
Dave Wagar  
Alex Zimmerman  
Dwight Baker  
Kathy Schuler  
Joe Razore  
Brian Gaines  
Will Knedlik  
Ken Davidson  
Rich Hill

c. Petitions

7. SPECIAL PRESENTATIONS

None.

8. CONSENT CALENDAR

a. Approval of Minutes: March 5, 2013

b. Audit of Accounts:

Payroll \$2,570,194.62

Bills \$2,325,564.99

run #1183 check #541601

run #1184 checks #541602 - 541623

run #1185 checks #541647 - 541779

run #1186 checks #541780 - 541817

run #1187 checks #541818 - 541831

run #1188 check #541832

run #1189 checks #541833 - 54198

c. General Correspondence

d. Claims

Claims received from Todd Lum and Mark Rice were acknowledged.

e. Award of Bids

(1) The contract for the 2013 Street Preservation Program, Phase I Curb Ramp and Concrete Repairs Project, was awarded to West Coast Construction Co., Inc., of Woodinville, WA in the amount of \$475,943.00.

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

(1) Acquisition of Property to Expand Juanita Heights Park

Council ratified the purchase and sale agreement entered into on February 28, 2013 between Thomas and Joanne Warsinske and the City of Kirkland in the amount of \$660,000.00 plus closing costs of up to \$6,625.00 for the purchase of 2.31 acres of land contiguous to Juanita Heights Park.

(2) Resolution R-4970, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT TO PROVIDE LAW ENFORCEMENT MUTUAL AID AND MOBILIZATION BETWEEN THE WASHINGTON STATE PATROL, THE KING COUNTY SHERIFF AND THE CITIES OF BELLEVUE, BLACK DIAMOND, BOTHELL, ISSAQUAH, KIRKLAND, MERCER ISLAND, REDMOND AND SNOQUALMIE."

(3) Resolution R-4971, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT CONCERNING O. O. DENNY PARK AND A TRANSFER AMENDMENT TO THE O. O. DENNY PARK MANAGEMENT AND MAINTENANCE AGREEMENT."

h. Other Items of Business

(1) Totem Lake Park Master Plan Funding

Council approved funding in the amount of \$120,000.00, \$82,000 of which is to be repurposed from the remaining available balance from a prior project, Shoreline Restoration PK000600 and \$38,000 from REET 1 reserves.

(2) Ordinance O-4402 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO KIRKLAND MUNICIPAL CODE CHAPTER 3.85 ENTITLED PURCHASING."

(3) Report on Procurement Activities

(4) Tourism Development Committee Annual Review

Committee members Jac Cooper, Belinda Jensen, Maxim Khokhlov, Daniel Mayer and Kathryn McNeill were reappointed to one-year terms ending March 31, 2014.

Motion to approve the Consent Calendar.

Moved by Councilmember Bob Sternoff, 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.

## 9. PUBLIC HEARINGS

- a. Ordinance O-4384, Relating to Amending the Kirkland Municipal Code to Enact a New Chapter 7.74 Fair Housing Regulations; Prohibiting the Refusal to Rent a Dwelling Unit Solely on the Basis of a Section 8 Voucher or Certificate Rental Request; and Providing for the Enforcement Thereof by Amending Kirkland Municipal Code Section 1.12.020.

Mayor McBride described the parameters of, and opened, the public hearing. Planning Supervisor Dawn Nelson provided an overview of the proposed ordinance and process/background information to date.

Council recessed for a short break prior to the public testimony during the hearing.

Testimony was provided by the following: Joe Ingram, Marilyn Mason-Plunkett, Paula Matthyse, Rev. Bill Kirlin-Hackett, Marty Kooistra, Stephen Norman, Carol Schroeder, Greg Cerbank, Karina O'Malley, Sean Martin, Omar Barraza, Karen Tennyson, Heather Bunn, June Banahan, Jonathan Grant, Ron Olsen, Suzanne Grogan, Michael Ramos, Paul Morris, Alex Zimmerman, Elizabeth Hendren, Tim Seth, Meghan Altimore, Katherine Porter, Sue Sherbrooke, Kelly Rider, Kathy Chaussee, Brian Tucker, Ken Davidson, Kelly West, Darrel Harrison, Quiana Ross, Ed Doyne, Susan Musi, and Rick Whitney. No further testimony was offered and the Mayor closed the hearing.

Following the public testimony, staff responded to Council questions, as did Jeb West of the King County Housing Authority and Attorney Elizabeth Hendren, representing the Northwest Justice Project.

Motion to approve Ordinance O-4384, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AMENDING THE KIRKLAND MUNICIPAL CODE TO ENACT A NEW CHAPTER 7.74 FAIR HOUSING REGULATIONS; PROHIBITING THE REFUSAL TO RENT A DWELLING UNIT SOLELY ON THE BASIS OF A SECTION 8 VOUCHER OR CERTIFICATE RENTAL REQUEST; AND PROVIDING FOR THE ENFORCEMENT THEREOF BY AMENDING KIRKLAND MUNICIPAL CODE SECTION 1.12.020."

Moved by Councilmember Amy Walen, seconded by Deputy Mayor Doreen Marchione

Vote: Motion carried 4-3

Yes: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, Mayor Joan McBride, and Councilmember Amy Walen.

No: Councilmember Toby Nixon, Councilmember Bob Sternoff, and Councilmember Penny Sweet.

Council recessed for a short break following the public hearing.

10. UNFINISHED BUSINESS

a. 2013 Legislative Update #4

Intergovernmental Relations Manager Lorrie McKay reviewed highlights of current legislative activities.

b. Resolution R-4969, Pertaining to the Adoption of the 2013-2015 Planning Work Program

Planning and Community Development Deputy Director Paul Stewart and Planning Commission Chair Mike Miller presented information on potential changes for Council consideration and responded to Council questions.

Motion to approve Resolution R-4969, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND PERTAINING TO THE ADOPTION OF THE 2013 - 2015 PLANNING WORK PROGRAM."

Moved by Deputy Mayor Doreen Marchione, seconded by Councilmember Penny Sweet

Vote: Motion carried 6-1

Yes: Deputy Mayor Doreen Marchione, Councilmember Amy Walen, Councilmember Penny Sweet, Councilmember Bob Sternoff, Mayor Joan McBride, and Councilmember Toby Nixon.

No: Councilmember Dave Asher.

Motion to include all of the CBD5 in the MRM PAR discussion.

Moved by Councilmember Bob Sternoff, seconded by Councilmember Amy Walen

Vote: Motion carried 4-3

Yes: Mayor Joan McBride, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.

No: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, and Councilmember Toby Nixon.

11. NEW BUSINESS

None.

12. REPORTS

a. City Council

(1) Finance and Administration Committee

(2) Public Safety Committee

(3) Community Planning, Housing and Economic Development Committee

Chair Sternoff shared information regarding the attendance of representatives from the Kirkland Downtown Association at their meeting and

contributions to the KDA's activities including flower pots and the Clean Sweep event.

(4) Public Works, Parks and Human Services Committee

Chair Marchione shared information on a request to the Committee to discuss a possible ban on single use plastic bags, which the Council agreed to have the Committee consider.

(5) Regional Issues

Councilmembers shared information regarding the recent 1st Legislative District town hall meeting; and a request for an alternate to attend the April 10 Sound Cities Association Public Issues Committee meeting, Councilmember Sternoff agreed to do so.

b. City Manager

City Manager Triplett updated the Council on talks with King County Councilmembers regarding the EMS levy.

(1) Calendar Update

13. ITEMS FROM THE AUDIENCE

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of March 19, 2013 was adjourned at 11:19 p.m.

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City Clerk

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Mayor



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

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## MEMORANDUM

**To:** Kurt Triplett, City Manager  
**From:** Kathi Anderson, City Clerk  
**Date:** March 24, 2013  
**Subject:** CLAIM(S) FOR DAMAGES

### RECOMMENDATION

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

### POLICY IMPLICATIONS

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

### BACKGROUND DISCUSSION

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

- (1) Stephen Wang  
411 13<sup>th</sup> Avenue West  
Kirkland, WA 98033

**Amount:** \$980.03

**Nature of Claim:** Claimant states damage to property resulted from a plugged City sewer line.

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

**CITY OF KIRKLAND**

Department of Public Works  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3809  
www.kirklandwa.us

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Dave Snider, P.E., Capital Projects Manager  
Pam Bissonnette, Interim Public Works Director

**Date:** March 21, 2013

**Subject:** Totem Lake Culvert Replacement Project – Award Construction Contract

**RECOMMENDATION:**

It is recommended that City Council:

- award the Totem Lake Culvert Replacement Project construction contract to Scarsella Brothers, Inc., Seattle, WA, in the amount of \$2,419,552.52, and
- approve a reduced overall Project budget of \$4,175,000, resulting in returning 1,094,000 to Surface Water Capital Reserves.

**BACKGROUND AND DISCUSSION:**

The Totem Lake Culvert Replacement project will improve conveyance in the existing surface water drainage system from Totem Lake to the west side of I-405 by replacing the existing aged, deteriorated and clogged corrugated metal pipe culverts (Attachment A). The specific work elements for this project include:

- the replacement of two 42-inch metal culverts with approximately 700 feet of a concrete box culvert in two separate sections (Segments 1 & 3),
- the relocation of a WSDOT traffic signal in conflict with the new culvert alignment (Segment 1), including the placement of a temporary signal for use during the construction period,
- the cleaning and inspection of 300 feet of existing 72-inch culvert (Segment 2), and
- sediment and invasive vegetation removal within an existing section of open drainage channel (Segment 4).

At their regular meeting March 5, 2013, City Council received an update on the Totem Lake Culvert Replacement Project. At that meeting, City Council also awarded a contract for the early fabrication of the new concrete box culverts in order to help staff meet the Project's overall schedule, which includes an environmental permit timing requirement (i.e. "fish window") for the summer 2013 construction season.

With an engineer's estimate of \$2,797,453 for installation the contract documents were first advertised on February 20, including Supplemental Bidder Responsibility Criteria specific to working in sensitive areas and for successfully completing projects of a similar size and scope within the past 10-years.

The bid opening was held March 15, 2013; the following seven bids were received:

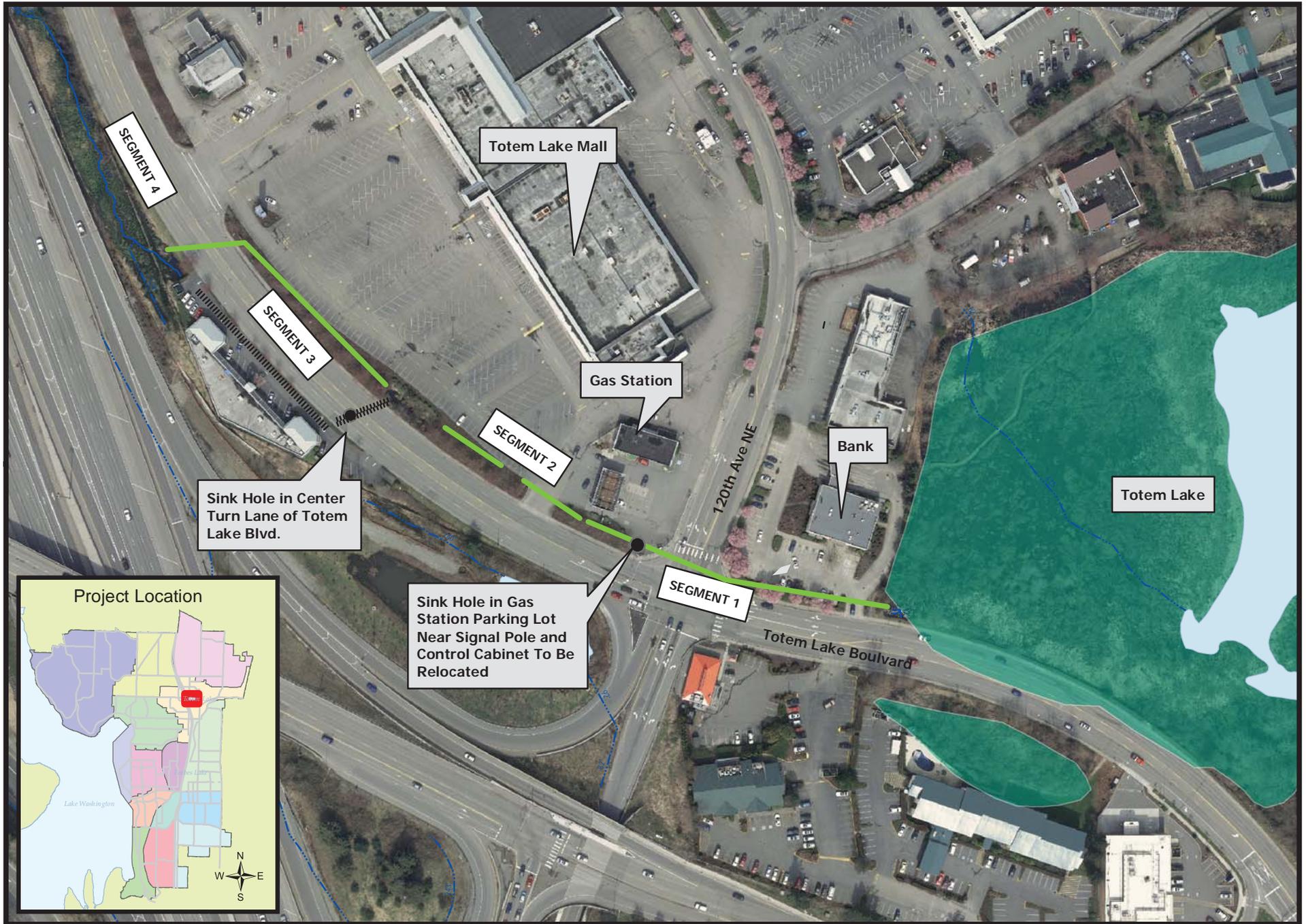
<b>Contractor</b>	<b>Total Bid</b>
<b>Scarsella Brothers, Inc.</b>	<b>\$2,419,552.52</b>
Rodarte Construction	\$2,694,913.81
Frank Coluccio Construction	\$2,736,884.61
<i>Engineers Estimate</i>	<i>\$2,797,453.00</i>
MidMountain Contractors	\$3,080,574.45
Westwater Construction	\$3,536,309.07
3 Kings Environmental	\$3,569,396.69
Ceccanti	\$4,798,204.59

The Project is part of the 2013-2018 Capital Improvement Program, as approved by City Council on December 7, 2012, including funds identified for right-of-way acquisition. As a majority of the culvert alignment is on private property, or within the Washington State Department of Transportation controlled access of the I-405 off-ramp at 120<sup>th</sup> Ave NE and Totem Lake Boulevard, a significant purchase of new right-of-way was anticipated. At the conclusion of the design efforts, however, only three Temporary Construction and three Permanent Maintenance Easements were needed – the Temporary Construction Easements have each been secured and the negotiations on the three Permanent Maintenance Easements are being finalized, all with no anticipated acquisition cost to the City. By eliminating the Land Acquisition line item the overall Project budget will be reduced; however, due to the complex nature of the Project, the engineering and projected consultant inspection and project management costs have increased. With a standard 10% construction contingency included, a newly revised Project budget of \$4,175,000 is recommended, with the balance of the previously estimated total Project budget \$1,094,000 (construction savings plus land acquisition savings) being returned to the Surface Water Capital Reserves (Attachment B).

With an award of the contract by City Council at their April 2 meeting, construction will begin in May with Project completion expected in October, 2013. In advance of construction, Public Works staff will send a construction informational mailer to nearby businesses to provide overall timelines and pertinent contact information; the Project's website link will also be updated. Due to the Project's location and overall area of impact, a trailer mounted variable message reader board will also be positioned in the vicinity to alert motorists of the pending construction.

Attachment A: Vicinity Map  
Attachment B: Project Budget Report

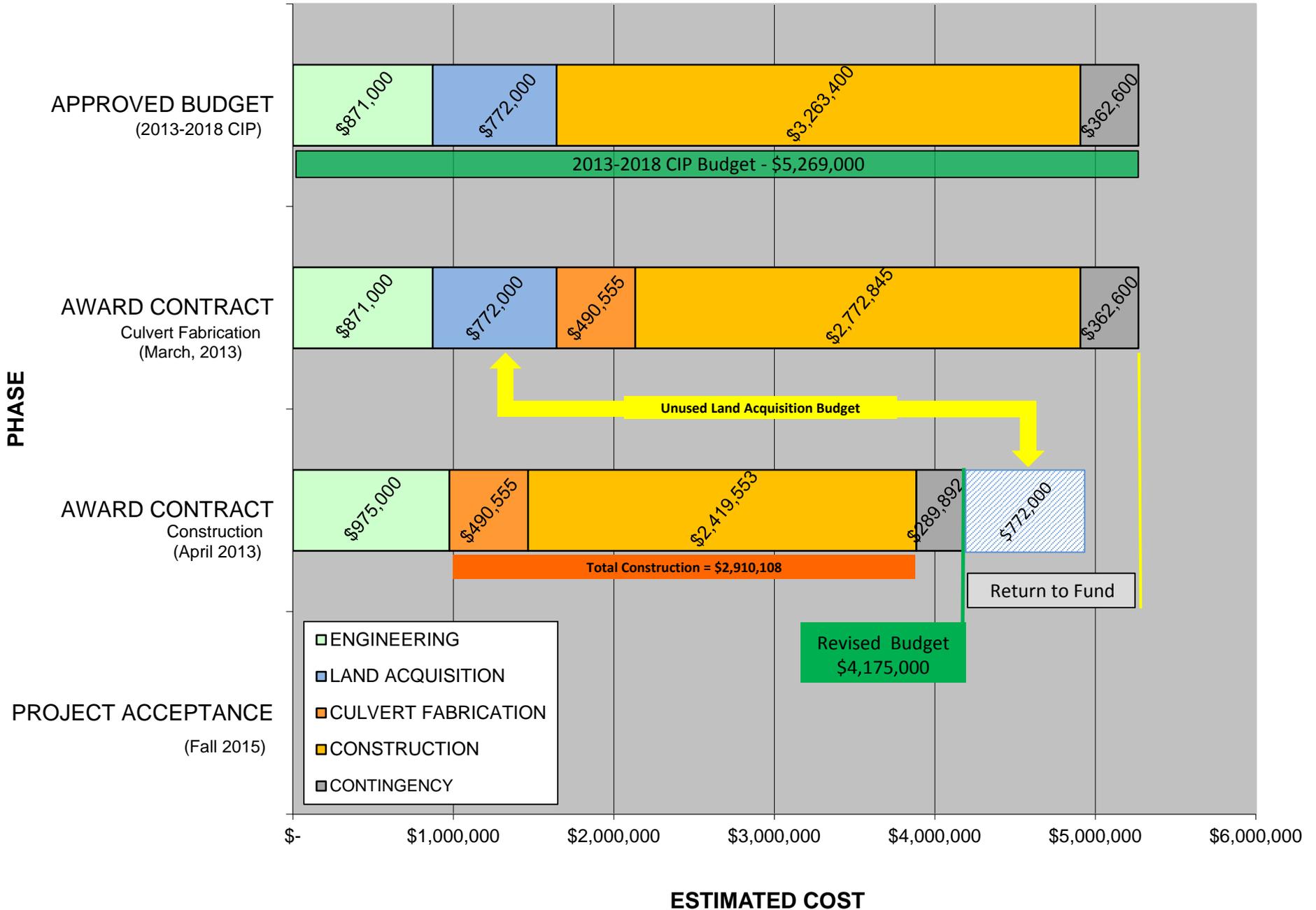
# TOTEM LAKE CULVERT REPLACEMENT PROJECT SITE MAP



# TOTEM LAKE CULVERT REPLACEMENT PROJECT (SD-0075)

## Project Budget Report

Attachment B





## **CITY OF KIRKLAND**

### **Department of Parks & Community Services**

505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300

[www.kirklandwa.gov](http://www.kirklandwa.gov)

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Jason Filan, Park Operations Manager  
Jennifer Schroder, Director

**Date:** March 18, 2013

**Subject:** 2013 Interlocal Agreement for Waterfowl Management Program

### **RECOMMENDATION:**

That the City Council authorizes the City Manager to sign the 2013 Interlocal Agreement for Waterfowl Management Program.

### **BACKGROUND DISCUSSION:**

The purpose of the Waterfowl Management Program is an ongoing resource management activity attempting to maintain a manageable number of birds on a year-to-year basis. Working in collaboration with Wildlife Services of the U.S. Department of Agriculture, the U.S. Fish and Wildlife Service and the participating agencies enhances the region's ability to monitor and work with our local population of Canada geese. Components of the program attempt to alleviate human health and safety concerns including: negative impacts on water quality, safety from sickness and disease for park patrons, and reduced property damage within recreational areas of King County.

The agreement provides joint funding to contract with Wildlife Services to manage the Canada geese population within King County. The program includes egg addling, lethal control, population monitoring, and census of Canada Geese within King County.

2013 will be the 20<sup>th</sup> year of the program. The City of Kirkland has been an integral partner with Seattle, Bellevue, Kent, Mountlake Terrace, Renton, Tukwila, Woodinville, University of Washington, Tacoma MetroParks and the Port of Seattle since the program's inception.

### **SOURCE OF FUNDS:**

The City's contribution will be limited to \$2,230. Funding for this partnership is identified in the Park Maintenance division budget.

#### **Attachments:**

Resolution  
Interlocal Agreement

RESOLUTION R-4972

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE SEATTLE DEPARTMENT OF PARKS AND RECREATION, THE UNIVERSITY OF WASHINGTON, THE PORT OF SEATTLE, TACOMA METROPARKS, THE CITIES OF BELLEVUE, KENT, MOUNTLAKE TERRACE, RENTON, TUKWILA, WOODINVILLE AND KIRKLAND TO MANAGE WATERFOWL.

WHEREAS, the various agencies desire to manage waterfowl, especially Canada Geese; and

WHEREAS, all parties require assistance from the Wildlife Services Program of the U.S. Department of Agriculture, to reduce negative impacts on water quality, minimize resource damage, ensure safety from disease for park visitors, and enhance other property managed; and

WHEREAS, information dating to a 1989 Waterfowl Research Project done by the University of Washington and current data indicates a large surplus of geese and other waterfowl species in the greater Seattle area; and

WHEREAS, this Agreement will authorize a program for ongoing resource management activity to attempt to maintain a manageable number of birds on a year-to-year basis; and

WHEREAS, the cities and other local government units are authorized to enter into this Agreement pursuant to RCW Chapter 39.34, the Interlocal Cooperation Act;

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

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City an interlocal agreement substantially similar to the Agreement attached hereto as Exhibit A.

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

Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

For Your Action

**2013 Interlocal Agreement for  
Waterfowl  
(Canada Goose)  
Management Program**

Please Note:

Final Form Ready for Your Submittal for Signature and Funding Authorization

**2013 INTERLOCAL AGREEMENT FOR WATERFOWL (CANADA GOOSE)  
MANAGEMENT PROGRAM**

**WHEREAS**, Chapter 39.34.040 RCW (Interlocal Cooperation Act) permits local government units to make the most efficient use of their powers by enabling them to communicate and cooperate with other localities on a basis of mutual advantage and thereby to provide services in a manner pursuant to forms of government organization that will accord best with recreational, park and natural resources and other factors influencing the needs and development of local communities and

**WHEREAS**, the various agencies, cities, counties, Washington State and agencies of the Federal Government listed in Exhibit A - Page 6 of this Agreement, desire to manage waterfowl, especially Canada Geese; and

**WHEREAS**, all parties require assistance from the Wildlife Services Program of the U.S. Department of Agriculture, to reduce negative impacts on water quality, minimize resource damage, ensure safety from disease for park visitors, and enhance other property managed; and

**WHEREAS**, yearly surveys by Wildlife Services indicates an increasing population trend for Canada geese in Lake Washington from the previous 10 years, expanding smaller groups of geese in surrounding areas and along Puget Sound, earlier pairing and nesting activity and a larger surplus of other waterfowl species in the Seattle area; and

**WHEREAS**, this program will be an ongoing resource management activity attempting to maintain a manageable number of birds on a year-to-year basis; and

**NOW, THEREFORE**, in consideration of the covenants herein, it is mutually agreed as follows:

**SECTION I - PURPOSE**

The purpose of this Agreement is to provide joint funding for an egg addling program, lethal control, population monitoring and census; mainly of Canada Geese, within King and Snohomish Counties.

This program will assist each party in communicating, maintaining, and managing public and selected and approved private site impacts of surplus waterfowl.

## SECTION II - SCOPE OF PROGRAM

Wildlife Services (WS) will receive funds from each participating member for the continuation of an egg addling program, lethal control and evaluation during spring and summer 2013.

Using best management practices WS will carry out an egg addling program, seeking as many accessible nesting areas as possible and will make every effort to minimize damage to the surrounding environment.

With the assistance of Wildlife Services, the WMC members will continue a yearly program to increase monitoring activities that will enhance our location and access of nests on public and private land and to facilitate expanded egg addling program, including advertisement of an addling and nesting location hotline number for the general public and others, posters and webpage advertising and other activities to keep the public well informed of the Waterfowl Management Program.

WS will also implement a program of "lethal control" as requested by the Waterfowl Management Committee, subject to the terms and conditions of a permit to be issued by the U.S. Fish and Wildlife Service. This will be done on a case by case basis in situations where an over population of Canada geese may result in an impact on human health and safety, such as potable water contamination, bird aircraft strikes, disease transmission or other situations as determined by WMC members.

**To request lethal control, WMC members must contact the WS District Supervisor or Assistant District Supervisor at 360-337-2778. WS will work with the member agency to determine if removal is warranted and if the location is suitable for removal operations.**

WS will provide an annual report to the members of the WMC which will include information regarding egg addling, the general location of nests and number of eggs added, number of geese removed, difficulties encountered and whatever other information would be valuable to the WMC.

2013 will be the twentieth year of an egg addling program and the twelfth year utilizing "lethal control". All methods and tools utilized to accomplish addling and "lethal control" activities in 2012 will again be used in 2013.

WS will conduct a standardized monthly goose population survey of selected area parks and will annually conduct up to six goose surveys of Lake Washington by boat. As in previous years, census counts will be expanded using staff from local agencies and participants at times and places to be specified. Survey results will be presented annually to the WMC.

Where possible, educational programs such as 'don't feed wildlife' and interpretive signage will be initiated to inform the public about urban Canada Geese, the associated problems, and the efforts of this committee at addressing those problems.

### SECTION III - RESPONSIBILITIES

Each party, represented on the Waterfowl Management Committee, as shown on Exhibit "A", and incorporated by reference herein, will share in the ongoing review of the programs carried out by WS.

Each party agrees that if necessary, an Oversight Committee will be appointed to monitor and report back to the general committee on a regular basis. Three members of the Committee will make up the Oversight Committee chaired by the Seattle Parks and Recreation representative.

### SECTION IV - COMPENSATION

The total cost of the 2013 waterfowl management program shall not exceed twenty seven five hundred and twenty-eight dollars (\$27,528).

Each party shall contribute to the financial costs of the program as shown in Table I.

### SECTION V - TERM AND EXTENSION

The Term of this Agreement is from January 1, 2013 to December 31, 2013. This Agreement may be extended in time, scope or funding by mutual written consent from all parties referenced herein.

### SECTION VI - TERMINATION

This agreement may be unilaterally terminated by any of the parties referenced herein or Wildlife Services upon presentation of written notice to the Oversight Committee at least 30 days in advance of the severance date shown in Section V.

Should termination of this agreement occur without completion of the egg addling, each party shall pay only its' pro rata share of any expenses incurred under the agreement at the date of the termination, and each party shall receive copies of all products resulting from the addling activities up to the time of the termination.

### SECTION VII - DELIVERABLE

Using best management practices Wildlife Services will carry out an egg addling program, seeking as many accessible nesting areas as possible and will make every effort to minimize damage to the surrounding environment. Field conditions or changing conditions may increase or decrease the number of eggs addled from previous years' totals. Eggs will be coated with vegetable oil on dates to be determined by USDA-Wildlife Services.

Lethal control will be implemented as requested and the total numbers are established by the U.S. Fish and Wildlife Service Permit.

Participants will receive a report on the number of eggs addled and geese euthanized in 2013.

### SECTION VIII - FILING

As provided by RCW 39.34.040, this agreement shall be filed prior to its entry and force with the City or County Clerks of the participating parties, the County Auditor and the Secretary of State, and, if found to be necessary, with the State Office of Community Affairs as provided by RCW 39.34.120.

### SECTION IX - LIABILITY

Each party to this agreement shall be responsible for damage to person or property resulting from the negligence on the part of itself, its employees, its agents or its officers. No party assumes any responsibility to another party for the consequences of any act or omission of any person, firm, or corporation not at party to this agreement.

**EXHIBIT A**

2013 WATERFOWL MANAGEMENT COMMITTEE PARTICIPANTS

- City of Bellevue.....Pat Harris
- City of Kent – Riverbend Golf Course.....Dave Owen
- City of Kirkland.....Jason Filan
- City of Mountlake Terrace.....Don Sarcletti
- Port of Seattle – Seattle-Tacoma International Airport.....Steve Osmek
- City of Renton.....Kelly Beymer
- Tacoma MetroParks.....Marina Becker
- City of Tukwila – Foster Golf Links.....Curt Chandler
- City of Woodinville.....Brian Meyer
- Seattle of Parks and Recreation.....Barbara DeCaro
- University of Washington.....Charles Easterberg
- U.S.D.A. Wildlife Services..... Roger Woodruff
- U.S. Fish and Wildlife Service.....Brad Bortner

**TABLE I**

<b><u>AGENCIES</u></b>	<b><u>CONTRIBUTIONS</u></b>
City of Bellevue	<b>2230</b>
City of Edmonds	<b>2230</b>
City of Kent	<b>2230</b>
City of Kirkland	<b>2230</b>
City of Mountlake Terrace	<b>2230</b>
Port of Seattle – Sea-Tac Airport	<b>2230</b>
City of Renton	<b>2230</b>
Tacoma MetroParks	<b>2230</b>
City of Tukwila-Foster Golf Links	<b>2230</b>
City of Woodinville	<b>2230</b>
Seattle Department of Parks and Recreation	<b>2998</b>
University of Washington	<b>2230</b>

All checks will be made payable to the USDA-APHIS-WS, earmarked for the Wildlife Services and sent to the following addresses:

Mr. Roger Woodruff  
State Director -Wildlife Services Program  
U.S. Department of Agriculture  
720 O'Leary Street Northwest  
Olympia, Washington 98502  
(360) 753-9884

In case of procedural questions regarding this project, please contact:

Roberta Bushman, Administrative Officer  
Wildlife Services Program  
(360) 753-9884 FAX: 753-9466

For questions regarding implementation of control measures and census, please contact:

District Supervisor 360-337-2778

**SECTION X. - SEVERABILITY**

...If any section of this agreement is adjudicated to be invalid, such action shall not affect the validity of any section so adjudged.

This agreement shall be executed on behalf of each party by its authorized representative. It shall be deemed adopted upon the date of execution by the last so authorized representative. This agreement is approved and entered into by the undersigned county and local government units, university and other private parties.

<p><b>City of Bellevue</b> By: _____ Patrick Foran, Director of Parks and Community Services Date: _____</p>	<p><b>Port of Seattle – Seattle-Tacoma International Airport</b> By: _____ Tay Yoshitani, Chief Executive Officer Date: _____</p>
<p><b>City of Kent</b> By: _____ John Hodgson, Director Date: _____</p>	<p><b>Seattle Department of Parks and Recreation</b> By: _____ Christopher Williams, Acting Superintendent Date: _____</p>
<p><b>City of Kirkland</b> By: _____ Kurt Triplett, City Manager Date: _____</p>	<p><b>Tacoma MetroParks</b> By: _____ Steve Knauer, Director, Parks and Building Services Date: _____</p>
<p><b>City of Mountlake Terrace</b> By: _____ John J. Caulfield, City Manager Date: _____</p>	<p><b>City of Tukwila</b> By: _____ Rick Still, Parks and Recreation Director Date: _____</p>
<p><b>City of Renton</b> By: _____ Denis Law, Mayor Date: _____</p>	<p><b>University of Washington</b> By: _____ Jude Van Buren Director of Environmental, Health &amp; Safety Date: _____</p>
<p><b>City of Woodinville</b> By: _____ Richard A. Leahy, City Manager Date: _____</p>	



**CITY OF KIRKLAND**

Department of Parks & Community Services

505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300

www.kirklandwa.gov

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Jennifer Schroder, Parks and Community Services Director  
**Date:** March 21, 2013  
**Subject:** USE OF PARK EASEMENT PROCEEDS

**RECOMMENDATION:**

That the City Council approves the use of park easement fees in the amount of \$49,358 to fund the Peter Kirk restroom renovation project and the Kiwanis Park forest restoration project.

**BACKGROUND DISCUSSION:**

On September 21, 2011, Council approved Resolution R-4895 authorizing the City Manager to execute an Easement Granting Private Access over property at Kiwanis Park. The Easement was necessary in order for Mr. Goss to subdivide his property into two residential parcels and build a new residence on the resulting waterfront parcel. Compensation for the easement came to \$49,359. Mr. Goss paid all permit fees as part of his Short Plat condition on March 8, 2013.

**REQUEST TO ALLOCATE \$49,358 TO PETER KIRK RESTROOM RENOVATION AND KIWANIS PARK**

**Peter Kirk Restroom renovation funding request: up to \$30,000**

The Kirkland Transit Center project included renovating the Peter Kirk restroom, including improvements to the exterior and interior of the building. In 2011, the exterior face of the building was resurfaced and the roof weather-sealed to prevent the moisture leaks that had deteriorated the interior of the restroom. The last phase of the renovation is the interior areas of the restroom. Staff has obtained a preliminary project estimate to demolish all interior fixtures, sandblast all surfaces (floors, walls and ceiling), paint, seal and install new fixtures (sinks, lights, partitions, paper receptacles, etc. ).

Project Estimate: \$87,594 (includes 5% design and 5% construction contingency). To date, there is approximately \$60,000 remaining fund balance from the transit project, resulting in an estimated project shortfall of \$27,584 to be funded by the Easement. If the amount needed to complete the restroom project is less than \$30,000, the unspent balance would be transferred to the Kiwanis Park forest restoration efforts described in the next paragraph.

**KIWANIS PARK FOREST RESTORATION FUNDING REQUEST \$19,358**

Efforts to restore Kiwanis Park's natural areas began in 2007 as part of the Green Kirkland Partnership program. The funds will help continue the volunteer efforts by purchasing native plants and trees for restoration, hire work crews for restoration in areas that have steep slopes, improve the existing pathway drainage, and address the need for native plants along the shoreline.

Attachment: Fiscal Note

**FISCAL NOTE**

*CITY OF KIRKLAND*

Source of Request							
Jennifer Schroder, Director of Parks & Community Services							
Description of Request							
Request for approval to use park easement proceeds of \$49,358: 1) Up to \$30,000 for the Peter Kirk Park/Transit Center Restroom renovation project (CTR 0004 002); and 2) Balance for forest restoration efforts at Kiwanis Park as part of the Green Kirkland Program (CPK 0121).							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$49,358 from park easement proceeds. This revenue has been received.							
Recommended Funding Source(s)							
	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
<i>Reserve</i>			0	0		0	N/A
			0	0		0	N/A
	No reserve impact						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>	<b>Park Easement Revenue</b> results from compensation received by the City for granting easement on public property to a private party.						
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	March 20, 2013
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## 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  
Pam Bissonnette, Interim Public Works Director

**Date:** March 21, 2013

**Subject:** Park Lane Pedestrian Enhancements – Project Update

### RECOMMENDATION:

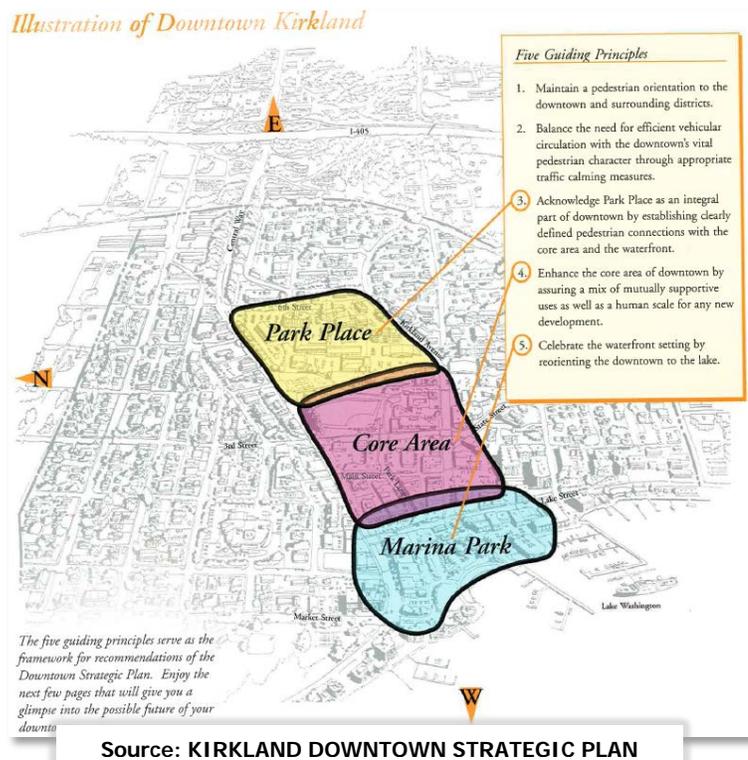
It is recommended that City Council:

- receives an update on the past public outreach efforts for the Park Lane pedestrian enhancements;
- authorizes the City Manager to sign a grant agreement with the Washington State Department of Ecology for the City to receive up to \$739,000 in storm water retrofit and Low Impact Development grant funds (Attachment A); and
- authorizes staff to proceed with the next steps of public outreach defining adjacent business and property owners' involvement in final design and construction mitigation for the Project.

### BACKGROUND DISCUSSION:

In June of 2001, Kirkland City Council adopted the *Kirkland Downtown Strategic Plan (DSP)*, as developed by the Downtown Action Team. The five guiding principles contained within the *Strategic Plan* are: 1) Maintain a pedestrian orientation to the Downtown and surrounding districts, 2) Balance the need for efficient vehicular circulation with the downtown's vital pedestrian character through appropriate traffic calming measures, 3) Acknowledge Park Place as an integral part of the downtown by establishing a clearly defined pedestrian connection with the core area and the waterfront, 4) Enhance the core area of downtown by assuring a mix of mutually supportive uses as well as a human scale for any development, and 5) Celebrate the waterfront setting by reorienting the downtown to Lake Washington<sup>1</sup>.

<sup>1</sup>Kirkland Downtown Strategic Plan 2001



As defined in the *DSP*, Park Lane is at the center of the "Core Area" of Downtown Kirkland with its many positive pedestrian features. However, there are many pedestrian opportunities unrealized. For example, the strong pedestrian features of Park Lane are compromised by the lack of a consistent linkage between the core area, the Kirkland Transit Center, Peter Kirk Park, and Park Place.

It is important to note that in addition to being a strategic connection, Park Lane is aged and not in good condition<sup>1</sup>. Park Lane will need to be substantially replaced within the next few years regardless of what "vision" for the street is selected. Because the corridor must be replaced with a significant investment, now is the time to make sure that investment becomes an asset for the community for decades into the future.

City Council approved funds in 2008 for a study to establish a vision for the Park Lane corridor between Lake Street and 3<sup>rd</sup> Street. In addition to the *DSP*, a secondary driver for the Study was the condition of the existing infrastructure along Park Lane -- aging pavement, failed concrete curbs and sidewalks, significant root and tree issues, inefficient street lighting, and the surface water conveyance system reaching the end of its life expectancy. Significant mature tree roots were (and are) lifting sidewalk panels creating hazardous walking conditions that require a high degree of maintenance efforts to correct. Final drivers for the Study were the pending redevelopment of the Kirkland Transit Center, the replacement of King County Wastewater Treatment Division sanitary sewer lift station at 3<sup>rd</sup> Street and Park Lane, and the eventual redevelopment of the Antique Mall property. Each provided added incentive to pursue an updated vision for the Park Lane corridor where reconstruction efforts would meet the City's strategic vision.

A key goal of the Park Lane Study was to explore and develop a community embraced concept for enhancements along Park Lane; a second goal was to identify various funding alternatives to accomplish the vision for the Corridor. After an extensive 18-month public involvement process, including the participation of many stakeholders represented by Park Lane business and property owners, Neighborhood Associations and other interested parties, the Park Lane Study was completed in January, 2010; City Council adopted the public preferred "Flexible Street" concept for Park Lane (Attachment B) at their February 2, 2010 meeting.

With the adopted vision in hand, staff submitted a grant application to the Washington State Department of Ecology (DOE) under its Storm Water Retrofit and LID Grant Program in 2010. On May 10, 2012, the City received notice that the Park Lane Project had been selected as a \$739K grant recipient through a legislative provision on the 2012 Supplemental Capital Budget. Staff provided City Council an update at their regular meeting of August 7, 2012 (Attachment C), and Council authorized staff to move forward with additional public outreach to appraise Park Lane business and property owners of the City's eligibility for the DOE grant funding and how the community could best be involved moving forward.

### *Park Lane Feedback*

There are approximately 23 businesses on Park Lane between Lake Street and Main Street, and in late August, 2012, staff began conducting small group meetings with the businesses. Staff also met with the Executive Director of the Kirkland Chamber of Commerce and Kirkland

<sup>1</sup>Kirkland Downtown Strategic Plan 2001

Downtown Association. At these meetings, the 2010 Flexible Street concept was reintroduced, and preliminary construction methodology was presented. Of the 23 business owners along Park Lane, staff directly communicated with a total of 19. In addition, a flyer (Attachment D) was mailed to 12 Park Lane property owners from Lake Street to Third Street inviting their input and feedback.

In general, business owners expressed concern over the potential direct construction impacts (e.g. reduction of customers and income during construction, equipment noise levels, limited access to store fronts, etc.) and the follow-on issues related to the adopted vision of Park Lane. Some expressed a concern that various community events such as the Wednesday Market have had a negative impact on individual sales of their front-line businesses – they oppose additional focus on events that the Flexible Street could facilitate.

Of the 19 businesses contacted, representative feedback can be divided into three categories, as shown below:

#### Summary of business owner outreach and level of project support

	<b>No:</b> Do not move forward with project at this time	<b>Maybe:</b> Move forward with project if conditions are met	<b>Yes:</b> Move forward with project at this time
<b>Number of Businesses</b>	4 (21.1%)* *1 of the 4 businesses has multiple owners	13 (68.4%)	2 (10.5%)
<b>Level of Support for Park Lane Improvements</b>	Reject the concept of a "Festival" street. Do not want Park Lane construction unless strictly necessary – do not see any necessity at this time.  Only address tripping hazards and health of the trees. Leave the street with its current charm.	Support the implementation of Park Lane improvements under certain operational and construction conditions listed below.	Support the implementation of Park Lane improvements knowing construction comes with impacts.
<b>Direction to move forward:</b>	Keep Park Lane as it.  Increase Park Lane ongoing maintenance.  Fix tree/sidewalk problems one at a time as needed.	City of Kirkland to explore construction and operational conditions listed below.	Proceed with project.
<b>Reasons not to move forward:</b>	Do not like Festival Street. Revisit Project scope when times are better.	NA	NA

<sup>1</sup>Kirkland Downtown Strategic Plan 2001

Multiple attempts to communicate with the 12 remote property owners along Park Lane have occurred since the inception of the visioning process in 2008. To date, approximately half of those businesses owners have actively participated by attending meetings, providing input or communicating in writing over the past five years.

The majority of the on-site business owners that were interviewed are willing to entertain the adopted pedestrian and street improvements for Park Lane provided that the following measures are incorporated into the Project:

*Regarding Construction:*

1. Businesses can remain open at all times.
2. Construction occurs during winter season. January was a popular month. One month construction duration was thought as the maximum acceptable duration for the western end of the corridor (between Lake Street and Main Street).
3. Other construction specific conditions include:
  - Construction is completed within the timeframe agreed to by City and business owners.
  - Construction contract language involves heavy fees should the contractor go beyond contract days.
  - Limit impacts by being open to round the clock construction (day and night). Business owners were concerned that construction delays would put them out of business.
  - Bids should be based not only on price but also schedule. The contractor must be qualified to meet construction conditions.
  - Establish a platform that supports open communication between contractor and business owners so that mitigation measures happen swiftly and efficiently.
  - Modify parking enforcement in the vicinity of Park Lane during construction to make it easier for customers to visit Park Lane.

*Regarding the Festival Street Concept:*

- Park Lane business owners want the ability to approve the type of festivals and nature of visiting vendors.
- Business owners want to ensure that festival activities on Park Lane:
  - i. promote their business and support their customer base; and
  - ii. do not prohibit or inhibit their customers from accessing their businesses.
- Flexible Street final design includes elements that enhance Park Lane businesses (i.e. patio spacing at key locations for outdoor dining or sidewalk sales).
- Regular Park Lane street maintenance after construction and prompt clean up after festivals and markets.
- Have a big celebration after construction is complete. High level marketing and advertising that attracts Kirkland residents and visitors from the greater Puget Sound region.

*Estimated Project Costs and Funding Strategies*

To date, the City has invested \$434K of capital improvement funds for scoping, planning and design development, sidewalk and lighting repairs, and the replacement of two trees along the Corridor (Phase I construction), and for the extensive community outreach to develop the overall vision for Park Lane. Engineering deliverables include a 30% design for the above ground improvements and a 100% design for the surface water system. Phase I construction, completed in 2010, included removal and replacement of damaged concrete sidewalk with temporary rubber sidewalk material at various locations and two new trees in Silva Cell tree well units were also installed. The Silva Cell units support vigorous tree growth while also providing immediate point-source water quality.

The overall total Park Lane Corridor Enhancements Project costs for all Phases of the Flexible Street concept is currently estimated to be \$2.99M, and includes four distinct elements: 1) the previously complete Phase I portion, 2) the King County Wastewater Treatment roadway and storm improvements adjacent to their lift station, 3) the replacement of the aging City water main, and 4) the City's Phase II improvements between the King County lift station and Lake Street. A more conventional approach to improving the street, without the added attributes of the Flexible Street,, has not been designed but is expected to cost less but on the same order of magnitude as the Flexible Street.

As shown in Table 1 below, the *Total Cost* for the Flexible Street is \$2.99M with the City's current Project revenue at \$1.052M, including funds for Phase I elements (\$434K completed in 2010), the City share of storm water improvements associated with the King County Wastewater Lift Station Project (\$75K in current Surface Water CIP funds), the City's match for the DOE water quality grant (\$246K in current Surface Water CIP funds), and replacement of the existing Park Lane water main (\$297K in current Utility CIP funds). The King County lift station project adds an additional \$175K for providing full width flexible street improvements along the entire frontage of the lift station site, including the construction of new Low Impact Development improvements and new storm drainage infrastructure within the City's right-of-way between the new lift station and Main Street. Accepting the \$739K DOE grant would increase the overall revenue to \$1.966M, leaving a funding shortfall of \$1.024M, down from a previously identified amount of \$1.1M due primarily to the updated costs associated with the King County DNR Lift Station and the City's participation in surface water infrastructure enhancements associated with that project. In an effort to address the \$1.024M shortfall, the City recently submitted a \$1M State Capital Budget request for the completion of Park Lane. In the submittal, staff identified the total cost of the Project and emphasized the funding partners, including the City, DOE, and King County. A final decision on the request will not be announced until the end of the regular Legislative session in late April; however the City's request has received a favorable response.

*"Conventional Alternative"*

Staff has also conducted a very preliminary analysis of replacing Park Lane with a more conventional configuration than the flexible street. Initial estimates are that such a project would be slightly less, but would be within the same general range of cost as the current proposal. Much of the DOE grant would be also applicable to a more conventional approach, so accepting the grant does not drive a final decision about what replacement option to pursue. More work on this option could be done if Kirkland does not receive the \$1 million in requested funds from the state.

**TABLE 1 PARK LANE PEDESTRIAN CORRIDOR ENHANCEMENTS**

Element	Flexible Street	Fund Source (available)
<b>BASE COST</b>	\$ 1,763,000	
Phase II Enhancements		
a) LID and Storm	\$ 985,000	
b) New Lighting	\$ 108,000	
c) Street Furniture	\$ 134,000	
<b>Sub-TOTAL</b>	<b>\$2,990,000</b>	
<b>FUNDING</b>		
1) Phase I	(\$ 434,000)	Surface Water (SW/REET,2010)
2) KCDNR	(\$ 75,000)	City Surface Water funds (Approved CIP)
	(\$ 175,000)	King County DNR funds (2014)
3) Water main	(\$ 297,000)	City Water Utility (Approved CIP)
4) DOE Grant	(\$ 246,000)	DOE City Match SW funds (Approved CIP)
	(\$ 739,000)	State DOE (2013, 2014 & 2015)
<b>Sub-TOTAL</b>	<b>(\$1,966,000)</b>	
<b>SHORTFALL</b>	<b>\$1,024,000</b>	City currently seeking \$1M from State Legislature for completion of Park Lane Project.

*Summary*

In order to meet the Department of Ecology's fiscal reporting requirements, the City is being asked to return a signed Project Grant Agreement no later than April 12, 2012. At the same time, the outcome of the State Capital Budget grant request will not be known until the end of the State Legislative session, currently scheduled for April 26 (or later, dependent on an always possible session extension). To keep the Park Lane Project moving forward, staff recommends that City Council authorize the City Manager to sign the grant funding agreement with the Department of Ecology (Attachment A). While meeting the DOE reporting schedule is critical, the signing of the agreement does not formally obligate the City to proceed. Also, because the DOE grant is scalable, there are possible options for a modified Project scope if the City should not receive the State grant. Once the outcome of the State Capital Grant is known, staff will return to the City Council with a final project scope and plan for any resultant funding gap.

In the meantime, staff also recommends City Council authorization to continue with public outreach efforts with the Park Lane businesses and property owners to keep them informed on the status of the grants and to continue a dialog on an overall public involvement strategy to meet their concerns and expectations.

- Attachment A: DOE Agreement
- Attachment B: Flex Street
- Attachment C: Council Memo Aug 2012
- Attachment D: Park Lane Property Owner Flyer



# DEPARTMENT OF ECOLOGY State of Washington

## **FY 2012 STORMWATER RETROFIT AND LID GRANT PROGRAM - PROVISIO FUNDING AGREEMENT**

**BETWEEN**

**THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY**

**AND**

**CITY OF KIRKLAND**

**GRANT AGREEMENT NUMBER**

**G1200606**

### **PARK LANE PEDESTRIAN CORRIDOR ENHANCEMENTS**

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**FY 2012 STORMWATER RETROFIT AND LID GRANT PROGRAM - PROVISIO  
Funding Agreement  
Between  
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY  
AND  
CITY OF KIRKLAND**

THIS is a binding agreement between the state of Washington Department of Ecology (DEPARTMENT) and City of Kirkland (RECIPIENT). The purpose of this agreement is to provide funds to the RECIPIENT, who will carry out the requirements described in this agreement.

**PART I. GENERAL INFORMATION**

Project Title:	Park Lane Pedestrian Corridor Enhancements
Grant Number:	G1200606
State Fiscal Year:	FY 2012
Total Project Cost:	\$2,238,900
Total Eligible Cost:	\$985,333
DEPARTMENT Share:	\$739,000
RECIPIENT Share:	\$246,333
DEPARTMENT Maximum Percentage:	75 %

**RECIPIENT Information**

RECIPIENT Name:	City of Kirkland
Mailing Address:	123 5th Ave Kirkland, WA 98033
Fax Number:	425-587-3019
Federal Taxpayer ID Number:	91-6001255
PROJECT Manager:	Gina Hortillosa
Email Address:	<u><a href="mailto:GHortillosa@kirklandwa.gov">GHortillosa@kirklandwa.gov</a></u>
Phone Number:	425-587-3828
PROJECT Financial Officer:	Tracey Dunlap
Email Address:	<u><a href="mailto:Tdunlap@kirklandwa.gov">Tdunlap@kirklandwa.gov</a></u>
Phone Number:	425-587-3101

**DEPARTMENT Contact Information**

Project Manager:

Email Address:

Phone Number:

Robert G. Nolan, P.E.

[robert.nolan@ecy.wa.gov](mailto:robert.nolan@ecy.wa.gov)

425-649-7197

Project Engineer:

Email Address:

Phone Number:

Robert G. Nolan, P.E.

[robert.nolan@ecy.wa.gov](mailto:robert.nolan@ecy.wa.gov)

425-649-7197

Address:

**Northwest**

WA State Department of Ecology

Northwest Regional Office

3190 160<sup>th</sup> Ave SE

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Fax (425) 649-7098

**Central**

WA State Department of Ecology

Central Regional Office

15 West Yakima Ave, Suite 200

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Fax (509) 575-2809

**Southwest**

WA State Department of Ecology

Southwest Regional Office

P.O. Box 47775

Olympia, WA 98504-7775

Fax (360) 407-6305

**Eastern**

WA State Department of Ecology

Eastern Regional Office

N. 4601 Monroe

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**Bellingham**

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**Headquarters**

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P.O. Box 47600

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Fax (360) 407-6426

Financial Manager:

Email Address:

Phone Number:

Fax Number:

Address:

Sean Mellon

[sean.mellon@ecy.wa.gov](mailto:sean.mellon@ecy.wa.gov)

360-407-6570

360-407-7151

WA State Department of Ecology

Water Quality Program, FMS

P.O. Box 47600

Olympia, WA 98504-7600

**CHECK ALL THAT APPLY:**

- FY 2012 Stormwater Retrofit and LID Grant Program - Proviso (state funds):  
 Yes Amount: \$739,000  
Funded with Local Toxics Control Account – State
- Prior Authorization Granted:  Yes If yes, Effective Date: **May 1, 2012**
  - Increased Oversight?  Yes  No

The effective date of this agreement is the Prior Authorization date.

This agreement expires: **May 1, 2015**.

Post Project Assessment date – three years after the expiration date of the agreement (see Post Project Assessment in Attachment I): May 1, 2018

**PART II. PROJECT SUMMARY**

This project will address water quality for the state of Washington. Park Lane drains to Lake Washington in the City of Kirkland. The completed project will improve stormwater management and pollutant removal along Park Lane through the use and installation of low-impact development techniques. The design concept will support Park Lane as a destination corridor where these techniques can be demonstrated to the public.

*[This space left intentionally blank.]*

**PART III. PROJECT BUDGET**

Park Lane Pedestrian Corridor Enhancements		
TASKS/ELEMENTS	TOTAL PROJECT COST	**TOTAL ELIGIBLE COST (TEC)
1 - Project Administration/Management	\$41,000	\$40,685
2 - Design Plans and Specifications	\$368,280	\$151,006
3 - Construction Management	\$117,900	\$55,000
4 - Construction	\$1,677,720	\$704,642
5 - Public Education and Outreach	\$34,000	\$34,000
Total	\$2,176,000	\$985,333
<b>** The DEPARTMENT's Fiscal Office will track to the Total Eligible Cost.</b>		
MATCHING REQUIREMENTS		
DEPARTMENT Share: maximum 75% of TEC		\$739,000
RECIPIENT Share: minimum 25% of TEC Cash Match \$246,333 Other types of in-kind, such as volunteer work <u>are not eligible</u>		\$246,333

**PART IV. PROJECT GOALS AND OUTCOMES**

- A. Financial Assistance Water Quality Project Goals: The overall goals of this project are focused on the protection of Lake Washington and include one or more of the following:
- Stormwater System Retrofit
  - Low Impact Development Best Management Practices (BMP)
  - Designated beneficial uses will be restored or protected, 303(d)-Listed water bodies restored to water quality standards, healthy waters prevented from being degraded.
- B. Water Quality and Environmental Outcomes: The following are the anticipated water quality and environmental improvements from the project.
1. Reduce peak flows in the sub-basin.
  2. Reduce stormwater pollutants including total suspended solids (TSS) and hydrocarbons.

3. Reduce the amount of pollution generating impervious surface.
- C. Performance Items and Deliverables: The following are the anticipated action items that will play an integral role in implementation of the project.
1. Construct low-impact development (LID) best management practices (BMPs), including bioretention facilities, permeable pavement, and pervious concrete surfaces.

## **PART V. SCOPE OF WORK**

### **Task 1 - Project Administration/Management**

- A. The RECIPIENT will administer the project. Responsibilities will include, but not be limited to: maintenance of project records; submittal of payment vouchers, fiscal forms, and progress reports; compliance with applicable procurement, contracting, and interlocal agreement requirements; application for, receipt of, and compliance with all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items.
- B. The RECIPIENT must manage the project. Efforts will include: conducting, coordinating, and scheduling project activities and assuring quality control. Every effort will be made to maintain effective communication with the RECIPIENT's designees; the DEPARTMENT; all affected local, state, or federal jurisdictions; and any interested individuals or groups. The RECIPIENT must carry out this project in accordance with any completion dates outlined in this agreement.
- C. The RECIPIENT must ensure this project is completed according to the details of this agreement. The RECIPIENT may elect to use its own forces or it may contract for professional services necessary to perform and complete project-related work.

#### **Required Performance:**

1. Effective administration and management of this grant project.
2. Timely submittal of all required performance items, progress reports, and financial vouchers.
3. Submit at least three hard copies and one electronic copy of the final project report after a draft has been approved by the DEPARTMENT.
4. Write and submit a one to two page summary of project accomplishments and outcomes at project completion, including pictures, to be published in the DEPARTMENT's Annual Water Quality Financial Assistance Report following the DEPARTMENT's water quality stories format.

**Task 2 – Design Plans and Specifications**

- A. The RECIPIENT will submit to the DEPARTMENT’s Project Manager, a copy of the State Environmental Review Act (SEPA) Lead Agency’s signed and dated SEPA determination.
- B. During the planning and design stage and prior to any ground disturbing activities, the RECIPIENT will submit to the DEPARTMENT’s Project Manager one of the following:
  - a. If Cultural Resources Review (Executive Order 05-05) is complete, a copy of the letter of concurrence from the Department of Archaeology and Historic Preservation (DAHP) and correspondence from any tribes.
  - b. If Cultural Resources Review (Executive Order 05-05) is not complete, the RECIPIENT will submit a DAHP EZ-1 form to the DEPARTMENT’s Project Manager to initiate review of project activities by DAHP and tribal governments.
- C. The RECIPIENT will submit two hard copies and one digital copy of the Pre-design report to the DEPARTMENT for review. At its discretion, the DEPARTMENT may request 60 percent complete design plans for review. Based on receipt of the Pre-design report or the 60 percent complete design plans, the DEPARTMENT will provide comments to the RECIPIENT within 45 days of receipt of the plans.
- D. Prior to advertising for contractor bids, the RECIPIENT will submit two hard copies and one digital copy of the final plans and specifications to the DEPARTMENT’s Project Manager for review. The DEPARTMENT will provide comments to the RECIPIENT within 45 days of receipt of the plans. The DEPARTMENT’s Project Manager will work with the DEPARTMENT’s engineer to review the plans and specifications for consistency with the appropriate design criteria and grant requirements. The RECIPIENT must justify significant deviations from the following:
  - 1. The appropriate guidance manual below depends on the region that your project is conducted:  
**Stormwater Management Manual for Western Washington (SWMMWW),**  
or the  
**Stormwater Management Manual for Eastern Washington (SWMMEW),**  
both can be found at:  
<http://www.ecy.wa.gov/programs/wq/stormwater/tech.html>, or the  
**Low Impact Development Technical Guidance Manual for Puget Sound**  
found at: [http://www.psp.wa.gov/downloads/LID/LID\\_manual2005.pdf](http://www.psp.wa.gov/downloads/LID/LID_manual2005.pdf), or  
equivalent design manuals, or
  - 2. Equivalent manual as developed by the local jurisdiction and approved by the DEPARTMENT.
  - 3. Good engineering practices and generally recognized engineering standards.
  - 4. The project pre-design report.

- E. The plans, specifications, construction contract documents, and addenda must be approved by the RECIPIENT prior to submittal to the DEPARTMENT.
- F. The RECIPIENT will prepare and submit a projected construction schedule to the DEPARTMENT.
- G. The RECIPIENT will submit to the DEPARTMENT a current, updated construction cost estimate and updated project schedule, along with each plans and specifications submittal.
- H. The RECIPIENT will submit all pre-design figures and construction plans to the DEPARTMENT, reduced to 11" x 17" in size. The RECIPIENT may bind them with the specifications or related construction contract documents or bound as a separate document. All reduced drawings must be legible.
- I. The RECIPIENT will develop and submit an operations and maintenance plan for the stormwater treatment and low impact development (LID) features. The operation and maintenance plan will describe how the RECIPIENT will ensure project success consistent with the design manual used. The operation and maintenance plan must also address long term activities to assure ongoing pollutant removal and flow-control capability of the project. (See the *Stormwater Management Manual for Western Washington* Volume 5, Section 4.6.)

Required Performance:

- 1. Submit a copy of the signed and dated SEPA determination to the DEPARTMENT.
- 2. Submit a copy of either: 1) Letter of Concurrence from DAHP; or, 2) the DAHP EZ-1 form, for DEPARTMENT coordination on compliance with Executive Order 05-05.
- 3. Submit a Pre-design report to the DEPARTMENT.
- 4. Submit final plans and specifications to the DEPARTMENT, which includes the DEPARTMENT's Bid Specification Clauses inserts found at:  
<http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/Eng/GrantLoanMgmtEngRes.html>

**Task 3 – Construction Management**

- A. The RECIPIENT will provide construction oversight and management of the project.
- B. The RECIPIENT will submit a detailed construction quality assurance plan to the DEPARTMENT before the start of construction. This plan must describe how adequate and competent construction oversight will be performed.
- C. The RECIPIENT will submit a construction schedule to the DEPARTMENT within 30 days of the start of construction. The construction schedule will be revised and/or updated whenever major changes occur and at a minimum of every three months. The RECIPIENT will submit the construction schedule to the DEPARTMENT with the

quarterly report. When changes in the construction schedule affect previous cash flow estimates, revised cash flow projections must also be submitted to the DEPARTMENT.

- D. Prior to execution, the RECIPIENT will submit eligible change orders that are a significant deviation from the DEPARTMENT reviewed plans and specifications in writing for DEPARTMENT review and approval for payment. All other change orders must be approved by the DEPARTMENT for technical merit and should be submitted within 30 days after execution. Change orders are to be signed by the contractor, the engineer (if appropriate), and the RECIPIENT prior to submittal to the DEPARTMENT for approval.
- E. Upon completion of construction, the RECIPIENT will provide to the DEPARTMENT's Project Manager a Stormwater Construction Completion Form signed by a professional engineer, indicating that the project was completed in accordance with the plans and specifications and major change orders approved by the DEPARTMENT's Project Engineer and shown on the Record Drawings. The Stormwater Construction Completion form can be found at:  
<http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/Eng/GrantLoanMgmtEngRes.html>

Required Performance:

- 1. Submit the project construction quality assurance plan to the DEPARTMENT.
- 2. Submit the construction schedule to the DEPARTMENT.
- 3. Submit the signed and dated Declaration of Construction Completion Form to the DEPARTMENT.

**Task 4 – Construction**

- A. The RECIPIENT will construct, in accordance with the DEPARTMENT reviewed plans and specifications, bioretention facilities and LID features in the Park Lane Corridor.
- B. The RECIPIENT will submit to the DEPARTMENT's Project Manager a copy of the construction contract within 30 days of execution.

Required Performance:

- 1. Submit a copy of the bid documents (e.g. bid announcement, bid award, bid tabulations) to the DEPARTMENT.
- 2. Submit a copy of the construction contract to the DEPARTMENT.
- 3. Construct bioretention facilities.
- 4. Construct LID features.

**Task 5 – Education and Outreach**

- A. The RECIPIENT will conduct an extensive project outreach process. Outreach may include meeting with business owners, an informational letter and brochure mailing, and several informal presentations to business and community groups. The overarching goal of the public outreach will be to inform business owners, residents and customers of the potential impacts and how they can be mitigated.

Required Performance:

1. Provide informational public outreach.

**PART VI. SPECIAL TERMS AND CONDITIONS**

- A. Adjusted Construction Budget. The construction budget, as reflected in the agreement, will be adjusted once actual construction bids are received.

If the low responsive responsible construction bid(s) exceed the engineer's estimate of construction costs, the DEPARTMENT may approve, if funding is available and through formal amendment to this agreement, funding increases for up to ten percent of the engineer's original estimate.

If the low responsive responsible construction bid(s) come in lower than the engineer's estimate of construction costs, the DEPARTMENT may reduce the grant amount.

- B. Change Orders. If funding is available, the DEPARTMENT may approve, through formal amendment to this agreement, funding for change orders for up to five percent of the eligible portion of the low responsive responsible construction bid(s).
- C. Documents for Review. The plans, specifications, construction contract documents, and addenda must be approved by the RECIPIENT prior to submittal for DEPARTMENT review.
- D. Failure to Commence Work. In the event the RECIPIENT fails to commence work on the project within four months of the signatory date, the DEPARTMENT reserves the right to terminate this agreement.
- E. Use of Force Account. In the event the RECIPIENT elects to use its own forces to accomplish eligible project work, the RECIPIENT acknowledges that it has the legal authority to perform the work and adequate and technically qualified staff to perform the work without compromising other government functions. The RECIPIENT must track and report the force account work submitted to the DEPARTMENT for reimbursement.

**PART VII. ALL WRITINGS CONTAINED HEREIN**

The following contain the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein:

- This agreement.
- Attachment I: General Project Management Requirements.
- Attachment II: General Terms and Conditions.
- The effective edition, at the signing of this agreement, of the DEPARTMENT's "Administrative Requirements for Ecology Grants and Loans" (Yellow Book).
- The associated funding guidelines that correspond to the fiscal year in which the project is funded.
- The applicable statutes and regulations.

No subsequent modifications or amendments of this agreement will be of any force or effect unless signed by authorized representatives of the RECIPIENT and the DEPARTMENT and made a part of this agreement, EXCEPT that in response to a request from the RECIPIENT, the DEPARTMENT may redistribute the grant budget. The DEPARTMENT or the RECIPIENT may change their respective staff contacts without the concurrence of either party.

The RECIPIENT acknowledges that they have had the opportunity to thoroughly review the terms of this agreement, the attachments, all incorporated or referenced documents, as well as all applicable statutes, rules, and guidelines mentioned in this agreement.

IN WITNESS WHEREOF, the parties hereby sign this agreement:

STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

CITY OF KIRKLAND

\_\_\_\_\_  
KELLY SUSEWIND, P.E., P.G.      DATE  
WATER QUALITY PROGRAM MANAGER

\_\_\_\_\_  
MARILYNNE BEARD      DATE  
ASSISTANT CITY MANAGER

Approved As To Form:  
Office of the Attorney General

## **ATTACHMENT I: GENERAL PROJECT MANAGEMENT REQUIREMENTS FOR THE FY 2012 STORMWATER RETROFIT AND LID GRANT PROGRAM**

### **ARCHEOLOGICAL AND CULTURAL RESOURCES**

The RECIPIENT must comply with all requirements listed in Executive Order 05-05 prior to implementing any project that involves ground disturbing activities.

The RECIPIENT must conduct and submit a cultural resources survey or complete and submit an EZ-1 Form to the DEPARTMENT's project manager prior to any ground disturbing activities. The DEPARTMENT will contact the Department of Archaeology and Historic Preservation (DAHP) and affected tribes regarding the proposed project activities in order to fulfill Executive Order 05-05 requirements. Any prior communication between the RECIPIENT, the DAHP, and the tribes is not sufficient to meet requirements. Any mitigation measures as an outcome of this process will be requirements of this agreement.

Another agency's cultural resources review must have prior approval from the DEPARTMENT in order to be adopted to meet Executive Order 05-05 requirements for the project.

Any ground disturbing activities that occur prior to the completion of the Executive Order 05-05 process will not be eligible for reimbursement. Activities associated with cultural resources review are grant eligible and reimbursable.

<http://www.dahp.wa.gov/governors-executive-order-05-05>

### **EDUCATION AND OUTREACH**

Before producing any new materials for the purpose of education and outreach the RECIPIENT must make sure similar materials do not already exist elsewhere. If similar materials exist, the RECIPIENT must request the use of the materials before time and resources are invested to duplicate materials that are already available.

The RECIPIENT must provide the DEPARTMENT up to two copies and an electronic copy on CD-ROM of any tangible educational products developed under this grant, such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements or gadgets, such as a refrigerator magnet with a message. If this is not practical, the RECIPIENT must provide a complete description including photographs or printouts of the product.

The RECIPIENT must also supply the DEPARTMENT with the names and contact information of local project leads.

If there are a significant number of people in the community that speak languages other than English, the RECIPIENT must produce all pamphlets, fliers, meeting notices, reports, and other educational and public outreach materials in English and in the other prevalent language.

## **FUNDING RECOGNITION**

The RECIPIENT must inform the public about DEPARTMENT or the Environmental Protection Agency (EPA) funding participation in this project through the use of project signs, acknowledgement in published materials, reports, the news media, or other public announcements. Projects addressing site-specific locations must utilize appropriately sized and weather-resistant signs. Sign logos are available from the DEPARTMENT upon request.

## **INCREASED OVERSIGHT**

If this project is selected for increased oversight (as indicated on page 3 of this agreement), the RECIPIENT must submit all backup documentation with each payment request submittal. In addition, the DEPARTMENT's Project Manager must establish a schedule for additional site visits to provide technical assistance to the RECIPIENT and verify progress or payment information.

## **INDIRECT RATE**

To acknowledge overhead costs, the RECIPIENT may charge an indirect rate of up to 25 percent based on employees' direct salary and benefit costs incurred while conducting project-related work. The DEPARTMENT's Financial Manager may require a list of items included in the indirect rate at any time.

## **MATCHING REQUIREMENTS**

Cash Match Requirement. FY 2011 Stormwater Retrofit and LID Competitive grants and FY 2012 Statewide Stormwater Grant Program grants require cash match only.

Interlocal Match Requirement. The RECIPIENT certifies by signing this agreement that all negotiated interlocal agreements are consistent with all of the following:

- Terms of this grant agreement.
- The edition of "Administrative Requirements for Ecology Grants and Loans" that is effective at the signing of this agreement.
- Chapter 39.34 RCW Interlocal Cooperation Act.

## **MINORITY AND WOMEN'S BUSINESS PARTICIPATION**

The RECIPIENT agrees to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated after the effective date of this agreement.

Contract awards or rejections cannot be made based on MBE or WBE participation. M/WBE participation is encouraged, however, and the RECIPIENT and all prospective bidders or persons submitting qualifications should take the following steps, when possible, in any procurement initiated after the effective date of this agreement:

- a) Include qualified minority and women's businesses on solicitation lists.

- b) Assure that qualified minority and women's businesses are solicited whenever they are potential sources of services or supplies.
- c) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
- d) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
- e) Use the services and assistance of the State Office of Minority and Women's Business Enterprises (OMWBE) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

The RECIPIENT must report to the DEPARTMENT at the time of submitting each invoice, on forms provided by the DEPARTMENT (Form D), payments made to qualified firms. Please include the following information:

- a) Name and state OMWBE certification number (if available) of any qualified firm receiving funds under the invoice, including any sub-and/or sub-subcontractors.
- b) The total dollar amount paid to qualified firms under this invoice.

### **PAYMENT REQUEST SUBMITTALS**

Frequency. The RECIPIENT must submit payment requests at least quarterly but no more often than monthly, unless allowed by the DEPARTMENT's Financial Manager. The DEPARTMENT's Financial Manager may require the RECIPIENT to submit regular payment requests to ensure efficient and timely use of funds.

Supporting Documentation. The RECIPIENT must submit all payment request vouchers and supportive documentation to the DEPARTMENT's Financial Manager. Payment request voucher submittals are based on match requirements found in the budget.

#### Required Forms.

<u>Any Match Combination</u>	<u>Cash Only Match</u>	<u>Where Applicable</u>
Form A19-1A (original signature)	Form A19-1A (original signature)	Form E (ECY 060-12)
Form B1 (ECY 060-3)	Form B2 (ECY 060-7)	Form F (ECY 060-13)
Form C1 (ECY 060-8)	Form C2 (ECY 060-9)	Form H (F-21)
Form D (ECY 060-11)	Form D (ECY 060-11)	Form I (ECY 060-15)

Reporting eligible costs. The RECIPIENT must report all eligible costs incurred on the project, regardless of the source of funding for those costs. This includes costs used as match. All eligible and ineligible project costs must be separate and identifiable.

Reimbursements. Payments will be made on a cost-reimbursable basis.

## **POST PROJECT ASSESSMENT**

The RECIPIENT agrees to submit a brief survey regarding the key project results or water quality project outcomes and the status of long-term environmental results or goals from the project three years after project completion.

The DEPARTMENT's Water Quality Program Performance Measures Lead will contact the RECIPIENT before the Post Project Assessment date to request this data.

The DEPARTMENT may also conduct site interviews and inspections, and may otherwise evaluate the Project, as part of this assessment.

## **PROCUREMENT**

The RECIPIENT certifies by signing this agreement that all applicable requirements have been satisfied in the procurement of any professional services.

## **PROGRESS REPORTS**

The RECIPIENT must submit quarterly progress reports to the DEPARTMENT's Financial Manager and Project Manager. Payment requests will not be processed without a progress report.

### Reporting Periods.

- January 1 through March 31
- April 1 through June 30
- July 1 through September 30
- October 1 through December 31

Reporting Due Date. Quarterly progress reports are due 15 days following the end of the quarter.

Report Content. At a minimum, all progress reports must contain a comparison of actual accomplishments to the objectives established for the period, the reasons for delay if established objectives were not met, analysis and explanation of any cost overruns, and any additional pertinent information specified in this agreement.

## **REQUIRED DOCUMENT SUBMITTALS**

The RECIPIENT must submit the following documents to the DEPARTMENT as requested by the DEPARTMENT's Project Manager or Financial Manager:

- Draft project completion reports – one copy
- Electronic copy of final project completion report – one copy
- Final project completion reports – up to three copies
- Final project completion reports of statewide significance – up to 50 copies
- Educational products developed under this agreement – up to two copies

- Documents that require DEPARTMENT Approval – two copies (one for the DEPARTMENT and one for the RECIPIENT)
- Interlocal agreements – one copy for the DEPARTMENT's Financial Manager
- Professional services procurement agreements – 1 copy to the DEPARTMENT's Financial Manager

## **ATTACHMENT II: GENERAL TERMS AND CONDITIONS PERTAINING TO GRANT AND LOAN AGREEMENTS OF THE DEPARTMENT OF ECOLOGY**

### **A. RECIPIENT PERFORMANCE**

All activities for which grant/loan funds are to be used shall be accomplished by the RECIPIENT and RECIPIENT's employees. The RECIPIENT shall only use contractor/consultant assistance if that has been included in the agreement's final scope of work and budget.

### **B. SUBGRANTEE/CONTRACTOR COMPLIANCE**

The RECIPIENT must ensure that all subgrantees and contractors comply with the terms and conditions of this agreement.

### **C. THIRD PARTY BENEFICIARY**

The RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this agreement, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

### **D. CONTRACTING FOR SERVICES (BIDDING)**

Contracts for construction, purchase of equipment and professional architectural and engineering services shall be awarded through a competitive process, if required by State law. RECIPIENT shall retain copies of all bids received and contracts awarded, for inspection and use by the DEPARTMENT.

### **E. ASSIGNMENTS**

No right or claim of the RECIPIENT arising under this agreement shall be transferred or assigned by the RECIPIENT.

### **F. COMPLIANCE WITH ALL LAWS**

1. The RECIPIENT shall comply fully with all applicable Federal, State and local laws, orders, regulations and permits. Prior to commencement of any construction, the RECIPIENT shall secure the necessary approvals and permits required by authorities having jurisdiction over the project, provide assurance to the DEPARTMENT that all approvals and permits have been secured, and make copies available to the DEPARTMENT upon request.
2. Discrimination. The DEPARTMENT and the RECIPIENT agree to be bound by all Federal and State laws, regulations, and policies against discrimination. The RECIPIENT further agrees to affirmatively support the program of the Office of Minority and Women's Business Enterprises to the maximum extent possible. If the agreement is federally-funded, the RECIPIENT shall report to the DEPARTMENT the percent of grant/loan funds available to women or minority owned businesses.
3. Wages and Job Safety. The RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the state of Washington which affect wages and job safety.

4. Industrial Insurance. The RECIPIENT certifies full compliance with all applicable state industrial insurance requirements. If the RECIPIENT fails to comply with such laws, the DEPARTMENT shall have the right to immediately terminate this agreement for cause as provided in Section K.1, herein.

## **G. KICKBACKS**

The RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this project to give up any part of the compensation to which he/she is otherwise entitled or, receive any fee, commission or gift in return for award of a subcontract hereunder.

## **H. AUDITS AND INSPECTIONS**

1. The RECIPIENT shall maintain complete program and financial records relating to this agreement. Such records shall clearly indicate total receipts and expenditures by fund source and task or object. All grant/loan records shall be kept in a manner which provides an audit trail for all expenditures. All records shall be kept in a common file to facilitate audits and inspections.

Engineering documentation and field inspection reports of all construction work accomplished under this agreement shall be maintained by the RECIPIENT.

2. All grant/loan records shall be open for audit or inspection by the DEPARTMENT or by any duly authorized audit representative of the state of Washington for a period of at least three years after the final grant payment/loan repayment or any dispute resolution hereunder. If any such audits identify discrepancies in the financial records, the RECIPIENT shall provide clarification and/or make adjustments accordingly.
3. All work performed under this agreement and any equipment purchased, shall be made available to the DEPARTMENT and to any authorized state, federal or local representative for inspection at any time during the course of this agreement and for at least three years following grant/loan termination or dispute resolution hereunder.
4. RECIPIENT shall meet the provisions in OMB Circular A-133 (Audits of States, Local Governments & Non Profit Organizations), including the compliance Supplement to OMB Circular A-133, if the RECIPIENT expends \$500,000 or more in a year in Federal funds. The \$500,000 threshold for each year is a cumulative total of all federal funding from all sources. The RECIPIENT must forward a copy of the audit along with the RECIPIENT'S response and the final corrective action plan to the DEPARTMENT within 90 days of the date of the audit report.

## **I. PERFORMANCE REPORTING**

The RECIPIENT shall submit progress reports to the DEPARTMENT with each payment request or such other schedule as set forth in the Special Conditions. The RECIPIENT shall also report in writing to the DEPARTMENT any problems, delays or adverse conditions which will materially affect their ability to meet project objectives or time schedules. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation. Payments may be withheld if required progress reports are not submitted. Quarterly reports shall cover the periods January 1 through March 31,

April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be due within 30 days following the end of the quarter being reported.

## **J. COMPENSATION**

1. Method of compensation. Payment shall normally be made on a reimbursable basis as specified in the grant agreement and no more often than once per month. Each request for payment will be submitted by the RECIPIENT on State voucher request forms provided by the DEPARTMENT along with documentation of the expenses. Payments shall be made for each task/phase of the project, or portion thereof, as set out in the Scope of Work when completed by the RECIPIENT and approved as satisfactory by the Project Officer. The payment request form and supportive documents must itemize all allowable costs by major elements as described in the Scope of Work.

Instructions for submitting the payment requests are found in "Administrative Requirements for Ecology Grants and Loans", part IV, published by the DEPARTMENT. A copy of this document shall be furnished to the RECIPIENT. When payment requests are approved by the DEPARTMENT, payments will be made to the mutually agreed upon designee. Payment requests shall be submitted to the DEPARTMENT and directed to the Project Officer assigned to administer this agreement.

2. Period of Compensation. Payments shall only be made for actions of the RECIPIENT pursuant to the grant/loan agreement and performed after the effective date and prior to the expiration date of this agreement, unless those dates are specifically modified in writing as provided herein.
3. Final Request(s) for Payment. The RECIPIENT should submit final requests for compensation within forty-five (45) days after the expiration date of this agreement and within fifteen (15) days after the end of a fiscal biennium. Failure to comply may result in delayed reimbursement.
4. Performance Guarantee. The DEPARTMENT may withhold an amount not to exceed ten percent (10%) of each reimbursement payment as security for the RECIPIENT's performance. Monies withheld by the DEPARTMENT may be paid to the RECIPIENT when the project(s) described herein, or a portion thereof, have been completed if, in the DEPARTMENT's sole discretion, such payment is reasonable and approved according to this agreement and, as appropriate, upon completion of an audit as specified under section J.5. herein.
5. Unauthorized Expenditures. All payments to the RECIPIENT may be subject to final audit by the DEPARTMENT and any unauthorized expenditure(s) charged to this grant/loan shall be refunded to the DEPARTMENT by the RECIPIENT.
6. Mileage and Per Diem. If mileage and per diem are paid to the employees of the RECIPIENT or other public entities, it shall not exceed the amount allowed under state law for state employees.
7. Overhead Costs. No reimbursement for overhead costs shall be allowed unless provided for in the Scope of Work hereunder.

## **K. TERMINATION**

1. For Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of the DEPARTMENT, to perform any obligation required of it by this agreement, the DEPARTMENT may refuse to pay any further funds there under and/or terminate this agreement by giving written notice of termination.

A written notice of termination shall be given at least five working days prior to the effective date of termination. In that event, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT under this agreement, at the option of the DEPARTMENT, shall become Department property and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Despite the above, the RECIPIENT shall not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the State of Washington because of any breach of agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

2. Insufficient Funds. The obligation of the DEPARTMENT to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. When this agreement crosses over state fiscal years the obligation of the DEPARTMENT is contingent upon the appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate this agreement as provided in paragraph K.1 above.

When this agreement crosses the RECIPIENT's fiscal year, the obligation of the RECIPIENT to continue or complete the project described herein shall be contingent upon appropriation of funds by the RECIPIENT's governing body; provided, however, that nothing contained herein shall preclude the DEPARTMENT from demanding repayment of ALL funds paid to the RECIPIENT in accordance with Section O herein.

3. Failure to Commence Work. In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of this agreement, or by any date agreed upon in writing for commencement of work, the DEPARTMENT reserves the right to terminate this agreement.

## **L. WAIVER**

Waiver of any RECIPIENT default is not a waiver of any subsequent default. Waiver of a breach of any provision of this agreement is not a waiver of any subsequent breach and will not be construed as a modification of the terms of this agreement unless stated as such in writing by the authorized representative of the DEPARTMENT.

## **M. PROPERTY RIGHTS**

1. Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property, the RECIPIENT may copyright or patent the same but the

DEPARTMENT retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover or otherwise use the material(s) or property and to authorize others to use the same for federal, state or local government purposes. Where federal funding is involved, the federal government may have a proprietary interest in patent rights to any inventions that are developed by the RECIPIENT as provided in 35 U.S.C. 200-212.

2. Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish information of the DEPARTMENT; present papers, lectures, or seminars involving information supplied by the DEPARTMENT; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to the DEPARTMENT.
3. Tangible Property Rights. The DEPARTMENT's current edition of "Administrative Requirements for Ecology Grants and Loans", Part V, shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by the DEPARTMENT in the absence of state, federal statute(s), regulation(s), or policy(s) to the contrary or upon specific instructions with respect thereto in the Scope of Work.
4. Personal Property Furnished by the DEPARTMENT. When the DEPARTMENT provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to the DEPARTMENT prior to final payment by the DEPARTMENT. If said property is lost, stolen or damaged while in the RECIPIENT's possession, the DEPARTMENT shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.
5. Acquisition Projects. The following provisions shall apply if the project covered by this agreement includes funds for the acquisition of land or facilities:
  - a. Prior to disbursement of funds provided for in this agreement, the RECIPIENT shall establish that the cost of land/or facilities is fair and reasonable.
  - b. The RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses contemplated by this agreement.
6. Conversions. Regardless of the contract termination date shown on the cover sheet, the RECIPIENT shall not at any time convert any equipment, property or facility acquired or developed pursuant to this agreement to uses other than those for which assistance was originally approved without prior written approval of the DEPARTMENT. Such approval may be conditioned upon payment to the DEPARTMENT of that portion of the proceeds of the sale, lease or other conversion or encumbrance which monies granted pursuant to this agreement bear to the total acquisition, purchase or construction costs of such property.

## **N. SUSTAINABLE PRODUCTS**

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is encouraged to implement sustainable practices where and when possible. These practices include

use of clean energy, and purchase and use of sustainably produced products (e.g., recycled paper). For more information, see <http://www.ecy.wa.gov/sustainability/>.

## **O. RECOVERY OF PAYMENTS TO RECIPIENT**

The right of the RECIPIENT to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance of this agreement including the satisfactory completion of the project described in the Scope of Work. In the event the RECIPIENT fails, for any reason, to perform obligations required of it by this agreement, the RECIPIENT may, at the DEPARTMENT's sole discretion, be required to repay to the DEPARTMENT all grant/loan funds disbursed to the RECIPIENT for those parts of the project that are rendered worthless in the opinion of the DEPARTMENT by such failure to perform.

Interest shall accrue at the rate of twelve percent per year from the time the DEPARTMENT demands repayment of funds. If payments have been discontinued by the DEPARTMENT due to insufficient funds as in Section K.2 above, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination. Any property acquired under this agreement, at the option of the DEPARTMENT, may become the DEPARTMENT'S property and the RECIPIENT'S liability to repay monies shall be reduced by an amount reflecting the fair value of such property.

## **P. PROJECT APPROVAL**

The extent and character of all work and services to be performed under this agreement by the RECIPIENT shall be subject to the review and approval of the DEPARTMENT through the Project Officer or other designated official to whom the RECIPIENT shall report and be responsible. In the event there is a dispute with regard to the extent and character of the work to be done, the determination of the Project Officer or other designated official as to the extent and character of the work to be done shall govern. The RECIPIENT shall have the right to appeal decisions as provided for below.

## **Q. DISPUTES**

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement which is not disposed of in writing shall be decided by the Project Officer or other designated official who shall provide a written statement of decision to the RECIPIENT. The decision of the Project Officer or other designated official shall be final and conclusive unless, within thirty days from the date of receipt of such statement, the RECIPIENT mails or otherwise furnishes to the Director of the DEPARTMENT a written appeal. In connection with appeal of any proceeding under this clause, the RECIPIENT shall have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Director or duly authorized representative for the determination of such appeals shall be final and conclusive. Appeals from the Director's determination shall be brought in the Superior Court of Thurston County. Review of the decision of the Director will not be sought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. Pending final decision of dispute hereunder, the RECIPIENT shall proceed diligently with the performance of this agreement and in accordance with the decision rendered.

## **R. CONFLICT OF INTEREST**

No officer, member, agent, or employee of either party to this agreement who exercises any function or responsibility in the review, approval, or carrying out of this agreement, shall participate in any decision which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is, directly or indirectly interested; nor shall he/she have any personal or pecuniary interest, direct or indirect, in this agreement or the proceeds thereof.

## **S. INDEMNIFICATION**

1. The DEPARTMENT shall in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.
2. To the extent that the Constitution and laws of the State of Washington permit, each party shall indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this agreement.

## **T. GOVERNING LAW**

This agreement shall be governed by the laws of the State of Washington.

## **U. SEVERABILITY**

If any provision of this agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this agreement which can be given effect without the invalid provision, and to this end the provisions of this agreement are declared to be severable.

## **V. PRECEDENCE**

In the event of inconsistency in this agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Federal and State statutes and regulations; (b) Scope of Work; (c) Special Terms and Conditions; (d) Any terms incorporated herein by reference including the "Administrative Requirements for Ecology Grants and Loans"; and (e) the General Terms and Conditions.

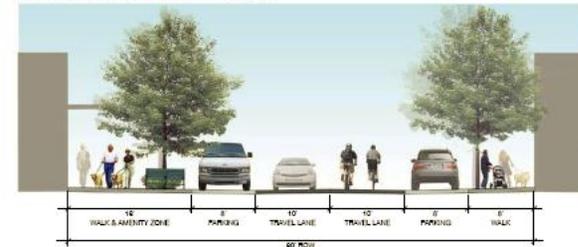
SS-010 Rev. 04/04

PREFERRED CONCEPT | FLEXIBLE FESTIVAL STREET | PLAN AND SECTIONS

SECTION A-A: WEST BLOCK (NOT TO SCALE)



SECTION B-B: EAST BLOCK (NOT TO SCALE)



- LEGEND
- EXISTING TREE
  - PROPOSED TREE
  - RAIN GARDEN
  - PEDESTRIAN AMENITY ZONE
  - ROADWAY
  - PEDESTRIAN WALKWAY
  - PARKING BAND



**CITY OF KIRKLAND**

Department of Public Works  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

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

**Date:** July 26, 2012

**Subject:** PARK LANE CORRIDOR ENHANCEMENTS – PROJECT UPDATE

**RECOMMENDATION:**

It is recommended that City Council receives an update on the Park Lane Corridor Enhancements Project, including a recent notification of an award of grant funding. It is also recommended that City Council authorize staff to renew public outreach efforts.

**BACKGROUND DISCUSSION:**

A study to establish the scope of Park Lane enhancements was first funded in 2008 as a part of the 2008-2013 Capital Improvement Program (CIP). The Study was the initial step in developing an overall strategy for addressing various issues along the Park Lane corridor, between Lake Street and 3<sup>rd</sup> Street South.

The primary drivers for the Study were the condition of the existing sidewalks along Park Lane, where significant mature tree roots were lifting sidewalk panels, together with other aging and deteriorating infrastructure such as pavement, curbs, lighting, and the surface water conveyance systems that are all reaching the end of their respective design lives. Additionally, the redevelopment of the Kirkland Transit Center, the replacement of King County Department of Natural Resources' (KCDNR) sanitary sewer lift station at 3<sup>rd</sup> Street South and Park Lane, and the anticipated redevelopment of the Antique Mall property provided an incentive to pursue an updated vision for the Park Lane corridor.

A key goal of the Study was to explore and develop a community embraced concept for enhancements along Park Lane (Attachment A); another goal was to identify various funding alternatives to accomplish the vision for the Corridor. Both goals were achieved and City Council adopted the preferred "Festival Street" concept for Park Lane at their regular meeting of February 2, 2010.

*Study Chronology*

The Park Lane Project was the subject of an extensive and robust public outreach process starting in the summer of 2008. A complete history of the public process and video of the public tour is available from the City Website at the following link: [Park Lane Enhancements Project](#). A general overview of the public process and timeframe is as follows:

**Early Summer 2008**

City hired a design consultant to assist staff in working with adjacent property owners, businesses, and interested citizens in creating a community vision for the future of Park Lane.

**August 2008**

A survey was mailed to all property and business owners along Park Lane and to other key stakeholders to obtain baseline information regarding attitudes and perceptions of Park Lane, as it looked at the time and what various aspirations were for what it could become in the future.

**September 2008**

Stakeholders convened to discuss the new Downtown Transit Center and to create a shared vision for the Corridor. Stakeholders participated in a design charrette to learn how Park Lane was first created through a Local Improvement District in 1974 followed by the development of concepts that could then be circulated for public comment. Three design concepts emerged from the stakeholders' long term vision for Park Lane. Concurrent with the development of the design concepts a detailed tree inventory of all trees along Park Lane was prepared.

**October/November 2008**

The stakeholders' three design concepts were presented to the public in a number of public meetings and venues. The information was put online along with forms for public comment. Over one hundred comments regarding the concepts were collected with the preferred concept being that of a "Festival Street". Under this design concept, the pedestrian, parking and roadway surfaces are all at the same level with pedestrian-only areas delineated through the use of textures, colors and/or physical objects such as decorative pavement, bollards and rain gardens. As a festival street, Park Lane, when closed for special events, would become a large pedestrian friendly plaza while still functioning as a through street and parking area at all other times.

**February 2009**

The City Council reviewed and endorsed the stakeholders' recommendation of the festival street concept (Attachment B). Design elements of the festival street concept were incorporated into the Kirkland Transit Center, as well as the roadway frontage restoration plans for the reconstruction of KCDNR's Downtown Kirkland Sewer Lift Station.

**July 2009**

A consultant arborist, the City's Urban Forester, the design consultant and staff met at Park Lane to re-assess trees and refine the festival street concept.

**October 2009**

The Tree 'report cards' were prepared and attached to 41 trees along Park Lane (see sample as Attachment C). The report cards were part of the ongoing community outreach plan to inform and engage stakeholders and other Park Lane users about the City's design process. The report cards included a "grade" and tree specific information such as species, diameter, comments on vigor, structure, health, and long term viability. On October 27, Stakeholders were invited to tour Park Lane with the City's Urban Forester, the consultant and City staff. During the tour, the tree report cards were explained and trees were compared among each other for purposes

of educating the stakeholders on tree health/structure/vigor. Trees with diseases were identified and signs of the disease were explained in detail by the City's Urban Forester.

The tour also provided the opportunity to discuss and explain the process of sidewalk buckling due to tree roots. Further, the proposed locations for surface water run-off collection and treatment using a new product known as Silva Cell (Attachment D) were shown on the tour. At the conclusion of the tour, stakeholders, consultants, and staff reconvened to review the preferred design option and discuss the proposed Phase I (discussed below) implementation plan.

### January 2010

Staff presented a summary of the *Park Lane Study* to the Parking Advisory Board and to the Transportation Commission. Both groups supported the implementation of Phase I and the Festival Street concept. The Transportation Commission, however, recommended that the design development consider, among other issues, looking carefully at the amount of rain gardens being proposed and their correlation with parking operations, outdoor seating, and pedestrian movements along Park Lane.

### *Phase I*

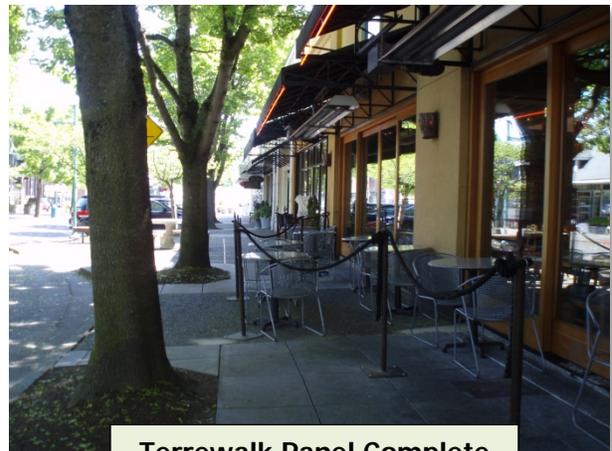
The Phase I improvements were complete in May of 2012 and included the installation of approximately 4,000 sf of Terrewalk panels (sidewalk panels made of recycled rubber and plastic) at various locations along the Corridor where the existing concrete sidewalk had buckled due to tree root uplifting.

Phase I also included the removal and replacement of two trees together with the installation of Silva Cell units to help prevent future sidewalk buckling. Silva Cell units are subterranean reinforced plastic frames that are filled with special soils to promote tree root growth. The frames fully support surface loads above while requiring less compaction efforts than conventional tree wells. This allows tree roots to go out and deeper as opposed to coming up towards the surface and adversely impacting sidewalks. This pilot use of Silva Cells for the City has been monitored and appears to be working well for its intended application; additional Silva Cell units will be incorporated into any future Park Lane improvements.

Concurrent with the implementation of Phase I, the City's consultant continued with the



Terrewalk Panel Install



Terrewalk Panel Complete

design of the Park Lane Festival Street concept to a 30% completion stage. The design efforts also brought the design of Park Lane storm system improvements to a 100% complete level, as well as to a 100% complete stage for the street frontage improvements being completed with the on-going KCDNR lift station project.

### *Funding/Grant Application*

The visible attributes of the festival street concept along Park Lane include a barrier-free pedestrian amenity that is intended to support seasonal and annual events in Downtown. As conceived, the improvements will allow multi-modal access for businesses and customers at other times. In addition, the proposed improvements will provide significant surface water improvements in the Central Downtown core.

These proposed surface water improvements include many low impact development stormwater management elements such as tree canopy retention, the use of Silva Cells to support root growth and stormwater treatment, bioretention stormwater gardens, porous pavement, and rain gardens. Currently, there is no stormwater treatment along Park Lane and contamination from hydrocarbon compounds associated with motor vehicles is always present. Through the inclusion of significant stormwater management elements along Park Lane, improvements to water quality immediately upstream of Lake Washington will be accomplished.

To help fund these significant storm water quality/run-off improvements, staff submitted an August 31, 2010 grant application for the Washington State Department of Ecology's (DOE) Storm Water Retrofit and LID Grant Program. In order to ensure that funds are applied to the highest priority needs in the State, DOE staff evaluated and scored all of the project proposals. With all scores compiled a statewide priority list was developed and the Park Lane Pedestrian Enhancements Project application was selected as a top candidate. On May 10, 2012, the City received notice that the Park Lane Project had been selected as a grant recipient through a legislative provision in the 2012 Supplemental Capital Budget.

In order to advance the Grant to the next level, negotiations and a DOE funding agreement is required to be completed by the City before November 1, 2012. To accomplish this, DOE staff is requesting a confirmation letter from the City with a brief project status update and an indication that the City is still interested in moving forward with the Project.

### *Estimated Project Costs*

A Funding Strategy for the Park Lane Corridor Enhancements Project was first presented to City Council at their meeting of February 2, 2010. At that time the Project was estimated to be \$2.2M in total costs, including the Phase I work previously completed (\$370K) plus the portion that will be built as a part of the KCDNR Lift Station project (\$170K); the second phase of the Project is currently listed as "Unfunded" within the Transportation element of the 2011-2016 CIP. In support of the DOE grant application, an updated engineer's estimate was produced along with an updated Funding Strategy Plan placing the current total project cost at closer to \$2.4M, including the same Phase I and KCDNR elements listed above.

With the possible receipt of \$739K in DOE grant funds, the Project balance remaining to be funded is nearly \$1.1M and, as per the current Funding Strategy, staff has identified possible

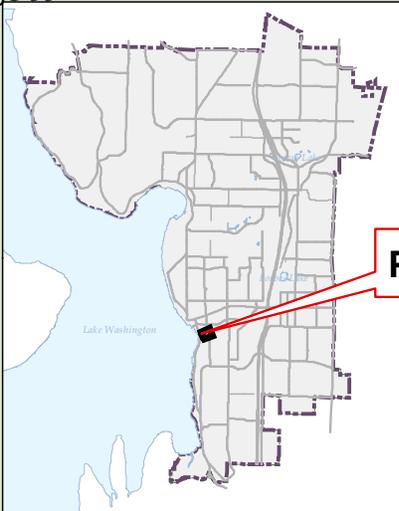
City matching fund sources such as the Annual Overlay Program, surface water reserves, the Annual Sidewalk Program, together with other miscellaneous sources (Attachment E). As a continued part of the Funding Strategy Plan, staff is pursuing other grant opportunities through the Transportation Improvement Board and the 2012 Pedestrian and Bicycle Safety Grant Program.

*Conclusion and Recommendation*

It is recommended that City Council authorize staff to begin a process to re-introduce the Park Lane Festival Street concept to the public, especially to the Park Lane business and property owners, in order to better gauge the level of support for Project implementation. A number of years have passed since the Park Lane Community Visioning process was concluded. As a result, there will be new Park Lane stakeholders who may not be fully up-to-date on the Project and the process that lead to the current design concept. The [Park Lane Visioning](#) website has remained active since 2008 with the Project currently listed as "unfunded" in the current CIP. With City Council's approval, staff will begin a new dialogue with the most immediately impacted stakeholders (Park Lane business and property owners) to identify current issues and to determine options for mitigating any future construction impacts. Staff will return to Council in October with results of the renewed public outreach and make a recommendation for completing grant negotiations with the DOE and funding strategies for the remaining \$1.1M gap. Staff will also provide the notice of grant information to the Kirkland Transportation Commission, as well as continue to pursue additional grant opportunities and funding options for City Council's future consideration.

Attachments (5)

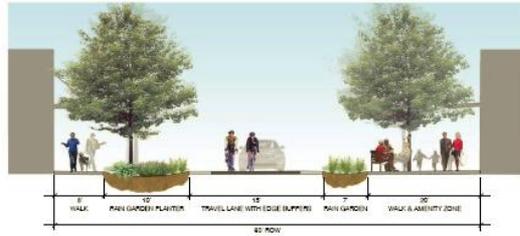
**Attachment A**



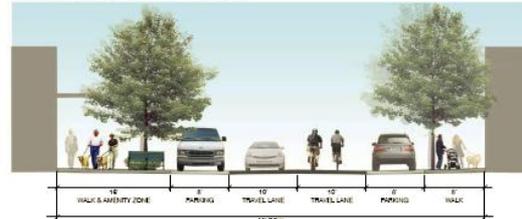
# Flexible Festival Street Concept

## PREFERRED CONCEPT | FLEXIBLE FESTIVAL STREET | PLAN AND SECTIONS

SECTION A-A: WEST BLOCK (NOT TO SCALE)



SECTION B-B: EAST BLOCK (NOT TO SCALE)



- EXISTING TREE
- PROPOSED TREE
- RAIN GARDEN
- PEDESTRIAN AMENITY ZONE
- ROADWAY
- PEDESTRIAN WALKWAY
- PARKING BAND



# PARK LANE TREE INVENTORY

## TREE REPORT CARD

Tree Number: 427  
Species: Armstrong Red Maple  
Diameter: 8.4"

**A**

Grade Definition:

A(Retain) B(Retain/Monitor) C(Monitor) F(Remove/Replace)

Tree Criteria:

- Vigor: Good
- Structure: Good
- Health : Very Good
- Impact on other trees/infrastructure: sidewalk/curb
- Long term viability: Very Good
- Notes: 4x4 cutout

Working to restore, enhance and protect the City of Kirkland's Tree Assets

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### **Tour of Park Lane Trees with City Urban Forester**

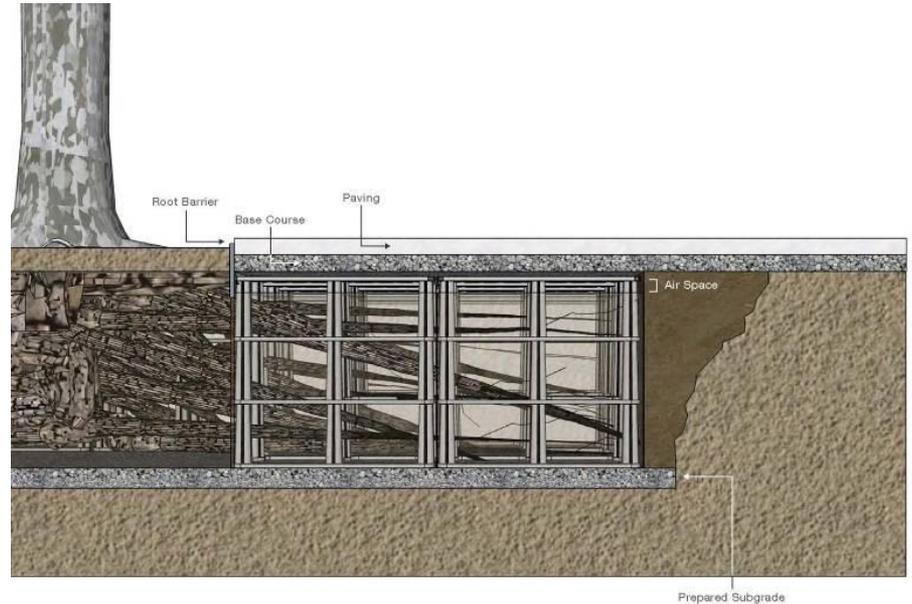
Tuesday October 27<sup>th</sup> (8:30 am – 9:15 am); Meet at Park Lane and Lake Street

### **Phase I Implementation Plan**

9:15 am – 10:15 am; Zeek's Pizza (124 Park Lane)

For more information, contact Kari Page 425-587-3011 [kpage@ci.kirkland.wa.us](mailto:kpage@ci.kirkland.wa.us)

# Phase 1 – Silva Cell Units

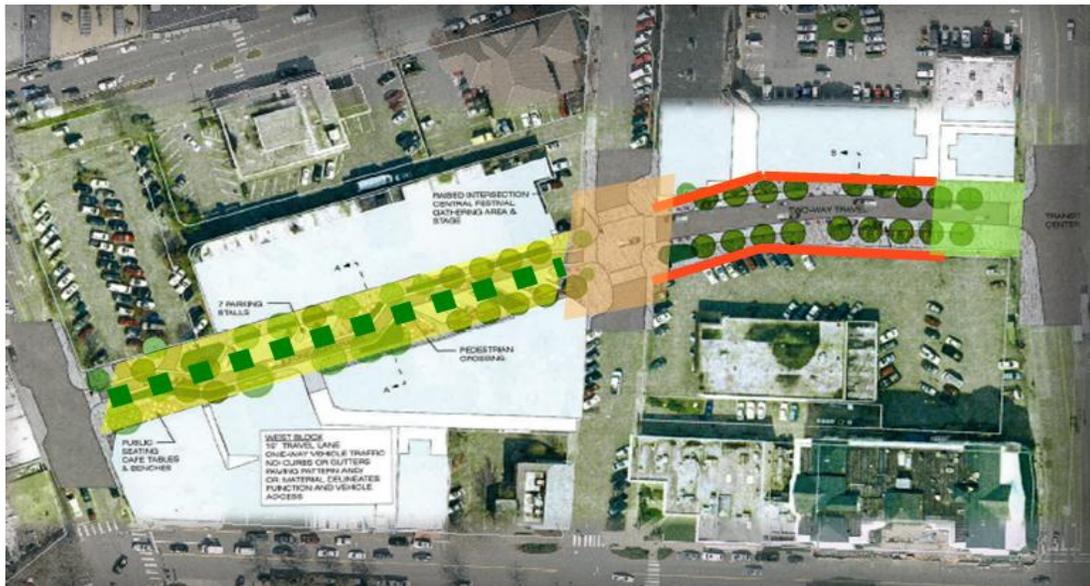


Silva cell units act as “suspended pavement”. The soil within the units requires less compaction, providing more void space for roots to grow.

# Proposed Park Lane Pedestrian Corridor Funding Strategy

7/26/2012

PHASE	DESCRIPTION	Frontage (linear feet)	Total Estimate (2009)	Design (**)	Construction	Funding source
1	Replacement of damaged infrastructure (Terwalk rubber walkway panels, Silva Cell units, root pruning, conduit)	various	\$ 370,000	2009	2010 (Complete)	\$312K Transportation CIP \$58K Surface Water
2	King County DNR pump station street frontage Improvements	150	\$ 170,000	2009	2012 (ongoing)	Design funding is included in Phase 1. Construction will be completed by KCDNR; Park Lane crosswalk along west side of 3rd Street was constructed with Downtown Transit Center.
3	Festival Street Implementation: Installation of porous concrete sidewalks, new roadway, street furniture, patterned concrete, storm drainage and rain gardens.	800	\$ 1,106,746	2010 (30%)	TBD	\$739,000 DOE Grant Overlay Program Sidewalk Program Surface Water Program Centennial Program \$16K donated benches 2012 Pedestrian and Bicycle Safety Grant (Submitted July 2012) TIB (To be submitted August 2012)
4	Festival Street Implementation: Raised intersection at Main Street and Park Lane.	100	\$ 140,400	TBD	TBD	\$739,000 DOE Grant Overlay Program Sidewalk Program Surface Water Program Centennial Program \$16K donated benches 2012 Pedestrian and Bicycle Safety Grant (Submitted July 2012) TIB (To be submitted August 2012)
5 S	Antique Mall Redevelopment right of way improvements per Festival Street Concept	275	\$ 313,775	TBD	TBD	Same as above with redevelopment participation a possibility
5 N	Kirkland Square Redevelopment right of way improvements per Festival Street Concept	275	\$ 313,775	TBD	TBD	Same as above with redevelopment participation a possibility
<b>TOTAL</b>		<b>1600</b>	<b>\$ 2,414,696</b>			





# Park Lane: Festival Street

August 30, 2012



Planning

Design

Construction

Complete

- **Create a lively public square in the heart of downtown**
- **Offer parking and vehicular access**
- **Promote festivals, outdoor concerts, street fairs, and markets**
- **Build a unique regional destination**

*Thank you in advance for helping us make a good and informed decision about the future of Park Lane.*

Dear Park Lane Property Owner:

Kirkland was awarded a State Department of Ecology (DOE) grant to help bring the community vision for Park Lane into reality. The grant does not cover all of the costs of construction, leaving over a million dollar gap to fully fund the project. The City is seeking additional grants from other state and federal agencies to fill the gap. However, by late this year, the City Council has a decision to make; whether to proceed with the DOE grant under the assumption that other grants will be awarded or come up with the remaining funds itself; or to decline the grant money from the State and push off the project indefinitely. If they accept the DOE grant, Kirkland will have until late 2014 to construct the project.



Example of a festival street

The DOE grant amount is \$739,000 with approximately \$1.1M remaining to fund. Before starting a larger process to gain public input on this decision, the Council wants to know what the business and property owners of Park Lane recommend. As everyone knows, no matter how desirable the improvements are, with improvements come construction impacts. We would greatly appreciate you taking a few minutes to meet with us so we can: 1) provide an overview of the Festival Street Vision, 2) answer questions about the construction timeline/impacts, and 3) hear your input on how the Council should proceed.

Questions we will be asking include:

1. What do you like or dislike about moving forward with the DOE grant and Park Lane improvements?
2. If we do not move forward, when do you think the City should start actively pursuing funding for Park Lane improvements?
3. Should certain conditions be met before moving forward?
4. If we do move forward, what mitigation measures should be considered for construction? In the end, we will be asking if you support moving forward at this time.

Please give us a call if you would like to provide input to the Council on this decision. Contact Kari Page, Neighborhood Outreach Coordinator, [KPage@kirklandwa.gov](mailto:KPage@kirklandwa.gov) (425) 587-3011 or Gina Hortillosa, Project Engineer, [GHortillosa@kirklandwa.gov](mailto:GHortillosa@kirklandwa.gov) (425) 587-3828.

## For More Information:

24-hour project information hotline/ Para más información\*, 425-587-3838

Alternative formats available/711 (TTY Relay).

Gina Hortillosa, Project Engineer, [GHortillosa@kirklandwa.gov](mailto:GHortillosa@kirklandwa.gov), or 425-587-3828

Kari Page, Neighborhood Outreach Coordinator, [KPage@kirklandwa.gov](mailto:KPage@kirklandwa.gov), or 425-587-3011

Web: [www.kirklandwa.gov](http://www.kirklandwa.gov) (search Park Lane).

(\*Señale su idioma y llamaremos a un intérprete. El servicio es gratuito.)

**City of Kirkland Department of Public Works • 123 Fifth Avenue • Kirkland, WA 98033**



# Park Lane: Festival Street

August 30, 2012

The Festival Street vision for Park Lane was created by the community through an extensive public process involving Park Lane business and property owners as well as the broader Kirkland community. The process began in August 2008 with the formal community recommendation being accepted by the City Council in February of 2009.

*The vision is a street designed like a public square but would be open to traffic and provides parking.*

*It would encourage pedestrian use and create a more lively urban space where people want to shop, dine and relax.*

*It would promote flexibility for festivals, outdoor concerts, street fairs and markets.*

*There would be no curbs or gutters, no white lane dividers or sidewalks, and cars would be separate from pedestrians with street furniture, planters and rain gardens.*



Example of a festival street



Example of a plaza rain garden

*Traffic would meander through a tree lined plaza from Lake Street all the way to Third Street (Transit Center/Peter Kirk Park).*

*At the intersection of Main and Park Lane, the road would rise to create a raised intersection for central festival gatherings or a stage. Park Lane would become a vital shopping district and unique regional destination.*



Example of pavement marking

Thank you for taking the time to help us make a good and informed decision about the future of Park Lane.

## For More Information:

24-hour project information hotline/ **Para más información\***, 425-587-3838

Alternative formats available/711 (TTY Relay).

Andrea Swisstack, Project Engineer, [ASwisstack@kirklandwa.gov](mailto:ASwisstack@kirklandwa.gov), or 425-587-3827

Kari Page, Neighborhood Outreach Coordinator, [KPage@kirklandwa.gov](mailto:KPage@kirklandwa.gov), or 425-587-3011

Web: [www.kirklandwa.gov](http://www.kirklandwa.gov) (search street preservation).

(\*Señale su idioma y llamaremos a un intérprete. El servicio es gratuito.)



## 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:** March 21, 2013

**Subject:** REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF APRIL 2, 2013

This report is provided to apprise the Council of recent and upcoming procurement activities where the cost is estimated or known to be in excess of \$50,000. The "Process" column on the table indicates the process being used to determine the award of the contract.

The City's major procurement activities initiated since the last report, dated March 7, 2013, are as follows:

	Project	Process	Estimate/Price	Status
1.	6 <sup>th</sup> Street Sidewalk Project	Invitation for Bids	\$150,000-\$190,000	Advertised on 3/26 with bids due on 4/9.
2.	A&E Consulting Services for 2013 Street Overlay Project	A&E Roster Process	\$58,018	Contract awarded to HWA GeoSciences, Inc. 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:** March 25, 2013

**Subject:** 2013 LEGISLATIVE UPDATE #5

**RECOMMENDATION:**

Council should receive its fourth update on the 2013 legislative session.

**BACKGROUND DISCUSSION:**

The second half of the 2013 State Legislative Session began on March 14. At the writing of this memo, the legislature has completed its tenth week. April 3 is the next session cutoff, which is the last day to read in committee reports from opposite house, except House fiscal committees and Senate Ways & Means and Transportation committees. This is an update on the City's legislative interests as of March 22.

**COUNCIL LEGISLATIVE COMMITTEE:**

The Council's Legislative Committee (Mayor McBride, Deputy Mayor Marchione and Council Member Asher) meets weekly on Friday's at 3:30pm.

The Council's Legislative Committee met on March 22 to discuss the status of the city's 2013 legislative priorities (Attachment A) and other bills of interest to the City (Attachment B).

**Week 9 (3/9 – 3/15)**

The primary focus in week 9

1. Councilmember Walen lobbied on behalf of the City of Kirkland in Washington DC
2. Legislative Committee met with Representative Habib
3. Monitored status of City's legislative priorities.

**Week 10 (3/16 – 3/22)**

The primary focus in week 10

1. State's Revenue Forecast
2. Capital Requests
3. Monitored status of City's legislative priorities.

**MARCH REVENUE FORECAST AND THE STATE BUDGET:**

Revenue Forecast - With the Revenue Forecast released Wednesday, March 20 the budget situation in Olympia got a bit worse, but was not as bad had been feared.

The Session started with the State in a \$900 million deficit for the 2013-15 biennium. With an increase in caseload costs in state programs (primarily Medicaid) reported the week of March 10, the deficit had

deepened by \$301 million, to about \$1.2 billion for the 2013-15 biennium. However, despite the impacts of the federal sequestration (about \$6 million per month), the negative balance in revenue collections anticipated for the 2013-15 biennium was down by 'just' \$19 million. This amount is more than compensated for by increased collections in the current 2011-13 biennium of \$59 million. The result is a net \$40 million increase in revenues for the current (2011-13) and next (2013-15) biennia.

This leaves the deficit for 2013-15 still at about \$1.2 billion. However, there is a lawsuit (the Bracken lawsuit) which will impact the deficit by about \$160 million, increasing the current-law deficit to about \$1.3 billion. Anticipated legislation to close the Bracken loophole will decrease this figure by the same \$160 million. In addition, there is an assumption that federal sequestration will end by June 30th of this year. If sequestration cuts go beyond that, the cost to the budget in lower revenue continues to be assumed to be a flat \$6 million per month (though with a much-greater economic impact on areas near military bases, such as Tacoma, Bremerton, Everett, and Oak Harbor). - *Excerpted from an email from Nick Federici of Our Economic Futures Coalition.*

Budget Process - The House and Senate trade off on who leads in presenting their budget proposals. This biennium it's the Senate's turn to lead.

The Chair of Senate Ways & Means has indicated that the Senate will release their budget proposals (operating and capital) by March 30<sup>th</sup> and the House proposals will follow after that. Both the Senate and the House will need to pass their budget proposals off the floor of their respective chambers. Once both budgets are through that process, legislators will negotiate in earnest to conclusion.

There are several factors that make the road ahead even more uncertain than usual - the Majority Coalition; the philosophical differences between the House and the Senate; and the McCleary decision. It's not an understatement to suggest that everyone is anxious to see how this progresses.

- What will the budgets look like?
- How do they solve McCleary?
- Once McCleary is addressed, what is left of the safety net, higher education and natural resources?

### 2013 LEGISLATIVE PRIORITIES:

As mentioned above, a detailed matrix tracking the status of Kirkland's legislative priorities (as of March 22) is attached to this memorandum. Below is an at a glance summary:

2013 Legislative Priority	Bill Number	Hearing Status
Support state and local transportation revenue to maintain infrastructure investments and complete projects that enhance economic vitality.	HB 1954 HB 1955 HB 1956 HB 1957  HB 1953 SB 5773 HB 1959 HB 1898	2/20 - House Transportation Chair dropped four bills on Wed. re a transportation package: Includes \$675 million for local government assistance; \$897 million for storm water cleanup; \$61 million for Complete Streets.  3/7 – Placed on second reading in Rules 3/5 – Eligible to be placed on second reading 3/7 – Placed on second reading in Rules 3/7 – Placed on second reading in Rules
Support retaining the State Annexation Sales Tax Credit and defend against state revenue reductions or legislation that impact completion of the Finn Hill, Juanita and Kingsgate-area annexation.		Monitoring. Leadership in House and Senate have indicated it is not on the table at this early stage in budget negotiations.
Support \$5 million in funding for the next phase of the NE 132nd Interchange ramp design and for the NE 132nd Interchange to be included in any statewide transportation package.		Formal requests were submitted to the House Transportation Chair by Reps Springer & Habib.
Support eliminating the \$10 million ongoing diversion of liquor taxes and reinstating local share of excess liquor profits.	HB 2019	Will likely be introduced week of March 25

Support the development of the Cross-Kirkland Corridor including support of continued state financial assistance (WWRP) and other tools to implement multiple uses including recreation and transportation.		The Cross Kirkland Corridor ranked #2 among the WWRP Proposed Trail Projects to be funded in 2013. \$500,000 with a \$500,000 match.  WWRP part of Capital Budget negotiations. Capital budget proposals could be released by March 30.
Support providing cities with financing options to support public/private partnerships.	HB 1967	This bill is technically 'dead'
Support allowing local governments the option to award contracts to vendors whose pre-tax bid unit price is lowest.	SB 5110 HB 1268	3/21 – Passed to Rules for second reading 3/14 – Heard in Senate Governmental Ops
Capital Budget Request: \$1M for completion of the Park Lane Pedestrian Corridor  Capital Budget Request: \$1.3M for phase one of a Pedestrian Span from SK-TOD to CKC		Rep. Springer and Rep. Goodman signed and submitted House request form.  Sen. Tom submitted project information to Senate.

### **TRANSPORTATION REVENUE:**

House proposed Statewide Transportation Revenue package - These bills are evidently considered necessary to implement the budget (NTIB). They may begin to take shape following the release of the Revenue Forecast and with the development of the Transportation budget.

Local Transportation Revenue Options - Unlike the House proposed Statewide Transportation package, the local option bills are not considered NTIB. However, the legislature passed a "Cut-off Resolution" that included a provision that any bill affecting revenue (up or down) stays alive. So, as things stand today, three of these bills remain alive.

Transportation Revenue Lobby Day - The growing coalition in support of transportation revenue has organized a Transportation Lobby Day on April 3rd in Olympia. Anticipate media early in the week on King County's service reductions.

### **ELIMINATING ONGOING DIVERSION OF LIQUOR TAXES AND REINSTATING LOCAL SHARE OF PROFITS:**

It's not clear where the bill is that proposes giving a large portion of the growth in local government's share of liquor revenue back to cities. HB 2019 may be dropped week of March 25. It is possible that as a "revenue" bill, this bill will be within the scope of the "Cut-off Resolution" that was passed.

### **LOCAL PURCHASING BILL:**

Both House and Senate versions of this bill were heard in their opposite chamber on March 14 (well ahead of the April 3 cut-off). On March 21, the Senate version was passed to the House Rules Committee for second reading.

### **CAPITAL REQUEST:**

Senator Tom submitted to the Senate, the City's request of \$1.3M for phase one of the design and construction of an ADA accessible multi-modal connection between the new South Kirkland Transit Oriented Development public parking garage and the Cross Kirkland Corridor.

The City now has two Capital Budget requests submitted, one in each chamber.

**HEARINGS AND CORRESPONDENCE:**

<u>Bill</u>	<u>Cmte</u>	<u>Dt/Time</u>	<u>City Rep.</u>	<u>SME</u>
SB 5658, Concerning mercury-containing lights	HFin	3/27 1:30		John MacGilvray

Cmte (Committee) Legend

HFin = House Committee on Finance

The City sent a letter in opposition to SB 5658 to the House Committee on Finance (Attachment D) on the grounds that the proposed legislation rolls back the State's Mercury-Containing Lights Recycling Law, removes the responsibilities from manufacturers, and does not provide solutions for how a statewide recycling program will be adequately financed.

**BILL TRACKING:**

Waypoint Consulting continues to track all versions of bills of interest to the City. As mentioned above, a bill tracker on positions that the City has taken (as of March 22) is attached to this memorandum.

Matrices updated March 29, for both Kirkland's legislative priorities and an updated bill tracker will be emailed to Council in advance of the meeting on April 2.

- Attachments:
- A. Status of City's 2013 legislative priorities
  - B. List of bills the City is tracking and positions
  - C. White paper on Pedestrian Span from South Kirkland TOD to the Cross Kirkland Corridor
  - D. Letter in opposition to SB 5658, Concerning mercury-containing lights

Legislative Priority		Bill #	Prime Sponsor	Status
1	Support state & local transportation revenue	HB 1954 HB 1955 HB 1956 HB 1957  HB 1953 HB 5773 HB 1959 HB 1898	Rep. Clibborn Rep. Clibborn Rep. Clibborn Rep. Clibborn  Rep. Lias Sen. Harper Rep. Farrell Rep. Fey	<p><u>Statewide Package</u>                      2/22 – First read into House TR (NTIB)                      2/22 – First read into House TR (NTIB)                      2/22 – First read into House TR (NTIB)                      2/22 – First read into House TR (NTIB)</p> <p><u>Local Revenue</u>                      3/13 – Rtrnd to Rules for second reading                      3/12 – Moved to Rules White sheet                      3/13 – Rtrnd to Rules for second reading                      3/13 – Rtrnd to Rules for second reading</p>
		<div style="border: 1px solid black; padding: 5px; width: fit-content;">                         Includes: \$675 million for local government assistance; \$897 million for storm water cleanup; \$61 million for Complete Streets.                     </div>		
		<div style="border: 1px solid black; padding: 5px; width: fit-content;">                         1953 (Snohomish Co. transit)                          1959 (TBD increase plus 1.5% MVET)                          1898 (Pierce Co. creates smaller TIZ)                     </div>		
2	Retain the State Annexation Sales Tax Credit			Monitoring. Leadership in House and Senate have indicated it is not on the table at this early stage in budget negotiations.
3	\$5M for the next phase of the NE 132nd Interchange ramp design and for it to be included in any statewide transportation pkg			1/30 - Rep Springer emailed Chair Clibborn formal requests. - Rep Habib sent Chair Clibborn a formal request. 2/14 – Project shared w/Chair Clibborn and Sen. Tom @ AWC lobby day.
4	Eliminate the \$10 million ongoing diversion of liquor taxes and reinstate local share of excess liquor profits	HB 1368 SB 5703	Rep Tharinger Sen Hobbs	2/19 – Heard in House Appropriations  2/11 – First read into Senate Ways & Means Neither bill exec'ed out of fiscal committees by cut-off. Discussion of NTIB status pending.
5	The development of the Cross-Kirkland Corridor including support of continued state financial assistance (WWRP) and other tools to implement multiple uses including recreation and transportation			The Cross Kirkland Corridor ranked #2 among the WWRP Proposed Trail Projects to be funded in 2013. \$500,000 with a \$500,000 match.  WWRP part of Capital Budget negotiations. Capital budget proposals to be released after revenue forecast on March 20th.
6	Provide cities with financing options to support public/private partnerships	HB 1967	Rep. Springer	2/28 – Heard in Finance but not exec'ed; Springer investigating NTIB or other means to keep bill in place
7	Allow local governments the option to award contracts to vendors whose pre-tax bid unit price is lowest	SB 5110	Sen Tom	2/8 – Amended by Tom on floor. ESSB Passed Yeas, 48; Nays, 0; Excsd, 1 3/21 – Passed to Rules
		HB 1268	Rep Springer	2/27 – HB Passed Yeas, 62; Nays, 35; Absent, 0; Excsd, 1 3/14 – Heard at 10am in Senate Governmental Operations
•	Capital Budget Request: \$1M for Park Lane Pedestrian Corridor		Rep. Springer	2/28 – Rep. Springer and Rep. Goodman signed and submitted House request form. Project information submitted to Sen Tom
•	Capital Budget Request: \$1.3M for Ped Span from SK-TOD to CKC		Sen Tom	3/15 – Sen Tom submitted Span from TOD to CKC to Sen. Cap Budget

Bill	Title	Position	Status
<b>Support</b>			
<a href="#">HB 1007</a>	Covering of loads on public highways	Support	3/9 - Passed yeas, 53; nays, 42; abs, 0; excsd, 3 3/19 - Hearing scheduled in Transportation
<a href="#">HB 1009</a>	Prohibiting certain liquor self-checkout machines	Support	2/25 - Passed yeas, 92; nays, 0; abs, 0; excsd, 6 3/29- Public Hearing Commerce & Labor
<a href="#">HB 1016</a>	Designating facilities and infrastructure of water purveyors as essential public facilities under GMP	Support	2/18 - Passed yeas, 87; nays, 9; abs, 0; excsd, 2 3/18 - Hearing scheduled in Sen Gov Ops
<a href="#">HB 1045</a>	Authorizing certain local authorities to establish maximum speed limits	Support	2/18 - Passed yeas, 86; nays, 10; abs, 0; excsd, 2 3/20 - Transpo passed to Rules Committee
<a href="#">HB 1047</a>	photographs, microphotographs and electronic images from traffic safety cameras & toll systems	Support	2/22 - Passed yeas, 78; nays, 18; abs, 0; excsd, 2 2/25 - Read into Sen. Law & Justice
<a href="#">HB 1090</a>	Increasing \$ amount for dock construction that does not qualify as a substantial dev under SMA	Support	3/9 - Passed yeas, 95; nays, 0; abs, 0; excsd, 3 3/28 - Scheduled hearing in Natural Resources & Parks
<a href="#">HB 1183</a>	Wireless communications	Support	2/25 - Passed yeas, 92; nays, 0; abs, 0; excsd, 6 3/14 - Heard in Sen. Energy, Enviro & Telecomm
<a href="#">HB 1187</a>	Grants for community outdoor/indoor athletic facil	Support	2/7 - Referred to Appropriations
<a href="#">HB 1217</a>	Strengthening the integrity, fairness, and equity in Washington's property assessment system.	Support	3/5 - Passed yeas, 53; nays, 43; abs, 0; excsd, 2 3/25 - Scheduled hearing in Sen. Gov Ops
<a href="#">HB 1253</a>	Concerning the lodging tax	Support	3/13 - Passed yeas, 71; nays, 26; abs, 0; excsd, 1 3/26 - Scheduled hearing in Trade & Econ
<a href="#">HB 1268</a>	<b>Regarding local government purchasing</b>	<b>Support</b>	2/27 - Passed yeas, 62; nays, 35; abs, 0; excsd, 1 3/14 - Heard in Sen. Gov Ops
<a href="#">HB 1274</a>	local government practices and procedures	Support	2/27 - Passed yeas, 88; nays, 9; abs, 0; excsd, 1 3/18 - Scheduled for hearing in Sen. Gov Ops
<a href="#">HB 1275</a>	Regarding water discharge fees	Support	2/22 - Referred to Appropriations
<a href="#">HB 1306</a>	Extending the expiration dates of the local infrastructure financing tool program	Support	3/9 - Passed yeas, 81; nays, 16; abs, 0; excsd, 1 3/12 - First read, and referred to Ways & Means
<a href="#">HB 1315</a>	Criminal justice training funding	Support	First read 1/23 in Appropriations
<a href="#">HB 1324</a>	Transferring ferry & FCZD authorities to MKCC	Support	3/7 - Passed yeas, 97; nays, 0; abs, 0; excsd, 1 3/11 - First read, referred to Sen Gov Ops
<a href="#">HB 1368</a>	Distribution of state liquor revenues to cities and counties	Support	2/19 - Heard in Appropriations
<a href="#">HB 1401</a>	Timing of penalties under the GMA	Support	3/8 - Passed yeas, 89; nays, 9; abs, 0; excsd, 0 3/25 - Scheduled hearing in Sen Gov Ops
<a href="#">HB 1512</a>	Fire suppression water facilities and services provided by municipal & other purveyors	Support	3/4 - Passed yeas, 97; nays, 0; abs, 0; excsd, 1 3/25 - Scheduled hearing in Sen. Gov Ops
<a href="#">HB 1654</a>	Regional fire protection service authority within the boundaries of a single city	Support	3/9 - Passed yeas, 60; nays, 37; abs, 0; excsd, 1 3/28 - Scheduled haring in Sen Gov Ops
<a href="#">SHB 1898</a>	Concerning funding enhanced public transportation zones for public transportation systems	Support	3/13 - Returned to Rules for second reading
<a href="#">HB 1953</a>	Concerning local option transportation revenue.	Support	3/13 - Returned to Rules for second reading
<a href="#">HB 1954</a>	Concerning transportation revenue	Support	2/22 - First read, Transportation
<a href="#">HB 1955</a>	Concerning additive transportation funding	Support	2/22 - First read, Transportation
<a href="#">HB 1959</a>	Concerning local transportation revenue	Support	3/13 - Returned to Rules for second reading
<b>Neutral</b>			
<b>Oppose</b>			
<a href="#">HB 1232</a>	rental vouchers to a registered sex offender	Oppose	2/22 - Referred to Appropriations
<a href="#">HB 1440</a>	Ensuring fairness to employers by protecting employees	Oppose	3/13 - Returned to Rules for second reading
<a href="#">HB 1559</a>	Requiring crisis intervention training for peace officers	Oppose (w/conditions)	2/22 - Referred to Appropriations
<a href="#">SHB 1652</a>	Establishing a process for the payment of impact fees through provisions stipulated in recorded covenants.	Oppose/amend	3/6 - Passed yeas, 73; nays, 24; abs, 0; excsd, 1 3/28 - Scheduled hearing in Sen. Gov Ops

Bill	Title	Position	Status
<b>Support</b>			
<a href="#">SB 5053</a>	Modifying vehicle prowling provisions	Support	2/25 - Passed by Senate (48 yeas, 1 xcscd) 3/14 - Passed to Rules
<a href="#">SB 5103</a>	Grants for community outdoor and indoor athletic facilities	Support	1/30 - Heard in Ways & Means
<a href="#">SB 5110</a>	<b>Local government purchasing</b>	<b>Support</b>	<b>2/8 - Passed by Senate (48 yeas, 1 xcscd) 3/21 - Passed to Rules</b>
<a href="#">SB 5113</a>	Concerning the enforcement of speed limits on roads within condominium asscs	Support	2/8 - Passed by Senate (49 yeas) 3/21 - Exec Action taken in Transpo
<a href="#">SB 5323</a>	Nuisance abatement assessment	Support	2/25 - Passed by Senate (46 yeas, 3 xcscd) 3/29 - Schd Exec session
<a href="#">SB 5349</a>	Revising alternative public works contracting procedures	Support "strongly"	2/26 - Passed by Senate (49 yeas, 0 nays) 3/8 - Heard in Capital Budget. 3/15 - Schd Exec
<a href="#">SB 5606</a>	Fire suppression water facilities and services provided by municipal & other purveyors	Support	3/5 - Passed by Senate (45 yeas, 2 nays) 3/22 - Passed to Rules
<a href="#">SB 5703</a>	Distribution of state liquor revenues to cities and counties	Support	2/11 - First Read into Ways & Means
<b>Neutral</b>			
<b>Oppose</b>			
<a href="#">ESB 5378</a>	Building code amendments	Oppose	3/7 - Passed by Senate (33 yeas, 14 nays) 3/26, 28, 29 - Schd Exec Session
<a href="#">SB 5532</a>	Requiring crisis intervention training for peace officers	Oppose	2/22 - referred to Ways & Means
<a href="#">SB 5658</a>	Concerning mercury-containing lights	Oppose	3/13 - Passed by Senate (26 yeas, 23 nays) 3/27 - Scheduled hearing in Environment



**CITY OF KIRKLAND**  
City Manager's Office  
123 Fifth Avenue, Kirkland, WA 98033  
425.587.3001  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

**PROJECT:** South Kirkland TOD/Cross Kirkland Corridor Pedestrian Bridge (multi-modal connection)

Kirkland supports \$2.5 million in funding for the design and construction of an ADA accessible multi-modal connection between the new South Kirkland Transit Oriented Development public parking garage and the Cross Kirkland Corridor (former BNSF rail-line). This project will build off the federal government's 2007 Urban Partnership grant.

**BACKGROUND:**

The South Kirkland Transit Oriented Development (TOD) is a collaboration between the federal government, the state of Washington, King County, the Cities of Kirkland and Bellevue, and Polygon Northwest and is located immediately southwest of the Cross Kirkland Corridor (aka the East Side Rail Corridor -- the former BNSF Eastside Rail line). The TOD will include two four to five story buildings for 239 residential units (181 market rate; 58 affordable units) and ground floor commercial space, a 295 stall parking garage for tenants and customers, and a public open space. The multi-partner collaboration to develop the TOD is also providing a new 530 stall public parking garage that will be located on the south east portion of the TOD site. All components of the TOD will include green building techniques. The federal government provided a \$6M grant for the TOD as well as \$41M for bus transit across the SR 520 Bridge.

In addition to the public parking garage, King County METRO's portion of the Project includes the redesign of the surface parking lot and upgraded more efficient transit loading area. At completion, the Park and Ride facility will provide an increase of parking stalls from the existing 603 to approximately 850.

The seven acre site is located in both the City of Kirkland and the City of Bellevue, and in October 2011, after an extensive RFQ/RFP process Polygon Northwest was selected as the preferred master developer for the Project. Imagine Housing, a nonprofit affordable housing developer, will construct the affordable housing building.

Severe elevation differences of 30-60 feet between the new public parking garage and the Cross Kirkland Corridor, owned by the City of Kirkland, prevent easy access between these two facilities. During development of the garage, provisions were made to accommodate a future multi-modal connection between the garage and the CKC, however no funding was available for final design and construction. In order to maximize access to the new CKC, currently being master planned for a multi-modal transit corridor between Bellevue and Kirkland's Totem Lake Urban Center, a connection span between the garage and CKC is critical.

Funding is being sought to design and construct the Connection, an enclosed elevator structure and covered pedestrian bridge that will be incorporated into the new parking garage. If designed and constructed as envisioned, multi-modal access between Transit operations, the Parking garage, and CKC will be dramatically improved.

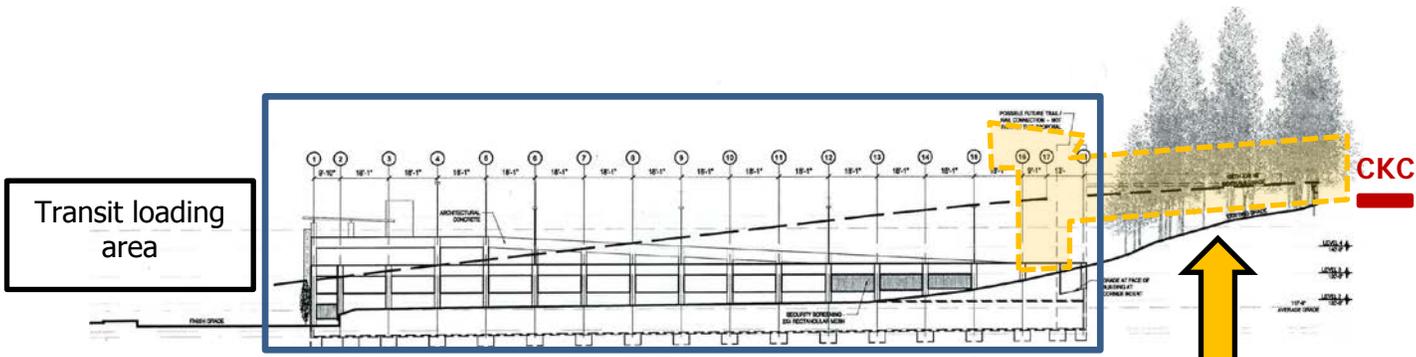
In the event that \$2.5M is not available, the Project could be phased such that the stairwell could be constructed with an elevator added at a later time. \$1.3M for phase one and \$1.2M for phase two. A sidewalk down 108<sup>th</sup> would provide ADA accessibility during phase one.

**CITY OF KIRKLAND CONTACTS:**

[Ray Steiger](#), Deputy Director of Public Works, 425-587-3801  
[Lorrie McKay](#), Intergovernmental Relations Manager, 425-587-3009



South Kirkland Transit Oriented Development  
(Cross Kirkland Corridor Multi-modal Connection)



Cross section of TOD garage and proposed span



Representation of proposed span



March 22, 2013

Honorable Dave Upthegrove, Chair  
Honorable Shelly Short, Ranking Member  
House Environment Committee  
304 John L. O'Brien Building  
P.O. Box 40600  
Olympia, WA 98504-0600

RE: City of Kirkland Opposition to Senate Bill 5658.

Dear Chair Upthegrove, Ranking Member Short and Honorable Members of the House Environment Committee,

The City of Kirkland opposes the narrowly approved Senate Bill 5658 concerning mercury-containing lights and urges the House Environment Committee not to move the bill.

The Light-cycle Washington Program should be implemented as intended by the State Legislature in 2010 and per the reasonable rules established by the Department of Ecology. Senate Bill 5658 guts the Mercury-Containing Lights Recycling Law, removes the responsibilities from manufacturers, and does not provide solutions for how a statewide recycling program will be adequately financed.

As drafted, SB 5658 would:

- Remove requirements for full financing from manufacturers and shifts burdens on to retailers;
- Unnecessarily burden consumers with a tax-like financing mechanism;
- Does not clearly assign responsibility to lighting manufacturers or any entity to ensure financing for recycling of all lamps sold, which creates uncertainty about sufficient funding for the program; and
- Delay the recycling program start and terminates the program prematurely while mercury lights will still be on the market and in use in people's homes.

The City of Kirkland is a strong advocate of extended producer responsibility (EPR) in the State of Washington. In 2009, we were pleased to observe the successful implementation of the State's first EPR program known as E-Cycle Washington. Since its inception, over 163 million pounds of electronics have been responsibly recycled through this program funded entirely by electronics manufacturers.

In 2010, we were equally as impressed to see that the Washington State Legislature determined that the manufacturers of mercury-containing lights should be similarly responsible for establishing a manufacturer-funded mercury-containing light take back program for Washington State residents. This new program was to be implemented effective January 1, 2013 along with a new law - *RCW 70.275.080* - which requires that all residents and businesses in Washington recycle their end-of-life mercury-containing lights. The implementation of the new program was delayed due to litigation brought by the National Electrical Manufacturers Association (NEMA) against the Washington State Department of Ecology. Despite the litigation, we are pleased that the implementation of the new EPR program called, "Light-cycle Washington" has already begun and is moving forward under a new contract with EcoLights, the proponent selected on March 8 by the Department of Ecology to be the stewardship contractor and program implementation coordinator.

Mercury harms the brain, liver and kidneys and causes developmental disorders in children. It persists in the environment and bio-accumulates in the food web. Mercury, from a variety of sources, has polluted Washington's water bodies resulting in fish advisories warning pregnant women and young children not to eat certain fish. At the current time, only a small percentage of household lamps are properly recycled. This means that these lights are being disposed in the garbage, releasing mercury into our air, water, and soil.

We strongly urge that you not to pass SB 5658. Washington State can longer be without an effective take back program for mercury containing lights. Please give the Light-cycle Washington Program a chance to work, flourish, and help our environment as we have witnessed with the E-Cycle Washington Program. If you have any questions concerning Kirkland's opposition to SB 5658, please do not hesitate to contact John MacGillivray at (425) 587-3804 or by email at [jmacgillivray@kirklandwa.gov](mailto:jmacgillivray@kirklandwa.gov).

Sincerely,  
City of Kirkland



By Joan McBride, Mayor

Cc: House Environment Committee Members  
Kirkland's House Delegation Members  
Kirkland City Council  
Kurt Triplett, City Manager  
Pam Bissonnette, Interim Public Works Director  
Ray Steiger, P.E., Deputy Public Works Director  
Lorrie McKay, Intergovernmental Relations Manager  
Jenny Gaus, Surface Water Engineering Supervisor  
John MacGillivray, Solid Waste Programs Lead

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

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Ray Steiger, P.E., Deputy Director of Public Works  
Pam Bissonnette, Interim Public Works Director

**Date:** March 19, 2013

**Subject:** STREET LEVY UPDATE, 2013 CROSSWALK INITIATIVE AND COMMUNITY OUTREACH

**RECOMMENDATION:**

It is recommended that City Council receives a status report on implementation of the 2012 Street Maintenance and Pedestrian Safety Levy, approves the staff recommendation to invest the 2013/2014 safe route to schools and pedestrian safety funds into the 2013 Crosswalk Initiative, and is briefed on outreach efforts to determine levy projects for 2015 and beyond.

**BACKGROUND DISCUSSION:**

Proposition 1: Levy for City Street Maintenance and Pedestrian Safety was approved by the Kirkland voters on November 6, 2012 (Attachment A). The Streets Levy will fund street maintenance and safety improvements for neighborhood streets and arterials, including resurfacing, pothole repair, pedestrian safety improvements, traffic calming projects, school walk routes, sidewalks and crosswalk improvements.

The Streets Levy will raise approximately \$2.9 million annually (beginning 2013) to fund:

- Street preservation (\$2.6 million/year) to
  - Conduct preventative maintenance on approximately 30 lane miles of residential streets each year (doubling previous annual amounts).
  - Reduce the backlog of deferred street maintenance.
  - Repair potholes and proactively reduce costs from road failure and disrepair.
  - Resurface, restore, or replace approximately 15 lane miles of arterial streets each year (doubling previous annual amounts).
- Safe walk routes to school (\$150,000/year) to
  - Leverage State and Federal funding to increase safe routes to Kirkland's elementary and middle schools.

- Pedestrian and bicycle safety (\$150,000/year) to
  - Upgrade or add crosswalks with new highly visible and energy efficient warning lights.
  - Install new Americans with Disabilities Act (ADA) wheelchair ramps to meet Federal requirements on streets being overlaid.
  - Improve pedestrian access to key transit corridors on streets being overlaid.
  - Expand pedestrian and bicycle routes to improve connections with commercial areas, schools, transit routes, parks, and other destinations.
  - Restripe crosswalks to increase pedestrian safety.
  - Install traffic control devices to address safety hazards within Kirkland Neighborhoods.

Due to the many facets of the Street Levy, there are a number of individual projects and processes that will take place in order to accomplish the many goals of the program. This status report is intended to inform the City Council of developments to date. A draft of this status report was presented to the Public Works/Parks/Human Services Council Committee on March 12, 2013, and their comments have been incorporated.

Over the next 20 years, Street Levy funding will augment existing transportation funds and allow the City to resurface, restore, or replace approximately 90% of the 100 lane-mile arterial network. Preventive maintenance such as slurry seal will be applied an average of 1.5 times to each of the 400 lane-miles of local and collectors streets, and road maintenance and pothole repair will be proactively addressed. The City will be leveraging Levy funds to match State and Federal grants to improve pedestrian safety and bicycle mobility around elementary and middle schools. Examples of projects include sidewalk improvements, bicycle facilities, and traffic calming and speed reductions. This funding will also be used to upgrade all remaining Kirkland's first generation in-pavement-flashing crosswalks to Rectangular Rapid Flashing Beacons (RRFB's).

Revenue from the Street Levy is being applied to projects starting in 2013. On March 5, 2013, City Council approved Street Levy funding as grant match to the 112<sup>th</sup> Sidewalk Improvement Project. On March 19, 2013, City Council awarded a construction contract of approximately \$168,000 for the first phase of the 2013 Street Preservation program. The contract provides for repairs to concrete curb, gutter, and sidewalks, as well as ADA compatible wheelchair ramps associated with the 2013 overlay program. Later this spring, the 2013 overlay program and slurry seal programs will also be brought before City Council for construction award (Attachments B & C).

For 2013/2014, Staff is proposing to utilize projected Levy funding as follows:

		Preservation	service pkgs	Safe routes to school	pedestrian safety
2013	\$ 2,907,300	\$ 2,259,134	\$ 348,166	\$ 150,000	\$ 150,000
2014	\$ 2,965,446	\$ 2,264,504	\$ 400,942	\$ 150,000	\$ 150,000
	\$ 5,872,746				

Service Packages associated with the Levy include two new ongoing Maintenance and Operations positions in the Street Division and related operating expenses such as supplies, inventory, and internal services. In 2013 approximately \$65,000 will go toward needed office equipment, vehicles, and maintenance equipment. The positions are dedicated to street preparation and paving associated with the increased preservation program. Engineering and inspection costs are included within each category above (i.e. Preservation, Safe Routes to School, and Pedestrian Safety).

### 2013 Crosswalk Initiative for Pedestrian Safety/School Walk Routes

Staff recommends that most of the 2013/2014 "non-preservation" funding (\$300,000 from safe routes to school and \$300,000 from pedestrian safety) be "frontloaded" in 2013 and used to upgrade as many of the 14 non-functioning pedestrian crossing light systems as possible with the \$600,000. The fall 2012 inventory of first generation in-pavement flashing crosswalks has shown that a number of systems are not functioning, and because these locations were previously prioritized from crosswalks City-wide, they have already been deemed of high priority and merit more than standard crosswalk treatments and should be repaired. The proposed crosswalk improvements are spread throughout the city and most of these locations are close to schools and parks. The Crosswalk Initiative would add Rectangular Rapid Flashing Beacons to each of these locations. The recent Council approval of Job Order Contracting should allow the City to install these RRFB's before school starts in the fall of 2013. Initial staff estimates are that all 14 could be upgraded for the \$600,000, but it will ultimately depend on contractor responses. This Initiative will result in a significant improvement to crosswalk safety throughout the community (Attachment F). This will be a highly visible and effective benefit to the residents for approving the levy but would also mean that there is no levy money available in 2014 for safe routes to schools or pedestrian safety. Two additional RRFB's that will be part of the Initiative were already funded in the 2013/2014 budget.

#### *Outreach*

By using Levy funding as proposed by staff for 2013/2014, a number of high priority maintenance projects will be delivered. Staff will be utilizing existing CIP outreach tools for the 2013/2014 program (Attachment G) and is proposing to use 2013/2014 as a robust public outreach period to determine future and ongoing community priorities for 2015 and beyond. The following summary is an approach that staff is considering.

As part of the 2013/2014 City Work Program to reenergize neighborhoods (below), staff will be working closely with Neighborhood Leaders and the Kirkland Alliance of Neighborhoods in 2013 to lay out a process for identifying and prioritizing (non-street preservation) safety improvements for 2015 and beyond.

*Reenergize neighborhoods through partnerships on capital project implementation and plan updates while clarifying neighborhood roles in future planning and transportation efforts to further the goal of Neighborhoods. [2013/2014 City Work Program](#)*

Staff anticipates the future process will incorporate both formal and informal methods of inviting, encouraging and rewarding public participation in Kirkland's neighborhoods (see Figure 1). Examples of both include:

**Formal:**

While scoping the many Planning Processes underway in 2013/2014, there will be small capital projects that are identified from public outreach which may meet the intent of the Levy funding. These ideas will be added to the "Suggest a Project" data base to be considered for future funding. Master Planning Process examples include:

- Transportation Master Plan
- Cross Kirkland Corridor Master Plan
- Juanita Drive Corridor Study
- 100<sup>th</sup> Street Corridor Study
- Comprehensive Plan

A program may be developed to rejuvenate the Neighborhood Connection Program goals while creating something unique to the needs and aspirations of today's Kirkland.

The Neighborhood Connection goals include:

- providing neighborhoods with the resources to address neighborhood needs;
- strengthening the relationship between City Hall and the neighborhoods;
- supporting neighborhood associations in expanding their membership;
- increasing the awareness of the City's neighborhood services; and
- building partnerships to improve Kirkland's neighborhoods.

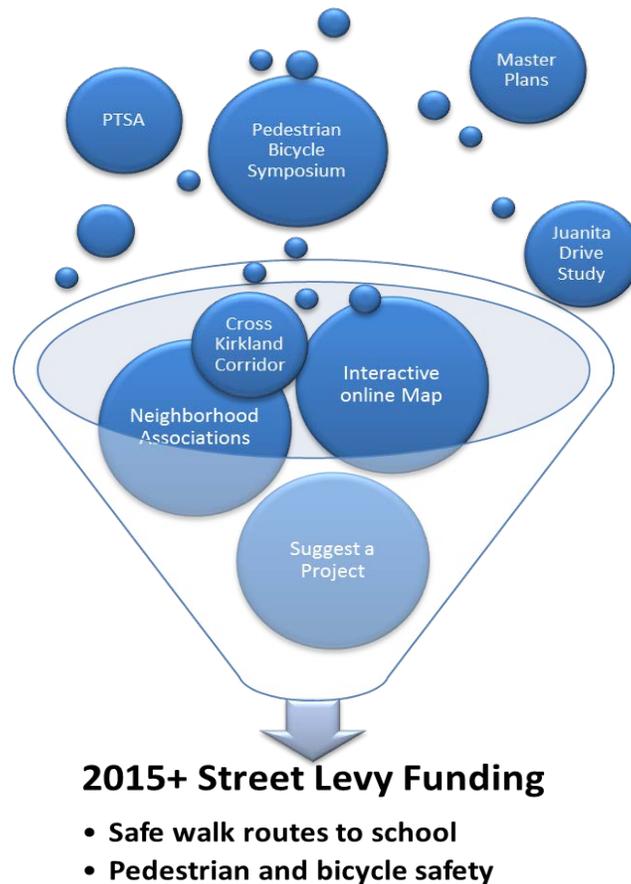
In 2001, City Council created a School Walk Route Advisory Group (SWRAG) made up of PTSA representatives from each of Kirkland's public elementary schools and tasked them to prioritize numerous school walk routes City-wide. The Group prioritized the many competing needs and reached consensus on approximately \$1.2 million worth of improvements that were subsequently completed as a part of the City's CIP process. The results of this effort will continue to drive priorities for future funding, as many school walk routes still need improvements. A new SWRAG could be convened, or outreach to schools to directly could channel school walk route suggestions into an existing ongoing advisory group (like the Transportation Commission, the Park Board or the Kirkland Alliance of Neighborhoods) to help prioritize the many safety improvements citywide.

**Informal:**

An online "Suggest a Project" tool will be enhanced this spring with an interactive map for the requestor to pinpoint the exact location of their project idea. This tool will be accessible on smart phones, as well as iPads, notebooks and computers.

There is ample time to involve the Neighborhoods and the Kirkland Alliance of Neighborhoods in a comprehensive and collaborative approach to identifying priorities for Levy funds in 2015 and beyond. Staff anticipates doing this work throughout 2013.

Figure 1 – Output of City Processes



#### *Approval Needed*

Staff is seeking Council approval of frontloading both the 2013 and 2014 safe route to school and pedestrian safety funding to the 2013 Crosswalk Initiative. The result would be \$600,000 to be spent in 2013 but no levy money available for these categories in 2014. If Council grants approval, staff will move quickly to secure a contractor and begin installing the upgrades.



# PROPOSITION 1: LEVY for CITY STREET MAINTENANCE and PEDESTRIAN SAFETY

## Voter Ballot Measure Fact Sheet

### November 6, 2012 General Election

LIKE MANY CITIES, Kirkland is challenged with adequately maintaining its streets and pedestrian safety amenities. The challenge comes from the decrease in local, State and Federal transportation revenues, the increase of construction costs, and the continued growth in traffic. On November 6, 2012, Kirkland voters will be asked to consider Proposition 1: Street Maintenance and Pedestrian Safety Levy.

Proposition 1 would raise \$3 million annually to fund arterial and neighborhood street re-pavement and repair, fund sidewalks around schools, enhance crosswalks, and allow for traffic safety measures in neighborhoods. The ballot measure proposes an ongoing property tax levy of 20.4 cents per \$1,000 of assessed value. The estimated annual cost is \$70.58 for a home valued at \$346,000 (the median assessed value of a single family home in Kirkland).

### Citizens' Opinion of High Priority City Services

In the City's biennial survey, Kirkland's residents consistently rank public safety as the City's most

essential service. In 2012, for example, 93 percent of respondents said fire and emergency medical services were important. Eighty-five percent said the same thing about police services. To maintain these critical services in the face of the 2009-2010 biennial budget reductions, Kirkland's leaders reduced budgets in parks maintenance, roads maintenance, and neighborhood traffic safety. The result for roads—a service 82 percent of respondents said was "extremely important/important"—has been a decline in their condition. In the 2012

survey, respondents said the City needed to improve its street maintenance services. And 75 percent of respondents said they would be willing to support a fee or a tax-increase to improve the condition of the City's roads.



### CITY OF KIRKLAND PROPOSITION NO. 1

#### LEVY FOR CITY STREET MAINTENANCE AND PEDESTRIAN SAFETY

The Kirkland City Council adopted Ordinance No. 4364 concerning a proposition for a street improvement levy rate increase. To fund street maintenance and safety improvements for neighborhood streets and arterials, including resurfacing, pothole repair, pedestrian safety improvements, traffic calming projects, school walk routes, sidewalks and crosswalks, the City's regular property tax levy shall be increased permanently by \$.204 per \$1,000 of assessed value for collection beginning in 2013 and such amount shall be used for the purpose of computing the limitations for subsequent levies provided under RCW ch. 84.55.

SHOULD THIS PROPOSITION BE:

APPROVED? .....

REJECTED? .....

### STREET MAINTENANCE: Citizen Survey Results 2012

The 2012 "Citizen Opinions & Priorities" telephone survey revealed a gap between the importance of maintaining streets compared to citizens' satisfaction with the City maintaining them.

- **Importance:** 82% reflected maintaining streets was extremely important/important
- **Performance:** Street maintenance received the second lowest rating (13th out of 15th services rated)

## Kirkland's Street Needs

Kirkland arterials and collector streets are regularly inspected and given a Pavement Condition Index (PCI) rating. Brand new paved roads have a PCI of 100. The PCI lowers over time with normal use. The City's annual street preservation program attempts to maintain all streets at a safe and reliable PCI rating.

Kirkland's overall PCI goal for arterials is 70, but the actual rating is approximately 59. The City invests \$2.6 million annually in street preservation; but deferred maintenance (the "backlog") is currently around \$39 million. Over the next 20 years, at our current level of funding, the deferred maintenance backlog is estimated to grow to \$148 million.



## Delay is Costly to All Taxpayers

- It costs \$1,600 per block to maintain a street with a Pavement Condition Index (PCI) of 80.
- It costs \$17,000 per block to resurface a street with a PCI of 50.
- It costs \$66,000 per block to rebuild a street whose PCI falls to ten.

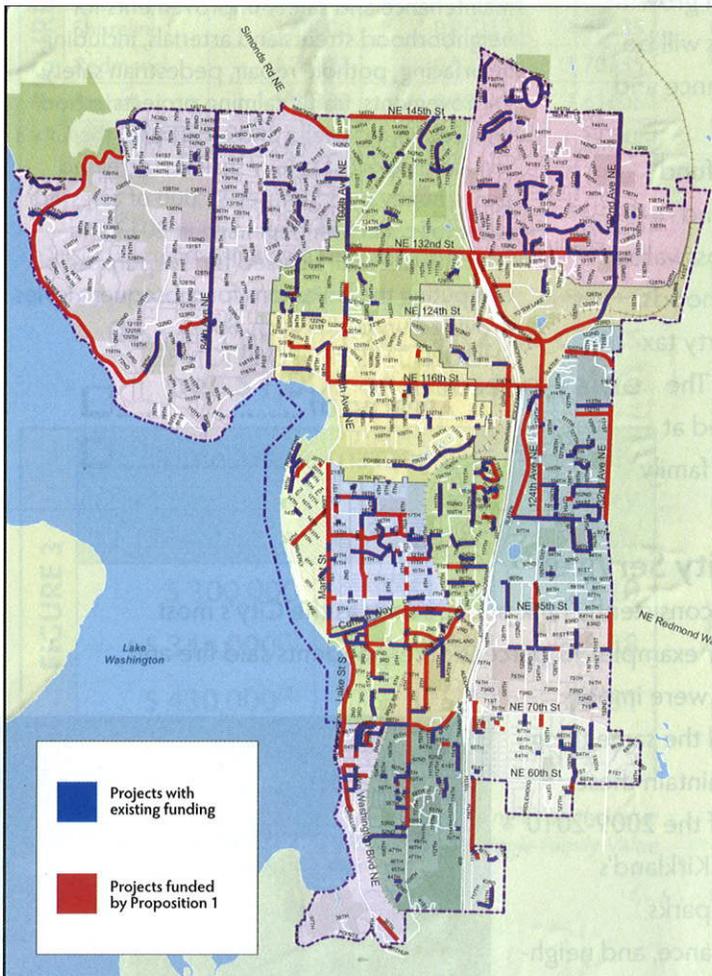
Maintaining roads today prevents huge costs in the future.

## Kirkland's Pedestrian Safety Needs

Kirkland is well known for its walkability and innovative pedestrian safety initiatives such as pedestrian flags and flashing crosswalks.

The City was the first in the state to adopt a "complete street" ordinance which requires street design to accommodate multiple modes of transportation.

The City's adopted 2009 Active Transportation Plan identifies that nearly 25 percent of Kirkland's roadway network had no sidewalks. It also identifies nearly \$120 million of needed sidewalk improvements (2004 inventory), including \$2 million for safe routes to schools.



Kirkland's Public Works Department identified the streets highlighted in red as candidates for overlay and reconstruction over the next 20 years. Roads that in need of Slurry Seal, crack seal and other types of surface treatments are not indicated on this map.

## IF APPROVED, PROPOSITION 1 WOULD:

- Enable nearly every neighborhood street to receive some kind of preservation treatment throughout the next 20 years
- Repair potholes and reduce long-term maintenance costs for roads
- Reduce the significant backlog of road repairs
- Proactively improve the overall safety of Kirkland's road, pedestrian and bicycle network (bike lanes are incorporated with resurfacing of roads)
- Add safe walking routes around elementary and middle schools

# PROPOSITION 1: Where Will The Money Go?

## Street Maintenance (\$2.7 million/year)

- Resurface, restore, or replace approximately 90 (out of the 100) lane-miles of arterial streets
- Conduct preventive maintenance on 650 lane-miles of local and neighborhood streets
- Allow for proactive road maintenance and pothole repair; and thereby reducing costly repairs from road failure and saving taxpayers' money

Examples include resurfacing NE 132nd Street, Totem Lake Boulevard, NE 124th Street, NE 116th Street, and Simonds Road NE.

## Safe routes to schools (\$150,000/year)

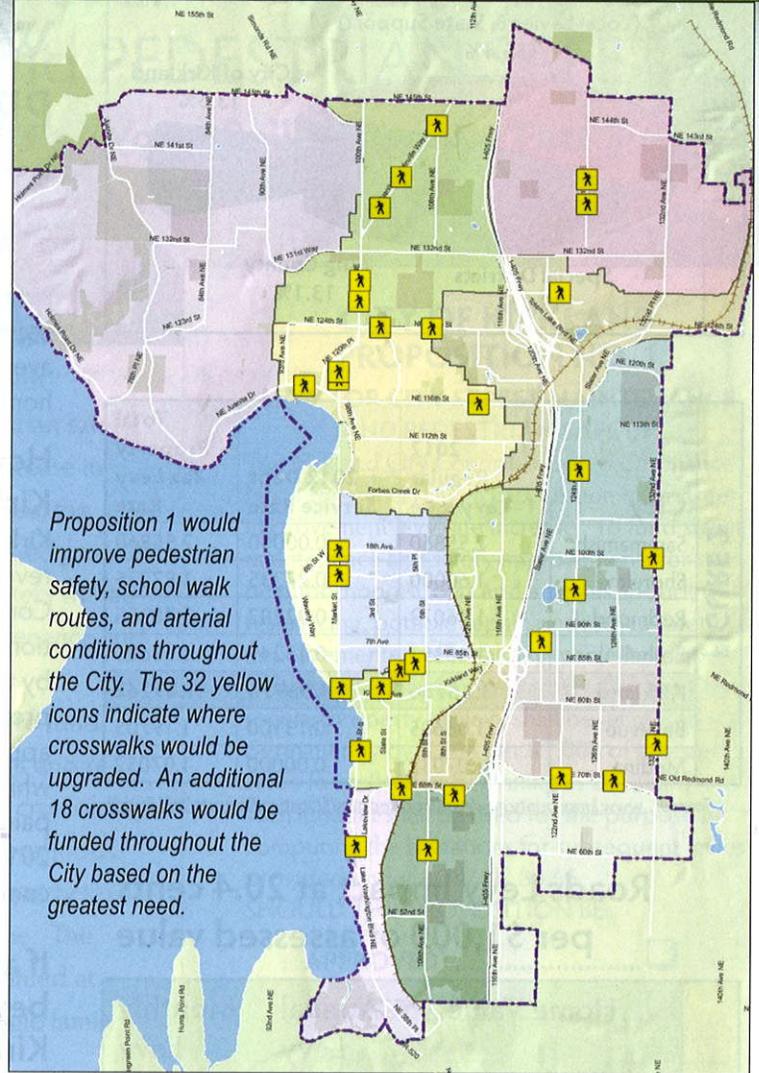
- Leverage State and Federal grants to build safe routes near 12 Kirkland elementary and middle schools

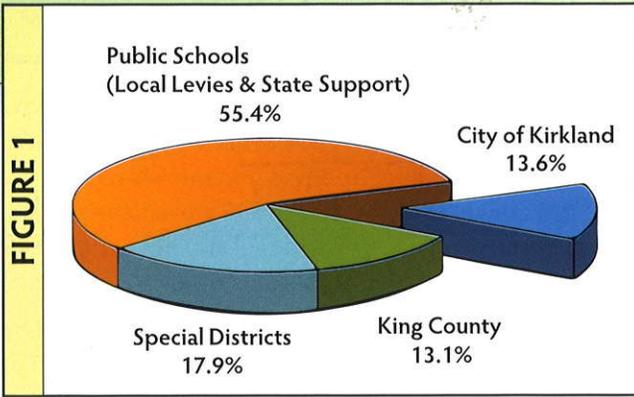
Examples include new sidewalks on 84th Avenue NE near Thoreau and Carl Sandburg Elementary Schools, 132nd Avenue NE near Mark Twain Elementary School

## Pedestrian safety (\$150,000/year)

- Upgrade or add up to 50 crosswalks with new highly visible and energy efficient warning lights
- Install approximately 500 new Americans with Disabilities Act wheelchair ramps to meet Federal requirements
- Restripe 230 crosswalks, address neighborhood identified safety improvements, and enhance transit and safety improvements on eight key transit corridors
- Expand the system of pedestrian and bicycle routes that interconnect commercial areas, schools, transit routes, parks, and other destinations
- Install traffic control devices such as speed cushions, and small traffic circles to address safety hazards within Kirkland neighborhoods

Examples include crosswalk upgrades along Juanita-Woodinville Way, Juanita Drive, 124th Avenue NE, NE 108th Street and NE 68th Street





## WHERE DO MY PROPERTY TAXES GO?

As shown in the graphic to the left (Figure 1), the City of Kirkland receives about 14% of the total property taxes paid each year. There are 10 taxing districts on a Kirkland property tax bill. The average total property taxes paid on a \$346,000 home is \$3,647 for all taxing districts.

**FIGURE 2**

City	2012 Regular Levy Rate	2012 Debt Service Rate	Total Property Tax Levy Rate
Sammamish	2.55860	0.00000	2.55860
Shoreline	1.60000	0.27235	1.87235
Redmond	1.76073	0.02282	1.78355
Bothell	1.48357	0.13249	1.61606
<b>Kirkland</b>	<b>1.36766</b>	<b>0.08976</b>	<b>1.45742</b>
Bellevue	1.06605	0.13100	1.19705
Medina	1.07032	0.00000	1.07032

Source: [www.kingcounty.gov/Assessor/Reports/StatisticalReports/2012.aspx](http://www.kingcounty.gov/Assessor/Reports/StatisticalReports/2012.aspx)

### How would Proposition 1 affect Kirkland property tax rates?

Kirkland's levy is the total amount of property tax revenue the City can collect in one year. The King County Assessor determines the assessed valuation of your property. The levy rate is determined by taking the total levy and dividing it by the total property value in the City. The rate is then applied to every \$1,000 of a property's value, which determines the amount of property taxes paid. The table to the right (Figure 2) shows the 2012 property tax rates in Kirkland and other comparable cities in the area.

### Roads Levy Impact at 20.4 cents per \$1,000 of assessed value

**FIGURE 3**

Home Value	Annual Levy Cost:	Monthly Levy Cost:
\$ 300,000	\$ 61.20	\$5.10
\$ 346,000 <sup>(1)</sup>	\$ 70.58	\$5.88
\$ 430,000 <sup>(2)</sup>	\$ 87.72	\$7.31
\$ 750,000	\$153.00	\$12.75

1. 2012 Kirkland Median Single Family Value
2. 2012 Kirkland Average Single Family Value

### If approved by voters, what would be the cost of Proposition 1 for a Kirkland homeowner?

The ballot measure proposes an ongoing property tax levy of 20.4 cents per \$1,000 of assessed value. If approved, it would raise approximately \$3 million each year beginning in 2013. The estimated annual cost is \$70.58 for a home valued at \$346,000 (based upon the median assessed value of a single family home in Kirkland). The impact will vary based on each home's assessed value. See estimated annual cost for a range of home values (Figure 3).

# ELECTION DAY IS NOVEMBER 6, 2012



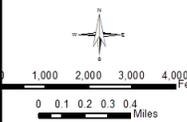
This FACT SHEET was prepared by the City of Kirkland, 123 5th Ave., Kirkland, WA 98033.

For information about Kirkland's Street Maintenance Program, contact Ray Steiger, Public Works Director, at 425-587-3800 or [rsteiger@kirklandwa.gov](mailto:rsteiger@kirklandwa.gov).



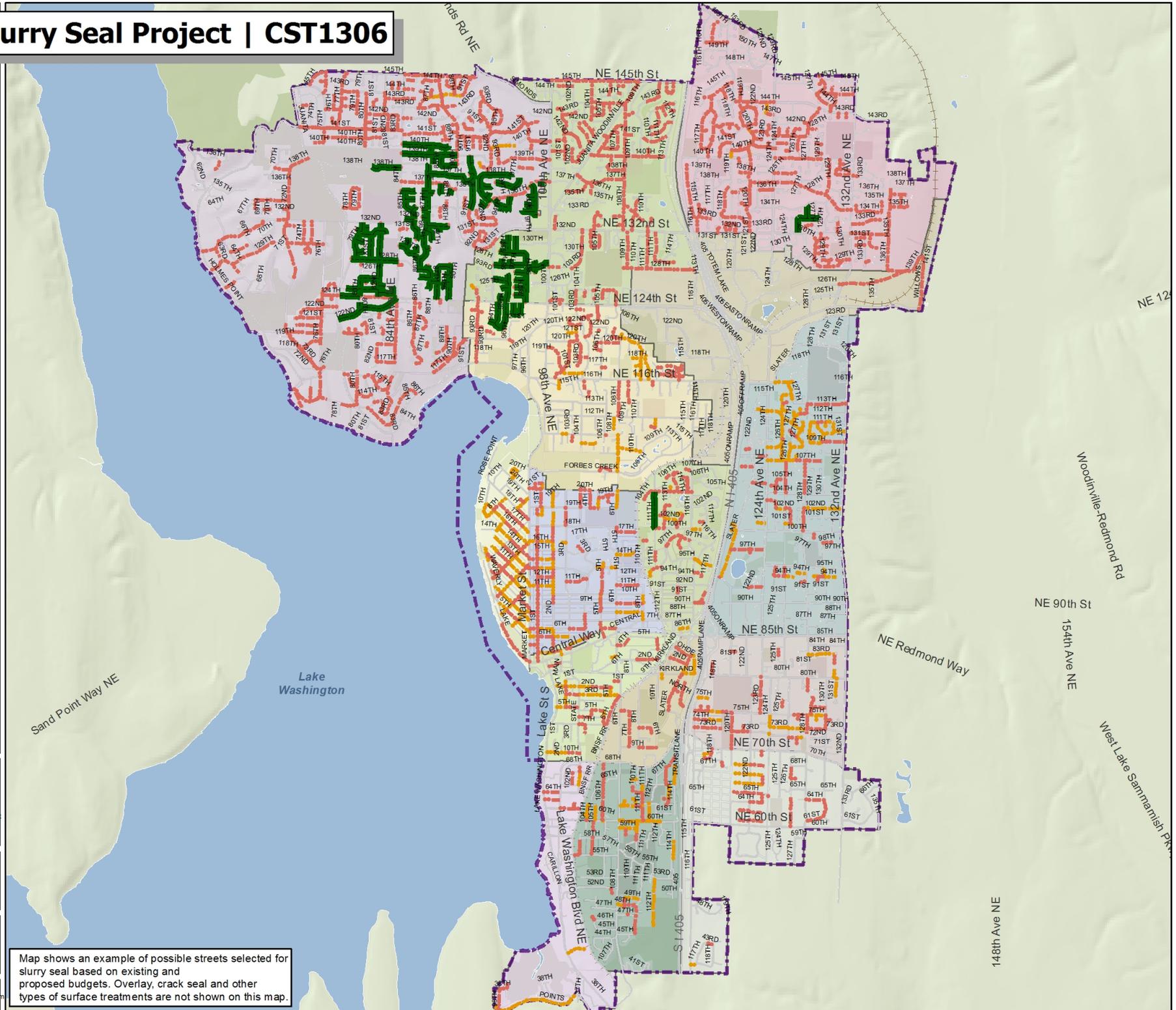
# 2013 Slurry Seal Project | CST1306

- 2013 Slurry Seal Streets
- PMS "Needs"
- 2013 Slurry Needs
- 2013 Slurry Needs
- Streets
- TRN\_Street
- RP\_row
- Parks
- Schools
- Railroads
- Major Streets
- City Limits
- Lakes

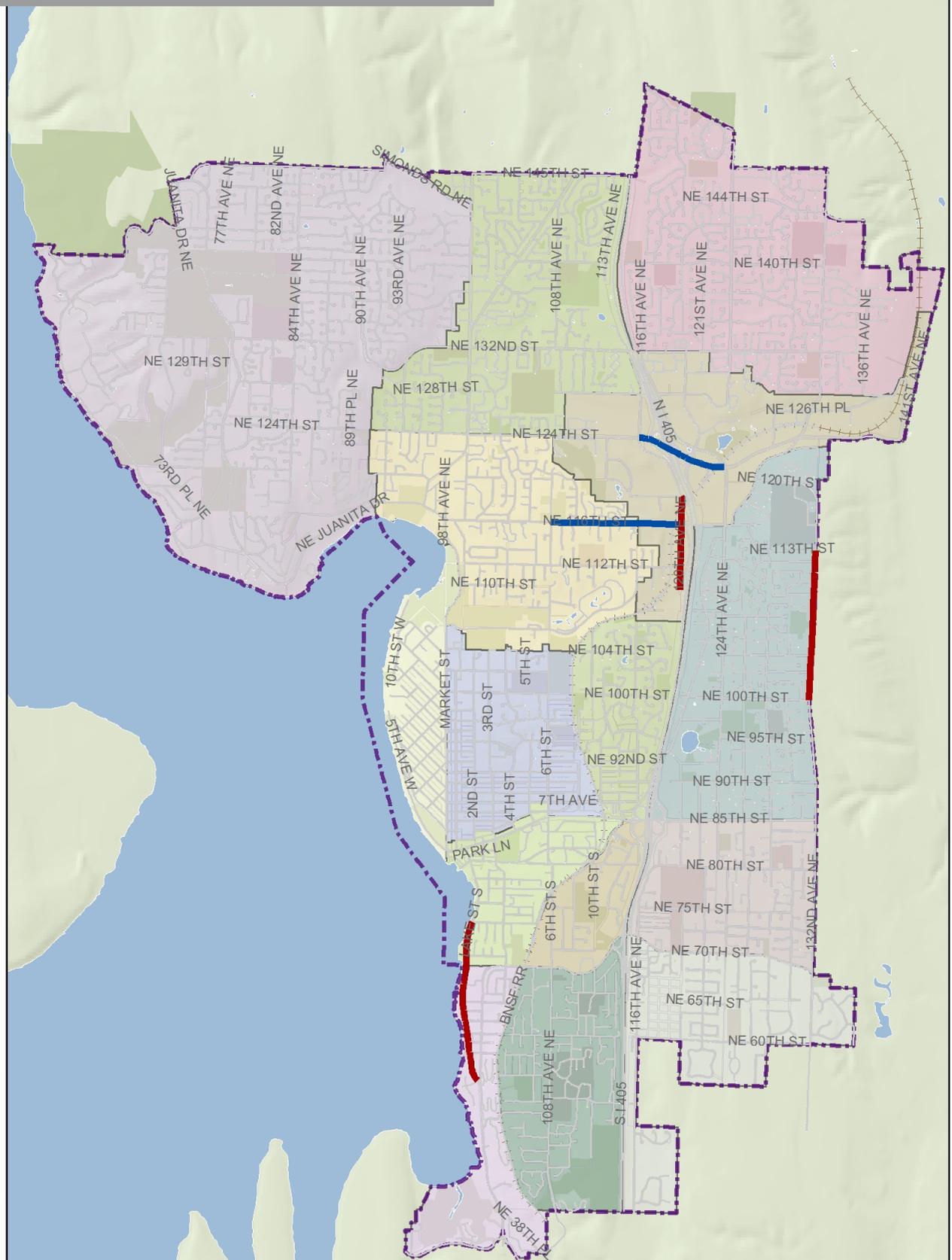


Produced by the City of Kirkland.  
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Map shows an example of possible streets selected for slurry seal based on existing and proposed budgets. Overlay, crack seal and other types of surface treatments are not shown on this map.



**DRAFT**



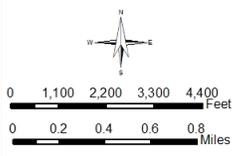
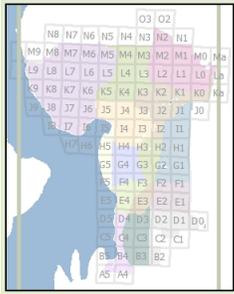
**2014 Overlay Streets**

**FundSource**

- CIP FUND
- PROP1 FUND

**Streets**

- RP ROW
- Parks
- Schools
- Railroads
- Major Streets
- City Limits
- Lakes



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Author:  
Name: CST1406 - 2014 Overlay Plan - For Pam  
Date Saved: 2/22/2013 4:30:01 PM

Map shows an streets selected for overlay & reconstruction based on current cost estimates. Slurry seal, crack seal and other types of surface treatments are not shown on this map.

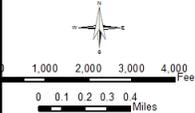
Contact Andrea Swisstack 425.587.3827 or [aswisstack@kirkland.wa.gov](mailto:aswisstack@kirkland.wa.gov) for more project information or specific project limits.

STREET	FROM	TO
NE 116TH ST	108TH AV NE	120TH AV NE
NE 124TH ST	116TH AV NE	124TH AV NE
120TH AVE NE	END (SOUTH)	NE 118TH ST
132ND AVE NE	NE 100TH ST	NE 113TH ST
LK WASH BV/LAKE ST	LAKEVIEW DR	7TH AVE S

# 2014 Slurry Seal Project | CST1406

**DRAFT**

- 2014 Slurry Streets
- PMS "Needs"
- 2013 Slurry Needs
- 2013 Slurry Needs
- Streets
- TRN\_Street
- RP\_row
- Parks
- Schools
- Railroads
- Major Streets
- City Limits
- Lakes

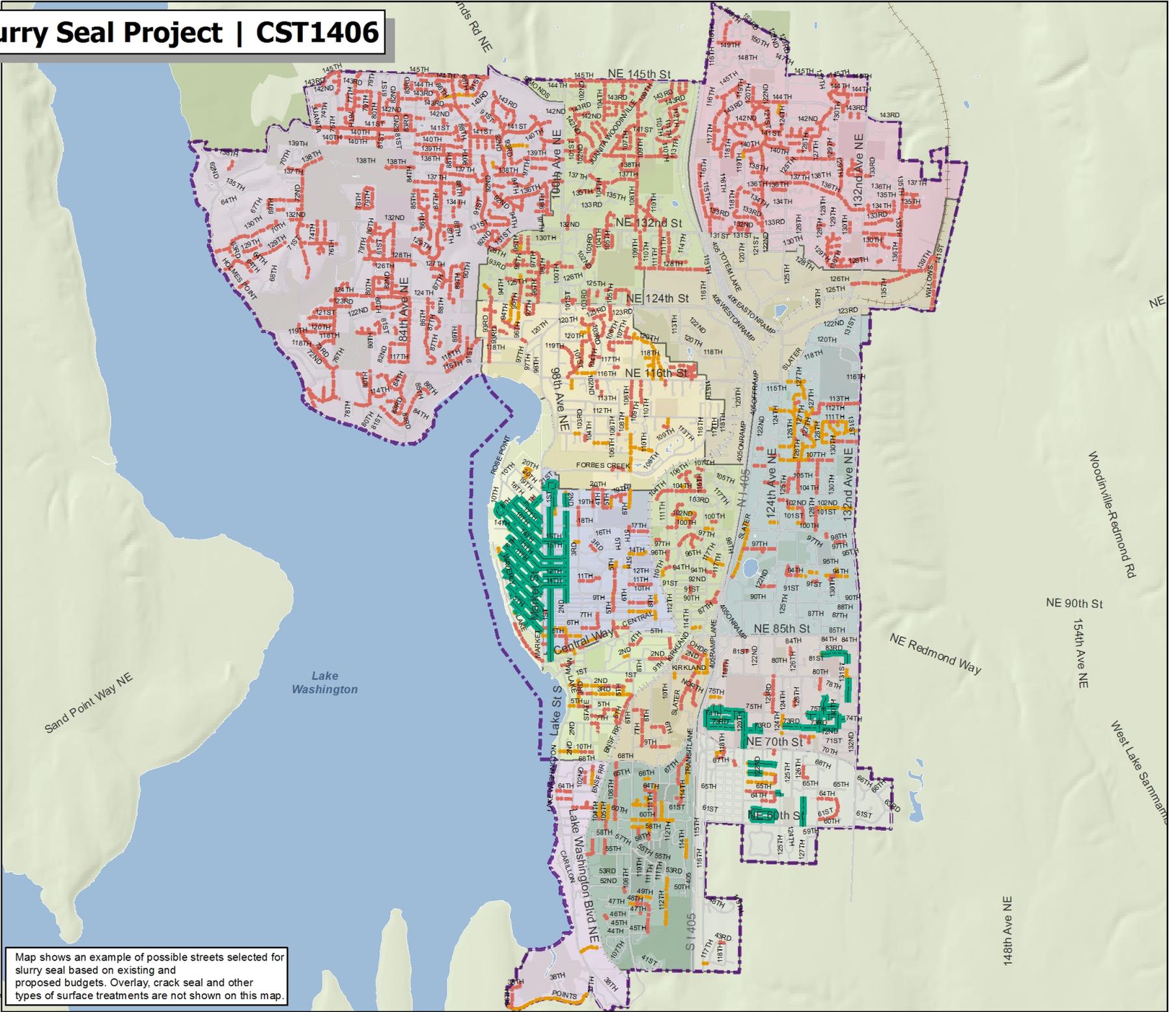


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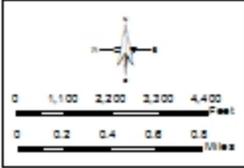
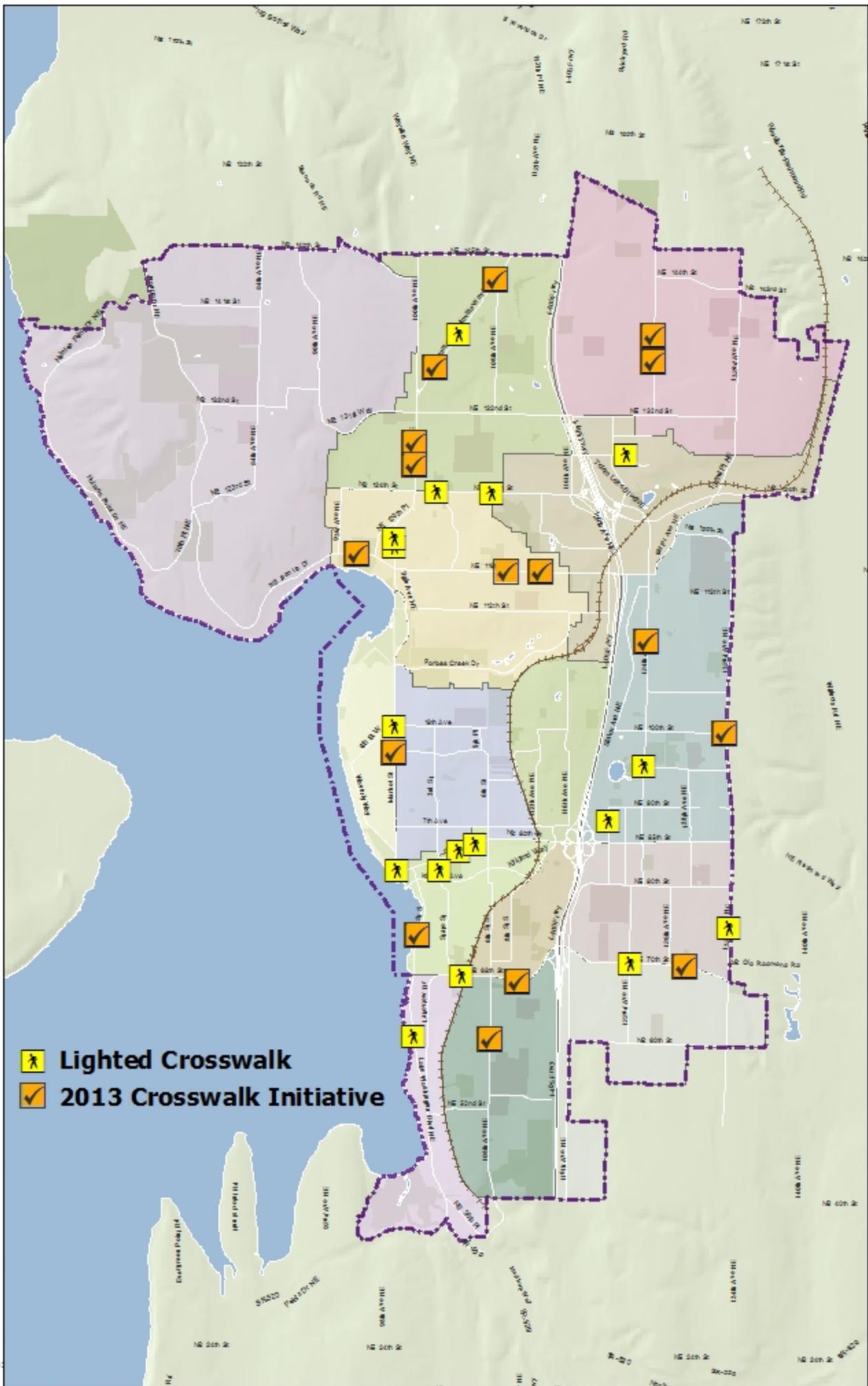
Map shows an example of possible streets selected for slurry seal based on existing and proposed budgets. Overlay, crack seal and other types of surface treatments are not shown on this map.

Author:  
Name: CST1406 - 2014 Slurry Plan - For Pam  
Date Saved: 2/25/2013 12:51:55 PM

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# Lighted Crosswalks (2012)



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Author: Name In Map Doc Properties  
 Name: LightedCrosswalks updated rta 022012  
 Date Saved: 3/26/2012 10:47:26 AM

Lighted Crosswalk  
 2013 Crosswalk Initiative



Public Involvement Plan 2013 (Similar for 2014)

Street Levy (Outreach summary)	March				April				May				June				July				Aug				Sept				Oct				Nov				Dec											
	Week	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
<b>Inform</b>																																																
<b>Phase 1: Early Communication</b>																																																
GIS Interactive Map					C																																											
Web Site		C	C	C				C				C			C				C	C			C	C								C								C								
Notify Neighborhood Chair							C					C																																				
Project Notice #1			C									C																																				
Announcement at KAN and NA		C																																														
Presentation at Neighborhood Meeting (Finn Hill)												C																																				
Hot Sheet		C										C																																				
<b>Phase 2: Pre-Construction Communication</b>																																																
<b>Personal Contact</b>																																																
Friday and Wednesday Markets (light gray display only)											C				C				C					C																								
Special Event (Summerfest)																				C																												
Special Event (Octoberfest)																																C																
Delivery of notices																																																
<b>Phone</b>																																																
Construction Hot Line -- overlay									C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C								
Construction Hot Line -- slurry seal																	C	C	C	C	C	C	C	C																								
Construction Hot Line -- NE 112th St												C																																				
Construction Hot Line -- RFFB													C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C																				
<b>Electronic Mail &amp; Twitter</b>																																																
Project Update Email											C	C	C																																			
Neighborhood Emails (request)											C	C	C																																			
City Council Email											C	C	C																																			
CP List Serve											C	C	C																																			
Neighborhood List Serve											C	C	C																																			
PTSA Emails or notices											C	C	C																																			
Employers/Businesses							C				C	C	C																																			
Twitter											C	C	C																																			
Press Release																																																
<b>Postal Service Mail</b>																																																
Project Notice #2											C	C	C																																			
<b>Publications</b>																																																
City Update											C																																					
On Track																C																																
<b>Internet and Intranet</b>																																																
Kalnet															C																																	
City's homepage What's New Announcement															C																																	
QR Code							C																																									
<b>Project Sign</b>																																																
Electronic Reader Boards													C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C								
Fire Station Electronic Reader Boards													C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C								
Project Sign													C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C								
<b>Phase 3: Construction</b>																																																
Overlay Concrete Repair					I	I	I	I	I	I	I	I																																				
Overlay													I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I								
Project Notice #3 Feedback forms for Overlay																																																
Slurry Seal																																																
Project Notice #3 Feedback forms for Slurry Seal																																																
NE 112th Street Construction													I	I	I	I	I	I	I	I																												
Project Notice #3 Feedback forms for NE 112th Street																																																
Replacement program													I	I	I	I	I	I	I	I																												
Project Notice #3 Feedback forms for RFFB locations																																																

Planning	P	P	P	P	P
Design	D	D	D	D	D
Communicate	C	C	C	C	C
Implement	I	I	I	I	I

	Overlay
	Slurry Seal
	School walk routers
	Ped Safety
	All programs



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

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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Director of Finance & Administration  
Sri Krishnan, Financial Planning Manager  
Neil Kruse, Senior Financial Analyst

**Date:** March 26, 2013

**Subject:** **2013-2014 BUDGET ADJUSTMENT: 2011-2012 CIP & OPERATING CARRYOVERS AND OTHER ADJUSTMENTS**

### RECOMMENDATION:

The City Council receives a brief recap of the year-end 2012 financial results, an update on the sales tax revenue through February 2013, and adopts the attached ordinance increasing the 2013-2014 budget appropriations for selected funds to reflect carryovers, estimated beginning cash balances (resources forward) in the General Fund and to fund carryovers, and other adjustments.

### BACKGROUND DISCUSSION:

#### **2012 Year-End Results**

The year-end results for 2012 are discussed in detail in the Financial Management Report (FMR), which is included as **Attachment A**. This section provides a brief overview of the General Fund results versus the budget:

- Actual 2012 **General Fund revenues** ended the year \$0.74 million over the budgeted level (\$76.9 million versus budget of \$76.2 million). This amount is \$1.55 million more than estimated during the development of the 2013-2014 Budget in the Fall of 2012. Sales tax, utility taxes, development services-related revenue, and fines and forfeits ended the year higher than estimated.
- Actual 2012 **General Fund expenditures** ended the year about \$4.9 million under budget, about \$45,000 less than estimated during the development of the 2013-2014 Budget in the Fall of 2012. More than half of the under-expenditures are a result of salary and benefit savings partially due to delayed hiring for annexation. This savings is not expected to continue at the same level in 2013. The remaining under expenditures are primarily due to savings in intergovernmental (contract inmate housing costs) and professional services. All departments under-expended their budgets in 2012.

The use of the resulting one-time funds, after factoring out obligated program reserves in the General Fund, is discussed in greater detail later in this memo.

## 2013 Sales Tax Revenues

**Sales tax receipts** through February are up 17.2 percent over the same period last year. Strong performance in the contracting, auto/gas retail and services sectors along with early holiday shopping are the primary reasons for the gains seen to date. A more detailed analysis can be found in the January (**Attachment B**) and February (**Attachment C**) sales tax memos, reflecting November and December taxable retail sales respectively.

## Carryovers and Budget Adjustments

State law prohibits expenditures from exceeding the budgeted appropriation for any fund and requires the City to adjust appropriations when:

1. Unanticipated revenue exists and will potentially be expended;
2. New funds are established during the budget year which were not included in the original budget; or
3. The City Council authorizes positions, projects, or programs not incorporated into the current year's budget.

This budget adjustment allows for appropriation increases where it is anticipated that total expenditures may be in excess of the adopted 2013-2014 budget.

Three types of adjustments are included in the proposed 2013-2014 budget amendment:

1. Operating and capital carryovers;
2. CIP project closures and other adjustments; and
3. Recognizing General Fund resources forward (estimated cash at the end of 2012).

The following is a recap of major items requested in this budget adjustment:

1. **Carryovers** relate to uncompleted projects, contracts, or purchases that were authorized but not spent in the prior biennial budget. In order to complete these items, both the funding and the expenditure authority need to be "carried over" from the 2011-2012 Budget to the 2013-2014 Budget. Accordingly, the 2013-2014 Adopted Budget needs to be amended. Funding for carryovers primarily comes from recognizing cash that was obligated but not spent in the prior biennium (i.e. Resources Forward) and from external sources such as grants. In some funds, carryovers are funded by reserves in recognition that appropriated reserves are adequate to fund such items. Carryovers funded from reserves do not require an appropriation change as they are line item adjustments within the funds' appropriation.

Most carryovers consist of capital projects approved but not completed in 2011-2012. These requests total \$28.9 million. Projects to be carried over to 2013-2014 include the following:

- **Parks projects:**

Forbes Lake Park Development	595,546
Park and Open Space Acquisition	427,634
Waverly Beach Park Renovations	239,225
Park Play Area Enhancements	187,549
McAuliffe Park Development	172,477
Peter Kirk Pool Upgrades	114,808
Shoreline Restoration	82,242
Snyder's Corner Park Site Development	75,000
Green Kirkland Program	70,977
Spinney Homestead Park Renovation	50,000
Juanita Bay Park Wetland Restoration	15,987
<b>Total Parks Carryovers</b>	<b>2,031,445</b>

- **Facilities projects:**

Public Safety Building/Maintenance Center Expansion	6,298,609
Consolidated Fire Station	1,366,484
Facilities Life Cycle Projects	719,567
<b>Total Facilities Carryovers</b>	<b>8,384,660</b>

- **Transportation projects:**

NE 120th Street Roadway Extension (East section)	2,428,849
Kirkland ITS Implementation Phase I	1,834,510
NE 85th/114th NE Intersection Improvements	1,162,037
NE 85th Street Paving (Annual Street Preservation One-time Project 2012)	1,122,000
NE 85th/124th NE Intersection Improvements	955,530
NE 85th/132nd NE Intersection Improvements	894,434
NE 124th/124th Ave Intr Improvements	633,027
Asphalt Milling Machine (Annual Street Preservation One-time Project 2011)	500,000
NE 100th/Spinney Homestead Park Sidewalk Phase II	490,265
Rose Hill Business District Sidewalks	405,283
Annual Street Preservation	335,223
6th Street Sidewalk	229,306
100th Ave NE Bicycle Lanes	223,691
Growth & Transportation Efficiency (GTEC)	200,917
CKC Interim Trail	199,987
104th Ave NE/NE 68th St Lkvw School Walk Route	80,684
Juanita Drive Corridor Study	32,553
12th Avenue Sidewalk	26,336
State Street Utilities Undergrounding	12,727
Downtown Pedestrian Improvements	7,139
<b>Total Transportation Carryovers</b>	<b>11,774,498</b>

- **Technology projects:**

Network Projects	899,173
Permit Plan Replacement	260,835
Geographic Information Systems (GIS)	190,000
Records Management	188,948
Finance/Human Resources System	47,094
Municipal Court Technology	25,000
<b>Total Technology Carryovers</b>	<b>1,611,050</b>

- The **Neighborhood Connections** program, which has been put on hiatus, has a balance of \$65,595 which is being carried over. This will fund an assessment of the King County Transfer of Development Rights program in 2013 for \$15,000, which leaves \$50,595 available for opportunities for small neighborhood projects.

- **Public Safety projects:**

Emergency Operations Center Upgrade	18,850
Disaster Supply Storage Units	39,363
Disaster Response Vehicle	39,690
Defibrillator Unit Replacements	157,000
Disaster Response Portable Generators	147,947
Investigations Vehicle/Equipment	5,292
North Kirkland Community Center Emergency Power	21,609
Mobile Tablets	27,600
<b>Total Public Safety Carryovers</b>	<b>457,351</b>

- **Water and Sewer projects:**

116th Avenue NE/NE 70th-80th Streets Watermain Replacement	604,619
NE 85th Street Watermain Replacment	424,740
Emergency Sewer Construction	373,612
North Reservoir Painting	367,698
Vulnerability Analysis	329,627
120th Avenue NE Watermain Replacement	234,346
NE 109th Avenue/106th Court NE Watermain Replacement	168,515
Supply Station #3 Replacement	141,000
Inflow & Infiltration Reduction Program	136,893
NE 53rd Street Sewermain Replacement	86,267
Emergency Sewer Replacement	50,000
Telemetry Upgrades	19,239
<b>Total Water/Sewer Carryovers</b>	<b>2,936,556</b>

- **Surface Water projects:**

NE 85th Street Detention	546,208
Totem Lake Twin Culvert Replacement	445,849
Forbes Creek/Coors Pond Channel Upgrade	176,503
Totem Lake Blvd. Flood Control	159,848
NE 129th Place/Juanita Creek Rockery Repair	109,822
Surface Water Sediment Pond Reclamation Phase II	79,736
Annual Streambank Stabilization	57,700
Cochran Springs/Lake Washington Blvd.	51,400
<b>Total Surface Water Carryovers</b>	<b>1,627,066</b>

**Operating Carryover** requests primarily consist of uncompleted service packages and other one-time projects or activities. Recommended carryover requests total \$1.47 million in the General Fund and \$1.63 million in other operating funds. Carryover items include the following:

- **2012 Invoice Payments** – Carryovers in this category reflect adjustments to the 2013-2014 Budget to acknowledge payment of invoices in the current biennium for services received in the prior biennium. This adjustment is necessary because vendors did not invoice the City in time to be paid by the end of 2012. Carryovers for invoice payments in the General Fund total \$417,533 and \$171,500 in all other operating funds, including:

General Fund

- Human Services Contract Payments, \$186,735
- Professional Services Contract Payments, \$109,625
- Fire Personnel Protective Equipment, \$32,801
- Other invoices, \$88,372

All other funds

- Smartnet Support, \$62,500
- Microsoft Enterprise Agreement, \$109,000

- **Projects not completed in 2011-2012** – These recommended carryovers are for projects previously funded in the 2011-2012 Budget but are not yet completed. Recommended carryovers for 2011-2012 projects continuing into or being postponed until the 2013-2014 biennium total \$35,155 in the General Fund and \$736,670 in other funds, including:

## General Fund

- Active Transportation Plan Implementation, \$26,819
- Youth Council Training and Mini Grants, \$3,350
- Workstation at Fire Station #22, \$4,986

## All other funds

- Fiber Connections project in the Street Fund, \$16,830
- Telemetry Upgrades and Manhole Rehabs, \$69,500
- Fire Station Fire Hydrant Conversion and Counter Replacements, \$25,000
- Opportunity fund & utility undergrounding – funds are used to take advantage of one-time opportunities to install small sidewalks connections in conjunction with development projects, \$9,000
- Surface Water plans and projects:
  - Securing and protecting ponds, \$242,340
  - Surface Water Master Plan, \$200,000
  - National Pollutant Discharge Elimination System (NPDES) implementation – grant funded, \$90,000 (this carryover will be funded from pending grant revenues)
  - Various studies, surveys and samplings required by regulations, \$50,000
  - Funding for enhanced preservation program including rehabilitation program materials and drainage repair, \$34,000
- **Annexation Service Packages** – These recommended carryovers are for one-time service packages previously approved by Council in the 2011-2012 Budget to address annexation-related needs that are not yet completed. Recommended carryovers for 2011-2012 annexation service packages continuing into or being postponed until the 2013-2014 biennium total \$65,406 in the General Fund and \$524,585 in other funds, including:

## General Fund

- Furniture and computer for Capital Projects Engineer, \$5,826
- Police patrol vehicle and related equipment, \$59,580

## All other funds

- Vehicle and equipment purchases in the Street Fund, \$301,292. This includes the purchase of a service truck, partially funded with a carryover (\$28,255) and the remainder funded using \$32,245 of Proposition 1 (Road Levy) revenue.
- Vehicle and equipment purchases in the Surface Water Utility Fund, \$66,250
- GIS data development and other applications-related costs in the IT Fund, \$137,556
- Furniture for Vehicle Technician in the Fleet Fund, \$5,760
- **Other Carryovers** – Recommended carryovers for other items that do not fall into the categories discussed above total \$956,733 in the General Fund and \$200,025 in other funds:

## General Fund

- National League of Cities membership, \$14,000
- King County Urban Access Project grant match, \$50,000
- K-9 Unit dog replacement, \$15,000
- Parking Station Shelters, \$49,710
- Undistributed Personnel Costs – Acknowledging that a portion of the under-expenditure in 2012 was the result of not distributing certain funds because of open contracts and other related circumstances, set aside in reserve \$474,041 to cover pending expenditures.
- Unused Liquor Profits – Replenish reserves with the unused portion of the liquor profits, \$353,982.

#### All other funds

- Centennial replacement trees, \$14,967
- Life cycle and rate model update; energy conservation study; and the evidence vehicle storage projects in the Facilities Fund, \$63,000
- Energov contract savings to fund project staffing backfill, \$75,000
- Comcast audit, \$25,000
- Kirkland Works videos, \$17,058

The carryover adjustments total \$32 million (\$28.9 million capital projects and \$3.1 million operating funds). The \$28.9 million in capital carryovers are funded with \$90,000 in external grant funding, with the remainder funded by budgeted work in process balances. The \$3.1 million in operating carryovers are funded with \$96,108 of external grant funding, a \$15,000 transfer from the capital fund, and the remainder from resources forward, as described later in this memorandum. The total appropriation change is \$3.6 million, with the difference due to the doubling of selected costs impacts due to interfund transfers.

## 2. **CIP Project Closures and Other Adjustments** – Two adjustments requiring Council approval are the closure of CIP projects and conversion of temporary to on-going FTEs, as described below.

- **CIP Project Closures** – As part of the carryover process, staff has completed a detailed review and reconciliation of capital projects, resulting in the closure of 11 facilities life cycle and 26 transportation projects. The closure of Transportation and Facilities projects will result in \$221,488 being returned to the General Capital Contingency. Closure of other Transportation projects with Surface Water elements will result in just over \$1 million being returned to the Surface Water Transportation Reserve. A detailed list of these projects is included as **Attachment D**. Council approval of the comprehensive closure list will allow staff to complete the process of closing the projects from a financial standpoint.

In those circumstances where the projects show a shortfall, which is being funded by surplus funds in other projects, there are three main drivers:

- Surface Water Management versus General Government – In several cases the overall project cost (surface water and general government combined) was as budgeted or less, but the actual costs allocable to the General Government portion of the project was higher than anticipated, thereby requiring additional funding from General Government sources. As a result unspent funds are returned to the Surface Water utility.
- Regional Coordination – The actual costs of the City's regional coordination efforts on several major projects (e.g., SR-520, the new interchange at 116<sup>th</sup> Street and I-405) have exceeded the budget even though the budgeted amount has been increased over the last two biennia because of the complexity of the projects.
- Ineligible Costs – Projects that included grant funding have incurred costs that are not eligible for reimbursement from the grants. This results in the use of general government funding sources to cover project costs not reimbursed by grants.

To address these issues in the future, Public Works is developing a strategy for monitoring projects that will provide a more proactive assessment of actual work completed compared to budgeted resources (both amounts and sources).

- **Conversion of Temporary to On-going FTE** - The City Manager recommends that the Council approve the conversion of a full time, temporarily funded (through 12/31/2013) Permit Technician in the Fire and Building Department to a regular, full time Permit Technician. This request is in response to the increase in development services activity and the cost is expected to be fully offset by anticipated building permit revenues. The potential to attract a stronger pool of candidates for a regular rather than a temporary position was an additional factor in this request. Council approval would add a 1.0 regular FTE with an estimated appropriation change in 2014 of \$92,511, funded by increased revenues. The department will continue to monitor the revenue stream and will adjust expenditures accordingly.
3. **2013 Resources Forward**, or beginning fund balance (cash), was estimated as part of the 2013-2014 budget process during Fall 2012. Now that 2012 is complete, staff is in the process of closing the books and reconciling the estimated resources forward with actual balances. When this analysis is completed, an adjustment (increase or decrease) to the budgeted beginning balance with a corresponding offset to the expenditure side will be made for all operating, capital and other non-operating funds (as part of the Mid-Year budget adjustments). This offset is usually to a reserve account, but may be to other line items depending on the nature of the change in the beginning balance. The current proposed budget adjustments recognize the estimated balance in the General Fund and the balances required to fund carryovers in all funds. The carryovers in the other funds total \$1,542,780. The General Fund resources forward is discussed in detail below.

Based on the current information, total beginning fund balance adjustment in the General Fund is a net increase of \$3,612,834. General Fund carryovers discussed in the prior section account for a use of \$1,456,230. In addition, cash is being set aside for the following items that occurred since the adoption of the budget in December 2012 (a total of \$799,633):

- **Development Services Reserve** – Recognize that development services-related revenues received in excess of the estimate in 2012 is for work that will need to be completed in this biennium by adding \$451,633 to the development services reserve.
- **Build America Bonds (BABs) Credit Loss** – Setting aside \$110,000 to cover increased debt service costs for the current biennium in anticipation of the Federal sequestration cuts which are expected to reduce the credit received for the BABs by 8.6%.
- **Public Disclosure Ordinance** – Setting aside \$75,000 to address staffing backfill and potential monitoring system-related costs associated with the implementation of the public disclosure ordinance.
- **Public Works Deputy Director** – The addition of the Public Works Deputy Director position is discussed in the attached memo (**Attachment E**). The position will be added to the 2013-2014 biennial Public Works overhead allocation, and funded from year-end 2012 cash in the General Fund and Utility Funds. The added cost for this period would be approximately \$162,000 to the General Fund (funded using resources forward) and approximately \$177,000 to the Utilities (funded from existing budgeted reserves). Although this position is funded with one-time cash in the current biennium, the cost will be built into the basic budget and allocated to all of these funds during the 2015-2016 budget process. Note that approximately \$7,000 in one-time space rearrangement expenses was funded from the City Hall facility contingency of \$50,000.
- **GFOA Budget Award** – At the City Manager's request staff is planning to submit the City's 2013-2014 Budget for the Government Finance Officer's Association (GFOA)

budget award this year. This one-time funding of \$1,000 is proposed because this item was eliminated during the budget reductions that became effective in 2011.

The Council had previously directed staff to fund the following items totalling \$323,000 from 2012 year-end cash:

- **Regional Fire Authority (RFA)** – Setting aside \$100,000 towards professional services and other related costs associated with the exploration of a RFA during the current biennium consistent with the adopted work plan.
- **Work Plan Public Outreach Reserve** – The public outreach process associated with the Comprehensive Plan update being undertaken by the City this biennium is estimated to cost \$223,000. Of this amount, \$20,000 would be used to increase the part-time communication support position in the City Manager’s Office to be full-time through June 2013 and \$15,000 would be used to engage EnviroIssues to provide an “umbrella outreach vision and strategy.” The remaining \$188,000 would be allocated based on the work of EnviroIssues. The specific expenditures will be determined after receiving EnviroIssues’ report.

The **General Capital Contingency** was estimated to have a 2012 ending balance of \$4,437,370 based on the information available during the development of the 2011-2012 Budget in the Fall of 2010. The capital project closures approved by Council in April 2011 utilized \$729,813 of cash balance in anticipation of funds expected to be returned from future project closures or revenues to be reimbursed (for example, grants), reducing the balance to \$3,707,557.

From the available balance of \$3,707,557 in the General Capital Contingency, \$1,021,000 was used for the Juanita Beach project, resulting in an estimated 2012 ending balance of \$2,686,557. Staff recommends that any uncommitted funds available after planned uses be used to replenish this reserve as described below, given the current balance and the scope of the capital projects that the City is currently pursuing.

**Reserve Replenishment** – The uncommitted funds available after funding the carryovers, set asides, and Council directed items is \$1,033,971. The City’s reserve replenishment policy requires that a high percentage of these uncommitted funds be used to replenish **General Purpose Reserves** until reserves meet 80% of target and the revenue stabilization reserve is at 100% of target. Staff recommends that \$1,033,971 be used to replenish the General Capital Contingency, in addition to the following replenishment sources:

- The \$157,795 in one-time sales tax revenue discussed with Council at the November 20, 2012 meeting. The additional one-time sales tax revenue was set aside for this purpose in the 2013-2014 Budget as adopted by Council on December 11, 2012.
- The \$353,982 of unused liquor profits being carried over.
- Project closure proceeds (\$221,288) and 2013 revenues reimbursing 2012 uses (\$357,002).

These resources result in replenishment of the General Capital Contingency totaling \$2,124,238. The table below summarizes the proposed uses of the year-end 2012 cash balance in the General Fund and proposed reserve replenishment.

Category	Amount
<b>Net Change in General Fund Resources Forward</b>	<b>3,612,834</b>
General Fund Carryovers	(1,456,230)
Set Asides and Other Uses	(799,633)
Council Directed Items	(323,000)
<b>Uncommitted Funds for Reserve Replenishment</b>	<b>1,033,971</b>
Use of Set Asides:	
Unused Liquor Profits Set Aside	353,982
One-Time Sales Tax Revenue Carried Over	157,795
2013 CIP Project Closures:	
Transportation Projects	111,114
Facilities Projects	110,374
2013 Revenues Reimbursing 2012 Uses:	
Operating Transfers-In	218,002
External Revenues	139,000
<b>Total Addition to General Purpose Reserves</b>	<b>2,124,238</b>

It is estimated that, with this replenishment and an annual contribution of 1% of the General Fund operating budget, the replenishment of the general purpose reserves to a 100% of the 2014 target could take 5 years. The table below shows the planned replenishment of the General Purpose Reserves.

2013-2014 General Purpose Reserves with Targets						
Reserve	Final 2013-2014 Budget Target	2012 Estimated Ending Balance	Planned Additions to/(Use of) Reserves	2014 Estimated Ending Balance	(Under)/Over Target	2014 Ending Balance as % of Target
Contingency	4,275,442	2,201,870	224,555	2,426,425	(1,849,017)	56.8%
General Capital Contingency	5,735,330	<b>2,686,557</b>	<b>2,124,238</b>	4,810,795	(924,535)	83.9%
General Operating Reserve (Rainy Day Reserve)	4,219,482	2,806,513	-	2,806,513	(1,412,969)	66.5%
Revenue Stabilization Reserve	2,468,068	1,231,431	1,236,637	2,468,068	-	100.0%
Council Special Projects	250,000	189,534	60,466	250,000	-	100.0%
Building and Property Reserve	600,000	2,137,598	(1,566,019)	571,579	(28,421)	95.3%
<b>TOTAL</b>	<b>17,548,322</b>	<b>11,253,503</b>	<b>2,079,877</b>	<b>13,333,380</b>	<b>(4,214,942)</b>	<b>76.0%</b>

Note: Excluding the planned use of the Building and Property Reserve toward the Public Safety Building project would result in the 2014 Ending Balance for General Purpose Reserves being at 84.9% of Target.

### **SUMMARY:**

The total appropriation change of \$7.4 million is summarized in the table on the following page and the details can be found in the Budget Adjustment Summary (**Attachment F**).

<b>Funding Source</b>	<b>Amount</b>
<b>Resources Forward</b>	
General Fund (incl. \$1.545M transfer to Capital Contingency)	3,612,834
Other Funds	1,542,780
<b>Subtotal Resources Forward</b>	<b>5,155,614</b>
<b>Internal Transfers</b>	
General Fund	15,000
Other Funds (incl. \$1.545M transfer from General Fund)	2,034,017
<b>Subtotal Internal Transfers</b>	<b>2,049,017</b>
<b>External Revenues</b>	
General Fund	96,108
Other Funds	90,000
<b>Subtotal External Revenues</b>	<b>186,108</b>
<b>Total Appropriation Change</b>	<b>7,390,739</b>

The budget is adopted at the fund level which sets the total expenditure authority for the biennium for each fund. A summary of the adjustments and 2013-2014 revised budget by fund type is included in the table below:

<b>Fund Type</b>	<b>Current 13-14 Budget</b>	<b>Adjustments</b>	<b>Revised 13-14 Budget</b>
<b>General Government:</b>			
General Fund	171,626,838	3,723,942	175,350,780
Other Operating Funds	29,740,972	321,589	30,062,561
Internal Service Funds	68,541,621	933,143	69,474,764
Non-Operating Funds	123,593,196	1,620,748	125,213,944
<b>Utilities:</b>			
Water/Sewer	77,811,900	69,500	77,881,400
Surface Water	39,759,660	721,817	40,481,477
Solid Waste	32,634,724	-	32,634,724
<b>Total Budget</b>	<b>543,708,911</b>	<b>7,390,739</b>	<b>551,099,650</b>

In addition to the appropriation change, two ongoing FTEs are approved: 1.0 FTE Permit Technician and 1.0 FTE Deputy Public Works Director. The appropriation adjustment reflects the data available at this point in time. Staff is currently in the process of completing work related to the preparation of the 2012 financial statements that will also finalize the cash positions in all the funds. This information will be used to update the resources forward and reserve amounts in all the funds. These changes will be brought forward for Council action as part of the 2013 Mid-Year budget adjustments.

**CONCLUSION:**

A significant outcome of the April 2013 budget adjustments is the use of uncommitted 2012 year-end cash balance to replenish the General Capital Contingency and reducing the estimated time to replenish the City's General Purpose Reserves by two years (assuming no reserve uses are required). This timetable also assumes the continuation of the annual contribution of 1% of the General Fund operating budget (estimated to be \$750,000). While this is a positive development, it is important to remember that the adopted budget includes approximately \$3.5 million per year from the State annexation sales tax credit. This revenue stream will expire in 2021. The upcoming City Council Financial Retreat will include a discussion of approaches to planning for the eventual loss of this revenue source.



# Financial Management Report as of December 31, 2012

## AT A GLANCE:

City Council Unanimously Adopts 2013-14 City Budget

(page 2 sidebar)

2012 revenues through December ended the year slightly ahead of budget (page 3)

Sales tax revenue grew in 2012 (page 5)

Economy continues a slow recovery (pages 7-8)

## Inside this issue:

Expenditure Summary	2
General Fund Revenue	3
General Fund Expenditures	4
Sales Tax Revenue	5
Economic Environment	7
Investment Report	8
Reserve Summary	10

*The Financial Management Report was a challenge to interpret in 2012 due to annexation, which impacted expenditures and revenues at different times throughout 2011 and 2012. As a result, instead of discussing the comparison of 2012 actual revenues and expenditures to the prior year, this quarter's FMR compares the 2012 actual results to the 2012 budget and highlights revenues received in 2011 that were used to offset expenditures budgeted in 2012.*

## Summary of All Operating Funds: *Revenue*

- General Fund** actual 2012 revenue ended the year at **101 percent** of budget, excluding resources forward and interfund transfers. The 2012 budget included revenues projected for the new neighborhoods (annexation area), which came in lower than projected, offset in part by growth in revenues elsewhere in the City. A more detailed analysis of General Fund revenue can be found on page 3, and sales tax revenue performance can be found beginning on page 5.
- Other General Government Funds** actual 2012 revenue ended the year at **95.9 percent** of budget. \$1.1 million of one-time County Road Levy revenue budgeted to offset authorized expenditures in 2012 was actually received in 2011. Including the road tax received in 2011, Other General Government Funds actual 2012 revenue to budget would be at 101.8 percent.
- Water/Sewer Operating Fund** actual 2012 revenue ended the year at **102.6 percent** of budget. In 2012, sewer rates increased by 5.5 percent and water rates increased 2.2 percent.
- Surface Water Management Fund** actual 2012 revenue ended the year at **101.5 percent** of budget. Surface Water charges are paid with property taxes, which are primarily received in April and October.
- Solid Waste Fund** actual 2012 revenue ended the year at **95.4 percent** of budget. In 2011, Solid Waste customers had the opportunity to move to a smaller can size. More customers moved to a smaller size than expected which caused rate revenue to come in lower than expected. Utility reserves were used to offset the shortfall.

Resources by Fund	Year-to-Date Actual			Budget			% of Budget	
	12/31/2011	12/31/2012	% Change	2011	2012	% Change	2011	2012
<b>General Gov't Operating:</b>								
General Fund	66,511,917	76,980,460	15.7%	68,664,728	76,241,634	11.0%	96.9%	101.0%
Other General Gov't Operating Funds	19,430,958	18,172,866	-6.5%	16,672,780	18,954,114	13.7%	116.5%	95.9%
<b>Total General Gov't Operating</b>	<b>85,942,875</b>	<b>95,153,326</b>	<b>10.7%</b>	<b>85,337,508</b>	<b>95,195,748</b>	<b>11.6%</b>	<b>100.7%</b>	<b>100.0%</b>
<b>Utilities:</b>								
Water/Sewer Operating Fund	19,387,708	21,075,119	8.7%	19,807,418	20,540,187	3.7%	97.9%	102.6%
Surface Water Management Fund	6,755,606	8,521,319	26.1%	6,847,891	8,391,990	22.5%	98.7%	101.5%
Solid Waste Fund	9,408,768	12,619,000	34.1%	10,040,676	13,228,950	31.8%	93.7%	95.4%
<b>Total Utilities</b>	<b>35,552,081</b>	<b>42,215,438</b>	<b>18.7%</b>	<b>36,695,985</b>	<b>42,161,127</b>	<b>14.9%</b>	<b>96.9%</b>	<b>100.1%</b>
<b>Total All Operating Funds</b>	<b>121,494,956</b>	<b>137,368,764</b>	<b>13.1%</b>	<b>122,033,493</b>	<b>137,356,875</b>	<b>12.6%</b>	<b>99.6%</b>	<b>100.0%</b>



### Kirkland City Council Unanimously Adopts 2013-14 City Budget

At its December 11, 2012 meeting, the Kirkland City Council adopted the 2013-2014 Budget. The two-year budget totals approximately \$543 million which is a 13.2% increase from the previous biennial budget due to the full two-year cost of providing services to the new neighborhoods, increased health benefit costs, the passage of Propositions 1 and 2, construction and occupancy of the Public Safety Building and anticipated increases in revenue from Real Estate Excise Tax (REET), impact fees, and lodging tax due to the improving economy. In order to balance the budget, \$5.3 million in cuts were necessary to ensure the City's expenses would equal its revenue.

In his Budget Message, City Manager Kurt Triplett conveyed "This budget funds the priorities and vision of our citizens as identified by our community survey and achieves progress on the Goals adopted by the City Council."

The preliminary Budget is currently available online at [www.kirklandwa.gov/budget](http://www.kirklandwa.gov/budget); the final Budget document will be available in hard copy and online by the end of March, 2013.

## Summary of All Operating Funds: *Expenditures*

- **General Fund** actual expenditures ended the year at **93.4 percent** of budget. Savings are largely due to postponement of some annexation-related hiring, position vacancies, and jail contract savings. A more detailed analysis of General Fund expenditures by department is found on page 4.
- **Other Operating Funds** actual expenditures ended the year at **87.7 percent** of budget largely due to budgeted vehicle purchases which have not yet occurred and lower facility utility costs. Vehicle costs vary year-to-year depending on the planned replacement cycle. In addition, there were several new annexation-related vehicles budgeted in 2012 which had been delayed and will most likely be purchased in early 2013. Some of the savings from delayed vehicle purchases was offset by higher than budgeted fuel costs. Facility utility costs are down, partially due to milder winter weather, but also from staff conservation efforts and the pay-off from past investments in updated controls and equipment at various locations. Other Operating funds also saw some savings in personnel costs due to annexation-related positions not being filled.
- **Water/Sewer Operating Fund** actual expenditures ended the year at **97.3 percent** of budget. The City did not take over provision of water and sewer services in most of the newly annexed areas; those areas are served by Northshore Utility District and Woodinville Water District.
- **Surface Water Management Fund** actual 2012 expenditures ended the year at **84.4 percent** of budget as a result of postponing the hiring of annexation-related positions that resulted in significant savings in the personnel and supplies categories.
- **Solid Waste Fund** actual 2012 expenditures ended the year at **100.9 percent** of budget primarily because of the one-time Department of Revenue assessment that was paid in 2012 but was budgeted in 2011. The City did not exceed the 2011-2012 appropriation as a result of the change in the timing of this transaction.

Expenditures by Fund	Year-to-Date Actual			Budget			% of Budget	
	12/31/2011	12/31/2012	% Change	2011	2012	% Change	2011	2012
<b>General Gov't Operating:</b>								
General Fund	63,324,094	67,962,459	7.3%	67,878,459	72,747,879	7.2%	93.3%	93.4%
Other General Gov't Operating Funds	14,785,499	16,634,001	12.5%	17,106,576	18,962,841	10.9%	86.4%	87.7%
<b>Total General Gov't Operating</b>	<b>78,109,593</b>	<b>84,596,460</b>	<b>8.3%</b>	<b>84,985,035</b>	<b>91,710,720</b>	<b>7.9%</b>	<b>91.9%</b>	<b>92.2%</b>
<b>Utilities:</b>								
Water/Sewer Operating Fund	15,953,964	16,861,496	5.7%	16,765,372	17,325,319	3.3%	95.2%	97.3%
Surface Water Management Fund	3,688,910	4,639,221	25.8%	4,338,938	5,495,211	26.6%	85.0%	84.4%
Solid Waste Fund	9,526,936	13,254,275	39.1%	10,070,151	13,135,052	30.4%	94.6%	100.9%
<b>Total Utilities</b>	<b>29,169,810</b>	<b>34,754,991</b>	<b>19.1%</b>	<b>31,174,461</b>	<b>35,955,582</b>	<b>15.3%</b>	<b>93.6%</b>	<b>96.7%</b>
<b>Total All Operating Funds</b>	<b>107,279,403</b>	<b>119,351,451</b>	<b>11.3%</b>	<b>116,159,496</b>	<b>127,666,302</b>	<b>9.9%</b>	<b>92.4%</b>	<b>93.5%</b>

Budgeted and actual expenditures exclude working capital, operating reserves, capital reserves, and interfund transfers.

## General Fund Revenue

Many significant General Fund revenue sources are economically sensitive, such as sales tax and development-related fees.

- **Sales tax** revenue allocated to the General Fund ended the year at **102.6 percent** of budget. A detailed analysis of total **sales tax** revenue can be found starting on page 5.
- **Utility tax** receipts, including projected new neighborhood area revenues, ended the year below budget expectations at **97.9 percent**. The shortfall in telecommunication utility tax revenues experienced in 2011 continued through December 2012. In addition, water and electric utility tax revenues came in under budget due to weather related variations. Together these three revenues ended the year under expectations by approximately 10.5 percent or \$933,624. These shortfalls are partially offset by gas and cable utility tax revenues that exceeded budget expectations.
- **Other taxes** actual revenue ended the year at **112.8 percent** of budget due to higher than expected gambling revenue from the new neighborhoods.
- The **business licenses (base fee) and franchise fees** actual revenue ended the year at **105.0 percent**.
- The **revenue generating regulatory license** fee ended the year slightly under budget expectations at **99.4 percent** of budget.
- The **development-related fee** revenues, collectively, ended

the year above budget expectations at **124.3 percent** of budget. **Building permits** and **plan check revenue** collectively ended the year **102.9 percent** of budget and **engineering services** revenue ended the year at **210.2 percent** of budget. **Planning fees** revenue ended the year at **163.8 percent** of budget primarily due to major Process IIA and Design Board permit revenues. Note that a significant portion of this additional revenue is for work to be done in subsequent years and will be set aside in reserve for that purpose.

- **Fines and Forfeitures** ended the year below budget expectations at **64.9 percent** due to lower than expected parking and traffic infraction penalty revenues. This is offset in part by salary savings from a parking enforcement officer, which is now filled. Revenues are expected to increase with the function at full staffing.
- **Other financing sources** includes the asset transfer from Woodinville Fire & Rescue that was received in late 2011 and budgeted in 2012. \$175,000 in Interfund Transfers budgeted for the purchase of public safety radios in 2011 occurred in December of 2012.

General Fund 2012 revenues ended the year at 101 percent of budget (excluding other financing sources).

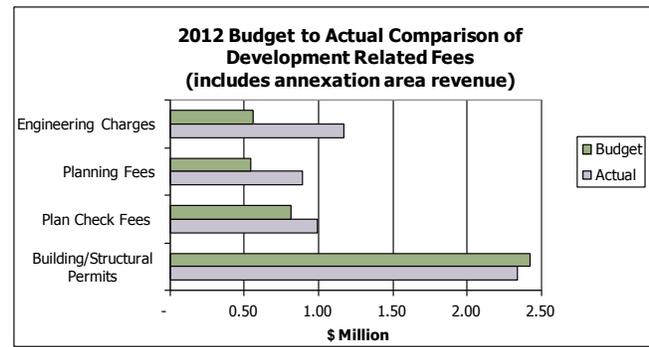
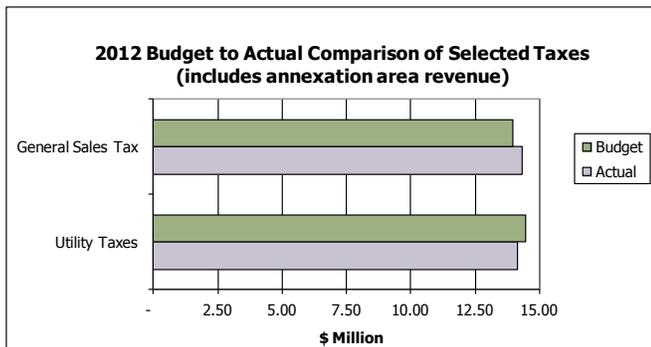
The General Fund is the largest of the General Government Operating funds. It is primarily tax supported and accounts for basic services such as public safety, parks and recreation, and community development.

In 2012, about 421 of the City's 541 regular employees are budgeted within this fund.

General Fund Resource Category	Year-to-Date Actual			Budget			% of Budget	
	12/31/2011	12/31/2012	% Change	2011	2012	% Change	2011	2012
<b>Taxes:</b>								
Retail Sales Tax: General	12,918,182	14,340,264	11.0%	12,885,899	13,972,010	8.4%	100.3%	102.6%
Retail Sales Tax Credit: Annexation	1,088,061	3,543,431	N/A	1,129,866	3,409,791	N/A	N/A	103.9%
Retail Sales Tax: Criminal Justice	1,141,768	1,671,316	46.4%	1,149,997	1,568,112	36.4%	99.3%	106.6%
Property Tax	13,088,632	15,999,451	22.2%	13,261,709	16,049,865	21.0%	98.7%	99.7%
Utility Taxes	11,861,208	14,160,641	19.4%	12,436,696	14,468,333	16.3%	95.4%	97.9%
Rev Generating Regulatory License	2,345,779	2,373,101	1.2%	2,344,069	2,386,300	1.8%	100.1%	99.4%
Other Taxes	440,258	1,134,577	157.7%	312,250	1,005,488	222.0%	141.0%	112.8%
<b>Total Taxes</b>	<b>42,883,888</b>	<b>53,222,781</b>	<b>24.1%</b>	<b>43,520,486</b>	<b>52,859,899</b>	<b>21.5%</b>	<b>98.5%</b>	<b>100.7%</b>
<b>Licenses &amp; Permits:</b>								
Building, Structural & Equipment Permits	1,675,118	2,340,270	39.7%	1,748,605	2,423,612	38.6%	95.8%	96.6%
Business Licenses/Franchise Fees	2,720,228	4,316,966	58.7%	3,014,279	4,109,869	36.3%	90.2%	105.0%
Other Licenses & Permits	207,444	250,705	20.9%	217,579	217,579	0.0%	95.3%	115.2%
<b>Total Licenses &amp; Permits</b>	<b>4,602,790</b>	<b>6,907,941</b>	<b>50.1%</b>	<b>4,980,463</b>	<b>6,751,060</b>	<b>35.6%</b>	<b>92.4%</b>	<b>102.3%</b>
<b>Intergovernmental:</b>								
Grants and Federal Entitlements	487,838	328,178	-32.7%	548,052	137,835	-74.9%	89.0%	238.1%
State Shared Revenues & Entitlements	871,865	1,328,459	52.4%	947,385	909,967	-3.9%	92.0%	146.0%
Property Tax - Fire District	2,313,161	-	N/A	-	-	N/A	N/A	N/A
Fire District #41	1,586,765	-	N/A	3,684,071	-	N/A	43.1%	N/A
EMS	840,146	855,091	N/A	868,678	866,729	N/A	96.7%	98.7%
Other Intergovernmental Services	266,132	111,493	-58.1%	533,087	186,597	-65.0%	49.9%	59.8%
<b>Total Intergovernmental</b>	<b>6,365,907</b>	<b>2,623,222</b>	<b>-58.8%</b>	<b>6,581,273</b>	<b>2,101,128</b>	<b>-68.1%</b>	<b>96.7%</b>	<b>124.8%</b>
<b>Charges for Services:</b>								
Internal Charges	5,393,203	5,381,414	-0.2%	5,558,328	5,894,286	6.0%	97.0%	91.3%
Engineering Services	759,300	1,168,301	53.9%	464,146	555,852	19.8%	163.6%	210.2%
Plan Check Fee	528,411	992,679	87.9%	1,115,779	814,484	-27.0%	47.4%	121.9%
Planning Fees	588,545	892,138	51.6%	495,044	544,619	10.0%	118.9%	163.8%
Recreation	1,082,755	1,131,941	N/A	1,162,406	1,152,963	N/A	N/A	98.2%
Other Charges for Services	1,534,336	1,878,102	22.4%	1,709,373	2,187,273	28.0%	89.8%	85.9%
<b>Total Charges for Services</b>	<b>9,886,550</b>	<b>11,444,576</b>	<b>15.8%</b>	<b>10,505,076</b>	<b>11,149,477</b>	<b>6.1%</b>	<b>94.1%</b>	<b>102.6%</b>
<b>Fines &amp; Forfeits</b>	<b>1,843,298</b>	<b>1,806,069</b>	<b>-2.0%</b>	<b>2,435,490</b>	<b>2,781,169</b>	<b>14.2%</b>	<b>75.7%</b>	<b>64.9%</b>
<b>Miscellaneous</b>	<b>929,484</b>	<b>975,872</b>	<b>5.0%</b>	<b>641,940</b>	<b>598,901</b>	<b>-6.7%</b>	<b>144.8%</b>	<b>162.9%</b>
<b>Total Revenues</b>	<b>66,511,917</b>	<b>76,980,460</b>	<b>15.7%</b>	<b>68,664,728</b>	<b>76,241,634</b>	<b>11.0%</b>	<b>96.9%</b>	<b>101.0%</b>
<b>Other Financing Sources:</b>								
Transfer of FD 41 & WFR Balances	3,467,255	-	N/A	1,722,725	1,426,568	N/A	N/A	N/A
Interfund Transfers	99,534	329,054	N/A	275,028	153,560	N/A	36.2%	214.3%
<b>Total Other Financing Sources</b>	<b>3,566,789</b>	<b>329,054</b>	<b>N/A</b>	<b>1,997,753</b>	<b>1,580,128</b>	<b>N/A</b>	<b>178.5%</b>	<b>20.8%</b>
<b>Total Resources</b>	<b>70,078,706</b>	<b>77,309,514</b>	<b>10.3%</b>	<b>70,662,481</b>	<b>77,821,762</b>	<b>10.1%</b>	<b>99.2%</b>	<b>99.3%</b>

Budgeted and actual revenues exclude resources forward.

### General Fund Revenue *continued*



### General Fund Expenditures

General Fund Department Expenditures	Year-to-Date Actual			Budget			% of Budget	
	12/31/2011	12/31/2012	% Change	2011	2012	% Change	2011	2012
Non-Departmental	1,480,723	1,586,976	7.2%	1,480,669	1,423,697	-3.8%	100.0%	111.5%
City Council	310,496	358,225	15.4%	333,977	443,849	32.9%	93.0%	80.7%
City Manager's Office	1,551,027	1,771,620	14.2%	1,577,493	1,901,282	20.5%	98.3%	93.2%
Municipal Court	1,829,709	2,028,875	10.9%	1,966,708	2,630,719	33.8%	93.0%	77.1%
Human Resources	1,223,115	1,215,749	-0.6%	1,267,998	1,274,208	0.5%	96.5%	95.4%
City Attorney's Office	1,120,377	1,301,336	16.2%	1,162,037	1,365,836	17.5%	96.4%	95.3%
Parks & Community Services	6,702,160	6,914,075	3.2%	7,108,434	7,326,446	3.1%	94.3%	94.4%
Public Works (Engineering)	3,365,232	3,572,007	6.1%	3,771,045	4,016,268	6.5%	89.2%	88.9%
Finance and Administration	3,822,892	4,286,169	12.1%	4,097,765	4,635,007	13.1%	93.3%	92.5%
Planning & Community Development	2,880,397	3,094,304	7.4%	2,932,820	3,424,656	16.8%	98.2%	90.4%
Police	19,880,595	21,677,895	9.0%	22,201,553	23,946,613	7.9%	89.5%	90.5%
Fire & Building	19,157,371	20,155,229	5.2%	19,977,960	20,359,298	1.9%	95.9%	99.0%
<b>Total Expenditures</b>	<b>63,324,094</b>	<b>67,962,459</b>	<b>7.3%</b>	<b>67,878,459</b>	<b>72,747,879</b>	<b>7.2%</b>	<b>93.3%</b>	<b>93.4%</b>
<b>Other Financing Uses:</b>								
Interfund Transfers	2,827,754	4,689,222	65.8%	3,286,374	4,942,766	50.4%	86.0%	94.9%
<b>Total Other Financing Uses</b>	<b>2,827,754</b>	<b>4,689,222</b>	<b>65.8%</b>	<b>3,286,374</b>	<b>4,942,766</b>	<b>50.4%</b>	<b>86.0%</b>	<b>94.9%</b>
<b>Total Expenditures &amp; Other Uses</b>	<b>66,151,848</b>	<b>72,651,681</b>	<b>9.8%</b>	<b>71,164,833</b>	<b>77,690,645</b>	<b>9.2%</b>	<b>93.0%</b>	<b>93.5%</b>

Budgeted and actual expenditures exclude working capital, operating reserves, and capital reserves.

The 2012 Budget incorporates budget reductions in response to the economic downturn and additions as a result of annexation. The same dynamics impacted the 2011 budget at varying times throughout the year. This creates a challenge comparing 2012 to 2011, therefore, expenditures will only be compared to the 2012 budget.

#### Comparing 2012 actual expenditures to the 2012 budget:

Overall, General Fund expenditures ended the year at 93.4 percent of budget, excluding interfund transfers. More than half of the under expenditures are a result of salary and benefit savings partially due to delayed hiring for annexation. The remaining under expenditures are primarily due to savings in intergovernmental jail contract costs and professional services.

- Actual 2012 expenditures for **Nondepartmental** ended the year over budget due to known uses of the litigation reserves and expenditures occurring in "revolving" accounts moved the General Fund in the bi-ennium, such as police and fire equipment, and parks donations.
- Actual 2012 expenditures for the **City Council** ended the year at **80.7 percent** of budget due to savings in dues and memberships.
- The **City Manager's Office** actuals ended the year at **93.2 percent** of budget due to savings in salaries and benefit expenses and professional services.
- The **Municipal Court** actuals ended the year at **77.1 percent** of budget due to savings in personnel costs associated with unfilled annexation positions. These positions are not needed and were eliminated in the 2013-2014 budget.

2012 General Fund actual expenditures (excluding "other financing sources") finished the year at 93.4 percent of budget, primarily due to postponement of annexation-related hiring, position vacancies in multiple departments and savings in jail costs.

Continued on page #

## Financial Management Report as of December 31, 2012

- Actual 2012 expenditures for **Human Resources** ended the year at **95.4 percent** of budget due to savings in salaries and benefits and professional services.
- The City Attorney's Office** expenditures ended the year at **95.3 percent** of budget due to some savings in legal services.
- Actual 2012 expenditures for the **Parks & Community Services Department** ended the year at **94.4 percent** of budget due to vehicles for annexation not yet purchased, operating supplies and human services contract payments, the majority of which will occur in the first quarter of 2013.
- Actual expenditures for the **Public Works Department** ended the year at **88.9 percent** of budget due to position vacancies and professional services that will occur in the first quarter of 2013.
- The **Finance and Administration Department** expenditures ended the year at **92.5 percent** of budget due to lower than expected voter registration costs and savings in salaries and benefits.
- Actual 2012 expenditures for the **Planning and Community Development Department** ended the year at **90.4 percent** of budget due to savings in personnel costs as a result of unfilled positions.
- The **Police Department** ended the year at **90.5 percent** of budget due to savings from delayed annexation-related staffing and increased hiring of laterals (and related expenses) along with position vacancies. In addition, jail costs were under budget by \$1,063,231, due to contracts with other agencies for lower rates than those charged by King County and an increase in the use of electronic home detention and other sentencing measures as alternatives to jail time.

### Summary of Fire District 41 Funds Revenues & Expenditures

	Capital	General Government
<b>Revenues:</b>		
Beginning Balance	4,000,000	1,724,497
Fire District Revenues	-	1,872,041
Interest and Other Revenues	23,796	2,697
Transfer from General Fund**	1,225,681	-
<b>Total Revenues</b>	<b>5,249,477</b>	<b>3,599,235</b>
<b>Expenditures:</b>		
Operating Costs (per ILA)*	-	164,058
Fire District 2011 Contract	-	2,209,496
Transfer to Capital Project**	-	1,225,681
Station Consolidation Project	37,872	-
<b>Total Expenditures</b>	<b>37,872</b>	<b>3,599,235</b>
<b>Ending Balance</b>	<b>5,211,605</b>	<b>(0)</b>

\*Includes 2012 obligations  
 \*\*Transfer of remaining Fire District 41 revenues from the General Fund to the Consolidated Fire Station Capital Improvement Project

**Sales Tax Revenue Analysis** 2012 sales tax revenue through December was up 10.6 percent compared to the same period in 2011. The 2012 budget for sales tax revenue assumed an increase of 7.9 percent over 2011 actuals, which reflected anticipated increases due to annexation.

#### Review by business sectors:

The **general merchandise/miscellaneous** retail sector was up **4.3 percent** compared to last year. A large one-time receipt received in early 2011 skews this comparison. Excluding this one-time receipt in 2011 this sector would have been up 7.6 percent.

The **auto/gas retail** sector was up **15.6 percent** compared to last year, largely due to positive performance by all of the key auto retailers in this category.

The **retail eating/drinking** sector performance was up **10.8 percent** compared to last year, due to positive performance by several key retailers.

**Other retail** was up **17.7 percent** compared to last year, due to positive performance in all of the categories except for the furniture and electronics categories.

The **contracting** sector was up **44.4 percent** compared to last year. A portion of this increase is attributed to revenues from the construction of two new elementary schools and continued improvement in development related activity.

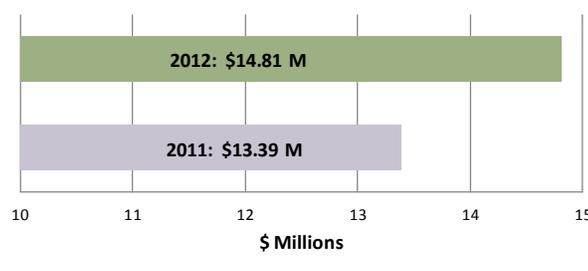
The **wholesale** sector was **down 21.9 percent** compared to last year, due to a one-time refund of \$190,078 from the Department of Revenue to a taxpayer in the wholesale category in December. Excluding this amount, the sector would be an increase of 4.4 percent.

The **services** sector was **down 1.6 percent** compared to last year, largely due to a one-time refund to a taxpayer from the Department of Revenue of \$127,000 in the other information category in May. The accommodations sector is up 2.9 percent or about \$8,200.

The **communications** sector was **down 8.1 percent** compared to last year due to one-time development related revenues in February 2011 in the telecommunications category. Factoring out this one-time revenue, this category would be up 5.7 percent compared to last year.

The **miscellaneous** sector was **down 13.4 percent** compared to last year due to the City receiving one-time Department of Revenue amnesty program revenues in 2011.

### Sales Tax Receipts Through December 2012 and 2011



#### Streamlined Sales Tax

Local coding sales tax rules changed as a result of Washington State joining the national Streamlined Sales Tax Agreement in 2008. Negative impacts from this change are mitigated by the State of Washington. The year end revenue was about \$100,000, about \$14,000 under budget. This revenue source has been reduced due to the impact of state budget decisions.

#### Neighboring Cities Sales Tax

Bellevue was up 3.3 percent and Redmond was down 18.2 percent through December compared to the same period in 2011. Redmond was much lower due to \$4.6 million in field recoveries received in February and March 2011. Excluding field recoveries Redmond received about the same revenues through December in 2011 and 2012.

## City of Kirkland Actual Sales Tax Receipts

Business Sector Group	January-December		Dollar Change	Percent Change	Percent of Total	
	2011	2012			2011	2012
Services	1,695,103	1,668,617	(26,486)	-1.6%	12.7%	11.3%
Contracting	1,751,622	2,529,780	778,158	44.4%	13.1%	17.1%
Communications	475,176	436,466	(38,710)	-8.1%	3.5%	2.9%
Auto/Gas Retail	3,161,723	3,655,645	493,922	15.6%	23.6%	24.7%
Gen Merch/Misc Retail	1,799,692	1,876,571	76,879	4.3%	13.4%	12.7%
Retail Eating/Drinking	1,146,804	1,270,831	124,027	10.8%	8.6%	8.6%
Other Retail	1,689,215	1,987,976	298,761	17.7%	12.6%	13.4%
Wholesale	718,132	560,974	(157,158)	-21.9%	5.4%	3.8%
Miscellaneous	950,723	823,403	(127,320)	-13.4%	7.1%	5.6%
<b>Total</b>	<b>13,388,190</b>	<b>14,810,263</b>	<b>1,422,073</b>	<b>10.6%</b>	<b>100.0%</b>	<b>100.0%</b>

*Kirkland's sales tax base is comprised of a variety of businesses which are grouped and analyzed by business sector (according to NAICS, or "North American Industry Classification System"). Nine business sector groupings are used to compare 2011 and 2012 year-to-date sales tax receipts in the table to the left.*

## City of Kirkland Actual Monthly Sales Tax Receipts

Month	Sales Tax Receipts		Dollar Change	Percent Change
	2011	2012		
January	1,082,225	1,104,023	21,798	2.0%
February	1,366,850	1,413,587	46,737	3.4%
March	942,887	1,054,686	111,799	11.9%
April	899,425	1,086,848	187,423	20.8%
May	1,154,252	1,132,774	(21,478)	-1.9%
June	1,046,570	1,147,892	101,322	9.7%
July	1,047,452	1,287,015	239,563	22.9%
August	1,181,633	1,313,808	132,175	11.2%
September	1,144,307	1,329,159	184,852	16.2%
October	1,148,556	1,386,749	238,193	20.7%
November	1,236,264	1,410,201	173,937	14.1%
December	1,137,769	1,143,521	5,752	0.5%
<b>Total</b>	<b>13,388,190</b>	<b>14,810,263</b>	<b>1,422,073</b>	<b>10.6%</b>

When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City. For example, sales tax received by the City in December is for sales activity in October. Monthly sales tax receipts through December 2011 and 2012 are compared in the table above.

- January 2012 was slightly ahead of January 2011. A large one-time receipt in January 2011 skews the comparison. The increase is 7.6 percent after factoring out this one-time event.
- Receipts for February were also skewed by a large one time adjustment in the communications category and the revenues from the new neighborhoods. Factoring out these revenues results in an increase of 1.8 percent.
- April receipts showed significant increases in the contracting, other retail and auto/gas categories.
- Receipts for May were down largely due to a one-time taxpayer refund.
- June continued to see increases in the contracting, other retail and auto/gas retail categories.
- July, August, September, October and November continued to see significant improvements in construction-related activity, strong performance in the auto/gas retail sector, and a general stabilization in the economy.
- December sales tax revenue was up 0.5 percent due to a large one-time taxpayer refund from the Department of Revenue in the wholesale category of \$190,078. Without the one-time refund December would have been up 17.2 percent.

*Kirkland's sales tax base is further broken down by business district (according to geographic area), as well as "unassigned or no district" for small businesses and businesses with no physical presence in Kirkland.*

## Comparing to the same period last year:

**Totem Lake**, which accounts for about 30 percent of the total sales tax receipts, was **up 11.0 percent** due to continued improvements in automotive/gas retail and improvements in the all retail categories.

About 60 percent of this business district's revenue comes from the auto/gas retail sector.

**NE 85<sup>th</sup> Street**, which accounts for 15 percent of the total sales tax receipts, was **up 10.7 percent** primarily due to increases in all of the retail categories. These retail sectors contribute almost 96 percent of this business district's revenue.

**Downtown**, which accounts for more than 5 percent of the total sales tax receipts, was **down 10.7 percent** largely due to a one-time taxpayer refund in the other information services category that reduced the City's receipts in May. If this one-time taxpayer refund is factored out, Downtown tax receipts would be up 3.6 percent.

**Carillon Point & Yarrow Bay**, which account for more than 2 percent of the total sales tax receipts, were **down 22.0 percent** compared to last year primarily due to one-time revenues in the

other retail category in February 2011. About 74 percent of this business district's revenue comes from business services, retail eating/drinking and accommodations.

**Houghton & Bridle Trails**, which account for more than 2 percent of the total sales tax receipts, were **up 6.6 percent** collectively due to strong performance in the other retail category. The retail sectors provide about 69 percent of these business districts' revenue.

**Juanita**, which accounts for about 2 percent of the total sales tax receipts was **up 3.8 percent**. Increases in the retail eating/drinking are offset by poor performance in the business services category. These sectors, along with miscellaneous retail make up about 76 percent of this business district's revenue.

**North Juanita, Kingsgate, & Finn Hill** which account for more than 3 percent of the total sales tax receipts. Sales tax receipts for these business districts continued to perform below budget projections, which were based on data from King County. Note that 2011 receipts reflected one quarter of revenues only. Retail eating/drinking and food retail sectors provide about 67 percent of these business districts sales tax revenues.

*Year-to-date sales tax receipts by business district for 2011 and 2012 are compared in the table on the next page.*

## Financial Management Report as of December 31, 2012

When reviewing sales tax receipts by business district, it's important to point out that more than 45 percent of the revenue received in 2012 is in the "unassigned or no district" category largely due to contracting and other revenue, which includes revenue from Internet, catalog sales and other businesses located outside of the City.

City of Kirkland Sales Tax by Business District

Business District	Jan - Dec Receipts		Dollar Change	Percent Change	Percent of Total	
	2011	2012			2011	2012
Totem Lake	3,969,493	4,405,643	436,150	11.0%	29.6%	29.7%
NE 85th St	1,977,792	2,189,027	211,235	10.7%	14.8%	14.8%
Downtown	886,762	791,614	(95,149)	-10.7%	6.6%	5.3%
Carillon Pt/Yarrow Bay	451,670	352,206	(99,464)	-22.0%	3.4%	2.4%
Houghton & Bridle Trails	346,139	369,094	22,955	6.6%	2.6%	2.5%
Juanita	242,242	251,510	9,268	3.8%	1.8%	1.7%
Kingsgate	105,668	178,081	72,413	68.5%	0.8%	1.2%
North Juanita	134,286	240,275	105,989	78.9%	1.0%	1.6%
Finn Hill	55,606	90,947	35,341	63.6%	0.4%	0.6%
Unassigned or No District:						
Contracting	1,749,027	2,527,202	778,175	44.5%	13.1%	17.1%
Other	3,469,503	3,414,665	(54,838)	-1.6%	29.9%	28.2%
<b>Total</b>	<b>13,388,189</b>	<b>14,810,263</b>	<b>1,422,075</b>	<b>10.6%</b>	<b>100.0%</b>	<b>100.0%</b>

**Sales Tax Revenue Outlook** Sales tax receipts for 2012 continued to indicate a slow recovery and the normal revenue volatility associated with sales tax revenues. The services, contracting, automotive/gas retail and other retail sectors contributed the largest amount of gain, but these sectors are very sensitive to economic conditions. The contracting sector has shown signs of recovery, with some of this gain due to the construction of two new elementary schools in the new neighborhoods. Anticipating revenues from the new neighborhoods for the full year of 2012, the budget included a 7.9 percent increase over 2011 actual. New neighborhood revenue is below expectations offset by gains in the pre-annexation City and contracting. Total sales tax receipts ended the year 10.6 percent ahead of 2011.

#### OFFICE VACANCIES:

According to CB Richard Ellis Real Estate Services, the Eastside office vacancy rate dropped to a four year low of 15.4 percent for the fourth quarter of 2012, compared to 15.5 percent for the fourth quarter of 2011. Kirkland's 2012 vacancy rate was 8.2 percent, slightly higher than the 2011 rate of 7.9 percent.

The Puget Sound office market flourished in 2012 with annual absorption of 3.12 million square feet, the greatest since 2000. The Amazon.com \$1.16 billion purchase of properties in South Lake Union was the nations largest office sale in 2012.

The Puget Sound region office market currently has 20.3 million square feet of announced projects in the pipeline, with developers positioning their sites to accommodate future growth.

#### LODGING TAX REVENUE:

Lodging tax revenue ended the year at 108.1 percent of the budget and 6.1 percent more than 2011.

**Economic Environment Update** The International Monetary Fund, led by its chief economist, Olivier Blanchard, in the latest update to its World Economic Outlook, estimates that the U.S. economy grew by 2.3 percent in 2012 and he predicts that that number will fall to 2 percent for 2013. In addition, Reuters polled analysts in December, which produced a median forecast for 1.9 percent U.S. economic growth in 2013. Congress passed, and the President signed, a bill to avoid most of the tax increases and budget cuts that made up the "fiscal cliff." However, the payroll tax on employee wages will rise (from 4.2% to 6.2%). Across-the-board budget cuts were delayed for two months. Economists also say the U.S. economy will likely grow much more quickly if the government was not raising taxes. Some economists think ongoing talks in Congress will eventually lead these spending cuts to be put off until next year, presumably once lawmakers reach a deal to reduce spending over the longer term while granting the government authority to increase the national debt. However, they might not reach a deal, and the planned spending cuts would then cut deeply into economic growth in the second half of the year.

The Conference Board **Consumer Confidence Index**, which had declined slightly in November, posted another decrease in December. The Index now stands at 65.1 down from 71.5 in November. Lynn Franco, Director of Economic Indicators at The Conference Board said: "Consumers' expectations retreated sharply in December resulting in a decline in the overall Index. The sudden turnaround in expectations was most likely caused by uncertainty surrounding the oncoming fiscal cliff. A similar decline in expectations was experienced in August of 2011 during the debt ceiling discussions. While consumers are quite negative about the short-term outlook, they are more upbeat than last month about current business and labor market conditions." An index of 90 indicates a stable economy an index of above 100 indicates growth.

King County's **unemployment rate** was **6.1 percent** in December 2012 compared to 7.1 percent in December 2011. King County's unemployment rate is lower than the Washington State and national rates, which were 7.7 and 7.6 percent respectively. The unemployment rate in Kirkland for December was 5.3 percent compared to 6.0 percent in December 2011.

(Continued on page 8)

## Economic Environment Update *continued*

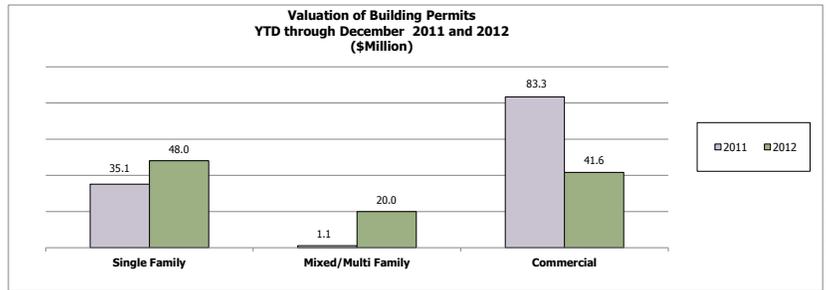
The Western Washington Purchasing Manager Index for the month of December saw a slight decline of economic activity in the Pacific Northwest. The index was at 62.0, down from 63.2 in November. Index numbers less than 50 indicate a shrinking economy, while those over 50 signal an expanding economy.

Local **development activity** through December comparing 2011 to 2012 as measured by the valuation of City of Kirkland building permits is illustrated in the chart to the right. Overall activity is down about 8

percent from last year. Activity has improved in single family and mixed use/multifamily but declined in the commercial sector. A large mixed use/multifamily project permit was applied for in October for the Totem Lake area which increased the valuation in this sector significantly. Beginning in June of 2012 public building permit data was combined with commercial permits.

Closed sales of **new and existing single-family homes** on the Eastside were up 32.9 percent in December 2012 compared to December 2011. The median price of a single family home increased from \$460,000 in December 2011 to \$510,468 in December 2012. Closed sales of condos throughout King County were up 31.6 percent and median prices increased by 2.3 percent, from \$239,500 to \$245,000. County-wide, closed sales for single family homes and condos increased by 18.3 percent. The county-wide median home price increased by 17.5 percent year-over-year.

**Seattle metro consumer price index (CPI)** in December was at 1.4 percent, the Seattle metro CPI fluctuated throughout the year averaging 2.66 percent. The Seattle index is calculated on a bi monthly basis. The national index ended the year at 1.7 percent in December and averaged 2.12 percent for 2012.

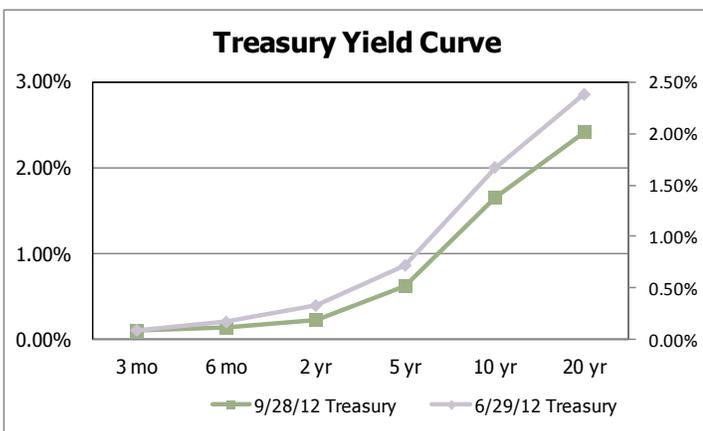


## Investment Report

### MARKET OVERVIEW

The news for the 4<sup>th</sup> quarter 2012 is the same story as previous quarters in 2012, very little or no change in the rates. The Fed Funds rate continues to hold at 0.25 percent through the fourth quarter. It is now expected that these rates will remain at this level well into 2015. There was little change in the economy for this quarter as well. The yield curve remained nearly the same for this quarter with only a slight drop in rates in the short end of the curve and a slight increase in rates at the long end of the curve.

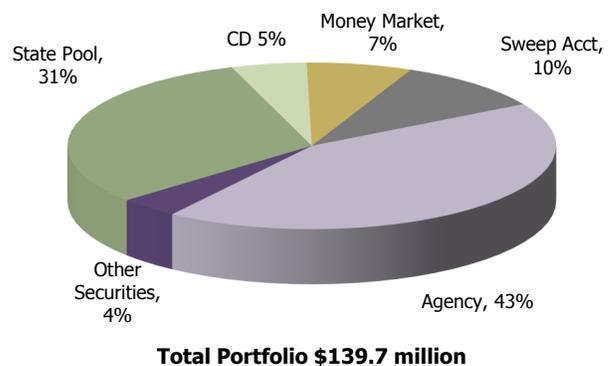
During the 4<sup>th</sup> quarter of 2012, the City's portfolio balance increased by \$8.8 million. The portfolio balance was \$139.7 million on September 30, 2012 compared to \$148.5 million on December 31, 2012. \$3 million of this increase was due to lowering the balance kept in the general bank account to cover bank fees, from \$5 million to \$2 million. The balance kept in the City's general account is not included in the investment portfolio. The remaining \$5.5 million increase was due to receiving the 2<sup>nd</sup> half of property taxes due at the end of October.



### CITY PORTFOLIO

The primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City.

### Investments by Category



### Diversification

The City's current investment portfolio is composed of Government Sponsored Enterprises (GSEs) bonds, US Government Obligations, State and Local Government bonds, Bank CDs, Money Market Account, the State Investment Pool and an overnight bank sweep account. City investment procedures allow for 100% of the portfolio to be invested in U.S. Treasury or Federal Government obligations.

**Financial Management Report as of December 31, 2012**

**2012 ECONOMIC OUTLOOK and INVESTMENT STRATEGY**

The outlook for the U.S. economy changed very little in the 4<sup>th</sup> quarter of 2012 according to 39 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The U.S. economy is expected to grow at an annual rate of 2.2 percent in 2012 and 2.0 percent in 2013. CPI inflation is expected to average 1.9 percent in 2012 and 2.2 percent in 2013. The unemployment rate is expected to average 8.1 percent in 2012 and fall to 7.8 percent in 2013. The Fed Funds rate, currently at 0.25%, is expected to remain at this level well into 2015.

The duration of the portfolio increased in the 4<sup>th</sup> quarter as securities with longer maturities were purchased to take advantage of the slight increase in rates on the longer end of the yield curve. Opportunities for increasing portfolio returns are scarce as short term interest rates continue at historically low levels. New security purchases will be made as opportunities to obtain moderate returns become available. The State Pool is currently at 0.24% and will continue to remain low as the Fed Funds rate remains at 0.00 to 0.25%. Total investment income for 2012 was \$889,500.

**Investment Report *continued***

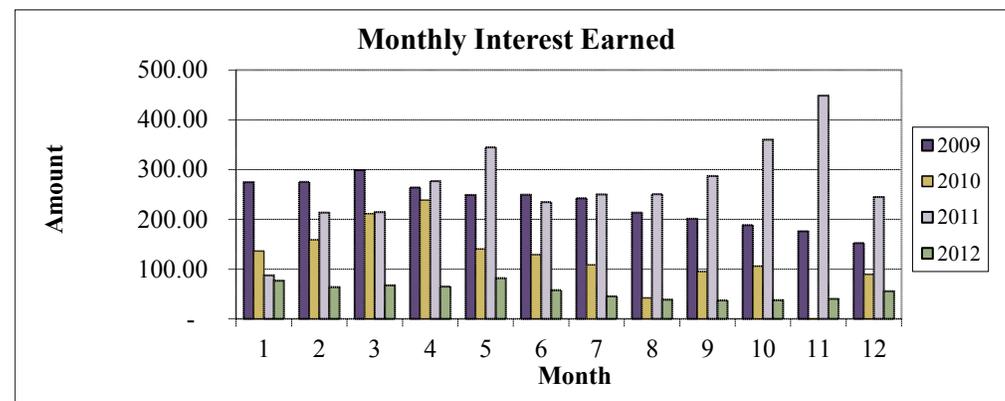
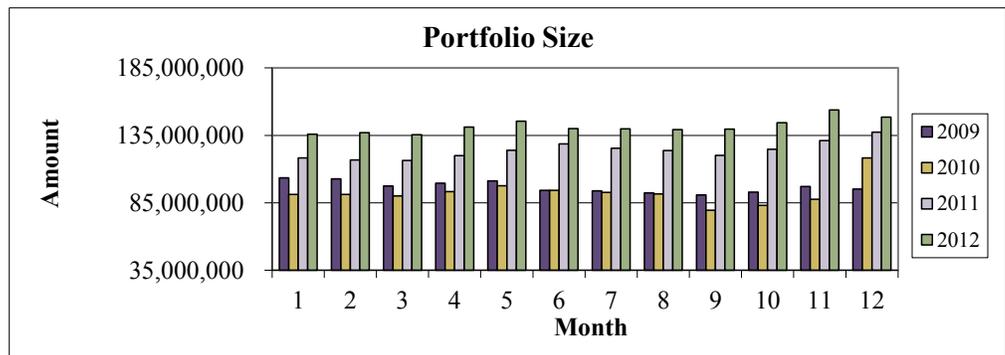
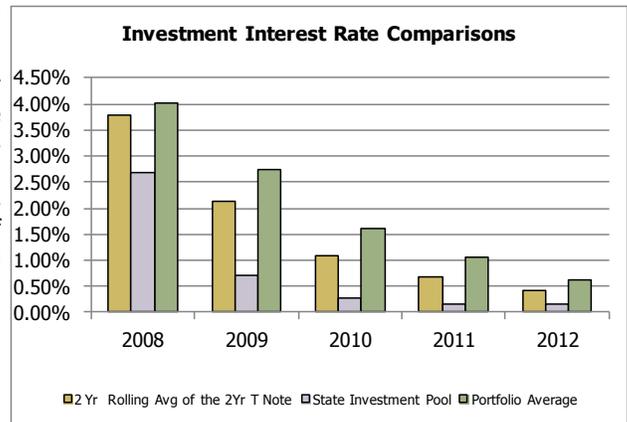
**Liquidity**

The target duration for the City's portfolio is based on the 2 year Treasury rate, which increased slightly from 0.23 percent on September 30, 2012 to 0.25 percent on December 31, 2012. The average maturity of the City's investment portfolio increased from 0.63 years on September 30, 2012 to 2.16 years on December 31, 2012 with the purchase of longer term securities as the interest rates moved higher.

**Yield**

The City Portfolio yield to maturity increased from 0.47 percent on September 30, 2012 to 0.64 percent on December 31, 2012. Through December 31, 2012, the City's annual average yield to maturity was 0.60 percent. The City's portfolio benchmark is the range between the 90 day Treasury Bill and the 2 year rolling average of the 2 year Treasury Note. This benchmark is used as it is reflective of the maturity guidelines required in the Investment Policy adopted by City Council. The City's portfolio outperformed both the 90 day T Bill and the 2 year rolling average of the 2 year Treasury Note, which was 0.35 percent on December 31, 2012.

The City's practice of investing further out on the yield curve than the State Investment Pool results in earnings higher than the State Pool during declining interest rates and lower earnings than the State Pool during periods of rising interest rates. This can be seen in the adjacent graph.



**Reserves** are an important indicator of the City's fiscal health and effectively represent "savings accounts" that are established to meet unforeseen budgetary needs (general purpose reserves) or are dedicated to a specific purpose. The reserves are listed with their revised estimated balances at the end of the biennium as of December 31, 2012.

## Reserve Analysis

### General Purpose Reserves

- The **Revenue Stabilization Reserve** was used almost in its entirety during the 2009-10 biennium as part of the budget balancing strategy to address the severe economic downturn, which allowed the City to mitigate some negative impacts to services. General Fund 2010 year-end cash was used to replenish this reserve in the amount of \$600,000 in 2011 and an additional \$500,000 replenishment was made as part of the Mid-Biennial budget process. Further replenishment will remain a high priority.
- The **Building and Property Reserve** has been identified as an available funding source for facility expansion and renovation projects.

### General Capital Reserves

- The downturn in real estate transactions over the last few years has significantly impacted **Real Estate Excise Tax (REET)** collections resulting in adjustments to capital project planning to reflect available funding. However, through December 31, 2012, REET revenues saw a 96 percent increase over 2011. Although the "Revised 2012 Ending Balance" for REET 2 reserves is only \$135,379, the actual expected year-end balance is almost \$2.3 million due to higher than budgeted revenue receipts and despite the use of this reserve in 2012 to assist in the re-payment of the loan from the utilities for the purchase of the Cross Kirkland Corridor in 2011.
- Impact fees** ended the year significantly ahead of 2011, with increases in both transportation and park impact fees. Transportation fees ended the year at 341 percent of the 2012 budget and park fees ended at 493 percent. There is no planned use for capital projects in the current budget cycle (except that Park impact fees will be used to pay related debt), since these revenue sources were expected to remain low compared to historical trends until development activity improved.

Reserves	2011 Beginning Balance	Adopted 2012 Ending Balance	Revised 2012 Ending Balance	2011-12 Target	Revised Over (Under) Target
<b>GENERAL PURPOSE RESERVES WITH TARGETS</b>					
General Fund Reserves:					
General Fund Contingency	50,000	50,000	50,000	50,000	0
General Oper. Reserve (Rainy Day)	2,806,513	2,806,513	2,806,513	4,127,496	(1,320,983)
Revenue Stabilization Reserve	131,431	731,431	1,231,431	2,279,251	(1,047,820)
Council Special Projects Reserve	201,534	251,534	182,534	250,000	(67,466)
Contingency	2,051,870	2,201,870	2,201,870	4,016,232	(1,814,362)
General Capital Contingency:	4,844,957	4,669,463	2,686,557	4,631,904	(1,945,347)
<b>General Purpose Reserves with Targets</b>	<b>10,086,305</b>	<b>10,710,811</b>	<b>9,158,905</b>	<b>15,354,883</b>	<b>(6,195,978)</b>
<b>ALL OTHER RESERVES WITH TARGETS</b>					
General Fund Reserves:					
Litigation Reserve	70,000	70,000	0	50,000	(50,000)
Firefighter's Pension Reserve	1,595,017	1,734,215	1,734,215	1,568,207	166,008
Health Benefits Fund:					
Claims Reserve	0	1,424,472	1,424,472	1,424,472	0
Rate Stabilization Reserve	0	1,000,000	1,000,000	500,000	500,000
Excise Tax Capital Improvement:					
REET 1	1,530,280	1,019,907	827,222	1,035,000	(207,778)
REET 2*	7,121,695	4,975,718	135,739	2,716,983	(2,581,244)
Water/Sewer Operating Reserve:	1,979,380	1,979,380	1,939,380	1,979,380	(40,000)
Water/Sewer Debt Service Reserve:	822,274	508,717	508,717	508,717	0
Water/Sewer Capital Contingency:	1,793,630	1,793,630	1,793,630	250,000	1,543,630
Surface Water Operating Reserve:	412,875	412,875	412,875	412,875	0
Surface Water Capital Contingency:	858,400	858,400	858,400	758,400	100,000
<b>Other Reserves with Targets</b>	<b>16,183,551</b>	<b>15,777,314</b>	<b>10,634,650</b>	<b>11,204,034</b>	<b>(569,384)</b>
<b>Reserves without Targets</b>	<b>30,815,305</b>	<b>36,462,059</b>	<b>34,833,444</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Reserves</b>	<b>57,085,161</b>	<b>62,950,184</b>	<b>54,626,999</b>	<b>n/a</b>	<b>n/a</b>

*The target comparison reflects revised ending balances to the targets established in the budget process for those reserves with targets.*

*General Purpose reserves are funded from general revenue and may be used for any general government function.*

*All Other Reserves with Targets have restrictions for use either from the funding source or by Council-directed policy (such as the Litigation Reserve).*

\*See "General Capital Reserves" bullet point above table

*The summary to the right details all Council authorized uses and additions through December 31, 2012.*

### USES AND ADDITIONS HIGHLIGHTS

RESERVE	AMOUNT	DESCRIPTION
<b>2011-12 Council Authorized Uses</b>		
2011 Total Uses	\$1,891,458	
2012 First Quarter Total Uses	\$311,500	
2012 Second Quarter Total Uses	\$4,184,869	
2012 Third Quarter Total Uses	\$1,313,800	
Street Improvement Reserve	\$28,000	NE 68th St/108th Ave Intersection
Off Street Parking Reserve	\$5,000	Two Downtown Parking Pay Station Shelters
Real Estate Excise Tax 2 - Transp.	\$1,931,000	NE 120th Street Roadway Extension
Real Estate Excise Tax 2 - Transp.	\$2,505,726	Cross Kirkland Corridor Interfund Loan Repayment
Real Estate Excise Tax 2 - Transp.	\$86,000	100th Ave NE Bicycle Lanes
Cash use in anticipation of future revenues	\$886,906	Accrued revenue to be received in 2013
<b>2011-12 Council Authorized Additions</b>		
Council Special Projects Reserve	\$3,000	CDBG Funding Request Withdrawn
Revenue Stabilization Reserve	\$500,000	Replenishing Revenue Stabilization Reserve
Radio Reserve	\$7,686	Reimbursement from NORCOM
Development Services Reserve	\$280,000	Recognizing Additional Development Services Revenue for Future Work
Wtr-Swr Construction/Surf Wtr Tran Rsv	\$4,030,388	Cross Kirkland Corridor Interfund Loan Repayment

**General Fund and Contingency reserves are funded from general purpose revenue and are governed by Council-adopted policies.**

**Note: Fund structure changes required by new accounting standards moved many of the General Purpose reserves out of the Parks & Municipal Reserve Fund (which was closed) and to the General Fund.**

**Special Purpose reserves reflect both restricted and dedicated revenue for specific purpose, as well as general revenue set aside for specific purposes.**

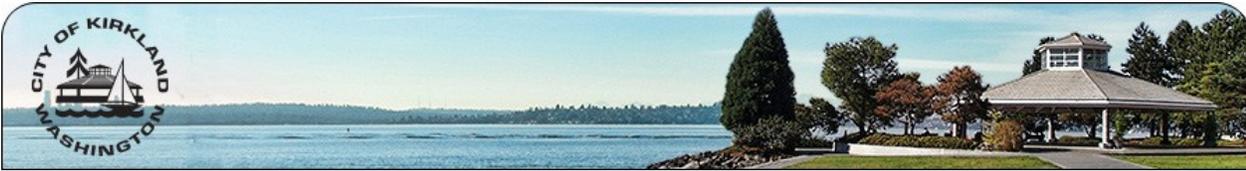
**General Capital Reserves provide the City the ability to respond to unexpected changes in costs and accumulate funds for future projects. It is funded from both general revenue and restricted revenue.**

**Utility reserves are funded from utility rates and provide the utilities with the ability to respond to unexpected costs and accumulate funds for future replacement projects.**

**Internal service funds are funded by charges to operating departments. They provide for the replacement of funds for replacement of equipment, as well as the ability to respond to unexpected costs.**

Reserves	Description	2011 Beginning Balance	Adopted 2012 Ending Balance	Additional Authorized Uses/Additions	Revised 2012 Ending Balance
<b>GENERAL FUND/CONTINGENCY</b>					
General Fund Reserves:					
General Fund Contingency	Unexpected General Fund expenditures	50,000	50,000	0	50,000
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	2,806,513	2,806,513	0	2,806,513
Revenue Stabilization Reserve	Temporary revenue shortfalls	131,431	731,431	500,000	1,231,431
Building & Property Reserve	Property-related transactions	2,137,598	2,137,598	0	2,137,598
Council Special Projects Reserve	One-time special projects	201,534	251,534	(69,000)	182,534
Contingency	Unforeseen expenditures	2,051,870	2,201,870	0	2,201,870
<b>Total General Fund/Contingency</b>		<b>7,378,946</b>	<b>8,178,946</b>	<b>431,000</b>	<b>8,609,946</b>
<b>SPECIAL PURPOSE RESERVES</b>					
General Fund Reserves:					
Litigation Reserve	Outside counsel costs contingency	70,000	70,000	(70,000)	0
Labor Relations Reserve	Labor negotiation costs contingency	70,606	70,606	0	70,606
Police Equipment Reserve	Equipment funded from seized property	50,086	50,086	0	50,086
LEOFF 1 Police Reserve	Police long-term care benefits	618,079	618,079	0	618,079
Facilities Expansion Reserve	Special facilities expansions reserve	800,000	800,000	0	800,000
Development Services Reserve	Revenue and staffing stabilization	486,564	636,564	165,997	802,561
Tour Dock	Dock repairs	81,745	81,745	0	81,745
Tree Ordinance	Replacement trees program	29,117	29,117	(10,000)	19,117
Donation Accounts	Donations for specific purposes	185,026	185,026	0	185,026
Revolving Accounts	Fee/reimbursement for specific purposes	436,386	436,386	(2,318)	434,068
Lodging Tax Fund	Tourism program and facilities	146,384	123,566	(19,800)	103,766
Cemetery Improvement	Cemetery improvements/debt service	439,415	439,415	0	439,415
Off-Street Parking	Downtown parking improvements	10,776	10,776	(7,880)	2,896
Firefighter's Pension	Long-term care/pension benefits	1,595,017	1,734,215	0	1,734,215
<b>Total Special Purpose Reserves</b>		<b>5,019,201</b>	<b>5,285,581</b>	<b>55,999</b>	<b>5,341,580</b>
<b>GENERAL CAPITAL RESERVES</b>					
Excise Tax Capital Improvement:					
REET 1	Parks/transportation/facilities projects, parks debt service	1,530,280	1,019,907	(192,685)	827,222
REET 2*	Transportation and other capital projects	7,121,695	4,975,718	(4,839,979)	135,739
Impact Fees					
Roads	Transportation capacity projects	525,095	1,112,245	0	1,112,245
Parks	Parks capacity projects	2,033	3,038	0	3,038
Street Improvement	Street improvements	1,092,258	1,092,258	(96,300)	995,958
General Capital Contingency	Changes to General capital projects	4,844,957	4,669,463	(1,982,906)	2,686,557
<b>Total General Capital Reserves</b>		<b>15,116,318</b>	<b>12,872,629</b>	<b>(7,111,870)</b>	<b>5,760,759</b>
<b>UTILITY RESERVES</b>					
Water/Sewer Utility:					
Water/Sewer Operating Reserve	Operating contingency	1,979,380	1,979,380	(40,000)	1,939,380
Water/Sewer Debt Service Reserve	Debt service reserve	822,274	508,717	0	508,717
Water/Sewer Capital Contingency	Changes to Water/Sewer capital projects	1,793,630	1,793,630	0	1,793,630
Water/Sewer Construction Reserve	Replacement/re-prioritized/new projects	7,870,665	9,871,542	(1,037,500)	8,834,042
Surface Water Utility:					
Surface Water Operating Reserve	Operating contingency	412,875	412,875	0	412,875
Surface Water Capital Contingency	Changes to Surface Water capital projects	858,400	858,400	0	858,400
Surface Water-Transp. Related Rsv	Replacement/re-prioritized/new projects	2,483,250	3,666,250	0	3,666,250
Surface Water Construction Reserve	Trans. related surface water projects	2,848,125	3,376,431	(571,000)	2,805,431
<b>Total Utility Reserves</b>		<b>19,068,599</b>	<b>22,467,225</b>	<b>(1,648,500)</b>	<b>20,818,725</b>
<b>INTERNAL SERVICE FUND RESERVES</b>					
Health Benefits:					
Claims Reserve	Health benefits self insurance claims	0	1,424,472	0	1,424,472
Rate Stabilization Reserve	Rate stabilization	0	1,000,000	0	1,000,000
Equipment Rental:					
Vehicle Reserve	Vehicle replacements	7,718,221	8,047,063	(57,500)	7,989,563
Radio Reserve	Radio replacements	0	0	7,686	7,686
Information Technology:					
PC Replacement Reserve	PC equipment replacements	258,311	318,646	0	318,646
Technology Initiative Reserve	Technology projects	690,207	690,207	0	690,207
Major Systems Replacement Reserve	Major technology systems replacement	245,500	84,900	0	84,900
Facilities Maintenance:					
Operating Reserve	Unforeseen operating costs	550,000	550,000	0	550,000
Facilities Sinking Fund	20-year facility life cycle costs	1,039,858	2,030,515	0	2,030,515
<b>Total Internal Service Fund Reserves</b>		<b>10,502,097</b>	<b>11,721,331</b>	<b>(49,814)</b>	<b>11,671,517</b>
<b>Grand Total</b>		<b>57,085,161</b>	<b>62,950,184</b>	<b>(8,323,185)</b>	<b>54,626,999</b>

\*See "General Capital Reserves" bullet point regarding REET 2 reserves on page 10



The Financial Management Report (FMR) is a high-level status report on the City's financial condition that is produced quarterly.

- It provides a **summary budget to actual comparison** for year-to-date revenues and expenditures for all operating funds.
  - The **Sales Tax Revenue Analysis** report takes a closer look at one of the City's larger and most economically sensitive revenue sources.
  - **Economic environment** information provides a brief outlook at the key economic indicators for the Eastside and Kirkland such as office vacancies, residential housing prices/sales, development activity, inflation and unemployment.
  - The **Investment Summary** report includes a brief market overview, a snapshot of the City's investment portfolio, and the City's year-to-date investment performance.
  - The **Reserve Summary** report highlights the uses of and additions to the City's reserves in the current year as well as the projected ending reserve balance relative to each reserve's target amount.
- Tracey Dunlap, Director of Finance & Administration
  - Michael Olson, Deputy Director of Finance & Administration
  - Sri Krishnan, Financial Planning Manager
  - Neil Kruse, Senior Financial Analyst
  - Karen Terrell, Budget Analyst

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- CB Richard Ellis Real Estate Services, Market View Puget Sound, Fourth Quarter 2012
- Northwest Multiple Listing Service
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- Washington State Employment Security Department
- Washington State Department of Revenue
- Washington State Department of Labor & Industries
- City of Kirkland Building Division



**CITY OF KIRKLAND**  
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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Director of Finance & Administration  
 Karen Terrell, Budget Analyst

**Date:** February 15, 2013

**Subject:** January Sales Tax Revenue Analysis

January sales tax revenue is **up 20.8 percent** compared to January 2012. A substantial portion of the gain is due to strong performance in the contracting, auto/gas retail and services sectors. Early holiday shopping also appears to have contributed to the gains in all of the retail categories. Sales tax revenue received this month is for activity in November.

### Business sector review:

- Retail sectors sales tax revenue collectively are up 10.8 percent compared to 2012.
  - The **general merchandise/miscellaneous retail** sector is **up 8.5 percent** compared to last year largely due to positive performance by one key retailer in this category.
  - The **auto/gas retail** sector is **up 16.9 percent** compared to last year. This gain is due to positive performance by all of the auto dealerships in this category. This is the sixteenth consecutive month that this sector has seen positive performance.
  - The **retail eating/drinking** sector performance is **up 7.7 percent** compared to last year. Most of the gains in this category are due to two new restaurants that opened in April of 2012 and one that opened in July of 2012.
  - Other retail is **up 3.8 percent** compared to last year due to positive performance in all of the categories with the exception of food and beverage stores.
- The **services** sector is **up 31.7 percent** compared to last year, largely due to a one-time field recovery in the publishing category. The Department of Revenue conducts audits on various taxpayers, when it is determined that these companies should have paid sales tax to Kirkland, the Department of Revenue moves the revenue from the jurisdiction that it was paid to in error or collects the tax that is due from the taxpayer and gives it to Kirkland in the form of a field recovery. Without this recovery of revenue, the services sector would be up 15.6 percent. The accommodations sector is down 18.6 percent or almost \$3,500.
- **Wholesale** is **up 37.9 percent** compared to last year due to increases in the durable goods wholesale category. Items in this category include medical equipment, computer equipment, sporting and recreation equipment, and industrial equipment.
- The **communications** sector is **up 7.5 percent** compared to last year due to positive performance from a few key telecommunications companies.
- The **contracting** sector is **up 51.7 percent** compared to last year due to construction of two new schools and construction of a few large projects including Totem Station, Juanita Village and Kirkland Lacrosse Field House.
- The **miscellaneous** sector is **up 27.6 percent** compared to last year mostly due to positive performance in the real estate and finance categories.

**City of Kirkland Actual Sales Tax Receipts**

Business Sector Group	January		Dollar Change	Percent Change	Percent of Total	
	2012	2013			2012	2013
Services	129,410	170,468	41,058	31.7%	11.7%	12.8%
Contracting	151,386	229,675	78,289	51.7%	13.7%	17.2%
Communications	33,084	35,565	2,481	7.5%	3.0%	2.7%
Auto/Gas Retail	284,334	332,373	48,039	16.9%	25.8%	24.9%
Gen Merch/Misc Retail	148,649	161,249	12,600	8.5%	13.5%	12.1%
Retail Eating/Drinking	90,946	97,934	6,988	7.7%	8.2%	7.3%
Other Retail	162,944	169,175	6,231	3.8%	14.8%	12.7%
Wholesale	47,357	65,304	17,947	37.9%	4.3%	4.9%
Miscellaneous	55,913	71,370	15,457	27.6%	5.1%	5.4%
<b>Total</b>	<b>1,104,023</b>	<b>1,333,113</b>	<b>229,090</b>	<b>20.8%</b>	<b>100.0%</b>	<b>100.0%</b>

**Conclusion**

The 2013 budget reflects the City's one-year "lag" budget strategy, which sets 2013 sales tax revenue equal to the estimated 2012 amount of \$14,638,962 (as determined during the budget development process in the fall of 2012). Actual 2012 sales tax revenue was higher than estimated at \$14,810,263. When informed of this one-time increase in sales tax revenue, Council directed staff to use these funds to replenish reserves. January sales tax revenue is approximately 9.1 percent of the 2013 budget which is slightly higher than the monthly trends over the last 6 years.

The consumer confidence index declined from 66.7 in December to 58.6 in January. Lynn Franco, Director of The Conference Board Consumer Research Center says: "Consumer Confidence posted another sharp decline in January, erasing all of the gains made through 2012. Consumers are more pessimistic about the economic outlook and, in particular, their financial situation. The increase in the payroll tax has undoubtedly dampened consumers' spirits and it may take a while for confidence to rebound and consumers to recover from their initial paycheck shock."

Based on the most recent information, the Washington economy added 7,500 jobs in November and December which translates into a 1.6 percent seasonally adjusted annual rate of growth. The state's unemployment rate declined from 7.7 percent in November to 7.6 percent in December. Washington housing construction continues to strengthen. Total housing units authorized by building permits increased, from 28,000 in the third quarter to 31,000 units in the fourth quarter. Total units authorized in the fourth quarter were the highest since the second quarter of 2008 and single-family permits were the highest since the first quarter of 2008. Regional home prices also appear to be on the upswing. Seattle area home prices have risen in eight of the last nine months and are now 7.5 percent higher than in the November 2011. Even with the recent gains, Seattle area home prices are 25.6 percent lower than their 2007 peak. Inflation in the Seattle metropolitan area has cooled substantially in the last six months. On an annual average basis, Seattle inflation slowed from 2.7 percent in 2011 to 2.5 percent in 2012. The recovery in Washington, as in the nation, has been driven largely by the manufacturing sector. The Institute of Supply Management - Western Washington Index (ISM-WW), which measures strength in the manufacturing sector, has now indicated growth since August 2009 (index readings above 50 indicate expansion). The regional index rose from 58.1 in December to 60.2 in January. The comparable national index was 53.1 in January.



**CITY OF KIRKLAND**  
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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Director of Finance & Administration  
Neil Kruse, Senior Financial Analyst

**Date:** March 14, 2013

**Subject:** February Sales Tax Revenue Analysis

February sales tax revenue is **up 14.5 percent** compared to February 2012. **Year-to-date** revenue is **up 17.2 percent** compared to the same period last year. Strong performance continues in the contracting, auto/gas retail, and services sectors. Sales tax revenue received this month is for activity in December, so it reflects holiday shopping activity.

**Comparing February 2013 performance to February 2012**, the following business sector trends are noteworthy:

- The **contracting** sector continues its streak of strong performance as a result of several large projects, **up 45.2 percent** over last February or almost \$82,000.
- Retail sectors are collectively up 8.2 percent compared to the same month in 2012 or about \$71,000.
  - The **auto/gas retail** sector remains a star performer, **up 18.6 percent** over February 2012 or about \$57,000.
  - **General merchandise/miscellaneous retail** is **up 16.5 percent** over February 2012 or about \$15,000 due to improved performance by key retailers.
  - **Other retail** performance is essentially flat, **up only 1.5 percent** or about \$3,300 compared to February 2012. Gains by non-store and sporting goods retailers are offset by weakness in furniture, electronics, and food retailers.
  - The **retail eating/drinking** sector is **down 3.5 percent** compared to February 2012 because of a one-time adjustment of over \$13,000 received last year. Factored out, this sector would be almost 9 percent up from the same month last year.
- The **services** sector is **up 18 percent** over February 2012 or about \$34,000 primarily due to software and information services.
- **Wholesale** is **up 30.6 percent** compared to February 2012 or about \$19,000 primarily due to medical equipment and development-related activity.
- The **miscellaneous** sector is **up 2.8 percent** over February 2012 or about \$2,000.
- The **communications** sector is **down 7.8 percent** or about \$3,000 illustrating weakness by several retailers in this sector.

### Year-to-date business sector review:

- **Contracting** remains the largest contributor to gains in sales tax revenue over 2012, **up 48.2 percent** over the same period in 2012, the result of several large projects and improvements in residential construction.
- Retail sectors sales tax revenue collectively are up 9.3 percent compared to 2012.
  - The **auto/gas retail** sector is **up 17.8 percent** compared to last year due to positive performance by all of the dealerships. This sector has posted gains for seventeen consecutive months.

- The **general merchandise/miscellaneous retail** sector is **up 7.3 percent** compared to last year largely due to positive performance by one key retailer.
  - The **retail eating/drinking** sector performance is **up 1.3 percent** compared to last year. This comparison is skewed by the field recovery received last year mentioned in the monthly analysis; factoring out this one-time event would change the increase to 8.3 percent. In addition to three new restaurants that opened later last year, many established restaurants are also experiencing positive performance.
  - **Other retail** is **up 2.5 percent** compared to last year due to positive performance in most categories with the exception of food and beverage stores.
- The **services** sector is **up 23.6 percent** compared to last year primarily due to publishing and software services. A one-time field recovery received last month skews the comparison; factored out the sector would be up about 17 percent.
  - **Wholesale** is **up 33.8 percent** compared to last year due to medical equipment and development-related activity.
  - The **miscellaneous** sector is **up 13.3 percent** compared to last year mostly due to positive performance in the finance category and the allocation of un-coded sales tax revenue by the Department of Revenue.
  - The **communications** sector is essentially flat, **down 0.7 percent** compared to last year due to weak performance by a few large retailers.

#### City of Kirkland Actual Sales Tax Receipts

Business Sector Group	January-February		Dollar Change	Percent Change	Percent of Total	
	2012	2013			2012	2013
Services	315,152	389,607	74,455	23.6%	12.5%	13.2%
Contracting	332,508	492,753	160,245	48.2%	13.2%	16.7%
Communications	71,408	70,916	(492)	-0.7%	2.8%	2.4%
Auto/Gas Retail	590,443	695,380	104,937	17.8%	23.5%	23.6%
Gen Merch/Misc Retail	379,524	407,076	27,552	7.3%	15.1%	13.8%
Retail Eating/Drinking	208,816	211,627	2,811	1.3%	8.3%	7.2%
Other Retail	378,462	388,055	9,593	2.5%	15.0%	13.1%
Wholesale	109,393	146,316	36,923	33.8%	4.3%	5.0%
Miscellaneous	131,904	149,411	17,507	13.3%	5.2%	5.1%
<b>Total</b>	<b>2,517,610</b>	<b>2,951,141</b>	<b>433,531</b>	<b>17.2%</b>	<b>100.0%</b>	<b>100.0%</b>

#### Conclusion

As mentioned in the January analysis, 2013 sales tax revenue was budgeted at the estimate for 2012, with actual 2012 revenue ending higher than estimate by about \$170,000. February sales tax revenue maintains the trend of (mostly) double-digit gains over the same period last year that began last summer, so 2013 is well on its way to surpass budget. However, about two-thirds of the gain this year is from contracting and auto/gas retail; both of these sectors are economically sensitive and therefore inherently volatile.

The Conference Board consumer confidence index increased from 58.4 (revised) in January to 69.6 in February as concerns about the federal "fiscal cliff" seem to have subsided. Retail sales were also up despite increases in payroll taxes and higher gas prices. "Looking ahead, consumers are cautiously optimistic" said Lynn Franco, director of economic indicators at the Conference Board.

The Washington State economy has added 18,900 jobs between November 2012 and February 2013 according to the Washington State Economic Forecast Council. Manufacturing remains strong and

construction and government employment sectors have turned positive. However, the impact of cuts caused by sequestration is expected to have a "severe" impact on Washington personal income.

Housing construction in Washington continues to strengthen and regional housing prices are continuing to rise. Seattle home prices have increased in 9 out of the last 10 months. Increasing buyer demand and lack of available inventory will most likely keep the pressure on home prices. Automobile sales in the state have recovered to nearly pre-recession levels.

The annual inflation in the Seattle area remains low at 1.9 percent compared to February 2012 and is consistent with the U.S. City average. However, prices jumped by 0.8 percent for the two months ending in February largely the result of higher gas prices.

2013-14 Budget  
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## 2013 April Adjustments

## CIP Project Closures as of January 1, 2013

JL #	Project Description	Balance	Surface Water Transportation	Water/Sewer Utility Reserve	Gen. Purpose Revenues
<b>FACILITIES</b>					
CGG 0612 FST	Fire Station Flooring	12,628			12,628
CGG 0908 CH1	City Hall Emergency Battery	2,388			2,388
CGG 0908 NKC	North Kirkland Community Center Emergency Battery	239			239
CGG 0910 NKC	North Kirkland Community Center Exterior Paint	8,493			8,493
CGG 0911 CH1	City Hall Roof/Gutters	6,437			6,437
CGG 1010 NKC	North Kirkland Community Center Painting	37,155			37,155
CGG 1012 FST	Fire Station #21 Flooring	5,906			5,906
CGG 1109 KPC	KPC HVAC Controls	18,143			18,143
CGG 1110 FST	Fire Station #22 Int Paint/Fire Station #25 Ext Paint	2,972			2,972
CGG 1112 FST	Fire Station #22 Flooring	14,347			14,347
CGG 1210 HHL	Heritage Hall Exterior Paint	1,666			1,666
<b>TOTAL FACILITIES PROJECTS TO BE CLOSED</b>		<b>110,374</b>	<b>-</b>	<b>-</b>	<b>110,374</b>
<b>TRANSPORTATION-Non Motorized</b>					
CNM 0067	Elementary School Walkroute Enhancement	150,150	319,729		(169,579)
CNM 0042	116th Avenue Improvements	175,578	323,343		(147,765)
CNM 0001	116th Ave NE Non-Motorized Facility	9,492	104,504		(95,012)
CNM 0064	Park Lane Pedestrian Corridor Enhance	(64,553)			(64,553)
CNM 0044	116th Avenue NE Sidewalk	53,730	65,892	841	(13,003)
CNM 0059	6th Street Sidewalk	(1,419)	(1,419)		-
CNM 1112	2011 Crosswalk Upgrade Program	29,890			29,890
CNM 0857	2008 Annual Sidewalk Maintenance Programs	70,173			70,173
CNM 1157	2011 Annual Sidewalk Maintenance Programs	134,810			134,810
CNM 1257	2012 Annual Sidewalk Maintenance Programs	191,962			191,962
CNM 0066 423	12th Avenue Sidewalk	(27,561)	(27,561)		
<b>TOTAL NON-MOTORIZED TRANSPORTATION PROJECTS TO BE CLOSED</b>		<b>722,252</b>	<b>784,488</b>	<b>841</b>	<b>(63,077)</b>
<b>TRANSPORTATION-Streets/Intersections/Signals</b>					
CST 0069	NE 128th Street @ I-405 Overpass	(189,894)	(1,159)		(188,735)
CTR 0102	Growth & Transportation Efficiency GTEC	(146,872)			(146,872)
CST 9999 000	2009-10 Regional Inter-agency Coordination	(76,905)			(76,905)
CST 9999 011	2011 Regional Inter-agency Coordination	(48,448)			(48,448)
CST 9999 012	2012 Regional Inter-agency Coordination	(16,404)			(16,404)
CTR 0085	NE 68th/108th Avenue Intersection Improvements	9,521	16,378		(6,857)
CST 1280	Annual Striping 2012	(2,681)			(2,681)
CTR 0082	Central Way/Park Place Signal	(2,202)	(2,156)		(46)
CTR 0100	6th St Central Way Intersection Improvements	92			92
CST 1080	2010 Annual Striping Program	23,370			23,370
CST 1180	2011 Annual Striping Program	37,677			37,677
CST 8888	2012 Annual Concurrency Projects	850,000	250,000		600,000
CTR 0070 423	NE 124th/124th Ave Intr Improv	(18,542)	(18,542)		
CTR 0079	NE 85th/114th NE Intersection Improvements	(2,706)	(2,706)		
CTR 0101	Kirkland Transit Center Local Portion	22,946	22,946		
<b>TOTAL STREET TRANSPORTATION PROJECTS TO BE CLOSED</b>		<b>438,952</b>	<b>264,761</b>	<b>-</b>	<b>174,191</b>
<b>TOTAL BALANCE BY FUNDING SOURCE</b>		<b>1,271,578</b>	<b>1,049,249</b>	<b>841</b>	<b>221,488</b>

**CITY OF KIRKLAND****Department of Public Works**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:**  Pam Bissonnette, Interim Public Works Director, Public Works  
Julie Elsom, Senior Operations & Finance Analyst

**Date:** March 4, 2013

**Subject:** Deputy Director for the Department of Public Works

**RECOMMENDATION:**

Approve a new Deputy Director position to assist in managing the daily operations of the Department of Public Works. This position can be funded using one-time funds through 2014 and will be included in the base budget during the 2015-2016 budget process.

**BACKGROUND:**

The Department of Public Works (PW) is one of the City of Kirkland's largest departments with 114 FTEs and \$188.5 M operating and capital funding for 2013-2014. Significant increased responsibilities have been assigned over the past two years:

- Annexation increased the service area by about 68%. This area had been underserved by King County in some areas and needs increased public infrastructure investment and public outreach to bring it to the standard enjoyed by long-time Kirkland citizens.
- Passage of the Street Levy increased PW's responsibility to improve streets, sidewalks, bike and pedestrian facilities, safe school walk routes, cross walks, and traffic calming, in perpetuity by 157%.
- Passage of the Parks Levy increases PW responsibility to construct new Park facilities
- The CKC purchase and public vote on initial funding has created a signature City of Kirkland project for PW to deliver on expectations. The short term interim public use and planning for the long term permanent public use is complex involving many stakeholders within Kirkland, and significant regional relationships with Sound Transit, King County, Puget Sound Energy, and the City of Redmond. The project is vital to Kirkland's economic development, transportation choices, neighborhood and community connectivity, and provides new Gateways to Kirkland, requiring significant and sustained public involvement.
- The design and construction of the new Public Safety Building is the responsibility of PW, as is the planning for a new City Hall.
- PW is integrally involved in the update of the Comprehensive Plan, and leading the Transportation Master Plan, Surface Water Master Plan, and Water Comprehensive plans studies.

These are all very high priorities for the City of Kirkland. While individual initiatives were provided additional resources to undertake them, such as for annexation and through the levies, no additional management oversight was provided.

PW has less management oversight than it did in the 90's when the Maintenance Superintendent position was cut. The PW Department is the only large department that does not have a deputy position. The span of control within PW for the Director is 9: 7 managers and 2 additional administrative staff. Additional, strong regional working relationships to provide Kirkland public services also reside in PW, for example: transit service with King County Metro and Sound Transit, water supply with CWA, sewer treatment with King County Wastewater, and solid waste services with King County Solid Waste and Waste Management. These regional relationships take as much or more management oversight than do services provided directly by Kirkland. A typical range for span of control for an agency Director of an organization like PW is 3-5 (Bellevue, Renton, Redmond, Auburn). Management theory notes optimum spans of control from 3-8 depending on a number of factors, which include managing the kind of relationships the City has with is several regional service providers. If these four are added, the Director's span of control increases to 13. Adding a Deputy Director position reduces the span of control to a more manageable 5-7. To assure PW can carry out the assigned substantial new work while maintaining its record of excellence, it is recommended that a new Deputy Director position be established to assist in the management oversight of the PW Department.

Public Works oversees the following: Transportation Engineering, Development Engineering, Street Division, Surface Water, Solid Waste, Water, Sewer, Equipment Rental, Facilities maintenance and most of the City's Capital Programs. This position would be added to the 2013-14 biennial Public Works overhead allocation, and funded from year-end 2012 cash in the General Fund and Utility Funds. The added cost for this period would be approximately \$162,000 to the General Fund and approximately \$177,000 to the Utilities (allocated as follows: \$10,000 Solid Waste, \$97,000 Surface Water, \$70,000 Water and Sewer). The cost will be built into the basic budget and allocated to all of these funds during the 2015-2016 budget process.

**ACTION REQUESTED:**

The City Manager authorizes that the addition of a 1.0 FTE for a Deputy Public Works Director be brought to Council with the budget adjustments on March 19, 2013.

Finance Director Review	<u>Tracey Dunlap</u>	<u>3/11/13</u>
		Date
City Manager Approval	<u>Jim Lopez</u>	<u>3/15/13</u>
		Date

cc: Tracey Dunlap, Director of Finance & Administration  
Jim Lopez, Director of Human Resources

City of Kirkland  
~~2013-2014 Budget~~  
 2013 April Budget Adjustment Summary

Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source			Funding Source/Notes
					Internal Transf./Chrg.	Resources Forward	External Revenue	
<b>General Fund</b>								
Carryover	ND	Undistributed Personnel Costs	474,041	474,041		474,041		
Carryover	ND	Unused Liquor Profits	353,982	353,982		353,982		
Carryover	CC	National League of Cities Membership	14,000	14,000		14,000		
Carryover	CMO	Public Involvement Training	10,000	10,000		10,000		
Carryover	CMO	Transfer of Development Rights Study	15,000	15,000	15,000			Neighborhood Connections Program Transfer
Carryover	HR	Management Training Program Dev.	4,434	4,434		4,434		
Carryover	PCS	Intern-Forterra Grant	3,597	3,597			3,597	External Grant
Carryover	PCS	Parks, Recreation & Open Space (PROS) Plan	84,625	84,625		84,625		
Carryover	PCS	Crestwoods Slide Replacement	8,500	8,500		8,500		
Carryover	PCS	McAuliffe Roof Repair	14,000	14,000		14,000		
Carryover	PCS	December Windstorms Cleanup	3,504	3,504		3,504		
Carryover	PCS	Human Services Contracts	186,735	186,735		186,735		
Carryover	PCS	Youth Council Training	950	950		950		
Carryover	PCS	Youth Council Mini Grants	2,400	2,400		2,400		
Carryover	PCS	Teen Center (KTUB) Operations Payment	13,333	13,333		13,333		
Carryover	PCS	Senior Council Supplies	5,000	5,000		5,000		
Carryover	PCS	Northshore Senior Van Invoice	8,910	8,910		8,910		
Carryover	PCS	LWSD School Use 4th Quarter Invoice	2,000	2,000		2,000		
Carryover	PW	CIP Engineer Furniture/Computer	5,826	5,826		5,826		
Carryover	PW	King County Urban Access Project Grant Match	50,000	50,000		50,000		
Carryover	PW	Active Transportation Plan Implementation	26,819	26,819		26,819		
Carryover	PW	Transportation Mgt Plan METRO Support Svcs	5,000	5,000		5,000		
Carryover	F&A	External Investment Portfolio Review	5,000	5,000		5,000		
Carryover	F&A	Utility Taxes Research	10,000	10,000		10,000		
Carryover	F&A	Payroll Issues Staffing Support	7,179	7,179		7,179		
Carryover	PCD	Code Amendments Technical Assistance	11,000	11,000		11,000		
Carryover	PD	Patrol Vehicle/Equipment	59,580	59,580		59,580		
Carryover	PD	K-9 Unit Dog Replacement	15,000	15,000		15,000		
Carryover	PD	2012 Inmate Medical Invoice	10,000	10,000		10,000		
Carryover	PD	Corrections Uniforms 2012 Invoice	8,000	8,000		8,000		
Carryover	PD	Electronics Home Detention 2012 Invoice	6,425	6,425		6,425		
Carryover	PD	Background Investigations 2012 Invoice	5,000	5,000		5,000		
Carryover	PD	Special Response Team Distraction Devices 2012 Invoices	3,700	3,700		3,700		
Carryover	PD	Workstation at FS#22 started 2012 PD portion	1,700	1,700		1,700		
Carryover	F&B	Workstation at FS#22 started 2012 Fire portion	3,286	3,286		3,286		
Carryover	F&B	Alerting Equipment System Upgrade	3,500	3,500		3,500		
Carryover	F&B	Personal Protective Equipment	32,801	32,801		32,801		

E-page 165 Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source			Funding Source/Notes
					Internal Transf./Chrg.	Resources Forward	External Revenue	
<b>General Fund (con't)</b>								
Council Directed/Other	ND	Development Services Reserve	451,633	451,633		451,633		
Council Directed/Other	ND	Build America Bonds (BABS) Potential Credit Loss	110,000	110,000		110,000		
Council Directed/Other	CMO	Regional Fire Authority (RFA) Exploration	100,000	100,000		100,000		
Council Directed/Other	CMO	Work Plan Outreach	223,000	223,000		223,000		
Council Directed/Other	F&A	Public Disclosure Ordinance	75,000	75,000		75,000		
Council Directed/Other	PW	Public Works Deputy Director	162,000	162,000		162,000		
Council Directed/Other	F&A	GFOA Budget Award Application	1,000	1,000		1,000		
Council Directed/Other	N/A	General Capital Contingency Reserve Replenishment	1,545,748	1,033,971		1,033,971		
Council Directed/Other	F&B	Permit Technician FTE	92,511	92,511			92,511	Development Revenue
<b>General Fund Total</b>			<b>4,235,719</b>	<b>3,723,942</b>	<b>15,000</b>	<b>3,612,834</b>	<b>96,108</b>	
<b>OTHER FUNDS</b>								
<b>Street Operating Fund</b>								
Carryover	PW	Sidewalk Project	9,000	9,000		9,000		
Carryover	PW	Replacement Trees	14,967	14,967		14,967		
Carryover	PW	Parking Station Shelters	5,000	5,000		5,000		
Carryover	PW	Fiber Connections	16,830	16,830		16,830		
Carryover	PW	Annexation Vehicles	275,792	275,792		275,792		
<b>Street Operating Fund Total</b>			<b>321,589</b>	<b>321,589</b>	<b>-</b>	<b>321,589</b>	<b>-</b>	
<b>General Capital Projects Fund</b>								
Carryover	ND	Neighborhood Projects Opportunities	50,595					Existing Appropriation Balance (Work in Progress)
Carryover	ND	Transfer of Development Rights Study Xfr to GF	15,000					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Shoreline Restoration PK0006	82,242					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Forbes Lake Park Development PK0056	595,546					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Park Play Area Enhancements PK0066	187,549					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Waverly Beach Park Renov. PK0087	239,225					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	McAuliffe Park Development PK0108	172,477					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Juanita Bay Park Wetland Restoration PK0109	15,987					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Spinney Homestead Park Renovation PK0113	50,000					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Green Kirkland Program PK0121	70,977					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Peter Kirk Pool Upgrades PK0123	114,808					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Snyder's Corner Park Site Dev. PK0124	75,000					Existing Appropriation Balance (Work in Progress)
Carryover	PCS	Park and Open Space Acquisition PK0131	427,634					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Public Safety Bldg/Maintenance Ctr Expansion GG0013/GG0037	6,298,609					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Consolidated Fire Station GG0039	1,366,484					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Facilities Life Cycle Projects	719,567					Existing Appropriation Balance (Work in Progress)
Carryover	PW	State Street Utilities Undergrounding ST0076	12,727					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Annual Street Preservation ST0006	112,909					Existing Appropriation Balance (Work in Progress)
Carryover	IT	Network Projects IT0100	899,173					Existing Appropriation Balance (Work in Progress)
Carryover	IT	Geographic Information Systems (GIS) IT0200	190,000					Existing Appropriation Balance (Work in Progress)

E-page 166 Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source			Funding Source/Notes
					Internal Transf./Chrg.	Resources Forward	External Revenue	
<b>General Capital Projects Fund (con't)</b>								
Carryover	IT	Finance/Human Resources System IT0300	47,094					Existing Appropriation Balance (Work in Progress)
Carryover	IT	Permit Plan Replacement GG0006501	260,835	75,000	75,000			Existing Appropriation Balance/Transfer from IT Fund
Carryover	IT	Records Management GG0006110	188,948					Existing Appropriation Balance (Work in Progress)
Carryover	IT	Municipal Court Technology GG0006205	25,000					Existing Appropriation Balance (Work in Progress)
Carryover	FB	Emergency Operations Center Upgrade PS0054	18,850					Existing Appropriation Balance (Work in Progress)
Carryover	FB	Disaster Supply Storage Units PS0056	39,363					Existing Appropriation Balance (Work in Progress)
Carryover	FB	Disaster Response Vehicle PS0057	39,690					Existing Appropriation Balance (Work in Progress)
Carryover	FB	Defib Unit Replacement PS0062	157,000					Existing Appropriation Balance (Work in Progress)
Carryover	FB	Disaster Response Portable Generators PS0065	147,947					Existing Appropriation Balance (Work in Progress)
Carryover	FB	Investigations Vehicle/Equipment PS0072	5,292					Existing Appropriation Balance (Work in Progress)
Carryover	FB	North Kirkland Community Center Emergency Power PS0046	21,609					Existing Appropriation Balance (Work in Progress)
Carryover	FB	Mobile Tablets	27,600					Existing Appropriation Balance (Work in Progress)
Council Directed/Other	PW	Projects to be Closed	203,917					Existing Appropriation Balance (Work in Progress)
Council Directed/Other	ND	General Capital Contingency Reserve Replenishment	1,545,748	1,545,748	1,545,748			General Fund 2012 Year-End Fund Balance Transfer
<b>General Capital Projects Fund Total</b>			<b>14,425,402</b>	<b>1,620,748</b>	<b>1,620,748</b>	<b>-</b>	<b>-</b>	
<b>Transportation Capital Projects Fund</b>								
Carryover	PW	NE 100th/Spinney Homestead Park Sidewalk Phase II NM0034001	439,965					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Rose Hill Business District Sidewalks NM0051	147,642					Existing Appropriation Balance (Work in Progress)
Carryover	PW	6th Street Sidewalk NM0059	229,306					Existing Appropriation Balance (Work in Progress)
Carryover	PW	12th Avenue Sidewalk NM0066	26,336					Existing Appropriation Balance (Work in Progress)
Carryover	PW	104th Ave NE/NE 68th St Lkvw School Walk Route NM0068	80,684					Existing Appropriation Balance (Work in Progress)
Carryover	PW	100th Ave NE Bicycle Lanes NM0069	223,691					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 120th Street Roadway Extension (East section) ST0057001	2,428,849					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Juanita Drive Master Plan ST0082	32,553					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Annual Street Preservation One-time Capital 2011 ST1106001	500,000					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Annual Street Preservation ST0006	222,314					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Annual Street Preservation One-time Project ST1206002	1,122,000					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 124th/124th Ave Intr Improv CTR0070	633,027					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 85th/132nd NE Intersection Improvements TR0078	879,449					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 85th/114th NE Intersection Improvements TR0079	1,162,037					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 85th/124th NE Intersection Improvements TR0080	955,530					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Growth & Transportation Efficiency GTEC TR0102	200,917					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Kirkland ITS Implementation Phase I TR0111	1,834,510					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Downtown Pedestrian Improvements TR0112	7,139					Existing Appropriation Balance (Work in Progress)
Council Directed/Other	PW	Projects to be Closed	17,571					Existing Appropriation Balance (Work in Progress)
<b>Transportation Capital Projects Fund</b>			<b>11,143,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

E-page 167 Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source			Funding Source/Notes
					Internal Transf./Chrg.	Resources Forward	External Revenue	
<b>Water/Sewer Utility Operating Fund</b>								
Carryover	PW	Telemetry Upgrades	20,000	20,000		20,000		
Carryover	PW	Manhole Rehabs	49,500	49,500		49,500		
<b>Water/Sewer Utility Operating Fund Total</b>			<b>69,500</b>	<b>69,500</b>	<b>-</b>	<b>69,500</b>	<b>-</b>	
<b>Water/Sewer Capital Fund</b>								
Carryover	PW	NE 53rd St Sewermain Repl SS0063	86,267					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Inflow & Infiltration Reduction Program SS0075	136,893					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Emergency Sewer Construction SS1156	373,612					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Supply Station #3 Replacement WA0063	141,000					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Vulnerability Analysis WA0093	329,627					Existing Appropriation Balance (Work in Progress)
Carryover	PW	North Reservoir Painting WA0094	367,698					Existing Appropriation Balance (Work in Progress)
Carryover	PW	116th Ave NE/NE 70th-80th St WM Repl WA0113	604,619					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Telemetry Upgrades WA0115	19,239					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 109th Ave/106th Court NE WM Repl WA0121	168,515					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 85th St Watermain Replacment WA0140	424,740					Existing Appropriation Balance (Work in Progress)
Carryover	PW	120th Ave NE Wtrmn Replcmnt WA0144	234,346					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Emergency Sewer Replacement WA 1190	50,000					Existing Appropriation Balance (Work in Progress)
Council Directed/Other	PW	Projects to be Closed	841					Existing Appropriation Balance (Work in Progress)
<b>Water/Sewer Capital Fund Total</b>			<b>2,937,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Surface Water Operating Fund</b>								
Carryover	PW	Rehab Program Materials	32,000	32,000		32,000		
Carryover	PW	Drainage Repair	2,000	2,000		2,000		
Carryover	PW	Surface Water Master Plan	200,000	200,000		200,000		
Carryover	PW	NPDES Implementation	90,000	90,000			90,000	
Carryover	PW	Misc Studies, Surveys & Samplings	50,000	50,000		50,000		
Carryover	PW	Secure & Protect Ponds	242,340	242,340		242,340		
Carryover	PW	Annexation Vehicles	105,477	105,477		105,477		
<b>Surface Water Operating Fund Total</b>			<b>721,817</b>	<b>721,817</b>	<b>-</b>	<b>631,817</b>	<b>90,000</b>	
<b>Surface Water Capital Fund</b>								
Carryover	PW	CKC Interim Trail NM0024	199,987					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 100th Street/Spinney Homestead Park Sidewalk NM034	50,300					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Rose Hill Business District Sidewalks NM051	257,641					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 85th/132nd NE Intersection NM0078	14,985					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 85th Street Detention SD0025	546,208					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Cochran Spr/Lk Wash Blvd SD 0048	51,400					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Forbes Creek/Coors Pnd Chn Upgrade	176,503					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Surface Water Sediment Pond Reclam Phase II SD 0058	79,736					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Totem Lake Blvd Flood Control SD0059	159,848					Existing Appropriation Balance (Work in Progress)
Carryover	PW	NE 129th Pl/Juanita Creek Rockery Repair SD 0067	109,822					Existing Appropriation Balance (Work in Progress)
Carryover	PW	Totem Lake Twin Culvert Replacement	445,849					Existing Appropriation Balance (Work in Progress)

E-page 168 Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source			Funding Source/Notes
					Internal Transf./Chrg.	Resources Forward	External Revenue	
<b>Surface Water Capital Fund (con't)</b>								
Carryover	PW	Annual Streambank Stabilization SD 8888	57,700					Existing Appropriation Balance (Work in Progress)
Council Directed/Other	PW	Projects to be Closed	1,049,249					Existing Appropriation Balance (Work in Progress)
<b>Surface Water Capital Fund Total</b>			<b>3,199,228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Equipment Rental Fund</b>								
Carryover	PW	Annexation Vehicle Tech Office Furniture	5,760	5,760		5,760		
Carryover	PW	Vehicle Carryovers	413,269	413,269	413,269			
<b>Equipment Rental Fund Total</b>			<b>419,029</b>	<b>419,029</b>	<b>413,269</b>	<b>5,760</b>	<b>-</b>	
<b>Information Technology Fund</b>								
Carryover	IT	SmartNet Support Invoice	62,500	62,500		62,500		
Carryover	IT	Energov Permit Support	75,000	75,000		75,000		
Carryover	IT	Microsoft Enterprise Agreement	109,000	109,000		109,000		
Carryover	IT	Comcast Audit	25,000	25,000		25,000		
Carryover	IT	Kirkland Works Videos	17,058	17,058		17,058		
Carryover	IT	Applications R&M	89,556	89,556		89,556		
Carryover	IT	GIS Data Development	46,800	46,800		46,800		
Carryover	IT	GIS Analyst Software	1,200	1,200		1,200		
<b>Information Technology Fund Total</b>			<b>426,114</b>	<b>426,114</b>	<b>-</b>	<b>426,114</b>	<b>-</b>	
<b>Facilities Maintenance Fund</b>								
Carryover	PW	Fire Station Fire Hydrant Conversion	15,000	15,000		15,000		
Carryover	PW	Fire Stations Counter Replacements	10,000	10,000		10,000		
Carryover	PW	Life Cycle & Rate Model Update	25,000	25,000		25,000		
Carryover	PW	Energy Conservation Measures Study	30,000	30,000		30,000		
Carryover	PW	Evidence Vehicle Storage	8,000	8,000		8,000		
<b>Facilities Maintenance Fund Total</b>			<b>88,000</b>	<b>88,000</b>	<b>-</b>	<b>88,000</b>	<b>-</b>	
<b>TOTAL OTHER FUNDS</b>			<b>33,751,596</b>	<b>3,666,797</b>	<b>2,034,017</b>	<b>1,542,780</b>	<b>90,000</b>	
<b>TOTAL ALL FUNDS</b>			<b>37,987,315</b>	<b>7,390,739</b>	<b>2,049,017</b>	<b>5,155,614</b>	<b>186,108</b>	

ORDINANCE O-4403

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2013-2014.

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2013-2014 reflect revenues and expenditures that are intended to ensure the provision of vital municipal services at acceptable levels;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. The April 2013 adjustments to the Biennial Budget of the City of Kirkland for 2013-2014 are hereby adopted.

Section 2. In summary form, modifications to the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined are as follows:

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
General	171,626,838	3,723,942	175,350,780
Lodging Tax	690,652	-	690,652
Street Operating	20,167,286	321,589	20,488,875
Cemetery Operating	816,308	-	816,308
Parks Maintenance	3,060,649	-	3,060,649
Parks Levy	5,006,077	-	5,006,077
Contingency	2,296,510	-	2,296,510
Impact Fees	3,111,739	-	3,111,739
Excise Tax Capital Improvement	12,597,175	-	12,597,175
Limited General Obligation Bonds	7,719,330	-	7,719,330
Unlimited General Obligation Bonds	1,770,853	-	1,770,853
General Capital Projects	54,759,348	1,620,748	56,380,096
Transportation Capital Projects	39,416,383	-	39,416,383
Water/Sewer Operating	52,829,481	-	52,898,981
		69,500	
Water/Sewer Debt Service	2,567,358	-	2,567,358
Utility Capital Projects	22,415,061	-	22,415,061
Surface Water Management	21,444,357	721,817	22,166,174
Surface Water Capital Projects	18,315,303	-	18,315,303
Solid Waste	32,634,724	-	32,634,724
Health Benefits	24,617,930	-	24,617,930
Equipment Rental	19,090,357	419,029	19,509,386
Information Technology	12,061,934	426,114	12,488,048
Facilities Maintenance	12,771,400	88,000	12,859,400
Firefighter's Pension	1,921,858	-	1,921,858
	<u>543,708,911</u>	<u>7,390,739</u>	<u>551,099,650</u>

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

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

Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney

**CITY OF KIRKLAND**

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

[www.kirklandwa.gov](http://www.kirklandwa.gov)

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**MEMORANDUM**

**To:** Kirkland City Council

**From:** Kurt Triplett, City Manager  
Robin S. Jenkinson, City Attorney

**Date:** March 28, 2013

**Subject:** FILLING THE POSITION NO. 2 VACANCY ON THE CITY COUNCIL

**RECOMMENDATION:**

City Council considers the process by which the vacancy for Position No. 2 on the City Council will be filled and provides direction to staff regarding the process and timelines the Council selects.

**BACKGROUND DISCUSSION:**

Council Member Bob Sternoff submitted his resignation from Position No. 2 on the City Council on Monday, March 25, 2013. This memorandum provides information about the process by which the vacancy could be filled.

**State Law**

There is no established procedure for selecting a person to fill such a vacancy. RCW 42.12.070 provides that when a position becomes vacant, the remaining members of the City Council appoint a "qualified" person to fill the position.<sup>1</sup> If the Council fails to appoint a person to fill a vacancy within 90 days of the occurrence of the vacancy, the Council's authority to fill the vacancy ceases and the King County Council would appoint a person to fill the vacancy.

Just as the law does not require any particular process to fill the vacancy, there are no notice or advertising procedures to be followed. The method for filling vacancies is a policy decision for the Council. When there have been vacancies on the Kirkland City Council in the past (the most recent being 2005), the Council has either conducted a public application process similar to what is done for filling vacancies on Kirkland Boards and Commissions, or simply taken nominations from the remaining members of the Council.

The Mayor and Deputy Mayor met with the City Manager to discuss filling the vacancy and recommend that the position be filled at the April 16, 2013 Council meeting. Should the Council concur with this recommendation, two options based on past Council practice follow.

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<sup>1</sup>"Qualified" as used in the statute means an individual must be a registered voter of the City of Kirkland and must have been a resident of the City for at least one year.

### **City Council Options to Fill Vacancy by April 16**

Option 1: The City Council may decide to fill the vacancy by accepting nominations from the Council. The simplest way to implement this option is to allow each Councilmember to nominate one candidate for consideration. Not all Councilmembers would need to submit a nomination under this scenario. The Council could request that completed application forms or resumes be provided by the nominees to be used in conjunction with interviews to be conducted by the Council, but there is no requirement for applications or that interviews take place. Staff suggests that Council nominations be provided to the City Clerk by 5:00 p.m., Tuesday, April 9, 2013. The Clerk would verify the qualifications of the nominations and then Council would hold a special meeting on Monday, April 15<sup>th</sup> to review the nominations and decide which nominees to schedule for an interview on Tuesday, April 16<sup>th</sup>. As discussed below, if the Council decided to interview the nominees, the interviews would need to be conducted at an open public meeting.<sup>2</sup>

Option 2: Should the Council decide to advertise and solicit applicants for the vacant position, a process is outlined below for the Council's consideration. This is not intended to suggest the only logical path or timeline, but simply to aid the Council's discussion.

- The City advertises the vacant position on Wednesday, April 3, 2013. Interested and eligible individuals would be invited to submit an application (which would be available to download from a City webpage or pickup at City Hall.) The City Clerk will prepare an application form. Completed applications would be required to be filed with the City Clerk by 5:00 p.m., Tuesday, April 9, 2013.
- The City Clerk confirms, with King County Elections, that the applicants are residents of the City and registered voters. The Clerk distributes the applications to the City Council on Wednesday, April 10, 2013.
- On Monday, April 15, 2013, the City Council holds a special meeting to review the applications and determine which applicants to schedule for interview.
- The City Clerk invites the candidates chosen by the City Council for interviews to be conducted on Tuesday, April 16, 2013 as outlined below.
- Staff prepares interview questions for Council consideration to be provided at the April 15 special meeting. Council could also decide to give each candidate time to make a brief presentation before their interview begins.
- The City Council interviews the candidates at a special meeting to be held instead of the regular Council Study Session on Tuesday, April 16, 2013, preferably with an earlier start time. Candidates could be sequestered while waiting for their turn to be interviewed.
- The Council could convene an executive session at the conclusion of the interviews to consider the qualifications of the candidates to fill the vacancy. (See discussion below about Open Public Meetings Act.)

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<sup>2</sup> RCW 42.30.110(1)(h).

- At the regular Council Meeting on April 16, 2013, the Mayor would open nominations to fill the vacancy. After the nominations are closed, the Council would vote on each nominee, in the order in which they were nominated. When a nominee receives four votes, the voting would be over and the appointment to fill the vacancy made.
- Once the appointment is made, the City Clerk can administer the Oath of Office and the new Councilmember is then seated at the dais and has all powers, duties, rights and obligations as the other Councilmembers.

### **Open Public Meetings Act**

The Open Public Meetings Act requires that "action" of the City Council take place at an open public meeting. Any interview of candidates for appointment to an elective office must be conducted at an open public meeting.<sup>3</sup> While the Council may meet in executive session to discuss the candidates' qualifications, no vote or poll may be taken while the Council is in executive session. Final action appointing a candidate to Position No. 2 must take place in a meeting open to the public.

### **Term of Appointment**

The person appointed to fill Position No. 2 will serve from the date that the person is sworn-in until November 2013. In accordance with state law, the City must hold an election to fill Position No. 2 at the November 2013 election. The person elected to fill the position will take office as soon as the election results are certified and serve for the remainder of the unexpired term which ends December 31, 2015.<sup>4</sup> The candidate filing period for the upcoming November 2013 election is May 13 – 17, 2013.

### **Advertising/Notice (If Option 2 is selected.)**

- An informational webpage will be created under the City Council home page. Information about the qualifications, application process, and King County elections filing period will be posted. The application form will be available on the webpage to be downloaded.
- A news release will be issued for the purposes of announcing the application/recruitment process and the related City Council meetings. The news release will include the website where the eligibility requirements and application can be found. News releases will also be issued following the Council's selection of candidates for interview and the appointment to fill the vacancy.
- News releases are emailed to the Council, public buildings, media (newspaper, TV, radio and community blogs), are posted to the News Room webpage, and linked from the City's website home page. In this particular case, a link to the news release will be posted on the City Council's homepage.
- Additionally, news releases are distributed to NEWS Room (790+ subscribers) and

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<sup>3</sup> RCW 42.30.110(1)(h).

<sup>4</sup> RCW 42.12.070(6).

Neighborhood News subscribers (1,100+ subscribers).

- Also, hard copies are posted at city community centers and Kirkland's two libraries.
- The print deadline for the *Kirkland Reporter* is noon on Monday for information to be printed in the Friday edition.
- Information will be posted to the City's Twitter account (238 followers).

### **Issues for Council Consideration**

Is there any additional information the Council needs to decide about the appointment process?

Does the Council wish to complete the appointment process at the April 16, 2013 Council meeting or do the members prefer a longer selection timeframe?

Does the Council prefer Option 1, Option 2 or some other option?

If Option 1 is selected, does the Council want to limit each Councilmember to one nomination or allow multiple nominations?

Does the Council agree to set a special meeting on April 15 to determine interviews for the appointment under either option?

If there is a special meeting on April 15 for either option, does the Council desire to have it videotaped and televised?

Does the Council agree to a special meeting on April 16 for purposes of interviewing finalists?

If Option 2 is chosen, does the Council desire to have the candidates' applications posted on the City's website? The candidates' personal addresses and contact information would not be included.



## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Pam Bissonnette, Interim Public Works Director  
 David Godfrey P.E., Transportation Engineering Manager

**Date:** March 21, 2013

**Subject:** Roadside Memorials Policy

### RECOMMENDATION:

It is recommended that City Council approves the attached policy regarding memorial signing and temporary memorials at sites of fatal vehicle crashes.

### BACKGROUND DISCUSSION:

Public Works staff was approached by family members of fatal crash victims requesting memorial signs in the City of Kirkland, similar to those provided by other agencies in the area. Staff investigated the memorial sign policies and practices of the Washington Department of Transportation, King County Road Services, and the City of Woodinville. This information was used as a basis to develop a draft policy. The draft policy was reviewed by the Transportation Commission and their suggestions and edits have been incorporated into the attached policy and application (Attachment A and Attachment B) for Council consideration. If approved, the policy will be placed in the administrative policies maintained by the Public Works Department.

The policy provides the opportunity to have a memorial sign placed near the crash site with a plaque stating the name of the deceased. Signs remain in place for five years, and the sign may be claimed by family members when it is removed. The message on the sign depends on the nature of the crash e.g. **PLEASE DRIVE SAFELY** or **WATCH FOR PEDESTRIANS**.

The cost of one sign and one plaque is \$400. This is in line with costs charged by other agencies (Table 1). If the sign is damaged or vandalized for some reason, a replacement sign can be installed for an additional \$400.

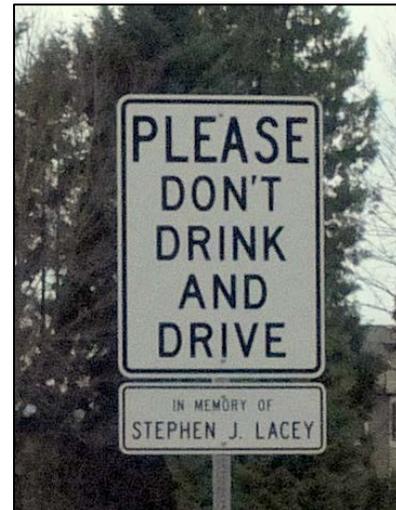


Figure 1 WSDOT Memorial Sign near Central Way/I-405

The breakdown of the \$400 cost is shown in Table 2. Only a portion of engineering and administrative costs are being recovered in order to keep the overall cost in line with the costs charged by other agencies. It's estimated that this represents about half the actual engineering and administrative costs. The Transportation Commission felt it important to keep the price of the memorial sign relatively affordable.

The policy allows for additional memorial name plaques to be added to existing signs, and the cost breakdown for this is shown in Table 3.

**Table 1 Cost of Memorial signs—other agencies**

Agency	Cost
WSDOT	\$500-\$950 depending on road type
King County	\$450.00
Lewis County	\$400.00
City of Woodinville	\$200.00

**Table 2 Cost of Memorial sign and plaque**

Item	Description	Cost
Sign Post, installed	Labor and material to install sign post and signs.	\$211.00*
Memorial sign	Sign fabrication	\$40.00*
Memorial plaque	Sign fabrication	\$54.00*
Engineering and administration	Partial recovery of time to work with customer, field check site, etc.	\$95.00
<b>Total</b>		<b>\$400.00</b>

\* Costs from Public Works Standard Sign Cost Schedule, rounded up to nearest dollar from schedule cost.

**Table 3 Cost of additional memorial plaque on existing sign**

Item	Description	Cost
<b>Labor and equipment to install sign</b>	Modified cost from Public Works Standard Sign Cost Schedule (1 hr labor + vehicle)	\$72.00
<b>Memorial plaque</b>	Sign fabrication	\$54.00*
<b>Engineering and administration</b>	Partial recovery of time to work with customer.	\$44.00
<b>Total</b>		<b>\$170.00</b>

\* Costs from Public Works Standard Sign Cost Schedule, rounded up to nearest dollar from schedule cost.

Family members or their representatives may apply for signs. This is described in sections B2 and B3 on page 4 of the policy.

In addition, to memorial signs, the policy covers informal and short-term memorials that are often spontaneously placed at the site of fatal crashes. It provides guidelines to ensure safe conditions for drivers and pedestrians in the area while allowing an expression of grief by those affected by the crash. A 14-day period is allowed if all guidelines are met yet provides for immediate removal if the City deems it necessary to ensure safety.

Since 2003, there have been 9 fatal crashes resulting in 10 fatalities.

Attachment A: Roadside Memorial Sign Policy

Attachment B: Roadside Memorial Sign Application

**Attachment A**  
**Roadside Memorial Signs**  
**City of Kirkland Public Works Roadway Policy \_\_\_\_\_**  
**March 19, 2013**

**A. Purpose**

1. The purpose of the Memorial Sign Program is to:
  - a. Provide families of persons fatally injured in crashes with a process to sponsor a memorial sign to be erected near the scene of the crash;
  - b. Ensure that memorial signs are located and installed in a safe and consistent manner; and
  - c. Increase the public's awareness of the need to drive safely.

**B. Definitions**

1. Deceased: Any person who was fatally injured in a vehicle crash.
2. Immediate family member: A spouse, domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, stepfather, grandparent, step grandparent or lineal descendent of the deceased.
3. Single crash site: The site of all vehicle crashes that occur within 1,000 feet from each other, regardless of when they occur.
4. Sidewalk: Includes any structure or form of street improvement in the space between the street margin and the roadway, known as the sidewalk area. (KMC 19.20.010).
5. Representative: A person authorized by and acting in the interest of an immediate family member

**C. Long-term memorial application procedure**

1. An immediate family member or their representative may apply to sponsor a sign memorializing the deceased.
2. The applicant must complete and return a memorial sign application on forms furnished by the City. The documentation provided by applicant must establish that the deceased died as a result of a vehicle crash at a specific location in the City of Kirkland.
3. In the absence of the accident report, the applicant may produce other information or documents that are equally reliable. The City, in its sole discretion, shall determine whether other information or documents provided in lieu of an accident report are sufficiently reliable.
4. Sign applications will not be accepted for private streets.
5. A person may file an application under this policy to memorialize a fatality in a crash that occurred not more than two years prior to the application date.

**D. City review of long-term memorial sign application**

1. The City shall review all applications to ensure they are complete and accurate. The City may request more information from the applicant if the application is not complete or if the City needs additional information to process the application. The City shall deny any

application that does not meet the criteria set forth in this Policy or does not contain the information required in this Policy or in the application.

2. Within 45 days after the City receives a correctly completed application submitted pursuant to this policy, the City shall complete its review of the application and inspect the proposed site for the memorial sign and shall send a written decision to the applicant indicating why or why not the application is accepted and indicating the proposed location of the sign.

**E. Location, placement, and ownership of long-term memorial signs**

1. Once an application has been approved, the applicant must pay the fee set forth in the City of Kirkland Public Works fee schedule to cover the cost of administration, fabrication, installation, and maintenance of the memorial sign and any name plaque that may be requested.
2. The City will select, purchase, install, remove, and retain ownership of memorial signs.
3. 24" by 24" signs will be installed in accordance with applicable City policies and standards for signs. This includes posts, hardware, materials, vertical, longitudinal, and lateral positioning. 24" by 12" name plaques shall be installed directly below the sign.
4. Memorial signs shall be placed only in a City right-of-way, on the right side of the roadway, facing oncoming traffic. Signs will not be installed in the median of any City roadway.
5. Memorial signs shall be placed in close proximity to where the accident occurred at a location where the City determines it is safe and practical to do so.
6. Only one sign will be installed per intersection or per 1,000 feet of roadway for each direction of traffic. However, a memorial sign will not be placed in a location where the memorial sign obstructs the visibility of an existing traffic sign, or traffic signal or impairs sight distance below adopted City standards. Signs will not be placed on any bridge over I-405, or where these signs cause any concern or obstruction to any public appurtenance.
7. The City will not replace the sign should it be vandalized, damaged, or found missing; however, the applicant may apply for a new sign, including payment of the fee set forth in the City of Kirkland Public Works fee schedule. Any replacement signs will continue for the five year period (section E8) that began timing with the original sign.
8. Unless it is determined that public safety requires the sign to be removed, the City of Kirkland will allow the sign to remain in the right-of-way for five years after its placement, or until the City determines that the condition of the sign has deteriorated to a point where it is no longer serviceable, whichever occurs first. The City shall remove and retain ownership of the sign after removal. The City may properly dispose of the sign unless applicant has requested, in writing on the application, possession of the sign after its removal. The applicant shall be responsible for promptly obtaining the sign from the City after its removal. Any signs left unclaimed after 45 days will be disposed of. The request to take possession of the sign is incumbent on the applicant.

**G. Wording on long-term memorial signs**

1. One of the following six messages, related to the cause of the crash, is available for standard memorial sign installation. The City, in its discretion, shall determine whether the requested message is related to the cause of the crash:

- a. *Please don't drink and drive.*
  - b. *Please drive safely.*
  - c. *Seat belts save lives.*
  - d. *Watch for pedestrians.*
  - e. *Watch for bicyclists.*
  - f. *Watch for motorcyclists.*
2. A secondary plaque displays the message *In Memory Of*, together with the victim's name (See Schematic below). No more than three name plaques may appear below a single memorial sign.

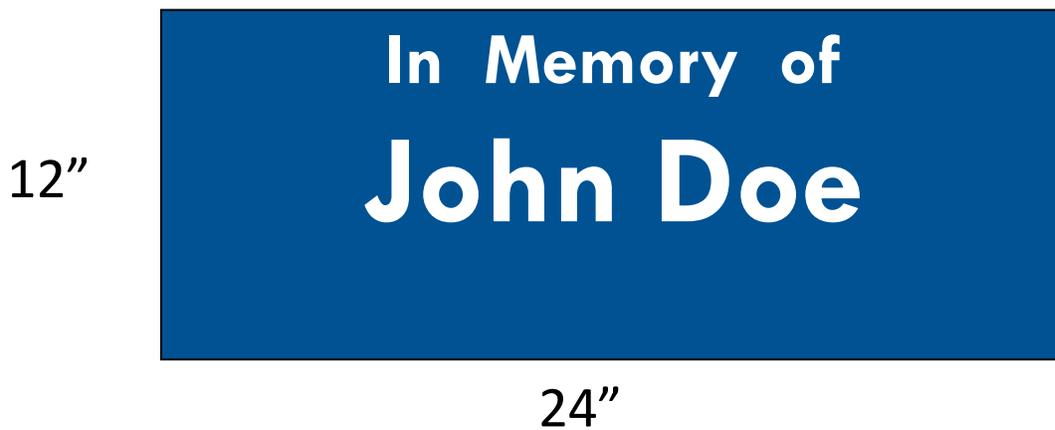
#### **H. Multiple long term memorial sign applications**

1. Only one sign will be installed per single crash site. Should a sign already exist, an additional name plaque may be added to an existing sign upon City approval. Multiple deceased names may appear on one sign.
2. The City may approve applications for an additional memorial sign at an existing crash site under the following circumstances:
  - a. Additional name plaques can be attached to the existing sign installation; or
  - b. A second memorial sign can be installed across the roadway from the first sign installation so that the second sign installation faces the traffic approaching from the opposite direction.

#### **F. Informal short-term memorials and anniversary memorials**

1. The placement of informal memorials shall be allowed in the right-of-way for up to 14 days after an accident with the following conditions:
  - a. The memorial does not exceed three feet in height (except bicycles) and up to nine square feet in surface area and is contained in the right-of-way.
  - b. The memorial does not cause unsafe conditions for passing motorists, pedestrians or bicyclists or for people who are maintaining or visiting the memorial. At the sole discretion of the City, items may be rearranged or removed to improve safety.
  - c. Those visiting and/or maintaining the memorial comply with all other applicable laws.
  - d. No materials are placed on bridges over I-405.
  - e. Public Works Transportation Division is notified prior to installation.
2. At the end of the 14-day period, the City may remove any items from the memorial site.
3. The placement of an anniversary memorial shall be allowed in the right-of-way for up to seven days after each anniversary of the vehicle crash, for up to four years. At the end of the seven-day period, the City may remove any items from the memorial site.
4. Unattended candles shall not be allowed at memorial sites and may be immediately removed by the City.
5. Nothing in items 1 thru 4 shall prevent the City, at its sole discretion, from removing a memorial immediately in response to a threat to public safety.

## Schematic of Memorial Signs





# Memorial Sign Permit Application Attachment B

Public Works Department  
Kirkland City Hall  
123 Fifth Ave, Kirkland WA 98033

Open Monday-Friday, 8am-5pm  
publicworks@kirklandwa.gov  
Phone: 425.587.3800

Application Date: \_\_\_\_\_ Application No.: \_\_\_\_\_  
*(for City use only)*

Applicant: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Phone: \_\_\_\_\_

Email (optional): \_\_\_\_\_

\* \* \* \* \*

Name of Deceased: \_\_\_\_\_  
*(As it should appear on sign)*

Date of Accident: \_\_\_\_\_

Relationship to Deceased: \_\_\_\_\_  
*(Must be immediate family member or representative)*

Location of Accident: \_\_\_\_\_  
*(Address, intersection, or distance and direction from intersection – must be within Kirkland city limits)*

### Wording Requested on Sign (Please select one.)

- Please Don't Drink and Drive.
- Please Drive safely.
- Watch for bicyclists.
- Seat belts save lives.
- Watch for pedestrians.
- Watch for motorcyclists.

### REQUIRED INFORMATION

- Documentation establishing death as a result of a vehicle crash in Kirkland jurisdiction . *(The City, in its sole discretion, shall determine whether other information or documents provided in lieu of an accident report are sufficiently reliable.)*
- Applicant requests to be present at time of sign installation. *(Staff will make an effort to make arrangements with family, but City crew work scheduling may determine schedule if family availability is limited.)*
- Applicant requests to pick up sign upon its removal from the roadway at the end of 5 years. *(It will be the applicant's responsibility to promptly pick up sign once notified. If unable to contact, City will dispose of sign.)*

**Note:** Once your application has been reviewed, a staff member from Public Works will contact you regarding your request (within 45 days of submittal). A \$400 (sign and plaque) or \$170 (plaque on existing sign) fee is due upon approval. Please call 425.587.3800 with any questions.

Requested Sign Location (attach map if available): \_\_\_\_\_

*Signs will be installed in accordance with applicable City policies and standards for signs. This includes posts, hardware, materials, and positioning. Name plaques shall be installed directly below the sign.*

*Memorial signs shall be placed only in a City right-of-way, on the right side of the roadway, facing oncoming traffic. Signs will not be installed in the median of any City roadway.*

*See full policy for further details and regulations.*