
CITY OF KIRKLAND

CITY COUNCIL



Joan McBride, Mayor • Penny Sweet, Deputy Mayor • Dave Asher • Jessica Greenway
Doreen Marchione • Bob Sternoff • 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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AGENDA

KIRKLAND CITY COUNCIL MEETING

City Council Chamber

Tuesday, May 3, 2011

6:00 p.m. – Study Session – Peter Kirk Room

7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.kirklandwa.gov, or at the Public Resource Area at City Hall on the Friday afternoon prior to the City Council meeting. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (425-587-3190) or the City Manager's Office (425-587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 425-587-3190, or for TTY service call 425-587-3111 (by noon on Monday) if we can be of assistance. 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 to discuss matters where confidentiality is required for the public interest, including buying and selling property, certain personnel issues, and lawsuits. An executive session is the only type of Council meeting permitted by law to be closed to the public and news media

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

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION, Peter Kirk Room*
 - a. Annexation Update
4. *BOARD AND COMMISSION INTERVIEWS, Rose Hill Room, 7:00 p.m.*
 - a. Parking Advisory Board Interviews:
 - (1) Roxanne Louise
 - (2) Mike Nykreim
 - (3) Wolf Puls
5. *HONORS AND PROCLAMATIONS*
 - a. Mental Health Awareness Day Proclamation
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*

c. Petitions

7. *SPECIAL PRESENTATIONS*

a. Green Tips

8. *CONSENT CALENDAR*

a. Approval of Minutes: April 19, 2011

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

c. General Correspondence

d. Claims

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

(1) Report on Procurement Activities

9. *PUBLIC HEARINGS*

a. Ordinance No. 4298 and its Summary, Granting Olympic Pipe Line Company, an Interstate Pipeline Corporation Incorporated in the State of Delaware, its Successors and Assigns, a Nonexclusive Franchise to Construct, Operate, Maintain, Remove, Replace, and Repair Existing Pipeline Facilities, Together with Equipment and Appurtenances Thereto, for the Transportation of Petroleum Products Within and Through the Franchise Area of the City of Kirkland.

b. Ordinance No. 4299 and its Summary, Relating to Granting Woodinville Water District, a Washington Municipal Corporation, the Right, Privilege, Authority and Franchise to Construct and Maintain, Repair, Replace, Operate Upon, Over, Under, Along and Across the Franchise Area Water and Sewer Facilities for Purposes of its Water and Sewer Utility Business.

c. Renewal of Interim Ordinance for Land Use Permit Extensions:

(1) Ordinance No. 4300, Relating to Land Use and Zoning, Providing Interim Official Controls Regarding Land Use Permit Extensions, File No. MIS09-00022, as Adopted by Ordinance 4219, and Extending Ordinance 4219 Through November 3, 2011.

or

GENERAL CORRESPONDENCE

Letters of a general nature (complaints, requests for service, etc.) are submitted to the Council with a staff recommendation. Letters relating to quasi-judicial matters (including land use public hearings) are also listed on the agenda. Copies of the letters are placed in the hearing file and then presented to the Council at the time the matter is officially brought to the Council for a decision.

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.

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.

- (2) Ordinance No. 4300 and its Summary, Relating to Land Use and Zoning, Providing Interim Official Controls Regarding Land Use Permit Extensions File No. MIS09-00022, Modifying and Extending Ordinance No. 4219 Through November 3, 2011, and Approving a Summary for Publication.

10. UNFINISHED BUSINESS

- a. Resolution R-4878, Approving the Interlocal Agreement Between the City of Kirkland and King County Regarding the Annexation of the Juanita/Finn Hill/Kingsgate Area
- b. Ordinance No. 4301, Amending the Biennial Budget for 2011-2012
- c. 2011 Legislative Update No. 7

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

11. NEW BUSINESS

- a. Association of Washington Cities Annual Meeting Delegates
- b. Community Development Block Grant Options

12. REPORTS

- a. City Council
 - (1) Regional Issues
- b. City Manager
 - (1) 2011 City Council Retreat Follow up
 - (2) Calendar Update

ITEMS FROM THE AUDIENCE

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

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Marilynne Beard, Assistant City Manager
Date: April 25, 2011
Subject: ANNEXATION UPDATE

RECOMMENDATION:

City Council receives an update on outstanding policy issues related to annexation.

BACKGROUND DISCUSSION:

Various issues were outstanding following the last City Council study session. As of this writing, significant unresolved issues include:

- King County Interlocal Agreement – The Council will be asked to take action on the King County ILA during the May 3 regular meeting (see memo under "Unfinished Business"). City staff will be involved in ongoing discussions the week of April 25 with County staff and will attend a briefing before the King County Committee of the Whole the morning of May 2. At the study session, staff will review any final changes requested to the ILA.
- Fire District #41 Interlocal Agreement – At the April 19 study session, staff outlined the proposed interlocal agreement elements. The Fire District #41 Commissioners are meeting on April 26 and City staff will attend the meeting to work through elements of the ILA that remain unresolved. Staff will present the results of that meeting and, potentially, a draft ILA at the study session. Council would act on the ILA at the May 17 City Council meeting.
- Woodinville Fire and Rescue -- City staff is scheduled to talk with WFR District staff the week of April 25 to finalize the ILA amendment that acknowledges the conditions of the final transfer of services and assets to the City. Again, staff will present the results of those discussions at the study session including a draft ILA which will be presented to the City Council for action on May 17.

If new significant information becomes available before the May 3 Council meeting, staff will provide an update to this memo and possible draft documents.



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Marie Stake, Communications Program Manager

Date: April 25, 2011

Subject: MENTAL HEALTH AWARENESS DAY PROCLAMATION

RECOMMENDATION:

Council authorizes the Mayor to sign the Kirkland Mental Health Awareness Day Proclamation.

BACKGROUND DISCUSSION:

The National Alliance on Mental Illness (NAMI) is a national mental health organization committed to awareness, education, and advocacy. Each year NAMI hosts walks within communities throughout the United States to raise awareness about mental illness and funds to support its programs.

On May 14, 2011 the 7th annual NAMI Washington Walk will be held in Kirkland, Washington. The walk will begin at Marina Park. The event is sponsored by Fairfax Hospital (Kirkland).

John Hughes, Chairman, NAMI Walk Committee and Farrell Adrian, President, NAMI Washington will be present to receive the proclamation.

For information on NAMI walks, visit www.nami.org/walks.



A PROCLAMATION OF THE CITY OF KIRKLAND

Proclaiming May 14, 2011 as "Mental Health Awareness Day" in Kirkland, Washington

WHEREAS, mental illness is a serious medical illness that affects one in four families; and

WHEREAS, the National Alliance on Mental Illness (NAMI) was created in 1979 as a U.S.-based mental health organization committed to awareness, education, and advocacy; and

WHEREAS, NAMI's support and public education efforts are focused on educating America about mental illness, offering resources to those in need, and insisting that mental illness become a high national priority; and

WHEREAS, each year NAMI hosts walks within communities across the U.S. to raise awareness about mental illness and funds to support its programs; and

WHEREAS, in 2011, thousands of concerned citizens in over 80 communities across the nation will walk together to raise money and awareness about the country's need for a world-class treatment and recovery system for people with mental illness; and

WHEREAS, Kirkland, Washington is a host site for the 7th annual NAMI Washington Walk which will be held in Kirkland on May 14, 2011 from Marina Park along the picturesque shores of Lake Washington;

NOW, THEREFORE, I, Joan McBride, Mayor of the City of Kirkland, do proclaim May 14, 2011 as "*Mental Health Awareness Day*" in the City of Kirkland and call upon the people of Kirkland to support NAMI in its efforts and to pledge or participate in the NAMI Washington Walk.

Signed this 3rd day of May, 2011

Joan McBride, Mayor



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
April 19, 2011

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

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

Members Absent: None.

Councilmember Greenway was excused due to illness following item 10.b.

3. STUDY SESSION

a. Annexation Update

Joining Councilmembers for this discussion were City Manager Kurt Triplett,
Assistant City Manager Marilynne Beard, City Attorney Robin Jenkinson, Director
of Finance and Administration Tracey Dunlap and Director of Fire and Building
Fire Chief Kevin Nalder.

4. EXECUTIVE SESSION

a. To Discuss Property Acquisition

Mayor McBride announced that Council would be entering into Executive Session to
discuss property acquisition at 6:50 p.m. and would be returning to regular meeting
at 7:30 p.m.

5. HONORS AND PROCLAMATIONS

a. Thirty Year Service Awards: Captain Keith J. Adams Battalion Chief Mike K.
Dettmer Battalion Chief Michael G. Haschak Battalion Chief Joseph N. Sanford

BC Haschak and BC Sanford were present to accept their service awards from
Chief Nalder, Mayor McBride and Deputy Mayor Sweet.

b. Municipal Clerks Week Proclamation

City Clerk Kathi Anderson, Deputy City Clerk Anja Mullin and City Clerk
Assistant Cheri Aldred accepted the proclamation and thanked the Council.

6. COMMUNICATIONS

- a. Announcements
- b. Items from the Audience

Jeff Howard
Sants Contreras
Lisa McConnell
Bob Kamuda
Brian Brand
Liliya Semenyuk
Nona Ganz

- c. Petitions

7. SPECIAL PRESENTATIONS

- a. Annexation Communications

Communications Manager Marie Stake provided an update about the City's efforts to provide public information and outreach to residents of the annexation area.

- b. Geographic Information System (GIS) Browser Demonstration

GIS Administrator Xiaoning Jiang conducted a short demonstration and training session using the new GIS browser.

8. CONSENT CALENDAR

- a. Approval of Minutes:

(1) April 5, 2011

(2) April 6, 2011 Special Meeting

- b. Audit of Accounts:

Payroll \$ 1,872,107.75

Bills \$ 2,329,524.45

run # 997 check # 524787

run # 998 checks # 524788 - 524925

run # 999 checks # 524926 - 525074

- c. General Correspondence

- d. Claims

- e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

(1) Resolution R-4876, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING PARTICIPATION BY THE CITY IN AN INTERLOCAL COOPERATIVE PURCHASING AGREEMENT WITH THURSTON COUNTY AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND."

h. Other Items of Business

(1) NE 68th Street and 108th Avenue NE Intersection Improvements

(2) Report on Procurement Activities

Motion to approve the Consent Calendar.

Moved by Councilmember Doreen Marchione, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

9. PUBLIC HEARINGS

None.

10. UNFINISHED BUSINESS

a. Navigating the City Council E-packet

City Clerk Assistant Cheri Aldred provided an overview of tools available to navigate the Council's electronic meeting packet.

b. 2011 Legislative Update No. 6

Intergovernmental Relations Manager Lorrie McKay reviewed the status of Council's legislative priorities.

Council recessed for a short break.

c. Threshold Determination for 2011 Private Amendment Requests

Planning and Community Development Director Eric Shields introduced the proposed amendments for consideration. Senior Planner Joan Lieberman Brill reviewed the options for Council action. Planning Commissioner Jay Arnold responded to Council questions on behalf of the Commission. Council also

provided feedback on Mr. Howard's proposal to pay fees for services.

Motion to Approve moving the Altom private amendment request to increase permitted residential density in Planned Area 5C to the next stage.

Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen

Vote: Motion carried 6-0

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

Motion to Approve moving the Howard private amendment request to allow freestanding residential development in and adjacent to the Holmes Point Neighborhood Center to the next stage.

Moved by Councilmember Bob Sternoff, seconded by Councilmember Amy Walen

Vote: Under Council rules, when a tie vote occurs, the issue is tabled.

Yes: Councilmember Doreen Marchione, Councilmember Bob Sternoff, and Councilmember Amy Walen.

No: Councilmember Dave Asher, Mayor Joan McBride, and Deputy Mayor Penny Sweet.

Motion to Approve moving the MRM Kirkland request to allow residential use and additional height for property in CBD 5 to the next stage for consideration in 2012.

Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen

Vote: Motion carried 6-0

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

d. Resolution R-4877, Pertaining to the 2011-2013 Planning Work Program

Planning and Community Development Director Eric Shields and Deputy Director Paul Stewart responded to Council questions and comment.

Motion to approve Resolution R-4877, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND PERTAINING TO THE 2011-2013 PLANNING WORK PROGRAM."

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione

Vote: Motion carried 6-0

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

e. Approving the Eastside Rail Corridor Interest Statement

Motion to Approve the final Eastside Rail Corridor Interest Statement as proposed by the Kirkland Transportation Commission, with amended language as described by Councilmember Asher.

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet
Vote: Motion carried 6-0

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

11. NEW BUSINESS

None.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding a recent meeting of the Regional Transit Committee; Suburban Cities Public Issues Committee meeting; NORCOM meeting; Puget Sound Regional Council Operations Committee meeting; Volunteer Appreciation Dinner; Cascade Water Alliance meeting; Economic Development Roundtable meeting; Youth Eastside Services breakfast; memorial service for Bill Petter; Lake Washington Schools Foundation luncheon; annual downtown Clean Sweep; Mayor McBride noted that she will be absent from the May 17 meeting due to travel; Mayors' panel at Housing Development Consortium meeting; and an upcoming annual "Dining out for Life" event.

Mayor McBride received Council support in asking for staff assistance with preparing information for the Puget Sound Regional Council activity center issue.

b. City Manager

(1) Calendar Update

13. ITEMS FROM THE AUDIENCE

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of April 19, 2011 was adjourned at 10:29 p.m.

City Clerk

Mayor



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: April 21, 2011
Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION

It is recommended that the City Council acknowledge receipt of the following Claim(s) for Damages and refer each claim to the proper department (risk management section) for disposition. It is further recommended that the Council concur with the staff proposal that names of claimants will no longer be listed on the Agenda, since the names are listed in the staff memo.

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) Houghton Partners LLC
500 108th Avenue NE, #2400
Bellevue, WA 98004

Amount: Unspecified amount

Nature of Claim: Claimant states damage occurred to the property as a result of overflow from a culvert.

- (2) Park Central Condominiums
605 Fifth Street
Kirkland, WA 98033

Amount: \$107,000.00

Nature of Claim: Claimant states damage occurred to the property as a result of a broken storm drain pipe.

- (3) Kristin L. Rafter
2721 223rd Avenue NE
Sammamish, WA 98074

Amount: \$459.00

Nature of Claim: Claimant states she believes additional damage may have occurred to her vehicle following an auto accident in which she was involved (and medically transported from). She is uncertain of the circumstances or whether City incident respondents may have been involved.

- (4) Ashley Vietti
12008 20th Street NE
Lake Stevens, WA 98258

Amount: \$500,000.00

Nature of Claim: Claimant states damage to vehicle and injury resulted from being struck by a City vehicle.



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: April 22, 2011

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF MAY 3, 2011

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 April 7, 2011, are as follows:

	Project	Process	Estimate/Price	Status
1.	2011 Striping Project	Small Works Roster	\$60,000-\$70,000	Contractors notified on 4/22 with bids due on 5/9.

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



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Rob Jammerman, Development and Environmental Services Manager
Oskar Rey, Assistant City Attorney
Ray Steiger, P.E., Interim Public Works Director

Date: April 20, 2011

Subject: OLYMPIC PIPELINE FRANCHISE AGREEMENT

RECOMMENDATION:

1. Conduct the first reading of the proposed ordinance granting a franchise to Olympic Pipeline and;
2. Conduct a public hearing to receive comments on the proposed Franchise Agreement.
3. Direct staff to bring back the final ordinance at the next Council meeting on May 17, 2011

BACKGROUND DISCUSSION:

Franchise Agreements are used by the City to authorize and manage the use of the City rights-of-way by various utility companies. The Olympic Pipeline Company (Olympic) operates a 400-mile long petroleum pipeline system from Ferndale, Washington to Portland, Oregon. Two parallel lines, 16-inch and 20-inch, pass through the northeast section of the Kirkland annexation area. Most of the pipeline within the annexation area is located in private easements. However, the pipeline does cross four separate rights-of-way (see attached map) and a Franchise Agreement between the City and Olympic is necessary to manage these four right-of-way crossings.

Olympic is required to adhere to a stringent safety program which is monitored by Washington Utilities and Transportation Commission. The attached summary outlines frequently asked questions about the Olympic Pipeline Company and their safety and integrity programs. In addition, the City's Planning and Fire and Building Departments will be considering pipeline safety regulations in 2011 for development near the pipeline.

The attached Franchise Agreement language generally parallels the existing Bellevue and Redmond Olympic Franchise Agreements, which were recently negotiated. The agreement provides the following key elements:

1. **Purpose of the Agreement:** The purpose of the agreement is to delineate the conditions related to Olympics' use of the City rights-of-way and provides a framework

for both parties to work cooperatively in the public's best interest. By granting the franchise agreement the City does not assume any risks or liabilities from Olympic.

2. **Limited Franchise Area:** The franchise area is only for the existing four right-of-way crossings. The area cannot be changed without City approval.
3. **Franchise Fee:** Olympic will provide an annual franchise fee to the City. The recommended annual fee is \$6,000, which was calculated using \$1,500 per the four right-of-way crossings. This fee aligns with the franchise fee being paid in the City of Federal Way which has a similar size and scope of right-of-way crossings. The fee is also subject to an annual 3% increase during the term of the agreement.
4. **Franchise Term:** The franchise term will be for 10 years.

In summary, we ask that the Council conduct the first reading of the ordinance, conduct a Public Hearing, and direct staff to bring the ordinance back for final approval at the next Council meeting on May 17, 2011.

Attachments: Frequently Asked Questions about Olympic Pipeline Safety Requirements Ordinance
Map of Olympic Right-of-way Crossings in the Annexation Area
Publication Summary

Olympic Pipe Line Company Frequently Asked Questions

What is Olympic Pipe Line Company?

Olympic Pipe Line Company is a joint venture company owned by Enbridge Pipelines, LLC (85%) and BP Pipelines North America (15%). BP has operated the pipeline since 2000. Olympic is a common carrier interstate liquid petroleum pipeline, the largest liquid petroleum products pipeline in Washington State, with 400 miles of mainline and laterals connecting the four Northwest refineries to markets in Seattle, Tacoma, Vancouver and Portland, Oregon. The pipeline transports approximately 300,000 barrels per day (42 gal = 1 barrel) of gasoline, diesel and jet fuel.

How deep is the pipeline?

Olympic's facilities are largely underground, typically buried approximately three feet deep, although depths vary widely and should never be assumed.

What size is the pipeline?

The carbon steel pipes range from 6-inch to 20-inches in diameter. Two of Olympic's main lines traverse the Kingsgate area of Kirkland, a 16-inch diameter and a 20-inch diameter. The 16" pipeline maximum operation pressure is 1253 psi and the 20" pipeline is 926 psi, although the lines are more typically pressured at approximately 750 on the 16-inch and 500 on the 20-inch through Kirkland.

How is Olympic's safety regulated?

Olympic is regulated by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) on the federal side and by the Washington Utilities and Transportation Commission on the state side. Olympic follows the regulatory requirements of 49 CFR Part 195 pertaining to Transportation of Hazardous Liquids by Pipeline on all portions of the pipeline system. The Washington State Department of Ecology regulates Olympic's Emergency Response Plan.

How do you know the pipeline is safe?

The cornerstone of Olympic's integrity program is its in-line inspection (ILI) program. The pipeline is inspected using ILI devices (commonly called "smart pigs") which have the capability to travel internally in the pipeline and collect data regarding the characteristics of the pipe for all major anomalies that could appear in the pipe wall. Olympic has a rigorous safety and integrity program that meets or exceeds Federal and State regulatory requirements. Federal regulations require one tool run every five years, Olympic has run eight tools in the last ten years, including the following devices:

- 5 Deformation runs (2000, 2001, 2003, 2004-2006, 2009) – Testing for dents
- 1 Transverse Flux Inspection (TFI) (2001/2002) – Testing for seam integrity/axial metal loss
- 2 High-Resolution MFL runs (2000, 2004/2005) – Testing for corrosion or metal loss
- Ultrasonic tool run Ferndale-Allen (2000) – Testing for corrosion or metal loss
- 2009 XYZ tool (Magnetic Flux Leakage for corrosion and GPS tool with spatial positioning capabilities)
- These tool runs resulted in more than 550 inspection digs, revealing 133 anomalies meeting the criteria for repair. In the most recent tool runs very few anomalies were found. Olympic conducted a cycle stress analysis of the system to insure pressure cycles do not damage the pipeline.
- Olympic has earned ISO 14001 certification, a widely recognized yet difficult to attain, environmental standard.

How can you tell if there is a leak?

The pipeline is operated and monitored by a team of pipeline controllers in Renton. Olympic has 24/7 monitoring of the pipeline pressures, flows, temperatures, and facility and equipment status using its Supervisory Control and Data Acquisition System (SCADA) system from the Control Center in Renton. Three controllers are scheduled for each shift, two front line controllers and one shift leader for oversight. Olympic uses enhanced Leak Detection via Computational Pipeline Modeling integrated with the SCADA

System. Olympic has triple redundancy in the communications system, including satellite, frame relay and Olympic owned fiber optic line to ensure that we have constant control of the pipeline. There is a fully capable back up system in Tacoma in case of emergency.

How is the pipeline shut down?

Controllers can bring the line down very quickly by shutting down the pumps and closing valves. Olympic conducted a block valve effectiveness study to determine optimal spacing for block valves and check valves to isolate pipeline segments. In the last 12 years, Olympic has modified 51 valves on the system, including adding 19 new check valves, 15 new motor operated valves, and converting 17 hand operated valves to motor operated valves. All of the planned valve installations on this portion of pipeline the pipeline system have been completed.

How does Olympic prevent people from damaging the pipeline?

Olympic's Damage Prevention Program is focused at protecting the pipeline from third party damage. The pipeline is patrolled by aircraft once each week, weather permitting, or at intervals not to exceed 21 days. The aerial patrols provide visual inspection of the right of way (ROW) and an opportunity to take note of any unusual circumstances taking place, such as construction, erosion, or landslides. Olympic is a participant in the State One-Call system (811) and employs 12 full-time line locators who mark the pipeline within two business days of receiving a one-call ticket. Olympic meets with all parties planning to dig within 100 feet of the pipeline, and provides on-site monitoring of any project with digging within 10 feet of the pipeline.

Olympic maintains its ROW for easy inspection and prevents damage caused by invasive vegetation and roots by annually mowing and periodically tree trimming or clearing. Olympic also conducts thorough geotechnical assessments and developed an ongoing landslide hazards monitoring matrix.

Olympic works closely with the UULC and Common Ground Alliance for communication of best practices, and implement substantial public education programs. Olympic continues to be a vocal advocate in Olympia to enhance state Damage Prevention regulations.

ORDINANCE NO. 4298

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON GRANTING OLYMPIC PIPE LINE COMPANY, AN INTERSTATE PIPELINE CORPORATION INCORPORATED IN THE STATE OF DELAWARE, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, MAINTAIN, REMOVE, REPLACE, AND REPAIR EXISTING PIPELINE FACILITIES, TOGETHER WITH EQUIPMENT AND APPURTENANCES THERETO, FOR THE TRANSPORTATION OF PETROLEUM PRODUCTS WITHIN AND THROUGH THE FRANCHISE AREA OF THE CITY OF KIRKLAND.

WHEREAS, Olympic Pipe Line Company (hereinafter "Company") has applied for a nonexclusive franchise to operate and maintain an existing petroleum pipeline through certain public rights of way and property within the City of Kirkland (hereinafter the "City"); and

WHEREAS, the City Council finds that it is in the public interest to specify the rights and duties of Olympic Pipe Line through a franchise; and

WHEREAS, RCW 35A.47.040 authorizes the City to grant nonexclusive franchises for the use of City rights-of-way, streets and other designated public properties, public ways, or other ways;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Definitions. For the purposes of this Franchise and all exhibits attached hereto, the following terms, phrases, words and their derivations shall have the meaning given herein.

When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined shall be given their common and ordinary meaning.

1.1 Construct or Construction shall mean removing, replacing, and repairing existing pipeline(s) and/or Facilities and may include, but is not limited to, digging and/or excavating for the purposes of removing, replacing, and repairing existing pipeline(s) and/or Facilities.

1.2 Effective Date shall mean June 1, 2011.

1.3 Environmental Laws shall include the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the

Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1257 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Washington Hazardous Waste Management Act, Chapter 70.105 RCW; and the Washington Model Toxics Control Act, Chapter 70.105D RCW all as amended from time to time; and any other valid and applicable federal, state, or local statute, code, or ordinance or valid and applicable federal or state administrative rule, regulation, ordinance, order, decree, or other valid and applicable governmental authority as now or at any time hereafter in effect pertaining to the protection of human health or the environment.

1.4 Facilities shall mean the Company's pipeline system, lines, valves, mains, and appurtenances used to transport or distribute the Company's Petroleum Product(s), existing as of the effective date of this Franchise or as those components may be modified or improved consistent with the terms of this Franchise.

1.5 Franchise shall mean this Franchise and any amendments, exhibits, or appendices to this Franchise.

1.6 Franchise Area means the Right of Way and certain designated Public Property within the jurisdictional boundaries of the City, including any areas annexed by the City (but excluding properties upon which the Company holds a private easement, license, or other property interest for its Facilities) during the term of this Franchise, in which case the annexed area shall become subject to the terms of this Franchise.

1.7 Hazardous Substance means any hazardous, toxic, or dangerous substance, material, waste, pollutant, or contaminant, including all substances designated under the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1257 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Federal Insecticide, Fungicide, Rodenticide Act, 7 U.S.C. § 136 et seq.; the Washington Hazardous Waste management Act, Chapter 70.105 RCW; and the Washington Model Toxics Control Act, Chapter 70.105D, RCW; all as amended from time to time; and any other federal, state, or local statute, code or ordinance or lawful rule, regulation, order, decree, or other governmental authority as now or at any time hereafter in effect.

The term shall specifically include Petroleum and Petroleum Products. The term shall also be interpreted to include any substance which, after release into the environment, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities.

1.8 Improve or Improvements shall mean modifications to, but not a change in the nature of, the existing pipeline(s) or Facilities as required and necessary for safe operation.

1.9 Maintenance or Maintain shall mean examining, testing, inspecting, repairing, and replacing the existing pipeline and/or facilities or any part thereof as required and necessary for safe operation.

1.10 Petroleum or Petroleum Products shall include, but is not limited to, motor gasoline, diesel fuel, and aviation jet fuel, and shall exclude natural gas.

1.11 Pipeline Corridor shall mean the pipeline pathway through the jurisdictional boundaries of the City in which the pipeline(s) and or Facilities of the Company are located, including any Rights-of-Way, Public Property, Public Ways, Other Ways, and/or easement over and through private property.

1.12 Public Ways shall mean any highway, street, alley, utility easement (unless their use is otherwise restricted for other users), or other public Rights-of-way for motor vehicle or other use under the jurisdiction and control of the City.

1.13 Public Properties shall mean the present and/or future property owned or leased by the City within the present and/or future corporate limits, or jurisdictional boundaries of the City.

1.14 Operate or Operations shall mean the use of the Company's pipeline(s) and/or Facilities for the transportation, distribution and handling of Petroleum or Petroleum Products within and through the Franchise Area.

1.15 Other Ways means the highways, streets, alleys, utility easements or other Rights-of-Way within the City as encompassed by RCW 47.24.020 and 47.52.090.

1.16 Rights-of-Way means the surface and the space above and below streets, roadways, highways, avenues, courts, lanes, alleys, sidewalks, easements, Rights-of-Way and similar Public Property, Public Ways or Other Ways and areas located within the Franchise Area.

Section 2. Purpose. The City grants this nonexclusive Franchise to Company to operate and maintain its existing Facilities as a liquid petroleum product delivery system for Company's business. This Franchise is granted subject to the police powers, land use authority and franchise authority of the City and is conditioned upon the terms and conditions contained herein and Company's compliance with any applicable federal, state or local regulatory programs that currently exist or may hereafter be enacted by any federal, state or local regulatory agencies with jurisdiction over the Company. The purpose of this Franchise is to delineate the conditions relating to Company's use of the Franchise Area and to create a foundation for the parties to work cooperatively in the public's best interests after this Ordinance becomes effective. By granting this Franchise, the City is not assuming any risks or liabilities therefrom, which shall be solely and separately borne by Company.

Furthermore, this Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, under, on, across, over, through, along or below any Rights-of-Ways, Public Property, Public Ways, and Other Ways. This and other franchises shall, in no way, prevent or prohibit the City from using any of its Rights-of-Ways, Public Property, Public Ways, and Other Ways or affect its jurisdiction over them or any part of them, and the City hereby retains full power to make all changes, relocations, repairs, maintenance, establishments, improvements, dedications or vacations of same as the City may seem fit, including the dedication, establishment, maintenance and improvement of all new Rights-of-Way, streets, avenues, thoroughfares, and Public Ways, or Other Ways.

Section 3. Rights Conveyed.

3.1 Pursuant to the laws of the State of Washington including, but not limited to, RCW 35A.47.040 and RCW 80.32.010, the City hereby grants, under the terms and conditions contained herein, to Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and which is authorized to transact business within the State of Washington, and its successors and assigns (subject to and as provided for in Section 5), the right, privilege, authority and Franchise to Construct, Operate, Maintain and Improve its Facilities, together with all equipment and appurtenances as may be necessary thereto, for the transportation and handling of any Petroleum or Petroleum Products, within the existing Pipeline Corridor passing through the Franchise Area, such lands being more particularly described in Attachment 1 which is attached hereto and expressly incorporated herein by this reference.

3.2 This Franchise is only intended to convey a limited right and interest as to that Right-of-Way and/or certain designated Public

Property in which the City has an actual interest. It is not a warranty of title or interest in the City's Right-of Way and/or certain designated Public Property. None of the rights granted herein shall affect the City's jurisdiction over its property, streets or rights of way.

3.3 The limited rights and privileges granted under this Franchise shall not convey any right to Company to install any new pipeline(s) and/ or Facilities without the express written consent of the City.

3.4 The Company acknowledges and warrants by acceptance of the rights and privileges granted herein, that it has carefully read and fully comprehends the terms and conditions of this Franchise and is willing to and does accept all reasonable risks of the meaning of the provisions, terms and conditions herein. The Company further acknowledges and states that it has fully studied and considered the requirements and provisions of this Franchise, and believes that the same are consistent with all local, state and federal laws and regulations currently in effect, including the Federal Pipeline Safety Act (49 U.S.C. 60101 *et seq.*) and the Pipeline Safety Code of Federal Regulations (Title 49 CFR Part 186-199). If in the future the Company becomes aware that a provision of this franchise may be unlawful or invalid, it will not use such potential invalidity to unilaterally ignore or avoid such provision. Instead, the Company will promptly advise the City of the potential invalidity or illegality, and the parties will meet within thirty (30) days and endeavor jointly to cure the invalidity or illegality.

Section 4. Term.

4.1 Each of the provisions of this Franchise shall become effective upon Company's acceptance of the terms and conditions of this Franchise and shall remain in effect for ten (10) years thereafter. At any time not more than three (3) years nor less than one-hundred-eighty (180) days before the expiration of the Franchise term, the Company may make a written request and the City may consider, at its sole discretion, renewing this Franchise for an additional ten (10) year renewal period unless either party expresses its intention in writing to terminate this Franchise at the conclusion of the ten (10) year term.

4.2 The effective date of this Franchise shall be June 1, 2011.

4.3 If the parties fail to formally renew or terminate the Franchise prior to the expiration of its term or any extension thereof, the Franchise shall be extended on a year-to-year basis (or such term as the parties may mutually agree) until a renewed Franchise is executed.

Section 5. Assignment and Transfer of Franchise.

5.1 This Franchise shall not be sold, assigned, transferred, leased or disposed of, either in whole or in part, nor shall title thereto, either legal or equitable, pass to or vest in any person or entity without the prior written consent of the City's Council, acting by ordinance or resolution, which consent shall not be unreasonably withheld. Such consent shall not be deemed to waive any rights of the City to subsequently enforce non-compliance issues relating to this Franchise that existed at or before the time of the City's consent.

5.2 If such consent is given by the City then the Company shall, within thirty (30) days, file with the City a written instrument evidencing such sale, assignment or transfer of ownership, whereby the assignee(s) or transferee(s) shall agree to accept and be bound by all of the provisions of this Franchise.

Section 6. Compliance with Laws and Standards.

Company shall, in carrying out any authorized activities under the privileges granted herein, comply with all valid and applicable local, state and federal laws, including, but not limited to, Title 49 Code of Federal Regulations, Part 195 Transportation of Hazardous Liquids, environmental laws, and any laws or regulations that may be subsequently enacted by any governmental entity with jurisdiction over Company and/or the Facilities.

Section 7. Construction on or within Rights-of Way, Public Properties, Public Ways, and Other Ways.

7.1 This Section 7 shall apply to all Construction and/or Maintenance done by Company in the Franchise Area.

7.2 Except in the event of an emergency, Company shall first obtain all required permits from the City to perform maintenance or construction work on Company's Facilities within the Franchise Area. The permit application shall contain detailed plans and specifications showing the position, depth and location of all such Facilities in relation to existing City Rights-of-Ways, Public Property, Public Ways, and Other Ways, or other City property, hereinafter collectively referred to as the "Plans." The Plans shall specify the class and type of material and equipment to be used, manner of excavation, construction, installation, backfill, erection of temporary structures and facilities, erection of permanent structures and facilities, traffic control, traffic turnouts and road obstructions, and all other necessary information. The Company shall file as-built plans and, when available, maps in GIS format with the City showing the final location of the facilities. Such work shall only commence upon the issuance of required permits, and payment of the associated fees, which permits shall not be unreasonably withheld or delayed after submission of a complete application. Except in the event of an emergency, the Company shall provide the City with at least

seventy two (72) hours written notice prior to any construction or maintenance on the Company Facilities within the Franchise Area.

7.3 In the event of an emergency requiring immediate action by Company for the protection of the pipeline(s) or Facilities, the City's property or the property, life, health or safety of any individual, the Company may take action immediately to correct the dangerous condition without first obtaining any required permit so long as: (1) the Company notifies the City Fire Department through the dispatch system of the emergency; and (2) the Company informs the City permitting authority of the nature, location, and extent of the emergency, and the work to be performed, prior to commencing the work if such notification is practical, or where such prior notification is not practical, the Company shall notify the City permitting authority on the next business day; and (3) such permit is obtained by the Company as soon as practicable following cessation of the emergency.

7.4 Before undertaking any of the work, installation, improvements, construction, repair, relocation, or maintenance authorized by this Franchise, as a condition precedent to the issuance of any permits by the City, the Company shall, upon the request of the City, furnish a bond executed by the Company and a corporate surety authorized to operate a surety business in the State of Washington, in such sum as may be set and approved by the City as sufficient to ensure performance of the Company's obligations under this Franchise. The bond shall be conditioned so that the Company shall observe all the covenants, terms and conditions and shall faithfully perform all of the obligations of this Franchise, and to repair or replace any defective work or materials discovered in the City's road, streets, or property

7.5 All work done hereunder by Company or upon Company's direction or on Company's behalf, including any work performed by contractors or subcontractors, shall be undertaken and completed in a workmanlike manner and in accordance with the descriptions, plans and specifications provided to the City. The Company's activities (including work done at the direction of the Company, or by its contractors or subcontractors) shall be conducted in such a manner as to avoid damage or interference with other utilities, drains or other structures, and not unreasonably interfere with public travel, park uses or other municipal uses, and the free use of adjoining property and so as to provide safety for persons and property. The Company's Construction and/ or Maintenance shall be in compliance with all valid and applicable laws and regulations and specifications of governmental agencies with jurisdiction.

7.6 In case of damage caused by the Company, its agents or employees or by the Facilities of the Company to Rights-of-Way, Public Ways, or Other Ways, the Company agrees to repair the damage at its

own cost and expense. The Company shall, upon discovery of any such damage, immediately notify the City. The City will inspect the damage, and set a time limit for completion of the repair. If the City discovers damage caused by the Company to Rights-of-Way, Public Ways, or Other Ways, the City shall give the Company notice of the damage and set a time limit in which the Company must repair the damage. In the event the Company does not make the repair as required in this section, the City may repair the damage at the company's expense.

7.7 The Company shall place and maintain line markers pursuant to federal regulations within and along the Pipeline Corridor. Additionally, Company agrees to continue its voluntary practice of placing continuous markers underground, when and where appropriate, indicating the pipeline's location each time Company digs to the pipeline, or such other 'industry best practices' as may from time to time be developed as a method of alerting excavators of the presence of the pipeline.

7.8 The Company shall continuously be a member of the State of Washington one number locator service under (RCW 19.122), or approved equivalent, and shall comply with all such applicable rules and regulations

7.9 The Company's Facilities shall be located and maintained within the Franchise Area so as not to interfere with the free passage of pedestrian and/or vehicle traffic therein, or with the reasonable ingress or egress to the properties abutting the Franchise Area as they exist at the time of installation of the Facilities.

7.10. The Company shall, after installation, construction, relocation, maintenance, removal or repair of any of Company Facilities within the Franchise Area, restore the surface of the Franchise Area and any other City property within the Franchise Area which may be disturbed or damaged by such work, to at least the same condition as it was immediately prior to any such work. The City shall have final approval of the condition of the Franchise Area after restoration pursuant to the provisions of applicable City codes, ordinances, regulations, standards and procedures, as now exist or as may be hereafter amended or superseded, provided that such provisions are not in conflict or inconsistent with the express terms and conditions of this Franchise.

7.11. The City will require the Company to post an appropriate bond, as determined by the City, to ensure satisfactory restoration of the Franchise Area following the completion of the Company's work therein. In lieu of separate bonds for routine individual projects involving work in the Franchise Area, the Company may satisfy the

City's bond requirement of this Section by posting an approved indemnity bond with the City pursuant to KMC 19.12.095.

7.12. All survey monuments which are disturbed or displaced by the Company in its performance of any work under this Franchise shall be referenced and restored by the Company, as per WAC 332-120, as from time to time amended, and all pertinent federal, state and local standards and specifications.

7.13 The Company and the City shall each exercise all best reasonable efforts to coordinate any construction work that either may undertake within the Franchise Areas so as to promote the orderly and expeditious performance and completion of such work as a whole. Such efforts shall include, at a minimum, reasonable and diligent efforts to keep the other party and other utilities within the Franchise Areas informed of its intent to undertake such construction work. The Company and the City shall further exercise best reasonable efforts to minimize any delay or hindrance to any construction work undertaken by themselves or utilities with the Franchise Area.

Section 8. Abandonment or Removal of Facilities.

8.1 The Company shall notify the City of any abandoned Facilities or cessation of use of any of its Facilities within sixty (60) days after such abandonment or cessation of use.

8.2 In the event of abandonment or Company's permanent cessation of use of its Facilities, or any portion thereof within the Franchised Area, the Company shall, within one hundred and eighty days (180) after the abandonment or permanent cessation of use, remove the Facilities at the Company's sole cost and expense. However, with the express written consent of the City, which shall not be unreasonably withheld, the Company may, at Company's sole cost and expense, secure the Facilities in such a manner as to cause it to be as safe as is reasonably possible, by removing all Petroleum Products, purging vapors, displacing the contents of the line with an appropriate inert material and sealing the pipe ends with a suitable end closure, all in compliance with valid and applicable regulations, and abandon them in place provided that portions of the Facilities which are above ground shall be removed at Company's sole cost and expense.

8.3 In the event of the removal of all or a portion of the Facilities, Company shall restore the Franchise Area as nearly as possible to a condition that existed prior to installation of Company's Facilities. Such property restoration work shall be done at Company's sole cost and expense and to the City's reasonable satisfaction. If Company fails to remove or secure the Facilities and fails to restore the premises or take such other mutually agreed upon action, the City may, after reasonable notice to Company, remove the Facilities, restore the

premises or take such other action as is reasonably necessary at Company's expense and the City shall not be liable therefor. This remedy shall not be deemed to be exclusive and shall not prevent the City from seeking a judicial order directing that the Facilities be removed.

8.4 The City shall not charge the Company franchise fees for pipelines or pipeline segments abandoned or removed in compliance with this Section. However, the City's consent to the abandonment of Facilities in place shall not relieve the Company of the obligation and/or costs to remove, alter or re-secure such Facilities in the future in the event it is reasonably determined, as adjudged in the sole discretion of the City, that removal, alteration or re-securing the facilities is necessary or advisable for the health, safety, necessity and/or convenience of the public, in which case the Company shall perform such work at no cost to the City.

8.5 The parties expressly agree that the provisions of this Section 8 shall survive the expiration, revocation or termination of this Franchise.

Section 9. Operations and Maintenance - Inspection and Testing.

9.1 The Company shall Operate and Maintain its Facilities in full compliance with the applicable provisions of Title 49, Code of Federal Regulations, Part 195, and WAC 480-75-420, as now enacted or hereafter amended, all environmental laws, and any other current or future laws or regulations that are applicable to Company's Facilities, enacted by any governmental entity with jurisdiction over Company or Company's Facilities.

9.2 The City shall use reasonable efforts to inform all excavators subject to a City grading and/or right-of-way permit working within 100 feet of the Company's Facilities of their responsibility to notify the Company at least 48 hours prior to the start of any work and to ensure compliance with the requirements of the State of Washington one number locator service law (RCW 19.122). If the Company becomes aware that a third party conducts any excavation or other significant work that may affect the Facilities, the Company shall conduct such inspections and/or testing as is necessary to determine that no direct or indirect damage was done to the Facilities and that the work did not abnormally load the Company's Facilities or impair the effectiveness of the Company's cathodic protection system. Upon written request, the Company shall report to the City its inspection and findings in person.

9.3 At City's request, the Company shall provide, at its sole cost and expense, a briefing by qualified testing experts to explain the inspection results and Franchisee's proposed corrective action(s) in

reference to 9.2. Said qualified testing expert may be an employee or representative of the Company.

Section 10. Encroachment Management.

10.1 The Company shall maintain a written program to prevent damage to its Facilities from excavation activities, as required by applicable state and federal guidelines.

10.2 The Company and the City shall comply with applicable and valid federal, state and local requirements regarding encroachment management, including RCW 19.122 (one-call system).

10.3 The Company shall regularly inspect the surface conditions on or adjacent to the Pipeline Corridor, as required by applicable state and federal regulations.

Section 11. Leaks, Spills and Emergency Response.

11.1 The Company warrants that it will maintain an Emergency Response Plan that is in compliance with the applicable requirements of local, state and federal agencies with jurisdiction. (Emergency Response Plan available on Information Sharing Website). Upon written request by either party, the parties agree to meet periodically to review the Emergency Response Plan and procedure.

The Company's emergency plans and procedures shall designate the Company's responsible local emergency officials and a direct 24 hour emergency contact number for control center operator. The Company shall, after being notified of an emergency, cooperate with the City and make every effort to respond as soon as possible to protect the public's health, safety and welfare.

11.2 The Company shall cooperate with the City and respond to protect public health and safety in the event of a pipeline emergency. The Company warrants that it will at all times have available, on the county level, sufficient emergency response equipment and materials to immediately and fully respond to any spill, leak, rupture or other release of Petroleum Products or Hazardous Substances from Company's pipeline(s) and/or Facilities and that Company shall be solely responsible for all reasonably necessary costs incurred by any agency in responding appropriately to any spill, leak, rupture or other release of Petroleum Products or Hazardous Substances from Company's pipeline(s) and/or Facilities, including, but not limited to, detection and removal of any contaminants from, earth or water, all remediation costs, equipment replacement, and staffing costs, except for any spill, leak, or other release that results from the sole negligence or willful misconduct of the city or its contractors. Any such costs shall be considered extraordinary costs that shall not be borne by the City and shall not be considered administrative expenses of the City. Nothing in

this Section shall be construed as limiting the Company's right to seek recovery from third parties.

11.3 Leaks, spills, ruptures and other emergencies shall be investigated and reported as required by applicable state and local regulations and the City shall be notified according to Section 7.3 of this franchise.

Section 12. Required Relocation of Facilities

12.1 In the event that the City undertakes or approves the construction of, or changes to the grade or location of, any water, sewer or storm drainage line, street, sidewalk, or any other Improvement Project and the City determines that the Improvement Project reasonably requires changes to or the relocation of Company's Facilities, then Company shall make such changes or relocations as required herein at Company's sole cost, expense and risk.

12.2 The City shall provide the Company reasonable written notice of any Improvement Project in the interest of public health, safety, welfare, necessity and/or convenience that requires changes to or the relocation of Company's Facilities. The City will endeavor, where practical, to provide the Company at least 360 days prior written notice, or such additional time as may reasonably be required, of such Improvement Project. However, nothing in this Section shall be construed as to relieve Company of its duty and obligation to relocate its Facilities to accommodate any Improvement Project undertaken by the City after written notice of any Improvement Project.

12.3 The City shall further provide the Company with copies of pertinent portions of the final plans and specifications for such Improvement Project so that the Company may make the required changes to or relocate its facilities to accommodate such Improvement Project.

12.4 The Company may, after receipt of written notice requiring changes to or relocation of its Facilities under Section 12.2, submit to the City, within ninety 90 days, written alternatives to such relocation. The City shall evaluate such alternatives and advise the Company in writing if one or more of the alternatives are suitable to accommodate the Improvement Project that would otherwise necessitate changes to or relocation of the Facilities. If so requested by the City, the Company shall submit additional information to assist the City in making such evaluation including actual field verification of the location(s) of the Company's underground Facilities within the Improvement Project area by excavating (e.g., pot holing), at no expense to the City. The City shall give each alternative proposed by the Company full and fair consideration but retains sole discretion to

decide whether to utilize its original plan or an alternative proposed by the Company.

12.5 If any portion of the Company's Facilities that has been required by the City to be relocated under the provisions of this section is subsequently required to be relocated again within five (5) years of the original relocation, the City will bear the entire cost of the subsequent relocation.

12.6 The Company shall not be required to relocate its Facilities at its expense for the benefit of private developers or third party projects. However in the event the City reasonably determines and notifies the Company that the primary purpose for requiring such changes to or relocation of the Company's facilities by a third party is to cause or facilitate the construction of an Improvement Project consistent with the City Capital Investment Plan; Transportation Improvement Program; or the Transportation Facilities Program, or other similar plan, then the Company shall change or otherwise relocate its Facilities in accordance with Section 12.1 at Company's sole cost, expense and risk.

12.7 The City shall work cooperatively with the Company in determining a viable and practical route within which the Company may relocate its facilities under Section 12.1, in order to minimize costs while meeting the City's project timelines and objectives. The City's requirements with regard to the required changes or relocation (i.e. depth of cover, distance from other utilities, etc.) must not be unreasonable and must be consistent with applicable federal and state requirements however, nothing in this section shall be construed as to limit the City's police power, land use authority, franchise authority or the City's authority to regulate the time, place and manner of Company's use of the Public Rights-of-Way, Public Property, Public Ways and Other Ways.

12.8 Upon receipt of the City's reasonable notice, plans and specifications per Section 12.1, the Company shall take all necessary and prudent measures to complete relocation of such facilities so as to accommodate the Improvement Project at least ten (10) calendar days prior to commencement of the Improvement Project or such other time as the parties may agree in writing.

12.9 The City shall take reasonable steps to cooperate with the Company on any effort by the Company to apply for and obtain any local, state or federal funds that may be available for the relocation of the Company's Facilities provided however that the Company's application for any such funds shall not delay the City Improvement Project. To the extent such funds are made available, the Company

may apply funds towards the costs incurred to relocate the Company's Facilities.

Section 13. Violations, Remedies and Termination.

13.1 The Company shall be in compliance with the terms of this Franchise at all times. The City reserves the right to apply any of the following remedies, alone or in combination, in the event Company violates any material provision of this Franchise. The remedies provided for in this Franchise are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another, or any rights of the City at law or equity.

13.2 The City may terminate this Franchise if the Company materially breaches or otherwise fails to perform, comply with or otherwise observe any of the terms of this Franchise, and fails to cure or make reasonable effort to cure such breach within thirty (30) calendar days of receipt of written notice thereof, or, if not reasonably curable within thirty (30) calendar days, within such other reasonable period of time as the parties may agree upon.

13.3 Either party may invoke the Dispute Resolution clause contained in Section 14 of this Franchise as it deems necessary with regard to termination.

13.4 If the Company's right to operate its Facilities within the Franchise Area is ultimately terminated, the Company shall comply with the terms of this Franchise, regarding removal and/or abandonment and restoration of the Facilities and with all directives of applicable federal and state agencies with jurisdiction.

Section 14. Dispute Resolution

14.1 In the event of a dispute between the City and the Company arising by reason of this Franchise, or any obligation hereunder, the dispute shall first be referred to the representatives designated by the City and the Company to have oversight over the administration of this Franchise. Said officers or representatives shall meet within thirty (30) calendar days of either party's request for said meeting, and the parties shall make a good faith effort to attempt to achieve a resolution of the dispute.

14.2 In the event that the parties are unable to resolve the dispute under the procedure set forth in Section 14.1, then the parties hereby agree that the matter shall be referred to mediation. The parties shall endeavor to select a mediator acceptable to both sides. If the parties cannot reach agreement, then each party shall secure the services of a mediator, who will in turn work together to mutually agree upon a third mediator to assist the parties in resolving their differences.

Any expenses incidental to mediation shall be borne equally by the parties.

14.3 If either party is dissatisfied with the outcome of the mediation, that party may then pursue any available judicial remedies, provided, that if the party seeking judicial redress does not substantially prevail in the judicial action, it shall pay the other party's reasonable legal fees and costs incurred in the judicial action.

14.4 Subject to state and federal regulation, the Company shall be permitted to continuously operate its Facilities during dispute resolution.

Section 15. Indemnification

15.1 General Indemnification. Except for environmental matters, which are covered by a separate indemnification in Section 15.2 below, the Company shall indemnify, defend and hold harmless the City, its agents, officers or employees, from any and all liability, loss, damage, cost, expense, and any claim whatsoever, including reasonable attorneys' and experts' fees incurred by the City in defense thereof, whether at law or in equity, arising out of or related to, directly or indirectly, the construction, operation, use, location, testing, repair, maintenance, removal, abandonment or damage to the Company's Facilities, or from the existence of the Company's pipeline and other appurtenant facilities, and of the products contained in, transferred through, released or escaped from said pipeline and appurtenant facilities, from any and all causes whatsoever, except the City's sole negligence and except for a violation by the City of its obligations, if any, under RCW 19.122 (One-Call regulations). If any action or proceeding is brought against the City by reason of the pipeline or its appurtenant facilities, the Company shall defend the City at the Company's complete expense, provided that, for uninsured actions or proceedings, defense attorneys shall be approved by the City, which approval shall not be unreasonably withheld.

15.2 Environmental Indemnification. The Company shall indemnify, defend and hold harmless the City, its agents, officers or employees, from and against any and all liability, loss, damage, expense, actions and claims (except to the extent such liability, loss, damage, expense, actions and claims result from the City's noncompliance with RCW 19.122) either at law or in equity, including, but not limited to, costs and reasonable attorneys' and experts' fees incurred by the City in defense thereof, arising from (a) Company's violation of any environmental laws applicable to the Facilities or (b) from any release of a hazardous substance on or from the Facilities. This indemnity includes but is not limited to (a) liability for a governmental agency's costs of removal or remedial action for hazardous substances; (b) damages to natural resources caused by

hazardous substances, including the reasonable costs of assessing such damages; (c) liability for any other person's costs of responding to hazardous substances; (d) liability for any costs of investigation, abatement, correction, cleanup, fines, penalties, or other damages arising under any environmental laws; and (e) liability for personal injury, property damage, or economic loss arising under any statutory or common-law theory.

15.3 The Company agrees that its obligations under this Section 15 extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the Company, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of RCW Title 51.

Section 16. Insurance.

16.1 The Franchisee shall procure and maintain for the duration of the Franchise, insurance, or provide self-insurance, against all claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to the Franchisee, its agents, representatives or employees. The Franchisee shall provide an insurance certificate, together with an endorsement naming the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers as additional insured, to the City upon the Franchisee's acceptance of this Franchise, and such insurance certificate shall evidence the following minimum coverages:

A. Commercial general liability insurance including coverage for premises - operations, explosions and collapse hazard, underground hazard and products completed hazard, with limits not less than:

\$100,000,000 per occurrence and in the aggregate for bodily injury or death to each person; and in the aggregate for property damage resulting from any one accident; and in the aggregate for general liability;

B. Automobile liability for owned, non-owned and hired vehicles with a limit of \$1,000,000 for each person and \$1,000,000 for each accident;

C. Worker's compensation within statutory limits and employer's liability insurance with limits of not less than \$2,000,000;

D. Pollution Legal Liability, to be in effect throughout the ten (10) year term of this Franchise, with a limit not less than

\$50,000,000 per occurrence and in the aggregate to the extent such coverage is reasonably available in the marketplace.

16.2 If coverage is purchased on a "claims made" basis, then the Company warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the date of termination of this Franchise and/or conversion from a "claims made" form to an "occurrence" coverage form.

16.3 Any deductibles shall be the sole responsibility of the Company. The insurance certificate required by this Section shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability.

16.4 The Company's insurance shall be primary insurance with respect to the City, its officers, officials, employees, agents, consultants, and volunteers. Any insurance maintained by the City, its officers, officials, employees, consultants, agents, and volunteers shall be in excess of the Company's insurance and shall not contribute with it.

16.5 In addition to the coverage requirements set forth in this Section, the certificate of insurance shall provide that:

"The above described policies will not be canceled before the expiration date thereof, without the issuing company giving sixty (60) days written notice to the certificate holder."

In the event of cancellation or a decision not to renew, the Company shall obtain and furnish to the City evidence of replacement insurance policies meeting the requirements of this Section before the cancellation date.

16.6 The Company shall furnish the City with certificates of insurance evidencing the coverage required by this Section upon acceptance of this Franchise. The certificates and endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf and must be received and approved by the City prior to the commencement of any work.

16.7 The indemnity and insurance provisions herein under Sections 15 and 16 shall survive the termination of this Franchise and shall continue for as long as the Company's Facilities shall remain in or on the Franchise Area or until the parties execute a new Franchise agreement that modifies or terminates these indemnity or insurance provisions.

Section 17. Annual Franchise Fee.

17.1 In consideration for granting this Franchise and for the use of the Franchise Area, there is hereby established an annual fee of Six Thousand Dollars (\$6,000).

17.2 The annual fee shall increase each year throughout the term of this Franchise and any renewal terms by three percent (3%).

17.3 Each annual payment shall cover the next twelve (12) month period and shall be paid not later than the anniversary date of the Effective Date of this Franchise. Interest shall accrue on any late payment at the rate of twelve percent (12%) per annum. Such interest shall be in addition to any applicable penalties for late payment. Any partial payment shall first be applied to any penalties, then interest, then to principal.

17.4 The Franchise fee set forth in Section 17.1 does not include, and the Company agrees that it is responsible for, payments associated with the City's administrative expenses including but not limited to the City's expenses incurred in reviewing, inspecting, licensing, permitting or granting any other approvals necessary for the Company to operate and maintain its Facilities or for any inspection or enforcement costs thereunder (i.e., customary permitting fees). Additionally, the foregoing annual fee does not include any generally applicable taxes that the City may legally levy. The Company shall bear the cost of publication of this Ordinance.

Section 18. Legal Relations.

18.1 The Company accepts any privileges granted hereunder by the City to the Franchise Area in an "as is" condition. The Company agrees that the City has never made any representations, implied or express warranties or guarantees as to the suitability, security or safety of the location of the Company's Facilities or the Facilities themselves or possible hazards or dangers arising from other uses or users of the Rights-of Way, Public Property, Public Ways and Other Ways including by the City, the general public or other utilities. As between the City and the Company, the Company shall remain solely and separately liable for the function, testing, maintenance, replacement and/or repair of the Facilities or other activities permitted hereunder.

18.2 The Company hereby waives its Workers Compensation immunity under Title 51 RCW in any cases involving the City and affirms that the City and the Company have specifically negotiated this provision, to the extent it may apply.

18.3 This Franchise Ordinance shall not create any duty of the City or any of its officials, employees or agents and no liability shall

arise from any action or failure to act by the City or any of its officials, employees or agents in the exercise of powers reserved herein. Further, this Ordinance is not intended to acknowledge, create, imply or expand any duty or liability of the City with respect to any function in the exercise of its police power or for any other purpose. Any duty that may be deemed to be created in the City hereunder shall be deemed a duty to the general public and not to any specific party, group or entity.

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

Section 19. Company's Acceptance. The City may void this Franchise Ordinance if the Company fails to file its unconditional acceptance of this Franchise within thirty (30) calendar days from the final passage of same by the City Council. The Company shall file its unconditional written acceptance with the City Clerk of the City of Kirkland.

Section 20. Notice.

20.1 All notices, demands, requests, consents and approvals which may, or are required to be given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

City:
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033
Attn: Franchise Manager

With a copy to:
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033
Attn: City Attorney

Company:
Olympic Pipe Line Company Attn: President
2319 Lind Avenue S.W.
Renton, Washington 98055

with copy to:
Mark Johnsen
Karr Tuttle Campbell
1201 Third Avenue, Suite 2900
Seattle, Washington 98101

or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

20.2 To ensure effective cooperation, the Company and the City shall each designate a representative responsible for communications between the Parties.

Section 21. Miscellaneous.

21.1 In the event that a court or agency of competent jurisdiction declares a material provision of this Franchise to be invalid, illegal or unenforceable, the parties shall negotiate in good faith and agree, to the maximum extent practicable in light of such determination, to such amendments or modifications as are appropriate actions so as to give effect to the intentions of the parties as reflected herein. If severance from this Franchise of the particular provision(s) determined to be invalid, illegal or unenforceable will fundamentally impair the value of this Franchise, either party may apply to a court of competent jurisdiction to reform or reconstitute the Franchise so as to recapture the original intent of said particular provision(s). All other provisions of the Franchise shall remain in effect at all times during which negotiations or a judicial action remains pending.

21.2 Whenever this Franchise sets forth a time for any act to be performed, such time shall be deemed to be of the essence, and any failure to perform within the allotted time may be considered a material violation of this Franchise.

21.3 In the event that the Company is prevented or delayed in the performance of any of its obligations under this Franchise by reason(s) beyond the reasonable control of the Company, then the Company's performance shall be excused during the Force Majeure occurrence. Upon removal or termination of the Force Majeure occurrence the Company shall promptly perform the affected obligations in an orderly and expedited manner under this Franchise or procure a substitute for such obligation or performance that is satisfactory to the City. The Company shall not be excused by mere economic hardship nor by misfeasance or malfeasance of its directors, officers or employees.

21.4 The Section headings in this Franchise are for convenience only, and do not purport to and shall not be deemed to define, limit, or extend the scope or intent of the Section to which they pertain.

21.5 By entering into this Franchise, the parties expressly do not intend to create any obligation or liability, or promise any performance to, any third party, nor have the parties created for any third party any right to enforce this Franchise.

21.6 This Franchise and all of the terms and provisions shall be binding upon and inure to the benefit of the respective successors and assignees of the parties.

21.7 The parties each represent and warrant that they have full authority to enter into and to perform this Franchise, that they are not in default or violation of any permit, license, or similar requirement necessary to carry out the terms hereof, and that no further approval, permit, license, certification, or action by a governmental authority is required to execute and perform this Franchise, except such as may be routinely required and obtained in the ordinary course of business.

Section 22. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

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

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

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

UNCONDITIONAL ACCEPTANCE BY OLYMPIC PIPE LINE COMPANY:

I, the undersigned official of Olympic Pipe Line Company, am authorized to bind Olympic Pipe Line Company and to unconditionally accept the terms and conditions of the foregoing Franchise (Ordinance No. 4298), which are hereby accepted by Olympic Pipe Line Company this _____ day of _____ 20__.

OLYMPIC PIPE LINE COMPANY

By: _____

Name: _____

Title: _____

Subscribed and sworn to before me this _____ day of _____, 20__.

Print Name: _____

Notary Public in and for the State of Washington,

residing at _____

My commission expires _____

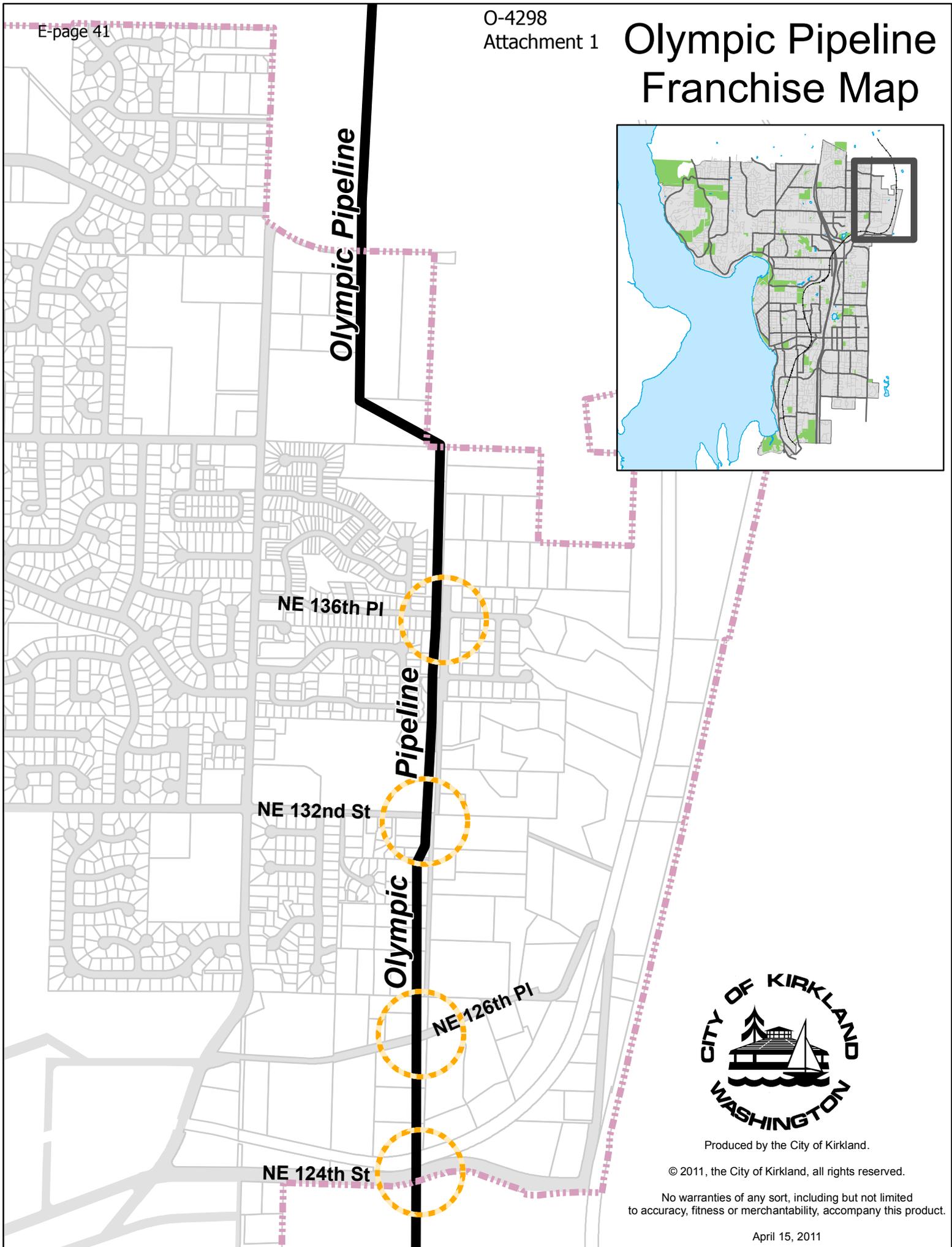
Received on behalf of the City this _____ day of _____, 20__.

Name: _____

Title: _____

Olympic Pipeline Franchise Map

E-page 41



Produced by the City of Kirkland.

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

April 15, 2011

PUBLICATION SUMMARY
OF ORDINANCE NO. 4298

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON GRANTING OLYMPIC PIPE LINE COMPANY, AN INTERSTATE PIPELINE CORPORATION INCORPORATED IN THE STATE OF DELAWARE, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, MAINTAIN, REMOVE, REPLACE, AND REPAIR EXISTING PIPELINE FACILITIES, TOGETHER WITH EQUIPMENT AND APPURTENANCES THERETO, FOR THE TRANSPORTATION OF PETROLEUM PRODUCTS WITHIN AND THROUGH THE FRANCHISE AREA OF THE CITY OF KIRKLAND.

SECTIONS 1 - 21. Provide for the grant of a franchise to Olympic Pipe Line Company of a franchise for the transportation of petroleum products for 10 years on specified terms and conditions.

SECTION 22. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2011.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk



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: Rob Jammerman, Development and Environmental Services Manager
William Evans, Assistant City Attorney
Ray Steiger, P.E., Interim Public Works Director

Date: April 20, 2011

Subject: WOODINVILLE WATER DISTRICT FRANCHISE AGREEMENT

RECOMMENDATION:

1. Conduct the first reading of the proposed ordinance granting a franchise to Woodinville Water District (WWD) and;
2. Conduct a public hearing to receive comments on the proposed Franchise Agreement.
3. Direct staff to bring back the final ordinance at the next Council meeting on May 17, 2011

BACKGROUND DISCUSSION:

Franchise Agreements are used by the City to authorize and manage the use of the City rights-of-way by various utility companies. Woodinville Water District (WWD) provides water service and a very small amount of sewer service to the northeast section of the annexation area (see attached map). A Franchise Agreement between the City and WWD is necessary for WWD to continue to provide utility service in this area after the effective date of annexation. A Franchise Agreement is used to specify the terms and conditions of WWD use of the City right-of-way. The Franchise Agreement language parallels the existing Franchise Agreement that we have with Northshore Utility District (NUD) and includes the following key elements:

1. **Franchise Term:** The first term of the agreement is will expire on December 31, 2018 and will automatically renew in five-year increments thereafter, unless either party provides notice prior to the expiration period of each term that they would like to renegotiate the agreement. This renewal cycle aligns with the NUD Franchise Agreement so that we will have both Utility Districts on parallel renewal tracks. This alignment should ease staff administration.
2. **Seek Opportunities to Work Together:** WWD is very interested in establishing and maintaining a good working relationship with the City. They requested minor changes to the agreement to emphasize the need for both agencies to give adequate notice and

work together on joint projects to lessen the impacts on City streets and potentially save money for each agency. As an example, we will give WWD at least 180 days notice of our preliminary street preservation plan (overlay) so that WWD can coordinate any necessary water main replacements before we overlay a particular street in their service area.

3. **Franchise Fee:** WWD will provide a franchise fee to the City. Franchise fees are negotiated amounts based on the costs associated with the use of the right-of-way and other considerations agreed to by both parties. The fee in this agreement is \$1.73 per foot of right-of-way that is encumbered with WWD facilities. That this fee is less than the \$3.24 per foot NUD is charged reflects several factors, including: (1) the differing development patterns, (2) WWD's less intensive use of the right-of-way since most of the facilities provide water service only, and (3) that the percentage of WWD's service area in the City limits is much smaller than NUD's, making the non-assumption provision less significant to WWD's on-going viability.

FRANCHISE FEES AND THE ANNEXATION AREA BUDGET

Franchise fees are General Fund revenues and the increment of these fees from the annexation area is being used to fund General fund services in the annexation area.

The 2011-2012 budget reflects revenues from the NUD franchise agreement as follows:

- 2011: \$428,000 from current City NUD customers plus \$898,554 from annexation area NUD customers for a total of \$1,326,554.
- 2012: \$449,000 from current City NUD customers plus \$1,728,191 from annexation area NUD customers for a total of \$2,177,191.

Revenues from the WWD franchise fee were **not** included in the 2011-2012 budget because there was no assurance that an agreement would be reached when the budget was constructed. Therefore approval of this agreement by Kirkland and WWD will generate new annexation area revenues that have yet to be allocated. The projected revenues are as follows:

- 2011: \$73,500
- 2012: \$126,000

Staff recommends that the decision on the use of these revenues be deferred until the mid-biennial budget update in the third quarter to allow for some assessment of revenues trends versus the budget for the annexation area.

In summary, we ask that the Council conduct the first reading of the ordinance, conduct a Public Hearing, and direct staff to bring the ordinance back for final approval at the next Council meeting on May 17, 2011.

Attachments: Map of WWD Service Area
Ordinance
Publication Summary

City of Bothell

Wild Glen Annexation

Kirkland Annex Area

Northshore Utility Dist

Kirkland Annex Area
Current City Limits

Woodinville
Water
District

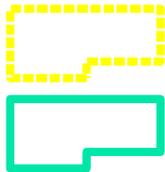
Jan 1, 2012

Kirkland Annex Area

City of Redmond

City of Kirkland

Woodinville Water District Franchise Agreement



Pre Annexation Boundary

Post Annexation Boundary

Produced by the City of Kirkland.

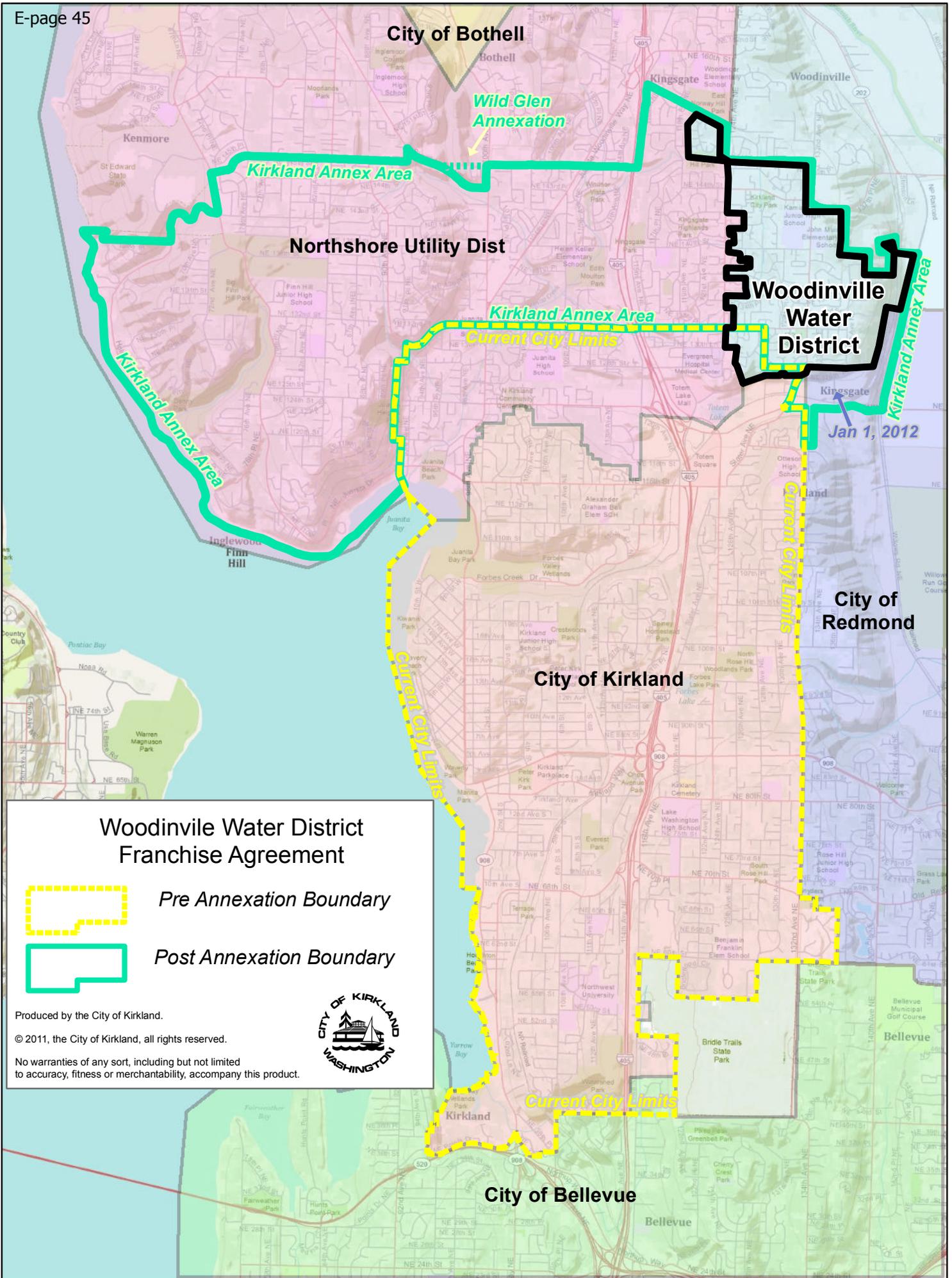
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No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.



Current City Limits

City of Bellevue



ORDINANCE NO. 4299

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO GRANTING WOODINVILLE WATER DISTRICT, A WASHINGTON MUNICIPAL CORPORATION, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO CONSTRUCT AND MAINTAIN, REPAIR, REPLACE, OPERATE UPON, OVER, UNDER, ALONG AND ACROSS THE FRANCHISE AREA WATER AND SEWER FACILITIES FOR PURPOSES OF ITS WATER AND SEWER UTILITY BUSINESS.

WHEREAS, Woodinville Water District ("WWD" or "District") owns water and sewer facilities ("Facilities") in the City of Kirkland ("City"), and a portion of such Facilities are located within the City right-of-way as hereinafter defined; and

WHEREAS, RCW 57.08.005(3) and (5) authorizes WWD to conduct water and sewage throughout the District and any city and town therein, and construct and lay facilities along and upon public highways, roads and streets within and without the District; and

WHEREAS, RCW 35A.47.040 authorizes the City to grant non-exclusive franchises for the use of the public streets above or below the surface of the ground by publicly owned and operated water and sewer facilities; and

WHEREAS, the City and WWD have drafted a Franchise Agreement to allow WWD to operate its facilities within the City right-of-way;

NOW THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Definitions. Where used in this franchise (the "Franchise") these terms have the following meanings:

(a) "WWD" means the Woodinville Water District, a Washington municipal corporation, and its respective successors and assigns.

(b) "City" means the City of Kirkland, a municipal corporation of the State of Washington, and its respective successors and assigns.

(c) "Franchise Area" means any, every and all of the roads, streets, avenues, alleys, highways and rights-of-way of the City as now laid out, platted, dedicated or improved in WWD's

service area within the present corporate boundaries of the City.

(d) "Facilities" means tanks, meters, pipes, mains, services, valves, blow-offs, vaults, fire hydrants, risers, manholes, pressure reducing valves ("PRVs"), pump stations, meter stations, lift stations, lines, and all other necessary or convenient facilities and appurtenances thereto, whether the same be located over or under ground.

(e) "Relocation" means relocation, replacement, or extension of WWD facilities within the Franchise Area as provided for in Section 4 herein unless otherwise noted.

(f) "Ordinance" means this Ordinance No. 4299, which sets forth the terms and conditions of this Franchise.

Section 2. Franchise.

A. Facilities within Franchise Area. The City does hereby grant to WWD the right, privilege, authority and franchise to:

(a) Construct, support, attach and connect Facilities between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, through and across the Franchise Area for purposes of its water and sewer utility functions as defined in Title 57 RCW.

B. Permission Required to Enter Onto Other City Property. Nothing contained in this Ordinance is to be construed as granting permission to WWD to go upon any other public place other than those types of public places specifically designated as the Franchise Area in this Ordinance. Permission to go upon any other property owned or controlled by the City must be sought on a case-by-case basis from the City.

C. Compliance with Laws and Regulations. At all times during the term of this Franchise, WWD shall fully comply with all applicable federal, state, and local laws and regulations.

Section 3. Non-interference of Facilities.

A. WWD's Facilities shall be located, relocated and maintained within the Franchise Area so as not to unreasonably interfere with the free and safe passage of pedestrian and vehicular traffic and ingress or egress to or from the abutting property and in accordance with the laws of the State of Washington. Nothing herein shall preclude WWD from effecting temporary road closures as reasonably necessary during construction or maintenance of its Facilities provided WWD receives prior City approval, which shall not

be unreasonably withheld. Whenever it is necessary for WWD, in the exercise of its rights under this Franchise, to make any excavation in the Franchise Area, WWD shall, upon completion of such excavation, restore the surface of the Franchise Area to the specifications established within the City of Kirkland Public Works Policies and pre-approved plans and in accordance with standards of general applicability imposed by the City by ordinance or administrative order; provided, however, if the surface of the affected Franchise Area has an Overall Condition Index (OCI)* rating of 40 or less prior to WWD's excavation, then the area shall be restored with a permanent asphalt patch per City of Kirkland Pre-approved Plans in lieu of an asphalt street overlay.

If WWD should fail to leave any portion of any Franchise Area so excavated in a condition that meets the City's specifications per the Public Works Policies and Standards, then, subject to the foregoing sentence, the City may after notice of not less than five (5) days to WWD, which notice shall not be required in case of an emergency, order any and all work considered necessary to restore to a safe condition that portion of the Franchise Area so excavated, and WWD shall pay to the City the reasonable cost of such work; which shall include among other things the overhead expense of the City in obtaining completion of said work. The parties agree that this provision may be renegotiated upon the request of either party.

*The City of Kirkland's Overall Condition Index (OCI) rating is based upon standard pavement condition rating methodologies as recognized by the Washington State Department of Transportation (WSDOT) and the Northwest Pavement Managers Association (NWPMA).

B. Any surface or subsurface failure occurring during the term of this Agreement and caused by any excavation by WWD shall be repaired to the City's specifications, within fifteen (15) days or upon five (5) days written notice to WWD by the City; if WWD fails to so timely repair, then the City shall order all work necessary to restore the damaged area to a safe and acceptable condition and WWD shall pay the reasonable costs of such work to the City.

Section 4. Relocation of Facilities.

A. Whenever the City causes or does any Work within the Franchise Area that reasonably requires the Relocation of WWD's then existing Facilities within the Franchise Area, the City shall:

(a) Pursuant to RCW 35.21.905, or as amended, consult with WWD in the predesign phase of any such project in order to coordinate the project's design with WWD Facilities within such project's area; and

(b) Provide WWD, at least one hundred eighty (180) days prior to the commencement of such project, written notice that a project is expected to require Relocation; and

(c) Provide WWD with reasonably accurate and specific plans and specifications for such grading, widening, or construction and a proposed new location within the Franchise Area for WWD's Facilities.

After receipt of such notice and such plans and specifications, WWD shall Relocate such Facilities within the Franchise Area so as to accommodate such street and utility improvement project; provided, however, WWD may, after receipt of written notice requesting a Relocation of its Facilities, submit to the City written alternatives to such Relocations. The City shall within a reasonable time evaluate such alternatives and advise WWD in writing whether one or more of the alternatives is suitable to accommodate work that would otherwise necessitate Relocation of the Facilities. If so requested by the City, WWD shall submit such additional information as is reasonably necessary to assist the City in making such evaluation. The City shall give each alternative full and fair consideration. In the event the City ultimately reasonably determines that there is no other reasonable or feasible alternative, then WWD shall Relocate its Facilities as otherwise provided in this Section 4. The City shall cooperate with WWD to designate a substitute location for its Facilities within the Franchise Area. WWD must finish Relocation of each such Facility within the 180 days of commencement notice so established in 4.A(b) above excluding any days for the City's review of proposed alternatives covered in this paragraph the cost of Relocating such Facilities existing within the Franchise Area shall be paid as follows:

- (I) if the Relocation occurs within six (6) years after WWD initially constructed such Facility, then the Relocation shall be at the City's sole cost;
- (II) if the Relocation occurs more than six (6) years but within ten (10) years after WWD initially constructed such Facility, then the City shall pay fifty percent (50%) of the cost of such Relocation and WWD shall pay the remaining fifty percent (50%); and
- (III) if the Relocation occurs more than ten (10) years after WWD initially constructed such Facility, then the Relocation shall be at WWD's sole cost.
- (IV) For the purpose of planning, WWD and the City shall provide each other with a copy of their respective

current adopted Capital Improvement Plan annually and upon request by the other party.

- (V) Provided however that asphalt overlays that require height adjustments to WWD facilities, shall not be subject to the notice language in this section. Whenever a WWD facility is required to be adjusted in height due to an asphalt overlay, WWD will be responsible for such adjustments. In lieu of WWD performing the adjustments, the City will consider a direct payment from WWD to the City for the City to perform such work when the City and WWD both agree that a direct payment is in the best interest of both parties. If WWD opts or is required to raise the facility themselves, the City will give WWD at least 60 days notice before such facility needs to be raised. If WWD provides direct payment, such payment shall be submitted to the City within 30 days of receiving the invoice.

B. Whenever any person or entity, other than the City, requires the Relocation of WWD's Facilities to accommodate the work of such person or entity within the Franchise Area, or whenever the City requires the Relocation of WWD's Facilities within the Franchise Area for the benefit of any person or entity other than the City, then WWD shall have the right as a condition of such Relocation to require such person or entity to:

- (a) make payment to WWD at a time and upon terms acceptable to WWD for any and all costs and expense incurred by WWD in the Relocation of WWD's Facilities; and
- (b) protect, defend, indemnify and save WWD harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another arising out of or in conjunction with the Relocation of WWD's Facilities, to the extent such injury or damage is caused by the negligence or willful misconduct of the person or entity requesting the Relocation of WWD's Facilities or other negligence or willful misconduct of the agents, servants or employees of the person or entity requesting the Relocation of WWD's Facilities.

C. Any condition or requirement imposed by the City upon any person or entity (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development) which necessitates the Relocation of WWD's Facilities within the Franchise Area shall be subject to the provisions of

subsection 4(B). However, in the event the City reasonably determines (and promptly notifies WWD in writing of such determination) that the primary purpose of imposing such condition or requirement upon such person or entity which necessitates such Relocation is to cause the construction of an improvement solely on the City's behalf and in a manner consistent with City approved Capital Improvement plans within a segment of the Franchise Area, then the provisions of 4(A) will apply.

The provisions of this Section 4(C) shall in no manner preclude or restrict WWD from making any arrangements it may deem appropriate when responding to a request for Relocation of its Facilities by any person or entity other than the City, where the facilities to be constructed by such person or entity are not or will not become City owned, operated or maintained facilities, provided that such arrangements do not unduly delay a City construction project.

D. This Section 4 shall govern all relocations of WWD's Facilities required in accordance with this Franchise. Any cost or expense in connection with the Relocation of any Facilities existing under benefit of easement or other rights not in the Franchise Area, excluding rights arising under any prior King County franchise, shall be borne by the City, provided the City obtains the District's prior consent to such location or relocation which will not be unreasonably withheld. Costs for Relocation of any Facilities existing under any prior King County franchise shall be borne solely by WWD.

E. WWD recognizes the need for the City to maintain adequate width for installation and maintenance of City owned utilities such as, but not limited to, sanitary sewer, water, storm drainage and telecommunication facilities. Thus, the City reserves the right to maintain reasonable clear zones within the public right-of-way for installation and maintenance of said utilities. The clear zones for each right-of-way segment shall be noted and conditioned with the issuance of each right-of-way permit. If adequate clear zones are unable to be achieved on a particular right-of-way, WWD shall locate in an alternate right-of-way, obtain easements from private property owners, or propose alternate construction methods, which maintain and/or enhance the existing clear zones.

F. For the purpose of this Section 4, a project or improvement is considered to be caused by the City [as described in 4(A) above] if it is permitted by the City and both of the following conditions exist:

- (a) the City is lead agency for the project or improvement,
and

(b) the City is responsible for over 50% of the overall costs of said improvement or project, which 50%, if applicable, includes any grant money received from another entity for the project.

However, regardless of its percentage of participation, the City will not be liable for WWD's costs of Relocation simply because a participating agency that would have been responsible for those costs was able to avoid paying WWD for those costs on a claim of exemption under state or federal law so long as the exempt agency was the entity to initiate the project. Further WWD will not be liable for the cost of Relocation that is being done for the benefit of a private development

Section 5. Indemnification.

A. WWD shall indemnify, defend and hold the City, its agents, officers, employees, volunteers and assigns harmless from and against any and all claims, demands, liability, loss, cost, damage or expense of any nature whatsoever, including all costs and attorney's fees, made against them on account of injury, sickness, death or damage to persons or property which is caused by or arises out of, in whole or in part, the willful, tortious or negligent acts, failures and/or omissions of WWD or its agents, servants, employees, contractors, subcontractors or assigns in the construction, operation or maintenance of its Facilities or in exercising the rights granted WWD in this Franchise; provided, however, such indemnification shall not extend to injury or damage to the extent caused by the negligence or willful misconduct of the City, its agents, officers, employees, volunteers or assigns; provided further, this indemnity provision shall not be construed to be a waiver of any legal obligation or duty WWD may have to charge the City and any legal obligation or duty the City may have for the cost of fire hydrants and related fire suppression services and facilities provided by WWD within the Franchise Area, nor shall this indemnity provision be construed to be a waiver of any legal obligation or duty WWD may have to charge the City for any services WWD may provide the City which are determined in the future to be a governmental function which the City should provide.

In the event any such claim or demand be presented to or filed with the City, the City shall promptly notify WWD thereof, and WWD shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand, provided further, that in the event any suit or action be begun against the City based upon any such claim or demand, the City shall likewise promptly notify WWD thereof, and WWD shall have the right, at its election and its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election.

B. Without limiting WWD's indemnification obligations that might arise for the reasons set forth in 5(A), City hereby releases and agrees to indemnify, defend and hold the District, its agents, officers, employees, volunteers and assigns harmless from and against any and all claims, costs, judgments, awards or liability to any person arising from District's compliance with this Franchise.

C. City hereby releases and agrees to indemnify, defend and hold the District, its agents, officers, employees, volunteers and assigns harmless from and against any and all claims, costs, judgments, awards or liability to any person to the extent they arose from City's decision to issue development permits based on accurate information on fire flow and water availability provided by WWD or the City's enforcement of the International Fire Code.

D. Should a court of competent jurisdiction determine that this Franchise is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of City and WWD, their officers, employees and agents, WWD's liability hereunder shall be only to the extent of WWD's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the parties' waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification.

Section 6. Default. If WWD shall fail to comply with any of the provisions of this Franchise, unless otherwise provided for herein, the City may serve upon WWD a written order to so comply within thirty (30) days from the date such order is received by WWD. If WWD is not in compliance with this Franchise after expiration of said thirty (30) day period, the City may act to remedy the violation and may charge the costs and expenses of such action to WWD. The City may act without the thirty (30) day notice in case of an emergency. The City may in addition, by ordinance adopted no sooner than five (5) days after notice of the City Council hearing (at which WWD will have an opportunity to be heard) on the impending ordinance is given to WWD, declare an immediate forfeiture of this Franchise, provided, however, if any material failure to comply with this Franchise by WWD cannot be corrected with due diligence within said thirty (30) day period (WWD's obligation to comply and to proceed with due diligence being subject to unavoidable delays and events beyond its control, in which case the time within which WWD may so comply shall be extended for such time as may be reasonably necessary and so long as WWD commences promptly and diligently to effect such compliance), provided good faith dispute does not exist concerning such compliance.

In addition to other remedies provided herein, if WWD is not in compliance with requirements of the Franchise, and if a good faith dispute does not exist concerning such compliance, the City may place a moratorium on issuance of pending WWD right-of-way use permits until compliance is achieved.

Section 7. Non-exclusive Franchise. This Franchise is not and shall not be deemed to be an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area, which do not interfere with WWD's rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

Section 8. Franchise Term. Subject to the provisions of Section 9 and 10 below, this Franchise is and shall remain in full force and effect from its Effective Date as defined in Section 20 herein until December 31, 2018, provided that on January 1, 2019, and on January 1 every five (5) years thereafter, the term shall automatically be extended for an additional five (5) years, unless either WWD or the City gives the other party written notice of non-renewal prior to any such renewal date; and provided further, however, WWD shall have no rights under this Franchise unless WWD shall, within thirty (15) days after the passage date if the Ordinance referred to in Section 20 herein, file with the City its written acceptance of this Franchise, in a form acceptable to the City Attorney. If the City gives WWD written notice of non-renewal prior to January 1, 2019, and the City, following the termination of this Franchise, assumes pursuant to Chapter 35.13A RCW, or as such statute may be modified or amended, all or any part of the District's Facilities located within the Franchise Area, the City shall pay the District at the time any such assumption is effective the greater of (1) the District's indebtedness allocated to the District's Facilities assumed by the City pursuant to applicable law, District revenue bond covenants or other contracts related to District capital debt, or (2) the depreciated value of District capital improvements undertaken in the Franchise Area since the Effective Date of this Franchise determined by the total project cost of all District capital improvements undertaken in the Franchise Area since the Effective Date of this Franchise amortized on a straight-line basis over a thirty five (35) year useful life.

Section 9. Non-assumption. In consideration for the franchise fee and acceptance of the other terms and conditions of this Franchise, the City agrees that it will not exercise its statutory authority to attempt to assume jurisdiction over WWD or any WWD responsibilities, property, facilities or equipment located within or without the City's corporate limits while this Franchise is in effect.

Section 10. Franchise Fee. In consideration for the rights granted WWD under this Agreement for Facilities in the Franchise Area, WWD agrees to pay to the City an annual franchise fee of \$1.73 (one dollar and seventy three cents) per foot of the roads, streets, avenues, alleys, highways and rights-of-way of the City as now laid out, platted, dedicated or improved in WWD's service area within the present limits of the City (see Exhibit 1, page 3) in which the District has water Facilities, provided the franchise fee shall be adjusted annually on the anniversary of the Effective Date of the Franchise to include all Facilities constructed or abandoned subsequent to the prior anniversary date. For 2011 this results in a prorated fee of \$73,500 (seventy three thousand and five hundred dollars), which will be raised by inclusion in WWD's rate calculation. The fee will be adjusted for inflation each January 1st thereafter during the term of this agreement using the June-to-June CPI-U index for the Seattle – Tacoma – Bremerton area for the preceding year, as the CPI-U more closely reflects the changes in real estate value. Said annual Franchise Fee shall be paid in equal quarterly installments. Fees for each calendar quarter shall be due thirty (30) days following the end of the calendar quarter. Should WWD be prevented by judicial or legislative action from paying any or all of the franchise fee, WWD shall be excused from paying that portion of the franchise fee. Should a court of competent jurisdiction declare, or a change in law make the franchise fee invalid, in whole or in part, or should a court of competent jurisdiction hold that the franchise fee is in violation of a pre-existing contractual obligation of WWD, then WWD's obligation to pay the fee to the City under this Section shall be terminated in accordance with and to the degree required to comply with such court action. WWD agrees that the franchise fee established by this Section is appropriate and that WWD will not be a party to or otherwise support legal or legislative action intended to result in judicial determinations or legislative action referred to above. City shall defend, indemnify and hold WWD harmless from and against any and all claims, suits, actions or liabilities (including costs and attorneys' fees) incurred or asserted against WWD directly or indirectly arising out of WWD's payment of the franchise fee as provided in this Franchise. However, if the Washington State Legislature authorizes the City to impose a utility, business and occupation tax, public utility tax, privilege tax, excise tax or other tax (collectively "utility tax") upon WWD based on WWD's revenues, or upon any other basis, WWD's payments herein to the City shall be credited against such a utility tax as the City may impose and WWD shall be obligated to pay only the statutorily defined tax liability in excess thereof. WWD shall have the right to recover the franchise fee from the WWD's ratepayers as it deems appropriate. If new roads, streets, avenues, alleys, highways and rights-of-way of the City are added to the Franchise Area, the City will notify WWD no more than once per year of the number of feet added, which amount will then be

added to the calculation of the franchise fee for the next calendar quarter.

Section 11. Compliance with Codes and Regulations.

A. The rights, privileges and authority herein granted are subject to and governed by this ordinance and all other applicable ordinances and codes of the City of Kirkland, as they now exist or may hereafter be amended, provided the City shall not affect or modify any portion of this Franchise without WWD's written approval. Nothing in this ordinance limits the City's lawful power to exercise its police power to protect the safety and welfare of the general public. Any location, relocation, erection or excavation by WWD shall be performed by WWD in accordance with applicable federal, state and city rules and regulations, including the City Public Works Policies and Pre-approved Plans, and any required permits, licenses or regulatory fees, and applicable safety standards then in effect or any Memorandum of Understanding with WWD.

B. Upon written inquiry, WWD shall provide a specific reference to either the federal, state or local law establishing a basis for WWD's actions related to a specific franchise issue, provided this provision shall not be construed to limit, waive or modify WWD's right to privileged and confidential attorney-client communications.

C. In the event that any territory served by WWD is annexed to the City after the effective date of this Franchise, this franchise agreement shall be deemed to be the new agreement required to be granted to a franchisee in annexed territory by RCW 35A.14.900 for whatever period of time is then required under that statute or the remaining time left under this franchise agreement for the Franchise Area, whichever is longer. Such territory shall then be governed by the terms and conditions contained herein upon the effective date of such annexation. The first franchise fee for any annexed area shall be calculated pro rata from the effective date of the annexation to the end of the next calendar quarter and paid to the City at the same time as the fee for the Franchise Area is paid for that quarter.

Section 12. Location of Facilities and Equipment. With the exception of components that are traditionally installed above ground such as fire hydrants, blow-offs, vault lids, risers, manhole covers and utility markers, all Facilities and equipment to be installed within the Franchise Area shall be installed underground; provided, however, that such Facilities may be installed above ground if so authorized by the City, which authorization shall not be unreasonably withheld, conditioned or delayed, consistent with the provisions of the City's Land Use Code and applicable development pre-approved plans.

Section 13. Record of Installations and Service. With respect to excavations by WWD and the City within the Franchise Area, WWD and the City shall each comply with its respective obligations pursuant to Chapter 19.122, RCW and any other applicable state law.

Upon written request of the City, WWD shall provide the City with the most recent update available of any plan of potential improvements to its Facilities within the Franchise Area; provided, however, any such plan so submitted shall only be for informational purposes within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.

As-built drawings of the precise location of any Facilities placed by WWD in any street, alley, avenue, highway, easement, etc., shall be made available to the City within ten (10) working days of request.

Section 14. Shared Use of Excavations. WWD and the City shall exercise best efforts to coordinate construction work that either may undertake within the Franchise Area so as to promote the orderly and expeditious performance and completion of such work as a whole. Such efforts shall include, at a minimum, reasonable and diligent efforts to keep the other party and other utilities within the Franchise Areas informed of its intent to undertake such construction work. When feasible, the City and WWD shall consider joint projects. WWD and the City shall further exercise best efforts to minimize any delay or hindrance to any construction work undertaken by themselves or other utilities within the Franchise Area.

If at any time, or from time to time, either WWD, the City, or another franchisee, shall cause excavations to be made within the Franchise Area, the party causing such excavation to be made shall afford the others, upon receipt of a written request to do so, an opportunity to use such excavation, provided that:

- (a) no statutes, laws, regulations or ordinances prohibit or restrict the proximity of other utilities or facilities to WWD's Facilities installed or to be installed within the area to be excavated;
- (b) Such joint use shall not unreasonably delay the work of the party causing the excavation to be made;
- (c) Such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties. The parties shall each cooperate with other utilities in the Franchise Area to minimize hindrance or delay in construction.

The City reserves the right to not allow open trenching for five (5) years following a street overlay or improvement project. WWD shall be given written notice at least 180 days prior to the commencement of the project provided however that the City reserves the right to eliminate or reduced portions of the overlay or improvement project within the 180 day period. When the overlay or improvement project is eliminated or reduced, the City shall provide written notice to WWD within 60 days of such determination by the City. Required trenching due to an emergency will not be subject to five (5) year street trenching moratoriums or providing 180 days notice.

WWD will consider joint trench opportunities with other facilities if both parties are anticipating trenching within the same portion of the Franchise Area and provided that the terms of (a) and (b) above are met.

Section 15. Insurance. WWD shall maintain in full force and effect throughout the term of this Franchise, a minimum of One Million Dollars (\$ 1,000,000.00) liability insurance for property damage and bodily injury.

The City shall be named as an additional insured on any policy of liability insurance obtained by WWD for the purpose of complying with the requirements of this Section.

In satisfying the insurance requirement set forth in this section, WWD may self-insure against such risks in such amounts as are consistent with good utility practice. WWD shall provide the City with sufficient written evidence, the sufficiency of which shall be determined at the reasonable discretion of the City, upon request, that such insurance (or self-insurance) is being so maintained by WWD. Such written evidence shall include, to the extent available from WWD's insurance carrier, a written certificate of insurance with respect to any insurance maintained by WWD in compliance with this Section.

Section 16. Vacation of Franchise Area. If the City determines to vacate any right-of-way which is part of the Franchise Area where WWD Facilities are located or maintained, any ordinance vacating such right-of-way shall provide and condition such vacation on WWD obtaining at no cost to WWD a perpetual easement in such vacated right-of-way for the construction, operation, maintenance, repair and replacement of its facilities located and to be located in such vacated right-of-way.

Section 17. Assignment. All of the provisions, conditions, and requirements herein contained shall be binding upon WWD, and no right, privilege, license or authorization granted to WWD hereunder may be assigned or otherwise transferred without the prior written

authorization and approval of the City, which the City may not unreasonably withhold, condition or delay. Notwithstanding the foregoing, WWD may assign this agreement to an affiliate, parent or subsidiary or as part of any corporate financing, reorganization or refinancing which does not require assignment to any but an affiliate, parent or subsidiary without the consent of, but upon notice to, the City.

Section 18. Notice. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "notices") shall be in writing and shall be validly given or made to another party if delivered either personally or by Federal Express or other overnight delivery service of recognized standing, or if deposited in the United States Mail, certified, registered, or express mail with postage prepaid, or if sent by facsimile transmission with electronic confirmation. If such notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such notice is delivered by Federal Express or other overnight delivery service of recognized standing, it shall be deemed given one (1) business day after the deposit thereof with such delivery service. If such notice is mailed as provided herein, such shall be deemed given three (3) business days after the deposit thereof in the United States Mail. If such notice is sent by facsimile transmission, it shall be deemed given at the time of the sender's receipt of electronic confirmation. Each such notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To City: Director of Finance and Administration
 City of Kirkland
 123 Fifth Avenue
 Kirkland, WA 98033-6169
 Fax: (425) 576-2921

To WWD : General Manager
 Woodinville Water District
 17238 Northeast Woodinville Duvall Rd.
 Woodinville, WA 98072-9674

With copy to: General Counsel
 Inslee, Best, Doezie & Ryder, PS
 Symetra Financial Center
 Suite 1900
 777 - 108th Avenue N.E.
 Bellevue, WA 98009

Any party hereto may change its address for the purpose of receiving notices as herein provided by a written notice given in the manner aforesaid to the other party hereto.

Section 19. Miscellaneous. If any term, provision, condition or portion of this Franchise shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Franchise, which shall continue in full force and effect. The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

In addition to the franchise fee due under Section 10 above, WWD shall further be subject to all permit fees associated with activities undertaken through the authority granted in this franchise ordinance or under the laws of the City. Where the City incurs cost and expenses for review, inspection, or supervision of activities undertaken through the authority granted in this franchise or any ordinances relating to the subject for which a permit fee is not established, WWD shall pay such costs and expenses directly to the City. In addition to the above, WWD shall promptly reimburse the City for any and all costs it reasonably incurs in response to any emergency involving WWD's facilities.

City shall have the right, but not the obligation, to take over control and ownership of Franchisee's Facilities in the Franchise Area, specifically including the water and sewer plant network, without compensation, if such facilities are abandoned by WWD. The parties recognize and acknowledge that the City is interested in retaining abandoned water and sewer lines for use as conduit for communication purposes and WWD shall notify the City at least 180 days prior to abandonment of any water or sewer line. In the event the City determines to assume ownership and control of any Facilities abandoned by WWD pursuant to this provision, WWD shall convey ownership of such Facilities to the City without warranty express or implied of the fitness of such Facilities for any purpose, and the City shall indemnify and hold the District harmless from any and all costs, fees, damages, liabilities and judgments, including attorneys' fees and costs, arising out of or relating to the City's ownership, control or use of such abandoned Facilities.

This Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise, and is approved and executed in accordance with the laws of the State of Washington. Without limiting the generality of the foregoing, this Franchise (including, without limitation, Section 5 above) shall govern and supersede and shall not be changed,

modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by WWD of any and all rights, benefits, privileges, obligations, or duties in and under this Franchise, unless such permit, approval, license, agreement or document specifically:

- (a) references this Franchise; and
- (b) states that it supersedes this Franchise to the extent it contains terms and conditions which change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.

In the event of any conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document that does not comply with subsections (a) and (b) referenced immediately above, the provisions of this Franchise shall control.

Section 20. Effective Date. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council ("Effective Date").

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

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

Mayor

Attest:

City Clerk

Approved as to Form:

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. 4299

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO GRANTING WOODINVILLE WATER DISTRICT, A WASHINGTON MUNICIPAL CORPORATION, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO CONSTRUCT AND MAINTAIN, REPAIR, REPLACE, OPERATE UPON, OVER, UNDER, ALONG AND ACROSS THE FRANCHISE AREA WATER AND SEWER FACILITIES FOR PURPOSES OF ITS WATER AND SEWER UTILITY BUSINESS.

SECTIONS 1 - 19. Provide for the grant of a franchise to Woodinville Water District of a franchise for water and sewer facilities.

SECTION 20. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2011.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk



CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Eric Shields, Planning Director
Nancy Cox, Development Review Manager

Date: April 21, 2011

Subject: THIRD RENEWAL OF INTERIM ORDINANCE NO. 4219 TO EXTEND
LAND USE PERMIT APPROVALS DURING THE ECONOMIC
DOWNTURN

RECOMMENDATION

City Council holds a public hearing and considers the third renewal of an Interim Ordinance with one of the two options below. The Interim Ordinance extends approval periods for land use permits. The extension opportunity is available to applicants with pending zoning permits and plats. The Interim Ordinance has been in effect for 18 months. Staff recommends that the Council consider renewing it for another 6 months while the economic downturn continues.

Two options are recommended for Council consideration:

1. Adopt an ordinance renewing O-4219 with no changes; or
2. Adopt an ordinance amending O-4219 to allow a second extension opportunity and allow the extension to apply to the time limits for the submission of a complete building permit application, start of construction or plat recording as well as to the completion of construction.

The alternative ordinances for the above options are included in this packet.

REQUEST FOR ADDITIONAL EXTENSION

Mr. William Anspach has received an extension for a setback variance for townhomes in the Market neighborhood that is due to expire on May 11, 2011.

Mr. Anspach has submitted a letter requesting that either multiple extensions or an unlimited extension for his variance (Attachment 2). Staff is not recommending multiple extensions or a permanent change. To do so would circumvent the code provisions in a way that is permanent and not responsive to conditions that might change. However, staff is recommending that a second one-year extension be allowed while also providing for additional time to complete construction for all zoning permits.

To be fair to subdivision applicants, a second extension opportunity would also apply to the time to record short plats.

BACKGROUND DISCUSSION PERTAINING TO THE INTERIM ORDINANCE

The original request for additional time for permits came early in 2009 from the Master Builders Association to address the severe economic hardship due to the local and national economy. Building and grading permits were addressed first. The Council passed an ordinance extending the timeframes for building and grading permits in April, 2009.

The idea of land use permit extensions came up during a City Council meeting in September, 2009 and subsequently was brought to the Economic Development Committee. After reviewing information about what other jurisdictions are doing, the Economic Development Committee directed staff to take a land use permit extension ordinance to the full Council for consideration. Interim Ordinance 4219 (see Attachment 1) was prepared and approved in December, 2009 and renewed in June, 2010 and November, 2010.

Ordinance 4219

Interim ordinances must be renewed every six months to remain in effect. Therefore, the third renewal is the subject of a public hearing on Council's May 3, 2011 agenda.

- Zoning Permits
Ordinance 4219 extends the time limits established in development codes to allow a permit applicant an additional year to: 1) start construction or submit a complete building permit, or 2) complete construction. The ordinance does not allow an applicant to extend both periods. It does not apply to permits that have expired. Existing Zoning Code language follows:

KZC 150.135 Lapse of Approval

The applicant must begin construction or submit to the City a complete building permit application for the development activity, use of land or other actions approved under this chapter within four years after the final approval of the City of Kirkland on the matter, or the decision becomes void; provided, however, that in the event judicial

review is initiated per KZC [150.130](#), the running of the four years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the required development activity, use of land, or other actions. The applicant must substantially complete construction for the development activity, use of land, or other actions approved under this chapter and complete the applicable conditions listed on the notice of decision within six years after the final approval on the matter, or the decision becomes void. For development activity, use of land, or other actions with phased construction, lapse of approval may be extended when approved under this chapter and made a condition of the notice of decision.

- **Subdivision Permits**

Ordinance 4219 addresses Kirkland Municipal Code provisions related to increasing the time an applicant has to get a plat recorded from 4 years to 6 years. It does not apply to permits that have expired. Existing Municipal Code language follows:

KMC 22.20.370 Short plat documents—Recordation—Time limit.

After the short plat documents are signed, they will be transmitted to the city clerk's office for recording with the applicable office in King County. The short plat must be recorded with King County within four years of the date of approval or the decision becomes void; provided, however, that, in the event judicial review is initiated, the running of the four years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the recording of the short plat; and provided further, that an approval which would otherwise become void after July 6, 1994, under a provision which is now being amended by the ordinance codified in this section, shall only become void if it would still do so under all amendments made by Ordinance 3421*. (Ord. 3705 § 2 (part), 1999)

Code reviser's note: Ord. 3421* was repealed by Ord. 3433*.

A zoning permit extension vests the zoning rules in effect on the date of application. Any changes in the Zoning Code since the date of application would not be reflected in the project if extended. The same applies to subdivision applications receiving extensions. All building permit applications must comply with the building code in effect at the time of application.

Two (2) zoning permit and seventeen (17) subdivision applicants have taken advantage of the extension opportunity since the program began in 2009.

ATTACHMENTS

1. Ordinance 4219
2. Anspach request

cc: File MIS09-00022

ORDINANCE NO. 4219

AN INTERIM ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, PROVIDING INTERIM OFFICIAL CONTROLS REGARDING LAND USE PERMIT EXTENSIONS FILE NO. MIS09-00022, AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the Kirkland Zoning Code contains regulations relating to the lapse of approval of zoning permits; and

WHEREAS, the Kirkland Municipal Code contains regulations relating to the recordation time limit for plats; and

WHEREAS, due to the current economic downturn developers have had to delay or suspend their land use projects; and

WHEREAS, the Master Builders Association of King County on behalf of their members requested regulatory relief in the form of the extension of land use and building permit applications beyond those which are typically allowed while economic circumstances beyond their control remain; and

WHEREAS, developers have requested temporary relief from current permit expiration regulations to keep land use permits active; and

WHEREAS, it is the City Council's desire to provide reasonable and temporary relief to help mitigate the impacts of the economic downturn; and

WHEREAS, the adoption of interim regulations will provide the development community time to find relief to help mitigate the impacts of the economic downturn; and

WHEREAS, the interim regulations are procedural in nature, and therefore exempt from State environmental Policy Act (SEPA) review;

WHEREAS, the City Council held a public hearing on December 1, 2009; and

WHEREAS, the City has the authority to adopt an interim zoning ordinance pursuant to RCW 35A.63.220 and RCW 36.70A.390;

NOW THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Upon receipt of a written request from the applicant, the Planning Director is hereby authorized to extend without fee either: 1) the time to begin construction or to submit to the City a complete building permit application, or 2) the time to substantially complete construction for the development activity. The authorization may apply to pending land use permits or approvals for one year from

the scheduled expiration date for the following types of land use permits: Reasonable Use (Kirkland Zoning Code Section 90.140); Cottage, Carriage and 2/3 Unit Homes (Kirkland Zoning Code Chapter 113); Personal Wireless Facility (Kirkland Zoning Code Chapter 117); Planned Unit Development (Kirkland Zoning Code Chapter 125); Design Board Review (Kirkland Zoning Code Sections 142.35 through 142.55); Process I (Kirkland Zoning Code Chapter 145), IIA (Kirkland Zoning Code Chapter 150), and IIB (Kirkland Zoning Code Chapter 152). The one year extension authorized by this Section shall apply in addition to other extensions that may be available under the Kirkland Zoning Code. This Section shall not apply to land use permits or approvals that are expired.

Section 2. Applicability. Section 1 of this Ordinance shall apply to and take precedence over any conflicting provisions in Kirkland Zoning Code Sections 90.140.8, 113.45, 117.100, 125.80, 142.55, 145.115, 150.135 and 152.115 until such time as this ordinance is repealed or expires. Any one-year extension granted under Section 1 of this Ordinance shall remain in effect until expiration of the applicable one-year period, even if that occurs after this Ordinance is repealed or expires.

Section 3. Upon receipt of a written request from the applicant, the Planning Director is hereby authorized to extend, without fee, the four year recordation period for approved plats from 4 years to 6 years. This Section shall not apply to land use permits or approvals that are expired.

Section 4. Applicability. Section 3 of this Ordinance shall apply to and take precedence over any conflicting provisions in Kirkland Municipal Code Sections 22.16.130 and 22.20.370 until such time as this ordinance is repealed or expires. Any extension granted under Section 3 of this Ordinance shall remain in effect until expiration of the extension, even if that occurs after this Ordinance is repealed or expires.

Section 5. Vesting. The Planning Director shall not issue an extension under Section 1 or Section 3 of this Ordinance if a Title of the Zoning or Municipal Code has been amended affecting the property for which the permit was issued or the permit application pertains unless the applicant agrees in writing to abide by the applicable amended provisions.

Section 6. The interim regulations adopted by this Ordinance shall continue in effect for a period of up to one hundred eighty (180) days from the effective date of this Ordinance, unless repealed, extended, or modified by the City Council.

Section 7. Findings of Fact.

- A. The recitals set forth on pages 1-2 above are hereby adopted as findings of fact.

- B. The Kirkland Zoning Code and Municipal Code provide for opportunities to obtain time extensions for various applications and approvals; however these time extensions are of limited duration and are not of sufficient length to enable extensions beyond the current economic downturn.
- C. Providing for extensions of certain development-related applications and approvals may aid the local economy by helping the construction industry to weather the economic downturn while preserving the investments made in the development permitting process.
- D. Maintaining the viability of development applications and approvals will help to ensure that the development industry is in a position to respond more quickly once favorable economic conditions return.

Section 8. Duration. The Council may adopt extensions of this Ordinance after any required public hearing pursuant to RCW 35A.63.220 and RCW 36.70A.390.

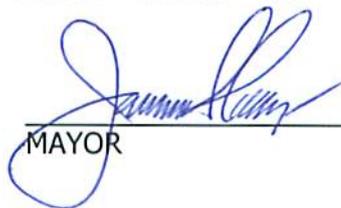
Section 9. Severability. Should any provision of this Ordinance or its application to any person or circumstance be held invalid, the remainder of the ordinance or the application of the provision to any other persons or circumstances shall not be affected.

Section 10. Houghton Community Council. To the extent the subject of this Ordinance, pursuant to Ordinance No. 2001, is subject to the disapproval jurisdiction of the Houghton Community Council, this Ordinance shall become effective within the Houghton Community Municipal Corporation only upon approval of the Houghton Community Council or the failure of said Community Council to disapprove this Ordinance within 60 days of the date of passage of this Ordinance.

Section 11. Except as provided in Section 10, this Ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Kirkland Municipal Code 1.08.017, in the summary form attached to the original of this ordinance and by this reference approved by the City Council as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 1st day of December, 2009.

Signed in authentication thereof this 1st day of December, 2009.



 MAYOR

Attest:



City Clerk

Approved as to Form:



City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. 4219

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, PROVIDING INTERIM OFFICIAL CONTROLS REGARDING LAND USE PERMIT EXTENSIONS (FILE NO. MIS09-00022).

SECTION 1. Describes the authorization process for zoning permit extensions.

SECTION 2. Describes the applicability of Section 1 in relation to existing Kirkland Zoning Code provisions.

SECTION 3. Describes the authorization process for plat extensions.

SECTION 4. Describes the applicability of Section 3 in relation to existing Kirkland Municipal Code provisions.

SECTION 5. Provides that permit extensions authorized by the Planning Director must comply with the applicable regulations in effect at the time the extension is granted.

SECTION 6. Establishes the duration of the interim controls.

SECTION 7. Sets forth findings of fact in support of the Ordinance.

SECTION 8. Sets forth the process by which the Ordinance may be extended.

SECTION 9. Provides a severability clause for the Ordinance.

SECTION 10. Provides that the Ordinance may be subject to the disapproval jurisdiction of the Houghton Community Council.

SECTION 11. Authorizes publication of the Ordinance by summary, which summary is approved by the City Council pursuant to Kirkland Municipal Code 1.08.017 and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the

City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 1st day of December, 2009.

I certify that the foregoing is a summary of Ordinance 4219 approved by the Kirkland City Council for summary publication.


City Clerk

William Anspach
934 6th Street South #200
Kirkland, Wa 98033

SUBJECT: Extension Request of PCD File No. ZON06-00007

SITUATION:

1. The subject property is located at the corner of 13th Ave and 4th Street West. The variance request was made because :

- A driveway for ingress/egress was denied by the Planning Department because of the close proximity to Market Street.
- Applicant wanted to maximize the net buildable area of the lot having a side yard setback vs. a front yard setback.

2. On May 11, 2006 the Hearing Examiner approved my setback variance application with conditions. Approval required that a complete building permit application be filed by May 11, 2010.

3. On March 4, 2010 Mr. Anspach filed an Application for Land Use Permit Extension that was granted with an expiration date of May 11, 2011.

REASON FOR EXTENSION REQUEST:

1. The property design and development has been completed. A full set of construction drawings are ready to be submitted to the City of Kirkland for permit application. Mr. Anspach has invested over \$80,000 for architectural designs, structural engineering and development of construction drawings. (See attached drawings and illustration.)
2. The current economic climate precludes the development of the property and additional time is needed until the market changes and the property can be developed per the plans as ready.

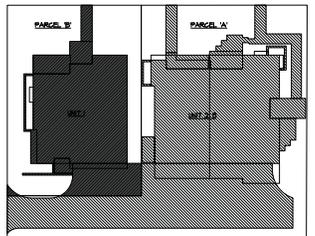
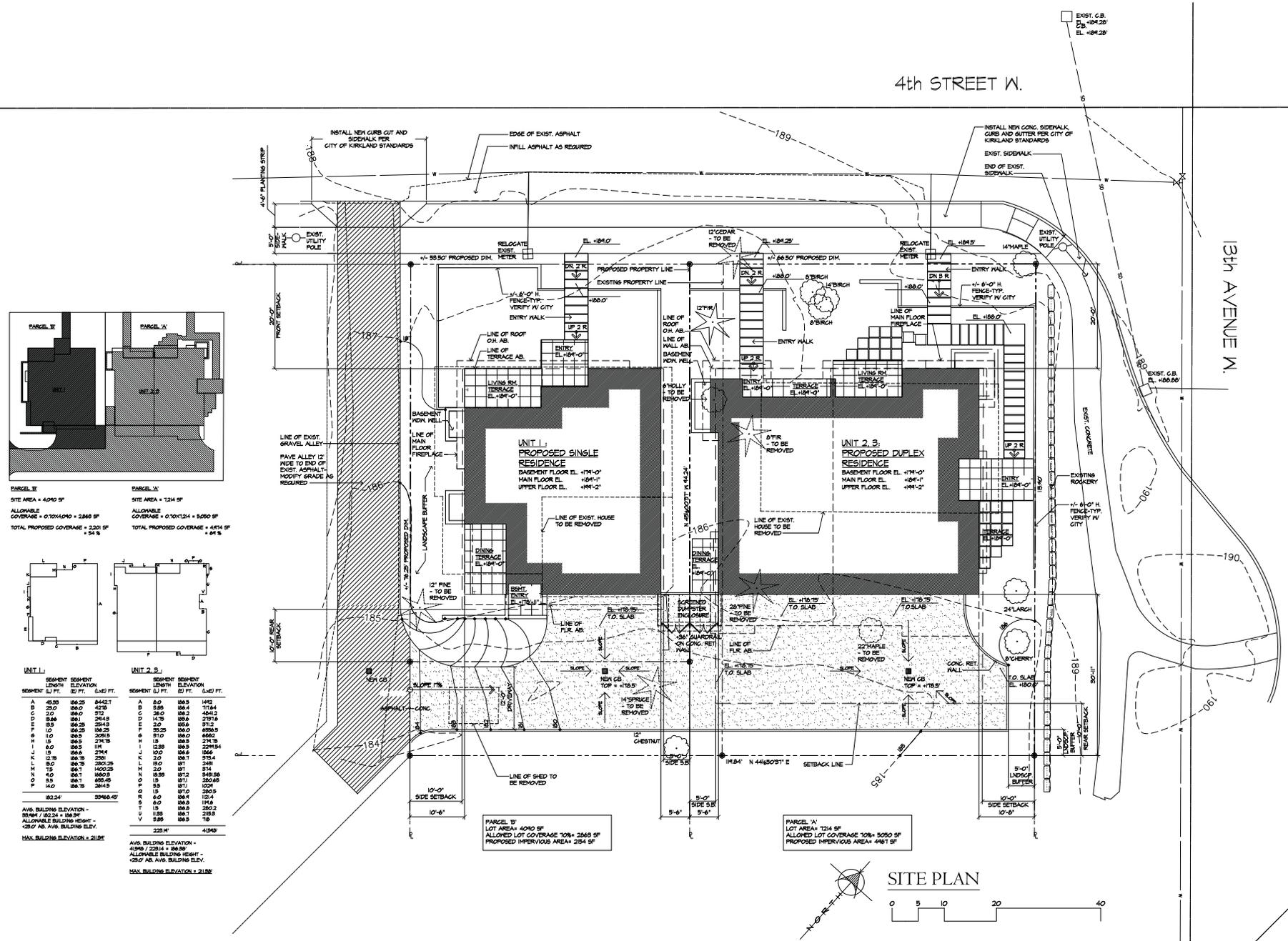
REQUEST of CITY COUNCIL:

1. Have the Council accept the Setback Variance as it was approved without conditions and make it a permanent side yard setback.
2. Have the Council allow for multiple permit extensions as needed until which time the permit applications are made.

I am hopeful the Council will approve my request and thank you for your consideration.

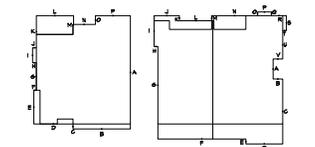
Kindest regards,

Bill Anspach



PARCEL B
 SITE AREA = 4090 SF
 ALLOWABLE COVERAGE = 0.10X4090 = 2849 SF
 TOTAL PROPOSED COVERAGE = 2322 SF = 81%

PARCEL A
 SITE AREA = 1214 SF
 ALLOWABLE COVERAGE = 0.10X1214 = 520 SF
 TOTAL PROPOSED COVERAGE = 4461 SF = 37%



UNIT 1			UNIT 2		
SEGMENT	LENGTH (L) FT.	HEIGHT (H) FT.	SEGMENT	LENGTH (L) FT.	HEIGHT (H) FT.
A	40.95	186.25	A	8.0	186.5
B	29.0	186.0	B	3.95	186.4
C	2.0	186.0	C	28.0	186.2
D	18.88	186.1	D	14.75	186.9
E	19.5	186.25	E	2.0	186.6
F	1.0	186.25	F	30.25	186.2
G	1.0	186.5	G	37.0	186.0
H	1.5	186.5	H	1.5	186.5
I	8.0	186.5	I	12.85	186.5
J	1.5	186.6	J	0.0	186.5
K	12.75	186.75	K	2.0	186.1
L	1.0	186.75	L	0.0	186.1
M	1.0	186.1	M	0.0	186.1
N	4.0	186.1	N	1.0	186.2
O	3.5	186.1	O	1.0	186.2
P	14.0	186.75	P	0.5	187.0
			Q	0.0	186.1
			R	8.0	186.1
			S	1.0	186.9
			T	1.0	186.9
			U	3.95	186.5
			V	0.0	186.5

AVG. BUILDING ELEVATION - 186.24
 MAX. BUILDING ELEVATION - 211.87

AVG. BUILDING ELEVATION - 186.24
 MAX. BUILDING ELEVATION - 211.87

AVG. BUILDING ELEVATION - 186.24
 MAX. BUILDING ELEVATION - 211.87

AVG. BUILDING ELEVATION - 186.24
 MAX. BUILDING ELEVATION - 211.87



AI BD
 ANSPACH TOWNHOMES
 1230-1250 4th. Street West
 Kirkland, WA. 98033

COPYRIGHT NOTICE:
 THESE DRAWINGS ARE THE PROPERTY OF J.M. CONSULTING & DESIGN. NO PART OF THESE DRAWINGS MAY BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF J.M. CONSULTING & DESIGN.

PROJECT NO: 0000
 DRAWN BY: JMD
 CHECKED BY: JMD
 PLAN DATE: 07.28.07
 DWG. SCALE: 1/8" = 1'-0"

REVISIONS

ANSPACH TOWNHOMES
 1230-1250 4th. Street West
 Kirkland, WA. 98033



JM Consulting & Design
 17455 18th Avenue NE, Suite 201
 Kenmore, Washington 98028
 Co. 425-481-8302 / F. 425-481-4473
 jmcconsulting@design.com

SITE PLAN
A-1

ORDINANCE NO. 4300

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, PROVIDING INTERIM OFFICIAL CONTROLS REGARDING LAND USE PERMIT EXTENSIONS, FILE NO. MIS09-00022, AS ADOPTED BY ORDINANCE 4219, AND EXTENDING ORDINANCE 4219 THROUGH NOVEMBER 3, 2011.

WHEREAS, the City Council has the authority to adopt interim regulations pursuant to RCW35A.63.220 AND 36.70A.390; and

WHEREAS, by Ordinance No. 4219 passed on December 1, 2009 after holding a public hearing, the City Council adopted interim regulations that extend land use approvals; and

WHEREAS, on June 1, 2010, the City Council, after holding a public hearing, renewed Ordinance No. 4219 through December 1, 2010; and

WHEREAS, on November 16, 2010, the City Council held a public hearing on renewal of Ordinance No. 4219 through May 16, 2011;

WHEREAS, on May 3, 2011, the City Council held a public hearing on renewal of Ordinance No. 4219 through November 3, 2011; and

WHEREAS, the City Council desires to renew Ordinance No. 4219 through November 3, 2011;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Kirkland as follows:

Section 1. Findings of Fact. The City Council hereby adopts the findings of fact made in Ordinance No. 4219 by reference. The City Council further finds that renewal of Ordinance No. 4219 through November 3, 2011 is necessary in order to help mitigate the impacts of the current economic downturn.

Section 2. Extension of Ordinance 4219. Ordinance 4219 is hereby renewed, to remain in effect through November 3, 2011. Ordinance 4219 thereafter may be renewed for one or more six month periods if a subsequent public hearing is held and findings of fact are made prior to each renewal.

Section 3. Houghton Community Council. To the extent the subject of this Ordinance, pursuant to Ordinance No. 2001, is subject to the disapproval jurisdiction of the Houghton Community Council, this Ordinance shall become effective within the Houghton Community Municipal Corporation only upon approval of the Houghton Community Council or the failure of said Community Council to disapprove this Ordinance within 60 days of the date of passage of this Ordinance.

Section 4. Effective Date. Except as provided in Section 3, this Ordinance shall be in effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Kirkland Municipal Code 1.08.017.

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

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

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

ORDINANCE NO. 4300

AN INTERIM ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, PROVIDING INTERIM OFFICIAL CONTROLS REGARDING LAND USE PERMIT EXTENSIONS FILE NO. MIS09-00022, MODIFYING AND EXTENDING ORDINANCE NO. 4219 THROUGH NOVEMBER 3, 2011, AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the Kirkland Zoning Code contains regulations relating to the lapse of approval of zoning permits; and

WHEREAS, the Kirkland Municipal Code contains regulations relating to the recordation time limit for plats; and

WHEREAS, due to the current economic downturn developers have had to delay or suspend their land use projects; and

WHEREAS, the Master Builders Association of King County on behalf of their members requested regulatory relief in the form of the extension of land use and building permit applications beyond those which are typically allowed while economic circumstances beyond their control remain; and

WHEREAS, developers have requested temporary relief from current permit expiration regulations to keep land use permits active; and

WHEREAS, it is the City Council's desire to provide reasonable and temporary relief to help mitigate the impacts of the economic downturn; and

WHEREAS, the adoption of interim regulations will provide the development community time to find relief to help mitigate the impacts of the economic downturn; and

WHEREAS, the interim regulations are procedural in nature, and therefore exempt from State Environmental Policy Act (SEPA) review; and

WHEREAS, the City Council, after holding a public hearing, Ordinance No. 4219 passed on December 1, 2009, after holding a public hearing, the City Council adopted interim regulations that extend land use approvals; and

WHEREAS, on June 1, 2010, the City Council, after holding a public hearing, renewed Ordinance No. 4219 through December 1, 2010; and

WHEREAS, on November 16, 2010, the City Council held a public hearing on renewal of Ordinance No. 4219 through May 16, 2011; and

WHEREAS, on May 3, 2011, the City Council held a public hearing on renewal of Ordinance No. 4219 through November 3, 2011; and

WHEREAS, the City Council desires to renew Ordinance No. 4219 through November 3, 2011, with certain modifications, as set forth in this Ordinance; and

WHEREAS, the City has the authority to adopt an interim zoning ordinance pursuant to RCW 35A.63.220 and RCW 36.70A.390;

NOW THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Upon receipt of a written request from the applicant, the Planning Director is hereby authorized to extend without fee: 1) the time to begin construction or to submit to the City a complete building permit application, or 2) the time to substantially complete construction for the development activity. In the event an applicant requests an extension of the time to begin construction or submit a complete building permit application, the applicant shall automatically receive a corresponding extension of the time to complete construction for development activity. The authorization may apply to pending land use permits or approvals for one year from the scheduled expiration date for the following types of land use permits: Reasonable Use (Kirkland Zoning Code Section 90.140); Cottage, Carriage and 2/3 Unit Homes (Kirkland Zoning Code Chapter 113); Personal Wireless Facility (Kirkland Zoning Code Chapter 117); Planned Unit Development (Kirkland Zoning Code Chapter 125); Design Board Review (Kirkland Zoning Code Sections 142.35 through 142.55); Process I (Kirkland Zoning Code Chapter 145), IIA (Kirkland Zoning Code Chapter 150), and IIB (Kirkland Zoning Code Chapter 152). The one year extensions authorized by this Section shall apply in addition to other extensions that may be available under the Kirkland Zoning Code. An applicant may not request more than two extensions under this Section. An applicant may request both extensions at any time after final approval of the land use permit or approval. If an applicant has previously sought only one extension, then the applicant shall request the second extension within 180 days prior to the expiration of the first extension period. This Section shall not apply to land use permits or approvals that are expired.

Section 2. Applicability. Section 1 of this Ordinance shall apply to and take precedence over any conflicting provisions in Kirkland Zoning Code Sections 90.140.8, 113.45, 117.100, 125.80, 142.55, 145.115, 150.135 and 152.115 until such time as this ordinance is repealed or expires. Any extensions granted under Section 1 of this Ordinance shall remain in effect until expiration of the applicable extension periods, even if that occurs after this Ordinance is repealed or expires.

Section 3. Upon receipt of a written request from the applicant, the Planning Director is hereby authorized to extend, without fee, the four year recordation period for approved plats from 4

years to 6 years. An applicant who has previously sought a two year extension under this Section may seek an additional one year extension, which would extend the recordation period to a total of 7 years. An applicant may not request more than two extensions under this Section. An applicant may request both extensions at any time after final approval of the plat. If an applicant has previously sought only one extension, then the applicant shall request the second extension within 180 days prior to the expiration of the first extension period. This Section shall not apply to land use permits or approvals that are expired.

Section 4. Applicability. Section 3 of this Ordinance shall apply to and take precedence over any conflicting provisions in Kirkland Municipal Code Sections 22.16.130 and 22.20.370 until such time as this ordinance is repealed or expires. Any extensions granted under Section 3 of this Ordinance shall remain in effect until expiration of the applicable extension periods, even if that occurs after this Ordinance is repealed or expires.

Section 5. Vesting. The Planning Director shall not issue an extension under Section 1 or Section 3 of this Ordinance if a Title of the Zoning or Municipal Code has been amended affecting the property for which the permit was issued or the permit application pertains unless the applicant agrees in writing to abide by the applicable amended provisions.

Section 6. The interim regulations adopted by this Ordinance shall continue in effect for a period of up to one hundred eighty (180) days from the effective date of this Ordinance, unless repealed, extended, or modified by the City Council.

Section 7. Findings of Fact.

- A. The recitals set forth on pages 1-2 above are hereby adopted as findings of fact.
- B. The Kirkland Zoning Code and Municipal Code provide for opportunities to obtain time extensions for various applications and approvals; however these time extensions are of limited duration and are not of sufficient length to enable extensions beyond the current economic downturn.
- C. Providing for extensions of certain development-related applications and approvals may aid the local economy by helping the construction industry to weather the economic downturn while preserving the investments made in the development permitting process.
- D. Maintaining the viability of development applications and approvals will help to ensure that the development industry is in a position to respond more quickly once favorable economic conditions return.

Section 8. Duration. The Council may adopt extensions of this Ordinance after any required public hearing pursuant to RCW 35A.63.220 and RCW 36.70A.390.

Section 9. Severability. Should any provision of this Ordinance or its application to any person or circumstance be held invalid, the remainder of the ordinance or the application of the provision to any other persons or circumstances shall not be affected.

Section 10. Houghton Community Council. To the extent the subject of this Ordinance, pursuant to Ordinance No. 2001, is subject to the disapproval jurisdiction of the Houghton Community Council, this Ordinance shall become effective within the Houghton Community Municipal Corporation only upon approval of the Houghton Community Council or the failure of said Community Council to disapprove this Ordinance within 60 days of the date of passage of this Ordinance.

Section 11. Except as provided in Section 10, this Ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Kirkland Municipal Code 1.08.017, in the summary form attached to the original of this ordinance and by this reference approved by the City Council as required by law.

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

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

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. 4300

AN INTERIM ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, PROVIDING INTERIM OFFICIAL CONTROLS REGARDING LAND USE PERMIT EXTENSIONS FILE NO. MIS09-00022, MODIFYING AND EXTENDING ORDINANCE NO. 4219 THROUGH NOVEMBER 3, 2011, AND APPROVING A SUMMARY FOR PUBLICATION.

SECTIONS 1 - 8. Provide for the interim official controls regarding land use permit and plat extensions and extends Ordinance No. 4219 through November 3, 2011.

SECTION 9. Provides a severability clause for the ordinance.

SECTION 10. Provides that the effective date of the ordinance is affected by the disapproval jurisdiction of the Houghton Community Council.

SECTION 11. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2011.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Marilynne Beard, Assistant City Manager

Date: April 24, 2011

Subject: ANNEXATION INTERLOCAL AGREEMENT BETWEEN KING COUNTY AND THE CITY OF KIRKLAND

RECOMMENDATION:

City Council approves the attached resolution authorizing the City Manager to sign an interlocal agreement between the City of Kirkland and King County providing for the transfer of governance, services and property implementing the annexation of Juanita, Finn Hill and Kingsgate.

BACKGROUND:

The attached interlocal agreement (ILA) with King County is one of several needed to implement annexation. The City Council reviewed a draft of the ILA at the April 19 Study Session. There were no modifications requested at that time and the ILA attached to this memo is substantially the same as the earlier version. County Council staff did request a few minor modifications. In Exhibit C dealing with the transfer of development services, the section referring to the transfer of impact fees to the City was amended to reference "unspent" impact fees.

At the April 19 meeting, staff was unsure about the exact process and timing for the King County Council to review and approve the ILA. Since then, a proposed timeline was provided by King County staff. The ILA was originally scheduled to go before the Council TrEE Committee (Transportation, Economy and Environment). However, the County is now proposing to review the ILA as the Committee of the Whole (COW).

- On April 22, a request was made of the County Clerk to advertise the Kirkland ILA for the May 9 County Council agenda. The advertisement will begin by Wednesday April 27, which meets the County's advertising requirement.
- Between April 25 and May 2, King County and Kirkland staff will discuss and agree upon any additional amendments to the ILA.
- On Monday May 2, a briefing will be held with the COW on the ILA and any amendments will be discussed.
- On Tuesday May 3, the Kirkland City Council will consider and may adopt on the ILA with any agreed upon amendments.

- On Monday May 9, the King County Council consider and may adopt the ILA with any agreed upon amendments.

Staff does not anticipate substantial changes to the ILA as it was presented to the City Council on April 19. Given the compressed time frame for consideration of final amendments, the ILA with any proposed revisions will be provided to the City Council on May 2 or May 3, and staff will provide an overview of changes at the City Council meeting on May 3.

RESOLUTION R-4878

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND AND KING COUNTY RELATING TO THE ANNEXATION OF THE JUANITA-FINN HILL-KINGSGATE ANNEXATION AREA.

WHEREAS, on an election date in November 2009 the citizens of the Juanita-Finn Hill-Kingsgate areas ("Annexation Area") had an opportunity to vote on whether to annex to the City and the voters then approved annexation of the Annexation Area; and

WHEREAS, annexation of the Annexation Area to the City will become effective on June 1, 2011 ("Effective Date"); and

WHEREAS, all local governmental authority and jurisdiction with respect to the Annexation Area transfers from the County to the City upon the Effective Date; and

WHEREAS, the City and the County desire to facilitate an orderly transition of such authority and jurisdiction within the Annexation Area and toward that end have been negotiating the terms of the proposed Interlocal Agreement between the City of Kirkland and King County Relating to the Annexation of the Juanita-Finn Hill-Kingsgate Annexation Area ("Agreement"); and

WHEREAS, pursuant to the terms of the Interlocal Agreement between the City of Kirkland, King County Fire Protection District #41 and King County Regarding the Annexation of the Wild Glen Area, the provisions of this Agreement will apply in that annexation area as well; and

WHEREAS, the City and County have concluded those negotiations and are now seeking authorization from their respective governing bodies to sign the attached Agreement;

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

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland an interlocal agreement substantially similar to that attached as Attachment "A", which is entitled "Interlocal Agreement Between the City of Kirkland and King County Relating to the Annexation of the Juanita-Finn Hill-Kingsgate Annexation Area."

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

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

MAYOR

Attest:

City Clerk

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND AND
KING COUNTY RELATING TO THE ANNEXATION OF THE JUANITA-FINN
HILL-KINGSGATE ANNEXATION AREA**

THIS AGREEMENT ("Agreement") is made and entered by and between the City of Kirkland a State of Washington municipal corporation ("City"), and King County, a political subdivision of the State of Washington ("County"). Together, the City and the County are referred to herein as "the Parties"

WHEREAS, the City identified the Juanita-Finn Hill-Kingsgate Potential Annexation Area ("PAA") in its comprehensive plan consistent with the requirements of the state Growth Management Act ("GMA") and the Countywide Planning Policies adopted consistent with GMA, which PAA is generally known as the "Juanita-Finn Hill-Kingsgate" which is further described in **Exhibit A**, (hereinafter collectively referred to as the Annexation Area"); and

WHEREAS, on an election date in November, 2009 the citizens of the Annexation Area had an opportunity to vote on whether to annex to the City, and the voters approved annexation of the Annexation Area; and

WHEREAS, annexation of the Annexation Area to the City will become effective on June 1, 2011 ("Effective Date"); and

WHEREAS, the City and the County desire to facilitate an orderly transition of services associated with the Annexation Area; and

WHEREAS, the City and the County desire to mutually determine the appropriate timing for the transfer of public records; and

WHEREAS, all local governmental land use authority and jurisdiction with respect to the Annexation Area transfers from the County to the City upon the Effective Date; and

WHEREAS, the County and City agree that having County staff continue to process various vested building and land use permit applications from the Annexation Area on behalf of the City for a transitional period following annexation will assist in an orderly transfer of authority and jurisdiction; and

WHEREAS, it is the parties' intent by virtue of this Agreement that, except as provided for in this Agreement, any and all discretionary decisions with respect to land use and permitting from and after the date of annexation shall be made by the City; and

WHEREAS, as of the Effective Date, pursuant to state law, the City will own, and have the responsibility for the operation, safety and maintenance of all former County roads, bridges and rights-of-way located within the City limits together with all appurtenances located within such rights-of-way, including but not limited to, drainage facilities, storm

water facilities, environmental mitigation sites and monitoring projects, street lights, traffic signals, fiber-optic cable, fiber-optic conduit, and traffic signs; and

WHEREAS, the City and the County want to ensure a smooth transfer of ownership and maintenance of existing County related property interests in the Annexation Area; and

WHEREAS, the governing bodies of each of the parties hereto have determined to enter into this Agreement as authorized and provided for by the Interlocal Cooperation Act, codified at Chapter 39.34 RCW, and other Washington law, as amended;

NOW THEREFORE, in consideration of the mutual terms, provisions and obligations contained herein, it is agreed by and between the City and the County as follows:

1. TERM/EFFECTIVE DATE.

- a. This Agreement shall be deemed to take effect following the approval of the Agreement by the official action of the legislative bodies of each of the Parties and the signing of the Agreement by the duly authorized representative of each of the Parties, and shall continue in force for a period of five (5) years from the date signed by both parties except as otherwise provided for Exhibit C in Section 10 thereto.
- b. The effective date of the JFK annexation is June 1, 2011 (“Effective Date”).

2. TRANSFER OF JURISDICTION, AUTHORITY AND SERVICES.

- a. RECORDS TRANSFER. The County shall provide the records in the list attached hereto as **Exhibit B** by the Effective Date. If additional time is needed to provide some of these records, the County shall ask the City for additional time. The County shall not be required to provide records that are not reasonably available or to create records or compilations that have not already been created. The County shall provide the City free of charge one set of records meeting the requirements of this section.
- b. DEVELOPMENT SERVICES. As of the date this Agreement is signed by all parties, transfer of development services shall be as set forth in the attached **Exhibit C**, which is hereby incorporated into this Agreement.
- c. JAIL SERVICES. The City of Kirkland is responsible for the incarceration of adult offenders charged with misdemeanor or gross misdemeanor crimes occurring in the Annexation Area on or after the Effective Date. King County is responsible for the incarceration of adult offenders charged with misdemeanor or gross misdemeanor crimes occurring in the Annexation Area before the Effective Date.
- d. POLICE SERVICES. On and after the Effective Date, police service responsibility within the Annexation Area will be transferred to the City. The County will be responsible for all criminal cases and investigations reported before the

Effective Date, including but not limited to all costs associated with these cases and investigations. The City will be responsible for all criminal cases and investigations reported on and after the Effective Date, including but not limited to all costs associated with these cases and investigations. The City's Chief of Police and the King County Sheriff will work together to ensure a smooth transition plan and a continuing partnership. In addition to the provisions of that transition plan, the parties further agree as follows:

1. Sharing of community information: The County agrees to provide policing-related community contact lists that the County may have regarding the Annexation Area to the City upon request. These lists may include, but are not limited to: members of block watch programs, community groups, and/or homeowner's associations. The lists shall be provided to the City within 90 days of the Effective Date.
 2. Annexation of Emergency Response (911) Services: The City and County agree to coordinate the transfer of emergency response (911) services in the Annexation Area.
 3. The County agrees that public conduct in County-owned parks in the City will be subject to Kirkland Municipal Code (K.M.C) Chapter 11.80. The City acknowledges that the County may administer its own Park Use Rules (King County Code Title 7) as rules of conduct for the use of County-owned parks. The County acknowledges that the City will not enforce K.C.C. Title 7 unless the County separately contracts with the City to do so. The County will replace or update signage in and around its parks in the City to cite K.M.C. Ch. 11.80 as well as K.C.C. Title 7.
- e. COURT AND PROSECUTION SERVICES TRANSITION. The County will be responsible for the court expenses, prosecution and payment of any fees or assessments associated with misdemeanor criminal cases filed by the County prior to the Effective Date. The City will be responsible for the court expenses, prosecution and payment of any fees or assessments associated with misdemeanor criminal cases filed by the City from and after the Effective Date of annexation.
- f. STATUS OF COUNTY EMPLOYEES. Subject to City civil service rules and state law, the City agrees to consider the hiring of County employees whose employment status is affected by the change in governance of the Annexation Area where such County employees make application with the City per the City's hiring process and meet the minimum qualifications for employment with the City. The City's consideration of hiring affected Sheriff Department employees shall be governed by the provisions set forth in RCW 35.13.360 through 35.13.400 and other applicable law, if any.
- g. ROAD AND FIRE LEVY TAXES. The County's collection and disbursement to the City of the road and fire levy taxes within the Annexation Area(s) shall occur before December 31, 2011.

- h. STRIPING. The County will perform all street striping in the Annexation Area that is currently scheduled for completion.

3. TRANSFER OF PROPERTIES.

- a. Transfer of Road-Related Properties. The County shall, upon the Effective Date, convey by deed the Road-Related Properties described in **Exhibit D** attached hereto and incorporated herein by reference, to the City, and the City shall accept the same, subject to all rights, conditions, covenants, obligations, limitations and reservations of record for said properties. The City agrees to abide by and enforce all rights, conditions, covenants, obligations, limitations and reservations for said properties. The City covenants that the Road-Related Properties described in Exhibit D shall continue to be used and maintained in perpetuity for road-related purposes unless other equivalent lands within the City are received in exchange therefore; or if such properties are sold or traded, the City shall pay the County the tax-assessed value of the Property as of the date the property is transferred to the city under this agreement.
- i. Condition of and Responsibility for Operations, Maintenance, Repairs, and Improvements of Road-Related Properties.
 - 1. The City will have the opportunity to inspect the Road-Related Properties before accepting ownership. However, regardless of such inspection, the City has the duty to accept all facilities as specified in this Agreement. The County will make its records concerning the Road-Related Properties available to the City, and the County personnel most knowledgeable about the Road-Related Properties will be available to jointly inspect the property with City personnel and to provide the City the status of maintenance of such facilities, and to point out known conditions, including any defects or problems, if any, with the Road-Related Properties. The City agrees to accept the Road-Related Properties in AS IS condition, and to assume full and complete responsibility for all operations, maintenance, repairs, and improvements of the Related Properties.
 - 2. King County does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, with respect to the Road-Related Properties, and no official, employee, representative, or agent of King County is authorized otherwise.
 - 3. The City acknowledges and agrees that the County shall have no liability for, and that the City shall release and have no recourse against the County for, any defect or deficiency of any kind whatsoever in the Road-Related

Properties, without regard to whether such defect or deficiency was known or discoverable by the City or the County.

ii. Environmental Liability related to the Road-Related Properties.

1. "Hazardous Materials" as used herein shall mean any hazardous, dangerous or toxic wastes, materials, or substances as defined in state or federal statutes or regulations as currently adopted or hereafter amended.
2. Nothing in this Agreement shall be deemed to waive any statutory claim for contribution that the City might have against the County under federal or state environmental statutes that arises from hazardous materials deposited or released on the Road-Related Properties by the County during the County's period of ownership. The City may not, however, assert such a claim to the extent that the City creates the need for or exacerbates the cost of remediation upon which a statutory claim for contribution is based as a result of the City performing construction activities on, changing the configuration of, or changing the use of the Road-Related Properties.
3. If the City discovers the presence of hazardous materials at levels that could give rise to a statutory claim for contribution against the County it shall notify the County in writing within ninety (90) days of discovery. The Parties shall make their best efforts to reach agreement as to which party is responsible for remediation under the terms of this Agreement prior to undertaking any remediation.
4. In no event shall the County be responsible for any costs of remediation that exceed the minimum necessary to satisfy the state or federal agency with jurisdiction over the remediation.

iii. Indemnification and Environmental Liability related to Road-Related Properties. As modified by Section 3.a.ii, Washington State law shall govern the respective liabilities of the Parties to this Agreement for any loss arising out of or related to the environmental condition of the Road-Related Properties.

- iv. Right of Way Use Agreements. Upon the Effective Date, the City shall become the successor to the County with respect to right of way use agreements and permits and the City shall administer and manage those permits and agreements. To the extent a right of way use permit or agreement requires payment of a periodic fee by the right of way user, the applicable fee shall be pro-rated between the City and the County based on the Effective Date
- v. Survival. The provisions of this Section 3 shall survive the expiration or earlier termination of this Agreement.

- b. Transfer of Surface Water Management, Park and Greenbelt Properties
- i. Transfer of Drainage Facilities and Drainage Facility Property Interests.
1. Upon the Effective Date for the area in which the “Drainage Facilities” identified in **Exhibit E**, attached hereto and incorporated herein by reference, are located, those Drainage Facilities which are held by the County as specifically identified in **Exhibit E-1** shall automatically be transferred from the County to the City, and the City shall assume ownership and full and complete responsibility for the operation, maintenance, repairs, and any subsequent improvements to the Drainage Facilities. The Drainage Facilities identified in Exhibit F-2 shall not be transferred but shall remain in private ownership. The City has the right but not the obligation to inspect the facilities identified in **Exhibit E-2** from and after the Effective Date.
 2. The County shall upon the Effective Date for the area in which the “Drainage Facility Property Interests” identified in **Exhibit E**, attached hereto and incorporated herein by reference, are located, convey the Drainage Facility Property Interests by quit claim deed to the City; and the City shall accept the Drainage Facility Property Interests, subject to all rights, conditions, covenants, obligations, limitations and reservations of record for such property interests. The City agrees to abide by and enforce all rights, conditions, covenants, obligations, limitations and reservations for the Drainage Facility Property Interests.
 3. The County is willing to perform surface water-related management services and maintenance on behalf of the City in the Annexation Area after the Effective Date via separate written contract between the Parties, which contract is no part of this Agreement.
 4. The Parties will make staff available to identify and review any additional County-owned local drainage facilities, easements, and other property interests within the Annexation Areas that should appropriately be conveyed to the City. Such facilities and other property interests include those for which the County's facility acceptance process has not yet been completed, including both projects being constructed by the County as well as projects subject to County approval that are constructed by third parties. Any such additional County-owned drainage properties or other property interests shall be transferred to the City pursuant to this Agreement and upon County approval, including if necessary the adoption of an ordinance authorizing the transfer of King County owned drainage properties and property interests. The transfer of responsibility for drainage facilities shall be documented in writing, including specific facilities transferred and the date of transfer and such documentation

signed by the appropriate City representative and the Director of the King County Water and Land Resources Division.

ii. Transfer of Park and Greenbelt Properties. The County shall upon the Effective Date for the area in which the “Park and Greenbelt Properties” identified in **Exhibit F**, attached hereto and incorporated herein by reference, are located, convey by deed to the City, and the City shall accept, the Park and Greenbelt Properties, subject to all rights, conditions, covenants, obligations, limitations and reservations of record for such property interests; provided that the County will not convey title to 132nd Square Park from the County to the City until January 1, 2012, and the County shall remain responsible for all operations, maintenance, repairs, improvements of, and provision of recreational services at 132nd Square Park through December 31, 2011. The City shall assume full and complete responsibility for 132nd Square Park effective January 1, 2012.

iii. Deed Covenants Regarding Park and Greenbelt Properties.

1. All deeds for the Parks Properties shall contain the following specific covenants pertaining to use, which covenants shall run with the land for the benefit of the County and the County land that makes up its public park, recreation and open space system:

“The City, as required by K.C.C. 4.56.070.F, covenants that the Property shall be continued to be used for open space, park, or recreation facility purposes or that other equivalent facilities within the County or City shall be received in exchange therefor.”

“The City further covenants that it will not limit or restrict access to and use of the Property by non-city residents in any way that does not also apply to city residents. The City covenants that if differential fees for non-city residents are imposed, they will be reasonably related to the cost borne by city taxpayers to maintain, improve or operate the Property for parks and recreation purposes.”

2. The deeds for the Parks Properties that comprise 132nd Square Park, Juanita Heights Park, and Kingsgate Park shall also contain the following specific covenants, which covenants shall run with the land for the benefit of the County and the County land that makes up its public park, recreation and open space system:

“The City covenants that it shall abide by and enforce all terms, conditions and restrictions in King County Resolution 34571, including that the City covenants that the Property will continue to be used for the purposes contemplated by Resolution 34571, that the Property shall not be transferred or conveyed except by agreement providing that such lands

shall continue to be used for the purposes contemplated by Resolution 34571, and that the Property shall not be converted to a different use unless other equivalent lands and facilities within the County or City shall be received in exchange therefor."

"The City covenants that it shall not use the Property in a manner that would cause the interest on County bonds related to the Property to no longer be exempt from federal income taxation."

3. All deeds for the Parks Properties shall also contain the following covenants, which covenants shall run with the land for the benefit of the County and the County land that makes up its public park, recreation and open space system:

"The City covenants that the County shall have standing to enforce these covenants."

"The City covenants that it shall place the preceding covenants in any deed transferring the Property or a portion of the Property for public park, recreation or open space uses."

4. The City agrees to abide by and enforce all rights, conditions, covenants, obligations, limitations and reservations of record for the Greenbelt Properties. The deeds for the Greenbelt Properties shall contain the restrictions intended to preserve the use of said properties as greenbelts restricted to the uses placed on the properties at the time of their conveyance to King County, all as more specifically described in said deeds. The City covenants that it shall place said restrictions in any deed conveying any or a portion of the Greenbelt Properties.
5. The deeds for the Greenbelt Properties shall contain the following specific covenants pertaining to use, which are intended to be running covenants burdening and benefiting the Parties, and their successors and assigns, and which shall run with the land for the benefit of the County and the County land that makes up its public park, recreation and open space system:

"The City, as required by K.C.C. 4.56.070.F, covenants that the Property shall be continued to be used for open space, park, or recreation facility purposes or that other equivalent facilities within the County or City shall be received in exchange therefor."

"The City further covenants that it will not limit or restrict access to and use of the Property by non-city residents in any way that does not also apply to city residents. The City covenants that any and all user fees charged for the Property, including charges imposed by any lessees,

concessionaires, service providers, and/or other assignees shall be at the same rate for non-City residents as for the residents of the City."

"The City covenants that the County shall have standing to enforce these covenants."

"The City covenants that it shall place these covenants in any deed conveying any or a portion of the Property."

6. Unless otherwise restricted, the City may convert Greenbelt Properties to Park Properties.
 7. If the City acquires real property for open space, greenbelt, park or recreation purposes ("Other Property") after the Effective Date, and wishes to exchange the Other Property for equivalent Parks and Greenbelt property listed in Exhibit F ("Exchange Property"), then it may do so, subject to review and approval by the County, such approval not to be unreasonably withheld. In that event, the County will execute and record a release of the covenants, conditions, and restrictions ("CC&Rs") that the County imposed on the Exchange Property when the County conveyed it to the City, but only after the City executes and records a restrictive covenant applying those same CC&Rs to the Other Property.
- iv. Parks Property—Personal Property. The Parks Property to be conveyed includes certain equipment and improvements listed in Exhibit G attached hereto. The City agrees that it will take all equipment and improvements AS IS and WHERE IS and agrees that the County holds no future responsibility with regard to the equipment or improvements or any occurrence related to or resulting from use of the equipment or improvements.
 - v. Parks Property—Existing Restrictions, Agreements, Contracts or Permits. The City and the County acknowledge and agree that the portion of the Property known as Edith Moulton Park is currently subject to special use permit number **S-63-09** ("the Permit") granted to **Northshore Utility District** for the **use and maintenance of two (2) sewer lines**. As of the Effective Date, all of the County's rights, privileges and obligations in the Permit shall automatically be transferred to the City; and the City hereby agrees to accept and assume all of the County's rights, privileges and obligations in the Permit.
 - vi. Condition of and Responsibility for Operations, Maintenance, Repairs, and Improvements of Drainage Facilities, Drainage Facility Property Interests, and Park and Greenbelt Properties.
 1. The City agrees to accept the Drainage Facilities, Drainage Facility Property Interests, Park Properties, and Greenbelt Properties in AS IS

condition, and to assume full and complete responsibility for all operations, maintenance, repairs, and improvements of the Drainage Facilities, Drainage Facility Property Interests, Park Properties, and Greenbelt Properties.

2. King County does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, with respect to the Drainage Facilities, Drainage Facility Property Interests, Greenbelt Properties or Park Properties; and no official, employee, representative or agent of King County is authorized otherwise.
3. The City acknowledges and agrees that except as indicated in Section 3(b)(vii), the County shall have no liability for, and that the City shall release and have no recourse against the County for, any defect or deficiency of any kind whatsoever in the Drainage Facilities, Drainage Facility Property Interests, Park Properties, or Greenbelt Properties without regard to whether such defect or deficiency was known or discoverable by the City or the County.

vii. Environmental Liability related to the Drainage Facilities, Drainage Facility Property Interests, Park Properties, and Greenbelt Properties.

1. "Hazardous Materials" as used herein shall mean any hazardous, dangerous or toxic wastes, materials, or substances as defined in state or federal statutes or regulations as currently adopted or hereafter amended.
2. Nothing in this Agreement shall be deemed to waive any statutory claim for contribution that the City might have against the County under federal or state environmental statutes that arises from hazardous materials deposited or released on the Drainage Facilities, Drainage Facility Property Interests, Park Properties, or Greenbelt Properties by the County during the County's period of ownership. The City may not, however, assert such a claim to the extent that the City creates the need for or exacerbates the cost of remediation upon which a statutory claim for contribution is based as a result of the City performing construction activities on, changing the configuration of, or changing the use of the Drainage Facilities, Drainage Facility Property Interests, Park Properties, or Greenbelt Properties.
3. If the City discovers the presence of hazardous materials at levels that could give rise to a statutory claim for contribution against the County it shall notify the County in writing within ninety (90) days of discovery. The parties shall make their best efforts to reach agreement as to which party is responsible for remediation under the terms of this Agreement prior to undertaking any remediation.

4. In no event shall the County be responsible for any costs of remediation that exceed the minimum necessary to satisfy the state or federal agency with jurisdiction over the remediation.
- viii. Indemnification related to Drainage Facilities, Drainage Facility Property Interests, Park Properties and Greenbelt Properties.
1. King County shall indemnify and hold harmless the City and its elected officials, officers, agents or employees, or any of them, from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, arising from those occurrences related to the Drainage Facilities, Drainage Facility Property Interests, Park Properties and Greenbelt Properties that occurred prior to the Effective Date, except to the extent that indemnifying or holding the City harmless would be limited by Section 3(b)(vii) of this Agreement. In the event that any suit based upon such a claim, action, loss or damage is brought against the City or the City and King County, King County shall defend the same at its sole cost and expense and, if final judgment be rendered against the City and its elected officials, officers, agents and employees or jointly against the City and King County and their respective elected officials, officers, agents and employees, King County shall satisfy the same. The City acknowledges and agree that if such claims, actions, suits, liability, loss, costs, expenses and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers and the County, its agents, employees, and/or officers, this Section 3(b)(viii)(1) shall be valid and enforceable only to the extent of the negligence of the County, its agents, employees and/or officers.
 2. The City shall indemnify and hold harmless King County and its elected officials, officers, agents and employees, or any of them, from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, arising from those occurrences related to the Drainage Facilities and Drainage Facility Property Interests that occur on or after the Effective Date, except to the extent that indemnifying or holding the County harmless would be limited by Section 3(b)(vii) of this Agreement. In the event that any suit based upon such a claim, action, loss or damage is brought against King County or King County and the City, the City shall defend the same at its sole cost and expense and, if final judgment be rendered against King County and its officers, agents and employees or jointly against King County and the City and their respective officers, agents and employees, the City shall satisfy the same. The County acknowledges and agrees that if such claims, actions, suits, liability, loss, costs, expenses and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers and the County, its agents, employees, and/or officers, this Section

3(b)(viii)(2) shall be valid and enforceable only to the extent of the negligence of the City, its agents, employees and/or officers.

- 3. For a period of three (3) years following transfer, each party to this Agreement shall immediately notify the other of any and all claims, actions, losses or damages that arise or are brought against that Party relating to or pertaining to the Drainage Facilities, Drainage Facility Property Interests, Park Properties, or Greenbelt Properties.
- 4. Each Party to this Agreement agrees that its obligations under this Section 3(b)(viii) extend to any claim, demand, and/or cause of action brought by or on behalf of any employees, or agents. For this purpose, each Party to this Agreement, by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW, but only to the extent necessary to indemnify the other party.
- 5. The provisions of this Section 3(b)(viii) shall survive the expiration or termination of this Agreement.

c. If the parties mutually determine and jointly agree that any of the property covenants, conditions or restrictions (CC&Rs”) newly imposed as a result of this Agreement are not legally required, then the Parties may agree to amend the relevant CC&Rs or waive their requirements, subject to legislative approval, if necessary.

4. ADMINISTRATION AND CONTACT PERSONS. The Parties stipulate that the following persons shall be the administrators of this Agreement and shall be the contact person for their respective jurisdiction.

City of Kirkland:

King County:

Kurt Triplett
City Manager
123 Fifth Avenue
Kirkland, WA 98033

Dwight Dively, Director
Performance, Strategy and Budget
401 Fifth Avenue, Suite 810
Seattle, WA 98104

5. COMPLIANCE WITH LAWS. Each Party accepts responsibility for compliance with federal, state, and local laws and regulations. Specifically, in meeting the commitments encompassed in this Agreement, all parties will comply with, among other laws and regulations, the requirements of the Open Meetings Act, Public Records Act, Growth Management Act, State Environmental Policy Act, and Annexation Statutes. The Parties retain the ultimate authority for land use and development decisions within their respective jurisdictions as provided herein. By

executing this Agreement, the Parties do not purport to abrogate the decision-making responsibility vested in them by law.

6. INDEMNIFICATION. The following indemnification provisions shall apply to the entirety of this Agreement except for Section 3 (Transfer of Property) and Exhibit C (Development Permit Processing), both of which contain separate indemnification provisions.
- a. The County shall indemnify and hold harmless the City and its officers, agents and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the County, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against the City, the County shall defend the same at its sole cost and expense, provided that the City retains the right to participate in said suit if any principle of governmental or public law is involved, and if final judgment be rendered against the City and its officers, agents, and employees, or any of them, or jointly against the City and County and their respective officers, agents, and employees, or any of them, the County shall satisfy the same. The City acknowledges and agrees that if such claims, actions, suits, liability, loss, costs, expenses and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers and the County, its agents, employees, and/or officers, this Section 6(a) shall be valid and enforceable only to the extent of the negligence of the County, its agents, employees and/or officers.
 - b. The City shall indemnify and hold harmless the County and its officers, agents and employees or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the City, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against the county, the City shall defend the same at its sole cost and expense, provided that the County retains the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment be rendered against the County and its officers, agents, employees, or any of them, or jointly against the City and County and their respective officers, agents, and employees or any of them, the City shall satisfy the same. The County acknowledges and agrees that if such claims, actions, suits, liability, loss, costs, expenses and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers and the County, its agents, employees, and/or officers, this Section 6(b) shall be valid and enforceable only to the extent of the negligence of the City, its agents, employees and/or officers.
 - c. Each Party to this Agreement agrees that its obligations under this Section 6 extend to any claim, demand, and/or cause of action brought by or on behalf of

- any employees, or agents. For this purpose, each Party to this Agreement, by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW, but only to the extent necessary to indemnify the other party.
- d. The provisions of this Section 6 shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.
7. The County and King County Fire Protection District #41 ("District") are currently negotiating terms of a proposal under which County property would be considered as one of several potential sites for a new fire station. The Parties acknowledge the District will merge into the City as of the Effective Date. If the County-District negotiations are not completed before the Effective Date, then the County and the City will continue those negotiations, substituting the City for the District.
8. GENERAL PROVISIONS.
- a. Entire Agreement. This Agreement together with all Exhibits hereto contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.
- b. Filing. A copy of this Agreement shall be filed with the City Clerk, and recorded with the King County Recorder's Office or listed by subject on the County's web site or other electronically retrievable public source.
- c. Amendments. No provision of this Agreement may be amended or modified except by written agreement signed by the Parties.
- d. Severability. If one or more of the clauses of this Agreement is found to be unenforceable, illegal, or contrary to public policy, the Agreement will remain in full force and effect except for the clauses that are unenforceable, illegal, or contrary to public policy. The parties will replace the severed provision with one that is closest in meaning to the intent of the original provision that is not unenforceable, illegal or contrary to public policy.
- e. Assignment. Neither the City nor the County shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other Party.
- f. Successors in Interest. Subject to the foregoing subsection, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors in interest, heirs, and assigns.

- g. Dispute Resolution. The Parties should attempt if appropriate to use an informal dispute resolution process such as mediation, through an agreed-upon mediator and process, if agreement cannot be reached regarding interpretation or implementation of any provision of this Agreement. All costs for mediation services would be divided equally between the Parties. Each jurisdiction would be responsible for the costs of their own legal representation.
- h. Attorneys' fees. In the event either of the Parties defaults on the performance of any terms of this Agreement or either Party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, each Party shall pay all its own attorneys' fees, costs and expenses.
- i. No waiver. Failure of either the County or the City to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action in connection with, shall not waive such breach or default.
- j. Applicable Law. Washington law shall govern the interpretation of this Agreement. King County shall be the venue of any mediation, arbitration, or lawsuit arising out of this Agreement.
- k. Authority. Each individual executing this Agreement on behalf of the City and the County represents and warrants that such individuals are duly authorized to execute and deliver the Agreement on behalf of the City or the County.
- l. Notices. Any notices required to be given by the Parties shall be delivered at the addresses set forth above in Section 4. Any notices may be delivered personally to the addressee of the notice or may be deposited in the United States mail, postage prepaid, to the addresses set forth above in Section 4. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.
- m. Performance. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.
- n. Equal Opportunity to Draft. The Parties have participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.
- o. Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the parties hereto. No other person or entity shall have any right of action or interest in this Agreement based on any provision set forth herein.

IN WITNESS THEREOF, the Parties have executed this Agreement effective as of the date it has been signed by both of the Parties.

CITY OF KIRKLAND:

KING COUNTY:

Kurt Triplett, City Manager

Dow Constantine, Executive

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

City Attorney

Sr. Deputy Prosecuting Attorney

Exhibit A

Description of Annexation Area

Juanita-Finn Hill-Kingsgate Proposed Annexation Area

Legal Description

**BOUNDARIES OF THE PROPOSED JUANITA-FINN HILL-KINGSGATE
ANNEXATION AREA**

The legal description of the boundaries of the proposed Juanita-Finn-Hill-Kingsgate Annexation Area,

That portion of Sections 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30 and 31 Township 26 North, Range 5 East W.M. and Sections 13, 23, 24, 25, 26 and 36 Township 26 North, Range 4 East W.M. in King County, Washington described as follows:

Beginning at North Quarter Corner of Section 28, Township 26 North, Range 5 East, W.M.;

Thence west along the north line of the Northwest Quarter of said Section 28 (said north line being the north limits of the City of Kirkland as established by City of Kirkland Ordinance No. 2252 and the centerline of NE 132nd Street) to the corner common to Sections 28 and 29, Township 26 North, Range 5 East, W.M.;

Thence west along the north line of the Northeast Quarter of said Section 29 (said north line being the north limits of the City of Kirkland as established by City of Kirkland Ordinance No. 2252 and the centerline of NE 132nd Street) to the centerline of 116th Avenue NE right of way;

Thence southerly along the centerline of 116th Avenue NE right of way to the easterly extension of the south margin of the NE 132nd Street right of way;

Thence westerly along said south margin and the south margin of the NE 131st Way right of way (said south margins being the north limits of the City of Kirkland as established by City of Kirkland Ordinance No. 3062) to the west line of east half of Section 30, Township 26 North, Range 5 East, W.M.;

Thence south along said west line (said west line being the west limits of the City of Kirkland as established by City of Kirkland Ordinance No. 3062) to the north line of the southeast quarter of the northwest quarter of said Section 30;

Thence west along said north line (said north line being the north boundary of a tract of land annexed to the City of Kirkland under City of Kirkland Ordinance No. 4048) to the west line of east 275 feet of said southeast quarter of the northwest quarter;

Thence south along said west line (said west line being the west boundary of a tract of land annexed to the City of Kirkland under City of Kirkland Ordinance No. 4048) to south line of said southeast quarter of the northwest quarter;

Thence along said south line to the east margin and/or the northerly extension of the east margin of 91st Avenue NE (said east margin being the west boundary of a tract of land annexed to the City of Kirkland under City of Kirkland Ordinance Number 3121);

Thence south along said east margin and/or its northerly extension (said east margin being the west boundary of a tract of land annexed to the City of Kirkland under City of Kirkland Ordinance Number 3121) to the south margin of NE 120th Street;

Thence east along the south margin of NE 120th Street and/or its easterly extension to the west limits of the City of Kirkland as established by King County Ordinance No. 15471;

Thence south along said west limits to the southerly margin of Juanita Drive NE right of way;

Thence along said southerly margin to the west line of Juanita Bay Condominiums (said line being the west limits of the City of Kirkland as established by City of Kirkland Ordinance No. 3062);

Thence southerly and southeasterly along the said west line and its southerly extension (said line being the west limits of the City of Kirkland as established by City of Kirkland Ordinance No. 3062) to the outer limits of the second class shorelands of Lake Washington;

Thence leaving said city limits, southwesterly and northwesterly along said outer limits to North line of King County Short Plat Number 985037 (Alteration), recorded under Recording Number 911180963, records of King County, Washington and the limits of the City of Kenmore as established by King County Ordinance No. 12815;

Thence along said limits of the City of Kenmore the following courses:

Thence easterly along the North line of said King County Short Plat and the North line of Lot 2, King County Short Plat Number 273020, recorded under Recording Number 7601230425 records of King County, Washington to the west margin of 62nd Avenue Northeast;

Thence southerly along said margin to the north line of the Southeast Quarter of Section 23, Township 26 North, Range 4 East, W.M.;

Thence easterly along said north line to the east margin of 62nd Avenue Northeast;

Thence southerly along the east margin of 62nd Avenue Northeast to the point of intersection with the north line of King County Short Plat Number 376072, recorded under Recording Number 7607290790, records of King County. Washington;

Thence easterly along the north line of said King County Short Plat and the north line of King County Short Plat Number 682031, recorded under Recording Number 8404240701 and King County Short Plat Number S89S0226, recorded under Recording Number 8908311935. all in records of King County, Washington, to the westerly margin of Holmes Point Drive Northeast;

Thence northerly and easterly along said margin to the westerly margin of Juanita Drive Northeast;

Thence northerly along the westerly margin of said Juanita Drive Northeast to the point of intersection with the westerly extension of the north margin of Northeast 143rd Street;

Thence easterly along said extended line and the north margin at Northeast 143rd Street and the north margin of Northeast 145th Street to the intersection with the Westerly margin of 92nd Avenue Northeast;

Thence northerly along said margin to the intersection with the northeasterly margin of Simonds Road Northeast, said margin also being the limits of the City of Bothell as established by City of Bothell Ordinances 225, 227 and 960;

Thence southeasterly along the southerly limits of the City of Bothell and the northeasterly margin of Simonds Road Northeast to the west margin of 100th Avenue NE;

Thence north along said west margin to the north line of Section 19, Township 26 North, Range 5 East, W.M. and the south limits of the City of Bothell as established by City of Bothell Ordinance Number 225;

Thence east along said north line and the south limits of the City of Bothell to the Northeast Corner of said Section 19;

Thence east along the north line of Section 20, Township 26 North, Range 5 East, W.M. and the south limits of the City of Bothell as established by City of Bothell Ordinance Number 1220 to the southerly prolongation of the east margin of 100th Avenue NE and

the easterly limits of the City of Bothell as established by City of Bothell Ordinance Number 1220;

Thence north along said southerly prolongation and easterly limits of Bothell to the north margin of NE 145th Street;

Thence leaving said city limits, east along said north margin to the southerly prolongation of the west line of the plat of Norway View according to the plat thereof recorded in Volume 125 of Plats at Pages 77 and 78, records of King County, Washington:

Thence north along said southerly prolongation to the north margin of NE 145th Street;

Thence east along said north margin and its easterly extension to the southeasterly margin of Juanita-Woodinville Way NE;

Thence southerly along said southeasterly margin to the north margin of NE 145th Street;

Thence east along said north margin to the east line of the plat of Windsor Vista No. 1 according to the plat thereof recorded in Volume 81 of Plats, at pages 70 and 71, records of King County, Washington;

Thence southerly along the southerly prolongation of said east line to the south line of Section 17, Township 26 North, Range 5 East, W.M.;

Thence east along said south line to the easterly margin of Primary State Highway No. 1 (SR-405) as depicted on the Record of Survey recording in Book 182 of Surveys, at Pages 251 through 259, records of King County, Washington:

Thence north along said easterly margin to the south line of a tract land conveyed to King County by the State of Washington by instrument recorded under 8603110513, records of King County, Washington;

Thence east along the south line of said tract to the east line of said tract;

Thence north along the east line of said tract to the southwesterly margin of the City of Seattle Tolt River Pipeline Right of Way:

Thence southeasterly along southwesterly margin to the west margin of NE 124th Avenue NE and west limits of the City of Woodinville as established by King County Ordinance No. 10306;

Thence along said limits of the City of Woodinville the following courses:

Thence south along said west margin to the intersection of the westerly extension of the south boundary of Kingsgate Highlands, Division No. 5, recorded in Volume 88 of Plats, Pages 1 to 5, Records of King County, Washington;

Thence east along said westerly extension and said south boundary to the southeast corner of said plat of Kingsgate Highlands Division 5;

Thence north along the east boundary thereof to the southwest corner of the plat of Kingsgate Vista, recorded in Volume 107 of Plats, pages 52 and 53, records of King County, Washington;

Thence east along the south boundary of said plat of Kingsgate Vista and its easterly projection to the West margin of 132nd Ave NE;

Thence southerly along said west margin of 132nd Avenue NE to the westerly extension of the south margin of NE 143rd street;

Thence easterly along said westerly extension and south margin thereof to the west line of the Puget Sound Power and Light Co. transmission line easement as located in the NW 1/4 of the NW 1/4 of Section 22, Township 26 North, Range 5 East W.M.;

Thence south along said west line to the south line of the NW 1/4 of Section 22, Township 26, North Range 5 East W.M.;

Thence easterly along said south line to the NW corner of the NE 1/4 of the NE 1/4 of the S W 1/4 of said Section 22;

Thence south to the SW corner of the NE 1/4 of the NE 1/4 of the SW 1/4 of said Section 22;

Thence east along the south line thereof to the North-South centerline of Section 22;

Thence north along said North-South centerline to the center of said Section 22;

Thence west along the East-West centerline thereof 310 feet, more or less, to the SW corner of Tax Lot No. 108 in the SE ¼ of the NW 1/4 of said Section 22;

Thence N 7° 10' 00" W along the west line of said Tax Lot 108, 380 feet, more or less, to the NW corner thereof;

Thence N 77°15'00" E along the northerly line of said Tax Lot 108 to the westerly margin of the Burlington Northern Railway right-of-way (also known as Northern Pacific Belt Line);

Thence southerly along said westerly margin to the south line of the NE 1/4 of said Section 22;

Thence east along the south line of the NE 1/4 of said Section 22 to the easterly margin of the Burlington Northern Railway right-of-way, (also known as Northern Pacific, Snoqualmie Branch) and an angle point in the limits of the City of Woodinville;

Thence leaving said limits of the City of Woodinville and continuing along the south line of NE 1/4 of said Section 22 to the easterly margin of the Burlington Northern Railway right-of-way, (also known as Northern Pacific, Snoqualmie Branch)

Thence south along said easterly margin to the south margin of NE 124th Street;

Thence westerly to the northeast corner of a tract of land annexed to the City of Redmond by City of Redmond Ordinance Number 1030;

Thence west along the north line of the tracts of land annexed to the City of Redmond by City of Redmond Ordinance Numbers 1030 and 966 to the west line of the east 3/4 of the Northwest 1/4 of the Southwest 1/4 of Section 27, Township 26 North, Range 5 East, W.M.

Thence south along said west line and the west line of a tract of land annexed to the City of Redmond by City of Redmond Ordinance Number 966 to the south line of the said Northwest 1/4 and the north line of a tract of land annexed to the City of Redmond by City of Redmond Ordinance Number 778;

Thence west along said south line and said limits of the City of Redmond to the easterly margin of Seattle Water Department Eastside Supply Line right-of-way and the limits of the City of Kirkland as established by City of Kirkland Ordinance Number 3063:

Thence north along said easterly margin and said limits of the City of Kirkland to the south margin of NE 124th Street:

Thence westerly along said right of way and said limits of the City of Kirkland to the northerly tangent point of the southerly margin of said right-of-way with the westerly margin of the Slater Avenue NE right of way;

Thence northwesterly perpendicular to the centerline of NE 124th Street right-of-way to the southerly line of a tract of land annexed to the City of Kirkland by City of Kirkland Ordinance No. 2545:

Thence northeasterly along said southerly line to the southeast corner of said tract of land;

Thence northerly along east line of said tract of land to the northeast corner thereof;

Thence west along said north line of said tract of land to the west line of the northeast quarter of the northeast quarter of Section 28, Township 26 North, Range 5, W.M. and

the limits of the City of Kirkland as established by City of Kirkland Ordinance Number 2252;

Thence north along said west line and said limits of the City of Kirkland to the north line of said Section 28:

Thence west along said north line (said north line being the north limits of the City of Kirkland as established by City of Kirkland Ordinance No. 2252 and the centerline of NE 132nd Street) to the Point of Beginning.

Exhibit B – Records to be provided to the City by King County

1. Capital Assets reported by the Primary Government, Internal Service Funds or Utilities of King County that will be transferred to the City of Kirkland and maintained by the City following annexation. Current values including estimated or historical costs, depreciation method, annual depreciation, and depreciation to date. Please provide the method of calculating asset value (construction costs, unit costs, average cost factors), date constructed, and any cost adjustment factors.
 - Capital Assets reported by the Primary Government, Internal Service Funds or Utilities of King County that will be transferred to the City of Kirkland and maintained by the City following annexation. Current values including estimated or historical costs, depreciation method, annual depreciation, and depreciation to date. Please provide the method of calculating asset value (construction costs, unit costs, average cost factors), date constructed, and any cost adjustment factors.
 - Provide specific details within these asset groups:
 - Land:* Land, Right of Way, Conservation Easements and Farmland Development Rights
 - Infrastructure:*
 - Streets – Principal Arterials, Minor Arterials, Collectors, Neighborhood access, Alleys, Curb/Gutter, Sidewalks (if not within ROW), Street signs, Traffic Circles, Landscaped Median Islands, Street Trees, Emergency Vehicle Access, Paths and Trails
 - Lights/Signals – Street Lights, Traffic Signals, Flashing Crosswalks
 - Bridges
 - Parking lots, garages, pay stations and parking lot lighting
2. Buildable Lands information:
 - Copies of subdivisions approved or pending (not recorded) from 2006 to current;
 - List of any subdivisions that have expired without being recorded;
 - Stream or wetland modifications where reduced required buffer, approved or pending (not recorded) from 2006 to current.
3. Code Enforcement cases: Complaint files - any that are pending, not resolved
4. Land Use/Zoning Permits and information including:
 - Pending permits, to be transferred to City per ILA;
 - Sensitive Areas - documentation of any known sensitive areas not shown on the critical areas map;
 - Parcel data files (any pre-application documentation) - pending, last 2 years;

- PUDs/PRDs, including parcel numbers - last 10 years;
Conditional use permits - last 10 years;
 - SDP (shoreline development permit) variances - last 10 years;
 - Holmes Point Tree Canopy information - pending, last 2 years, including any site plans.
5. Planned Capital Improvement Program projects (letters, comprehensive plan generated projects, school requests, etc.)
 6. Street sign inventory/asset inventory including reflectivity information
 7. Accident records/mapping/metadata
 8. Historical traffic counts along the roads in the Annexation area.
 9. Unsuccessful grant application paperwork for projects that King County has applied for recently.
 10. Spare parts for any infrastructure in annexation area (e.g. replacement cabinets, lamps, others)
 11. Copies of any documentation regarding power billing for street lights.
 12. Pavement management records/history for all sections of roadway in the annexation area.
 13. Current purchasing and or contracting agreements that will be in effect after June 1 and which the City will responsible for managing or complying.
 14. As-built drawings of 132nd Square Park, Windsor Vista, Edith Moulton, Juanita Heights, Kingsgate and Park related green spaces. Any and all information that relates to the plumbing, electrical, irrigation and drainage systems of these sites.
 15. Records relating to surface water monitoring data for the annexation area including streams, lakes and storm water.
 16. Studies relating to stream habitat, water quality and flooding/flow control. Especially include information regarding Denny Creek, Juanita Creek and Trib 0125 (Billy Creek) of Juanita Creek. Studies and background information that led to construction of regional facilities associated with creeks in the annexation area.
 17. Records related to drainage and water quality complaints received, investigated and resolved by King County in the annexation area.
 18. Records related to privately maintained commercial and multi-family stormwater systems that King County inspects.

19. Records related to drainage and water quality claims for damages, received, investigated and resolved by King County in the annexation area. Include investigation reports, studies and legal information including the amount paid for each claim (if any) or the reason for denial of the claim.
20. Surface Water Capital Improvement Program documents. Lists of constructed and planned capital projects related to stream habitat, water quality and drainage/flooding
21. All communications with the Denny Creek Alliance members relating to future requests and past actions (maintenance and construction) involving Denny Creek projects that may reside in the transferred open space (KC WLRD- Park Division)
22. All Construction permit waivers for sensitive areas/critical areas
23. All notices (email, letters, fines) to private property owners of surface water conveyance system violations, required corrections, absolution of legal authority to maintain private dam (s) for the past 5 years. Example - gutter drains not tied in and dumping into ravines, illegal sized and uncovered manure piles contaminating streams, illegal construction of ponds/lakes for private fish stocking and landscape enhancement, illegal construction of dams on private land. (KC Roads, Parks, DDES, WLRD- (Parks and Surface Water Divisions)
24. All historical maintenance management system (MMS)/NPDES/WFWD (WA Fish and Wildlife Department) records - cleaning and rehabilitation dates and actions, NPDES permit related notices given to DOE and received by King County on the Surface Water conveyance and Retention/Detention systems from WLRD and KC Roads Department (Last 5 years)
25. All Contract information for any contractor that has contracted work within the right of way and County owned properties.
26. All project plan details and as-builts for construction or maintenance activities within the right of way and County owned properties.
27. Records of any work plans including all reference to ongoing maintenance for County responsibilities within the ROW and county owned properties.
28. Recorded surveys, plats, short plats, and design/as-built drawings, both in digital and hard copy form
 - Any record identifying environmentally sensitive areas (wetlands, streams, lakes, slide-prone areas, etc.)
 - Any digital georeferencing source that links 1. and 2. to a map location (for example, linking scanned drawings to Section-Township-Range)

- Business locations including address
- 29. Records of all claims for damages for incidents within the right of way and County owned properties.
- 30. All general information about any project that was initially funded and not initiated in the last five years within the right of way and County owned properties.
- 31. Paper collision reports as prepared by law enforcement personnel for the period January 1, 2011 to May 31, 2011 in the Kirkland annexation area
- 32. All records pertaining to traffic volume counts on road segments and at intersections for the period 2000 to current
- 33. All records pertaining to the maintenance and operation of traffic signals in the annexation area of Kirkland.
- 34. All records pertaining to design and construction of speed humps, curb bump outs, traffic circles, road closures and or other traffic calming devices or programs.
- 35. Fire safety inspection records from all permitted occupancies from the last time the building/occupancy was inspected. Any fire alarm, sprinkler, and “other” fire protection plans/permit for commercial occupancies.
- 36. As-built records of County owned fiber optic cable and fiber optic cable conduit in the King County Right-of-Way
- 37. Records of all correspondence including notification of concerns within the right of way and County owned properties.

Exhibit C—Development Services Agreement Provisions
INTERLOCAL AGREEMENT BETWEEN

KING COUNTY AND THE CITY OF KIRKLAND

RELATING TO PROCESSING OF BUILDING PERMITS AND

LAND USE APPLICATIONS

THIS AGREEMENT is made and entered into this day by and between the City of KIRKLAND, a municipal corporation in the State of Washington (hereinafter referred to as the “City”) and King County, a home rule charter County in the State of Washington (hereinafter referred to as the “County”).

WHEREAS, the City annexed an area of unincorporated King County described in Attachment 1 and will annex additional areas of unincorporated King County (collectively referred to as the “Annexation Area”); and

WHEREAS, all local governmental authority and jurisdiction with respect to the Annexation Area transfers from the County to the City upon the date of annexation; and

WHEREAS, the County and City agree that having County staff process certain Annexation Area building permits and land use applications on behalf of the City for a transitional period will assist in an orderly transfer of authority and jurisdiction; and

WHEREAS, it is the parties’ intent by virtue of this Agreement that any and all discretionary decisions shall be made by the City; and

WHEREAS, this Agreement is authorized by the Interlocal Cooperation Act, RCW Chapter 39.34;

NOW, THEREFORE, in consideration of the terms and provisions, it is agreed by and between the City and the County as follows:

1. Pre-annexation Building Permit Applications Filed with King County.

1.1 Except as otherwise provided for herein, the County shall continue to review on behalf of the City all vested building-related permit applications filed with the County before the effective date of annexation that involve property within the Annexation Area in accordance with this section.

1.2 For the purposes of this Agreement, building-related permits include but are not limited to building permits, mechanical permits, fire systems/fire sprinkler permits, clearing and grading permits, and right-of-way permits. Review by the County shall occur in accordance with the regulations to which the applications are vested. Any decision regarding whether or when an application has vested shall be made by the City.

1.3 Except as provided in Section 1.9, if a vested permit has been reviewed and issued by the County prior to June 1, 2011, the County shall complete all reviews and inspections. The County shall confirm payment of required impact fees and notify the City that all impact fees have been paid.

1.4 If a vested permit has been partially reviewed through the close of business on May 31, 2011 but the permit has not been issued, the County shall complete the review then shall transfer the permit to the City for issuance and post-issuance administration and inspection. If any fees, including impact fees, are to be collected upon permit issuance, the City shall assess and collect those fees.

1.5 The County's review of building-related permits shall include rendering decisions to approve, condition or deny such applications, conducting inspections, issuing correction notices, certificates of occupancy, permit extensions and completion of extensions, and evaluating compliance with approval conditions that extend beyond issuance of a certificate of occupancy. The County agrees to consult with the City prior to rendering any administratively appealable building-related permit decision. Appeals of building related permit decisions, if any, shall be processed by the City in the same manner as appeals of land use permits are addressed in Section 2.4; provided that the City and County may agree to have the County conduct such appeals on behalf of the City in particular instances where such processing by the County would further the orderly transition envisioned by this Agreement.

1.6 The County shall receive and process any permit applications made following annexation that implement conditions of a Commercial Site Development permit issued by the County prior to annexation. County permits that implement conditions of a Commercial Site Development permit include those related to site, drainage, and infrastructure issues, but not building permits. After May 31, 2011, the City of Kirkland shall receive and process building permit applications and ancillary permit applications, such as fire and mechanical permits, that are necessary for completion of an approved project permit.

1.7 The County shall review and make a recommendation to the City on requests to renew County permits within the Annexation Area that are approaching their expiration date without having completed the permitted activity. The City shall render any final decisions on such requests.

1.8 For those building related permits issued by King County prior to June 1, 2011, the County shall review and render decisions on requests for changes or revisions to approved construction documents up to the time that either a certificate of occupancy is issued or final construction approval has been issued for the project. If after May 31, 2011 a request for a change or revision to an approved construction document is deemed by the County to be substantial (e.g. the original house plan is substituted by a substantially different house plan), then a new application to the City shall be required. The County shall consult with the City to help determine what is deemed a "substantial"

change or revision. Following issuance of the certificate of occupancy or final construction approval, requests for revisions to the approved set of plans shall be referred to the City to process as new permit applications.

1.9 If a permit has been issued by the County and the applicant has not submitted a request for inspection to the County by May 31, 2011, the County shall inform the City and the City shall have the opportunity to assume responsibility for remaining inspections for and administration of that permit. If the City elects to assume such responsibility, the permit, along with unexpended permit fees associated with the permit, shall be transferred to the City. The permit will be administered subject to all terms and conditions established by the County, unless revisions are subsequently requested by the applicant and approved by the City.

1.10 The County shall review and make recommendations to the City's Public Works Director or his designee on applications to vary adopted road or drainage standards that are made in conjunction with a building related application being reviewed by the County pursuant to this Agreement. All final decisions on such variance applications shall be rendered by the City.

2. Pre-annexation Land Use Permit Applications Filed with King County.

2.1 Except as otherwise provided for herein, the County shall continue to review on behalf of the City all vested land use permit applications filed with the County before the effective date of annexation that involve property within the Annexation Area. Review by the County shall occur in accordance with the regulations to which the applications are vested. Any decisions regarding whether or when an application has vested shall be made by the City.

2.2 For those vested land use applications that do not require a public hearing prior to issuance, the County will continue to process such applications and shall make a report and recommendation to the City's Planning Director or his designee based upon the regulations under which the applications are vested. Any decisions to approve, deny, or approve with conditions such applications shall be made by the City's Planning Director or designee and will be processed pursuant to the City's applicable land use review and appeal procedures.

2.3 Notwithstanding any other provision of this Agreement, applications for any rezone and any associated permit applications shall be referred to the City for all further processing.

2.4 For those vested land use applications that require quasi-judicial or legislative approval, e.g., preliminary subdivisions or conditional uses, or which involve appeals of administrative decisions, the County shall continue to review the application as follows:

- A. If the public hearing on the application was held prior to June 1, 2011, the County shall complete the review up to and including the point of final recommendation. The final decision shall be made by the City Planning Department Director, or designee, and provided that decisions requiring approval by a legislative body shall be forwarded to the City for City Council action on final decision.
- B. If the public hearing on the application was not held prior to June 1, 2011, the public hearing shall be scheduled before the City's Hearing Examiner and the City's Hearing Examiner will make the final decision, provided that decisions requiring approval by a legislative body shall be decided by the City Council. Such applications will be processed pursuant to the City's applicable land use review and appeal procedures.

2.5 For those vested subdivision, short plat and binding site plan applications that have received preliminary approval prior to annexation, the County shall continue and complete post-preliminary review up to and including the point of making a final recommendation on the specific application(s) submitted for review prior to June 1, 2011. The final decision on the application shall be made in accordance with the County Code to which the application is vested. All subsequent post-preliminary approval applications shall be submitted to and decided by the City. For purposes of this section, post-preliminary review includes engineering plan approval, final plat, short plat or binding site plan approval, and construction inspection approval.

2.6 The County shall review and make recommendations to the City's Public Works Director on applications to vary adopted road or drainage standards that are made in conjunction with a land use application being reviewed by the County pursuant to this Agreement. All final decisions on such variance applications shall be rendered by the City.

2.7 The County shall review and render decisions on requests for changes to approved land use permit engineering plans up to the time that final construction approval has been issued for the project. Following issuance of final construction approval, requests for changes to the approved set of plans shall be referred to the City. As-built drawings of the final approved construction shall be forwarded to the City.

3. List of Projects, Exclusionary Option, Notice of Meetings, and Permit Data.

3.1 Beginning upon the effective date of this Agreement, monthly thereafter, and on June 1, 2011, the County will prepare and send to the City a list of all vested building, land use and associated ancillary permit applications pending within the Annexation Area. The list shall include the status of the projects as it is shown in the County permit system. This information shall be provided until all permits on the list have been finalized, expired or otherwise completed. The City or County may at any time exclude from this Agreement any application(s) on any such list upon providing to the County or City ten days advance written notice of its intent to exclude the

application(s). Upon excluding any application from review under this Agreement, the County shall turn the application over to the City for all further processing, and shall be available for consultation with the City regarding the application.

3.2 The County shall notify the City of all technical screening meetings, pre-construction conferences and engineering pre-submittal meetings for projects being reviewed by the County under this Agreement. Such notice shall be provided promptly upon scheduling of the meeting. The City may participate in these meetings to learn more about the project and to offer comments.

3.3 The County shall provide the City with a copy of files and records of all land use and building permit applications processed under this Agreement upon completion of permit review, termination of the Agreement under Section 11, or expiration of the Agreement, whichever comes first.

3.4 The County shall provide to the City digital files of historic and open permit data for the Annexation Area that is in the County's permit database. The County's obligation shall be to provide the data in the format used by the County. It shall be the City's obligation to convert the data in such a way as to meet the City's needs. The County shall provide a subsequent and final download, showing all data through May 31, 2011, by June 1, 2011.

3.5 No later than June 30, 2011, the County shall provide to the City a list of all traffic impact fees and fees in lieu of park dedication collected by the County for development activity where all site improvements and building construction have not been completed prior to the effective date of annexation.

4. SEPA Compliance.

4.1 In order to satisfy the procedural requirements of SEPA, beginning on June 1, 2011, the City shall serve as lead agency for all Annexation Area building permit and land use applications, including those being processed by the County pursuant to this Agreement. The City has designated and identified the City's Planning Director as the SEPA Responsible Official to make threshold determinations and to supervise the preparation and content of environmental review for projects within the City.

4.2 Any and all appeals from SEPA threshold determinations and other SEPA matters relating to projects within the Annexation Area shall be heard and decided by the City pursuant to City Code procedures.

4.3 For those permit applications requiring a SEPA determination and for which a SEPA determination has not been issued prior to June 1, 2011, the County will not take final action upon the application until the City's SEPA Responsible Official has acted. The County agrees to provide technical and administrative SEPA assistance to the City's SEPA Responsible Official on that project. Such assistance may include, but is not limited to:

- Review of an applicant's environmental checklist and collection of relevant comments and facts;
- Preparation of a proposed SEPA threshold determination with supporting documentation for approval, which will include citations to a) King County Code provisions that compliance with will negate a probable significant adverse impact, and b) King County Code substantive authority for recommended mitigation measures;
- Publication and notice by the County on behalf of the City's SEPA Responsible Official;
- Preparation and submittal of a written review and comment on any appeal received on a SEPA threshold determination recommended by County staff to the City's SEPA Responsible Official;
- Attendance at appeal hearings to testify with respect to analysis of environmental impacts, mitigation measures and the environmental review process;
- Preparation of any required draft, final, addendum or supplemental EIS for approval of the City's SEPA Responsible Official; and
- Coordination of adopted or required SEPA measures of mitigation with project review staff.

4.4 Any decision whether to condition or deny an application on SEPA grounds shall be made by the City.

5. Administrative and Ministerial Processing. County review specified in this Agreement is intended to be of an administrative and ministerial nature only. Any and all final recommendations on legislative or quasi-judicial decisions or decisions of a discretionary nature shall be made by the City's designated decision maker and processed pursuant to the City's applicable review and appeal procedures.

6. Code Enforcement.

6.1 Beginning on the effective date of this Agreement, and then monthly thereafter, the County shall provide the City with a list and brief explanation of all Annexation Area code enforcement cases (including those pertaining to surface water codes) under review by the County at the time of annexation. The City shall be responsible for undertaking any code enforcement actions following the date of annexation. The County shall provide the City with copies of any Annexation Area enforcement files requested by the City.

6.2 Code enforcement abatement actions necessary to eliminate public health or safety hazards shall be the sole responsibility of the City.

6.3 The County is authorized on behalf of the City to enforce conditions of approval for those permits that the County processes pursuant to this Agreement.

7. Financial Guarantees.

7.1 Any financial guarantee that is intended to secure compliance with project conditions that are being or will be reviewed by the City shall be turned over to or posted with the City, which shall have sole authority and discretion over its release and/or enforcement. Any financial guarantee that has been posted or is otherwise required in order to guarantee compliance with conditions that are being reviewed by the County pursuant to this Agreement shall be retained by or posted with the County. On behalf of the City, the County is authorized to accept such financial guarantees and to release them where it determines that conditions for release have been satisfied. In making such decisions whether to release a financial guarantee instrument, the County may at any time seek direction from the City. The City shall be solely responsible for making any demands or initiating any legal action to enforce financial guarantees for Annexation Area projects.

7.2 Except for those projects on which the County has prior to the effective date of annexation of the Annexation Area assessed required financial performance guarantees, the City shall have sole discretion and responsibility on the assessment of financial performance guarantees required of an applicant to secure compliance with permit or development-related requirements. The City shall have sole discretion and responsibility on the release and enforcement of all required financial performance guarantees required of the applicant to secure compliance with permit or development-related requirements. The County will not release any construction performance guarantees until the permittee has secured the required maintenance/defect bond or equivalent for the benefit of the City. The County will not release any maintenance/defect bonds until the City has reviewed the development-related improvements with the County inspector and agrees that the bond should be released. Notwithstanding the foregoing, upon special written request by the City, the County may agree to assist the City in determining whether to enforce or release particular financial guarantees. Such assistance from the County shall not include the initiation or undertaking of legal actions.

8. Processing Priority. Within budgetary constraints, the County agrees to process pre-annexation building and land use applications in accordance with the County's administrative procedures, at the same level of service as provided to County applications.

9. Fees and Reimbursement.

9.1 The City shall adopt legislation authorizing the County to charge applicants fees in amounts currently specified or hereafter adopted in King County Code Title 27 for applications processed by the County in accordance with the terms of this Agreement.

9.2 In order to cover the costs of providing services pursuant to the terms of this Agreement, the County is authorized to collect and retain such application and other fees authorized by the County fee ordinances adopted by the City pursuant to Section 9.1 above, or as may be modified at some future date by the County and the City.

9.3 In order to cover the costs of providing review, technical and administrative assistance, and other services not otherwise reimbursed pursuant to this Agreement, including but not limited to providing testimony at public hearings, the City shall pay the County at such hourly rate as specified in the version of King County Code Title 27 in effect at the time the services are performed. The County shall not seek reimbursement under this Section for review services performed on an individual permit application where the County has already been compensated for such services by the receipt of permit application review fees. The County shall provide the City with quarterly invoices for assistance and services provided, and the City shall tender payment to the County within thirty days after the invoice is received. The City shall retain the right to pre-authorize the County services contemplated by this Section 9.3, including the estimated cost of such services. Such pre-authorization by the City must be in writing. If the City does not provide pre-authorization, then the County shall neither provide nor invoice such services.

9.4 For permit applications initiated with the County and later forwarded to the City for completion, the County shall submit to the City a portion of any fees collected by the County to cover the work that becomes the responsibility of the City. The fees shall be submitted concurrently with the forwarding of the applications. The amount of fees to be transferred shall be determined on a case by case basis.

9.5 No later than August 1, 2011, the County shall pay to the City any unexpended traffic impact fees and fees in lieu of park dedication collected by the County for development activity where all site improvements and building construction have not been completed prior to the effective date of annexation.

10. Duration. This Agreement shall become effective upon approval by the City and the County and shall continue until December 31, 2015, unless otherwise terminated in accordance with Section 11 or extended in accordance with Section 12 of this Agreement.

11. Termination. Either party may terminate this Agreement for good cause shown upon providing at least thirty (30) days written notice to the other party. Upon expiration or termination of this Agreement, the County shall cease further processing and related review of applications it is processing under this Agreement. The County shall thereupon transfer to the City those application files and records, posted financial guarantee instruments, and unexpended portions of filing fees for pending land use and building-related applications within the Annexation Area. Upon transfer, the City shall be responsible for notifying affected applicants that it has assumed all further processing responsibility.

12. Extension. The City and County may agree to extend the duration of this Agreement through December 31, 2019 or to a date prior thereto. In order for any such extensions to occur, the City shall make a written request to the County not less than sixty (60) days prior to the otherwise applicable expiration date. Any agreement by the County to the proposed extension(s) shall be made in writing. If the parties have not

agreed to the extension in writing by the otherwise applicable expiration date, the Agreement shall expire.

13. Application Process. The City will prepare a document describing the handling of applications based upon this Agreement. Both the City and the County will have that document available for applicants.

14. Indemnification, Hold Harmless and Defense.

14.1 The County shall indemnify and hold harmless the City and its officers, agents and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the County, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against the City, the County shall defend the same at its sole cost and expense, provided that the City retains the right to participate in said suit if any principal or governmental or public law is involved, and if final judgment be rendered against the City and its officers, agents, and employees, or any of them, or jointly against the City and County and their respective officers, agents, and employees, or any of them, the County shall satisfy the same.

14.2 The City shall indemnify and hold harmless the County and its officers, agents and employees or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the City, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against the County, the City shall defend the same at its sole cost and expense, provided that the County retains the right to participate in said suit if any principal of governmental or public law is involved; and if final judgment be rendered against the County and its officers, agents, employees, or any of them, or jointly against the City and County and their respective officers, agents, and employees or any of them, the City shall satisfy the same.

14.3 The City and the County acknowledge and agree that if such claims, actions, suits, liability, loss, costs, expenses and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers and the County, its agents, employees, and/or officers, this section shall be valid and enforceable only to the extent of the negligence of each party, its agents, employees and/or officers.

14.4 In executing this Agreement, the County does not assume liability or responsibility for or in any way release the City from any liability or responsibility that arises in whole or in part from the existence or effect of City ordinances, rules, regulations, policies or procedures. If any cause, claim, suit, action or proceeding (administrative or judicial), is initiated challenging the validity or applicability of any City ordinance, rule or regulation, the City shall defend the same at its sole expense and if

judgment is entered or damages awarded against the City, the County, or both, the City shall satisfy the same, including all chargeable costs and attorneys' fees.

15. Personnel. Control of County personnel assigned by the County to process applications under this Agreement shall remain with the County. Standards of performance, discipline and all other aspects of performance shall be governed by the County.

16. Administration. This Agreement shall be administered by the County Director of the Department of Development and Environmental Services or his/her designee, and by the City's Planning Director or his/her designee.

17. Amendments. This Agreement is the complete expression of the terms hereto and any oral representation or understanding not incorporated herein is excluded. Any modifications to this Agreement shall be in writing and signed by both parties.

18. Legal Representation. The services to be provided by the County pursuant to this Agreement do not include legal services, which shall be provided by the City at its own expense.

19. Notice of Annexation Area Processing. In the event that the City intends for the County to conduct permit review in any future City Annexation Area pursuant to this Agreement, the City shall exercise its best efforts to provide the County with written notice of its intent no less than sixty days prior to the date County processing of such Annexation Area applications would occur.

20. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the parties hereto. No other person or entity shall have any right of action or interest in this Agreement based upon any provision set forth herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be
executed.

KING COUNTY

King County Executive Dated

Approved as to Form:

DANIEL T. SATTERBERG
King County Prosecuting Attorney

By: _____

Senior Deputy Prosecuting Attorney Dated

CITY OF KIRKLAND

Dated

Approved as to Form:

City Attorney Dated

Exhibit D—Road Related Properties**Road-Related Properties Transferred from King County to the City of Kirkland
Described as Follows:**

LEGAL DESCRIPTION:

PIN #282605-9209

Lot 1, Short Plat #1079092, Recorded under recording #800118-0726, being a portion of the east half of the southeast ¼ of the northeast ¼ of section 28, township 26 north, range 5 east, W.M., in King County, Washington; together with an easement for ingress and egress over the north 24 feet in width of lot 2 of said short plat.

SUBJECT TO:

Easement, and the terms and conditions thereof, for side sewer recorded 6/12/73, recording #730612-0488 affecting the northerly 6 feet and westerly 6 feet of said premises; covenants, conditions, restrictions and easements contained in short plat recorded 1/18/80, recording #800118-0726; right to make necessary slopes for cuts or or fills upon property as granted in deed recorded 5/25/60, recording #5165123.

PIN #282605-9001

PARCEL A:

The south 128 feet of the east 290.4 feet;

EXCEPT the west 225 feet of the east half of the northeast quarter of the northeast quarter of Section 28. Township 26 North. Range 5 East. W.M. in King County. Washington. and the south 128 feet of that portion of the west half of the northwest quarter of the northwest quarter of Section 27. Township 26 North. Range 5 East. W. M. in King County Washington

lying westerly of 132nd Avenue N. E.;

PARCEL B:

A non-exclusive easement for turnaround over that portion of the south 150.00 feet of the west 290.40 feet of the east half of the northeast quarter of the northeast quarter of Section 28, Township 26 North, Range 5 East, W.M., in King County, Washington described as follows:

Beginning at the northwest corner of the above described tract;
thence south 89°52'38" east along the north line thereof a distance of 17.01 feet;

thence south 1°32'32" west a distance of 22.01 feet;

thence south 89°52'38" east a distance of 20.00 feet to the TRUE POINT OF BEGINNING of the herein described easement;

thence continuing south 89°52'38" east a distance of 32.26 feet;

thence south 9°14'32" west a distance of 27.00 feet;

thence north 80°59'57" west a distance of 23.50 feet; 1

thence north 8°23'48" east a distance of 14.00 feet;

thence north 36°18'55" west a distance of 11.41 feet to the TRUE

POINT OF BEGINNING;

PARCEL C:

An equal and undivided interest in the following described tract:

The north 22 feet of the east 273.4 feet of the south 150 feet of the east half of the northeast quarter of the northeast quarter of Section 28. Township 26 North. Range 5 East. W.M. in King County Washington
and the north 22 feet of that portion of the west half of the northwest quarter of the northwest quarter of Section 27 Township 26 North. Range 5 East. W.M. • in King County. Washington.
lying westerly of 142nd Avenue N.E.

SUBJECT TO:

1. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: Puget Sound Power & Light Company, a Washington corporation

PURPOSE: An underground electric distribution system

AREA AFFECTED: North 5 feet of Parcel A and all of Parcel C

DATED: July 19, 1971

RECORDED: July 30, 1971

RECORDING NUMBER: 7107300430

2. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: Washington Natural Gas Company

PURPOSE: Pipeline or lines

AREA AFFECTED: North 5 feet of Parcel A

RECORDED: August 20, 1973

RECORDING NUMBER: 7308200487

3. AGREEMENT AND THE TERMS AND CONDITIONS THEREOF:

BY AND BETWEEN: Donald L. Hardy, Anne B. Hardy,
Samuel M. Hess and Imogene C. Hess
and King County Water District No. 104

DATED: June 7, 1971

RECORDED: July 9, 1971

RECORDING NUMBER: 7106090497

REGARDING: Street lighting

4. AGREEMENT AND THE TERMS AND CONDITIONS THEREOF:

BY AND BETWEEN: Property owners

DATED: Undisclosed

RECORDED: September 7, 1976

RECORDING NUMBER: 7609070126

REGARDING: Agreement for road maintenance cost

Access Road Easement Owned by King County

Access easement with recording #820915-0433, granting KC a right of way easement for a certain drainage facility.

Exhibit E—Drainage Property Interests and Facilities**Drainage Property Interests to be Transferred to Kirkland
Upon Annexation of Juanita/Finn Hill/Kingsgate Area****1. Drainage Related Lands held by King County and Described as Follows:**

AARONWOOD TRACT B, as recorded in Volume 199 of Plats, pages 099 through 102 (Tax Account 0011300220)

BRANDT'S NORTH KIRKLAND ADD TRACTS A, C, & D as recorded in Volume 208 of Plats, pages 035 through 037 (Tax Accounts 1041530090, 1041530110, & 1041530120)

CAMBRIDGE HEGHTS TRACTS J & F, as recorded in Volume 184 of Plats, pages 095 through 098 (Tax Accounts 1310480510 & 1310480500)

CANTERBURY COURT TRACT B, as recorded in Volume 178 of Plats, pages 025 through 026 (Tax Account 1330270100)

CRESTA ALETA TRACT A, as recorded in Volume 121 of Plats, pages 040 through 041 (Tax Account 1830700130)

CROSSLAND MEADOWS TRACT A, as recorded in Volume 181 of Plats, pages 060 through 063 (Tax Account 1853200250)

DIAMOND CREEK TRACT D, as recorded in Volume 164 of Plats, pages 043 through 045 (Tax Account 2025550290)

DUNMORE DIV 1 TRACTS A & B, as recorded in Volume 119 of Plats, pages 049 through 050 (Tax Accounts 2125400300 & 2125400310)

DUNMORE DIV 2 TRACT F, as recorded in Volume 121 of Plats, pages 082 through 084 (Tax Account 2125410310)

EAGLE RIDGE TRACT C, as recorded in Volume 130 of Plats, pages 041 through 042 (Tax Account 2141250130)

FINN HILL COURT TRACTS B & C, as recorded in Volume 132 of Plats, pages 014 through 015 (Tax Accounts 2540830180 & 2540830190)

FINN HILL CREST TRACTS A, as recorded in Volume 115 of Plats, pages 016 through 017 (Tax Account 2540850400)

FINN HILL DIV TRACT B, as recorded in Volume 253 of Plats, pages 066 through 069 (Tax Account 254082-0060)

FINN HILL PARK TRACT X, as recorded in Volume 151 of Plats, pages 079 through 081 (Tax Account 2541100110)

FINN HILL VISTA NO 2 TRACT A, as recorded in Volume 132 of Plats, pages 066 through 067 (Tax Account 2541510070)

FOXBRIER TRACT M, as recorded in Volume 184 of Plats, pages 041 through 044 (Tax Account 2621730340)

GLEN LYON TRACT A, as recorded in Volume 113 of Plats, pages 071 through 073 (Tax Account 2783600250)

HERITAGE BISSELL TRACT C, as recorded in Volume 200 of Plats, pages 014 through 016 (Tax Account 3259480150)

HIDDEN FIRS TRACT A, as recorded in Volume 104 of Plats, page 032 (Tax Account 3275000190)

HIGHBURY COURT TRACT A, as recorded in Volume 130 of Plats, pages 008 through 009 (Tax Account 3291500090)

INGLEMOOR RIDGE TRACT A, as recorded in Volume 151 of Plats, pages 061 through 062 (Tax Account 3574900250)

INGLEWOOD EAST #2 TRACT B, as recorded in Volume 121 of Plats, pages 028 through 029 (Tax Account 3578110360)

JUANITA VILLAGE TRACT A, as recorded in Volume 182 of Plats, pages 058 through 060 (Tax Account 3764650210)

KAMIAKIN HEIGHTS TRACT A, as recorded in Volume 149 of Plats, pages 008 through 009 (Tax Account 3786500190)

KING COUNTY SHORT PLAT 181047 TRACT 101, Recording No. 830204-0809 (Tax Account 3761700259)

KING COUNTY SHORT PLAT 483078 TRACT A, Recording No. 840309-0970 (Tax Account 3840700748)

KING COUNTY SHORT PLAT L00S0018 TRACT A, Recording No. 20020708-900009 (Tax Account 1626059173)

KING COUNTY SHORT PLAT L95S0065 TRACT B, Recording No. 980211-9015 (Tax Account 4055700239)

KING COUNTY SHORT PLAT L97S0018 TRACT A, Recording No. 19991025-900009 (Tax Account 3761700088)

KING COUNTY SHORT PLAT L98S0072 TRACT X, Recording No. 20010124-900002 (Tax Account 0866000050)

KING COUNTY SHORT PLAT L98S0072 TRACT Y, Recording No. 20010124-900002 (Tax Account 0866000060)

KING COUNTY SHORT PLAT L99S3034 TRACT B, Recording No. 20010618-900006 (Tax Account 2126059282)

KING COUNTY SHORT PLAT S91S0146 TRACT 2, Recording No. 950627-9006 (Tax Account 1626059160)

KING COUNTY SHORT PLAT L99S0001 TRACT B, Recording No. 20040113-900007 (Tax Account 1926059232)

KING COUNTY SHORT PLAT 1076073 TR A, Recording No. 890816-0851 (Tax Account 3840700657)

MEADOW @ FINN HILL TRACT A, as recorded in Volume 171 of Plats, pages 017 through 018 (Tax Account 5406000120)

OAK MEADOW TRACT C, as recorded in Volume 155 of Plats, pages 096 through 097 (Tax Account 6301800310)

ONE EAGLE PLACE TRACT C, as recorded in Volume 194 of Plats, pages 036 through 039 (Tax Account 6389970160)

OOSTERWYK GARDENS, as recorded in Volume 163 of Plats, pages 037 through 039 (Tax Account 6396000351)

PERKINS LANE TRACT B, as recorded in Volume 226 of Plats, pages 080 through 082 (Tax Account 6717000080)

SAARELA DIV. #2 TRACT B, as recorded in Volume 180 of Plats, pages 083 through 086 (Tax Account 7491010080)

TIMBERLAKE TRACT C, as recorded in Volume 187 of Plats, pages 084 through 088 (Tax Account 8650300270)

TIMBERWOOD NO 2 TRACT A, as recorded in Volume 099 of Plats, pages 057 through 058 (Tax Account 8651710460)

TIMBERWOOD NO 3 TRACT B, as recorded in Volume 105 of Plats, pages 010 through 011 (Tax Account 8651720530)

TIMBERWOOD NO 4 TRACT B, as recorded in Volume 108 of Plats, pages 066 through 067 (Tax Account 8651730600)

TOTEM LAKE MEADOWS TRACT C, as recorded in Volume 132 of Plats, pages 038 through 039 (Tax Account 8663260430)

UPLAND GREEN DIV 1 TRACT H, as recorded in Volume 116 of Plats, pages 074 through 076 (Tax Account 8835200985)

VILLAGE AT BLUE GABLES TRACT D, as recorded in Volume 142 of Plats, pages 094 through 097 (Tax Account 8944310370)

WHITNEY'S MEADOW TRACT A, as recorded in Volume 208 of Plats, pages 001 through 003 (Tax Account 9379000070)

WILLOW GLEN TRACT A, as recorded in Volume 161 of Plats, pages 044 through 046 (Tax Account 9429000200)

WINDSOR VISTA #3 TRACT A, as recorded in Volume 086 of Plats, pages 007 through 008 (Tax Account 9477201680)

2. **The following easements:**

As recorded under recording number 801031-1103

As recorded under recording number 6170809

As recorded under recording number 940323-1588

As recorded under recording number 751218-0538

As recorded under recording number 6453536

As recorded under recording number 5813079

As recorded under recording number 5845356

As recorded under recording number 6615702

As recorded under recording number 6636765

As recorded under recording number 711117-0302

As recorded under recording number 720626-0579

As recorded under recording number 720626-0580

As recorded under recording number 730130-0534

As recorded under recording number 760429-0601

As recorded under recording number 760430-0545

As recorded under recording number 800414-0447

As recorded under recording number 720214-0112

As recorded under recording number 730130-0539

As recorded under recording number 741018-0334

As recorded under recording number 830317-0828

As recorded under recording number 6414817

As recorded under recording number 6466649

As recorded under recording number 6551160

As recorded under recording number 740628-0625

As recorded under recording number 740315-0454

As recorded under recording number 6596779

As recorded under recording number 770308-0876

As recorded under recording number 780315-0772

As recorded under recording number 5485560

As recorded under recording number 790130-1012

As recorded under recording number 6636767

As recorded under recording number 750618-0063

As recorded under recording number 760525-0630

As recorded under recording number 821209-0657

As recorded under recording number 821209-0658

As recorded under recording number 861217-0427

3. All drainage easements dedicated to King County or the public in the following recorded Plats, pages, records of King County:

AARONWOOD, as recorded in Volume 199 of Plats, pages 099 through 102
ALLISON ESTATES, as recorded in Volume 174 of Plats, pages 072 through 074
ANGELIA HEIGHTS, as recorded in Volume 179 of Plats, pages 020 through 021
APPLETREE, as recorded in Volume 193 of Plats, pages 045 through 047
APPLETREE LANE, as recorded in Volume 108 of Plats, pages 068 through 069
ASTON GARDENS DIV 1, as recorded in Volume 194 of Plats, pages 091 through 094
ASTON GARDENS DIV 2, as recorded in Volume 198 of Plats, pages 090 through 092
AVIAVISTA ADD, as recorded in Volume 027 of Plats, page 035
BALCHS ALBERT EASTSIDE PARK ADD, as recorded in Volume 069 of Plats, pages 050 through 051
BAR-G ADD DIV-A, as recorded in Volume 068 of Plats, page 099
BAVARIAN VILLAGE, as recorded in Volume 106 of Plats, pages 060 through 061
BAY VISTA ESTATES, as recorded in Volume 070 of Plats, pages 019 through 023
BAYMOUNT TERRACE (0005), as recorded in Volume 041 of Plats, pages 012 through 014
BLENHEIM, as recorded in Volume 108 of Plats, pages 008 through 009
BLUE GABLES, as recorded in Volume 139 of Plats, pages 025 through 026
BLUE HERON PLACE, as recorded in Volume 237 of Plats, pages 011 through 012
BONNIE GLEN ESTATES, as recorded in Volume 089 of Plats, page 035
BOYD FARM ESTATES, as recorded in Volume 111 of Plats, pages 084 through 085
BOYD FARM ESTATES DIV NO. 02, as recorded in Volume 117 of Plats, pages 010 through 011
BRAEBURN, as recorded in Volume 196 of Plats, pages 017 through 021
BRANDT'S NORTH KIRKLAND ADD, as recorded in Volume 208 of Plats, pages 035 through 037
BREAKTHROUGH DIV NO. 01, as recorded in Volume 094 of Plats, pages 061 through 066
BREAKTHROUGH DIV NO. 02, as recorded in Volume 094 of Plats, pages 085 through 089
BRIGHTON PLACE PH 01, as recorded in Volume 072 of Plats, pages 068 through 074
BRIGHTON PLACE, as recorded in Volume 109 of Plats, pages 092 through 093
BROADRIDGE, as recorded in Volume 091 of Plats, page 037
BURKE-FARRARS KIRKLAND DIV NO. 22, as recorded in Volume 902 of Plats, page 050
BURTON ESTATE ASSESSORS PLAT OF, as recorded in Volume 077 of Plats, page 085
CAMBRIDGE HEIGHTS, as recorded in Volume 184 of Plats, pages 095 through 098

CANTERBURY COURT, as recorded in Volume 178 of Plats, pages 025 through 026
CARLENA GARDENS, as recorded in Volume 173 of Plats, pages 001 through 002
CAROLINE PARK ADD, as recorded in Volume 069 of Plats, page 087
CAROLYN THE, as recorded in Volume 200 of Plats, pages 086 through 087
CARRS PARK, as recorded in Volume 902 of Plats, page 056
CASA CITTA, as recorded in Volume 220 of Plats, pages 030 through 033
CEDAR CREEK, as recorded in Volume 098 of Plats, pages 019 through 020
CEDAR CREEK NO. 02, as recorded in Volume 105 of Plats, pages 058 through 059
CEDAR JUANITA, as recorded in Volume 118 of Plats, pages 030 through 034
CHADWICK FARMS, as recorded in Volume 172 of Plats, pages 032 through 038
CHANTREY ESTATES, as recorded in Volume 093 of Plats, pages 010 through 013
CLIFF MULL 6 AT KIRKLAND, as recorded in Volume 233 of Plats, pages 001 through 004
CLOSE ENCOUNTERS, as recorded in Volume 116 of Plats, pages 091 through 092
COMPTON HEIGHTS, as recorded in Volume 093 of Plats, page 080
COMPTON HEIGHTS NO. 02, as recorded in Volume 095 of Plats, page 024
COMPTON MEADOWS, as recorded in Volume 042 of Plats, pages 061 through 063
COMPTON MEADOWS NO. 02, as recorded in Volume 049 of Plats, pages 075 through 077
CORONET LANE, as recorded in Volume 087 of Plats, page 062
COUNTRY TRACE, as recorded in Volume 114 of Plats, page 021
CRESCENT RIDGE, as recorded in Volume 200 of Plats, pages 062 through 064
CRESTA ALETA, as recorded in Volume 121 of Plats, pages 040 through 041
CRESTVIEW COURT, as recorded in Volume 085 of Plats, page 003
CRESTVIEW COURT NO. 02, as recorded in Volume 091 of Plats, pages 040 through 041
CRESTVIEW COURT NO. 03, as recorded in Volume 090 of Plats, page 083
CROSSLAND MEADOWS, as recorded in Volume 181 of Plats, pages 060 through 063
DENNY PARK HEIGHTS NO. 01 REPLAT OF, as recorded in Volume 062 of Plats, page 025
DENNY PARK HEIGHTS NO. 02, as recorded in Volume 065 of Plats, page 064
DENNY PARK HEIGHTS NO. 03, as recorded in Volume 069 of Plats, page 068
DENNY PARK HEIGHTS NO. 04, as recorded in Volume 069 of Plats, page 045
DENNY PARK HEIGHTS NO. 06, as recorded in Volume 074 of Plats, page 035
DENNY PARK HEIGHTS NO. 07, as recorded in Volume 075 of Plats, page 033
DENNY PARK HEIGHTS NO. 08, as recorded in Volume 086 of Plats, page 100
DIAMOND CREEK, as recorded in Volume 164 of Plats, pages 043 through 045
DOMHOLT HEIGHTS ADD, as recorded in Volume 075 of Plats, page 032
DUNDERRY ASSESSORS PLAT OF, as recorded in Volume 065 of Plats, page 005
DUNMORE DIV NO. 1, as recorded in Volume 119 of Plats, pages 049 through 050
DUNMORE DIV NO. 02, as recorded in Volume 121 of Plats, pages 082 through 084
EAGLE RIDGE, as recorded in Volume 130 of Plats, pages 041 through 042

ELDORADO NORTH, as recorded in Volume 086 of Plats, page 097
ELDORADO NORTH NO. 02, as recorded in Volume 090 of Plats, page 067
ELDORADO WEST, as recorded in Volume 096 of Plats, pages 031 through 032
ELDORADO WEST NO. 02, as recorded in Volume 098 of Plats, pages 101
ELDORADO WEST NO. 03, as recorded in Volume 121 of Plats, page 085
EMILY PARK ADD, as recorded in Volume 116 of Plats, pages 069 through 071
FINN CREEK ADD, as recorded in Volume 103 of Plats, pages 008 through 009
FINN HILL COURT, as recorded in Volume 132 of Plats, pages 014 through 015
FINN HILL CREST, as recorded in Volume 115 of Plats, pages 016 through 017
FINN HILL CREST DIV NO. 02, as recorded in Volume 124 of Plats, pages 026
through 027
FINN HILL MEADOWS, as recorded in Volume 101 of Plats, pages 078 through
083
FINN HILL PARK, as recorded in Volume 151 of Plats, pages 079 through 081
FINN HILL PARK DIV NO. 02, as recorded in Volume 163 of Plats, pages 022
through 024
FINN HILL VISTA, as recorded in Volume 109 of Plats, pages 036 through 037
FINN HILL VISTA NO. 02, as recorded in Volume 132 of Plats, pages 066 through
067
FIRLOCH NO. 01, as recorded in Volume 094 of Plats, page 005
FIRLOCH NO. 02, as recorded in Volume 095 of Plats, page 012
FIRLOCH NO. 03, as recorded in Volume 095 of Plats, page 013
FIRLOCH NO. 04, as recorded in Volume 095 of Plats, page 062
FIRLOCH NO. 05, as recorded in Volume 095 of Plats, page 065
FIRLOCH NO. 06, as recorded in Volume 096 of Plats, page 033
FIRLOCH NO. 07, as recorded in Volume 097 of Plats, page 060
FIRLOCH NO. 08, as recorded in Volume 097 of Plats, page 028
FIRLOCH NO. 09, as recorded in Volume 096 of Plats, page 043
FIRLOCH NO. 10, as recorded in Volume 101 of Plats, pages 030 through 031
FIRLOCH NO. 11, as recorded in Volume 104 of Plats, pages 050 through 051
FIRLOCH NO. 12, as recorded in Volume 105 of Plats, pages 020 through 021
FIRLOCH NO. 13, as recorded in Volume 101 of Plats, pages 062 through 063
FIRLOCH NO. 14, as recorded in Volume 119 of Plats, pages 065 through 066
FIRLOCH NO. 15, as recorded in Volume 144 of Plats, pages 064 through 065
FOREST GROVE, as recorded in Volume 090 of Plats, pages 044 through 045
FOREST VIEW ADD, as recorded in Volume 077 of Plats, page 097
FOXBRIER, as recorded in Volume 184 of Plats, pages 041 through 044
FRISON ADD, as recorded in Volume 083 of Plats, page 090
FRISON ADD NO. 02, as recorded in Volume 087 of Plats, pages 015 through 000
GLEN LYON, as recorded in Volume 113 of Plats, pages 071 through 073
GLENBURN GARDENS, as recorded in Volume 015 of Plats, pages 026 through
029
GLENCOVE, as recorded in Volume 092 of Plats, pages 047 through 048
GLENMARY ADD, as recorded in Volume 021 of Plats, page 048
GOAT HILL MANOR, as recorded in Volume 064 of Plats, pages 044 through 045
GOWANS MEADOW ADD, as recorded in Volume 064 of Plats, page 074

GREEN PARK ADD, as recorded in Volume 070 of Plats, page 061
GREENBRAE, as recorded in Volume 107 of Plats, pages 062 through 063
GREENBRIER JUANITA, as recorded in Volume 090 of Plats, page 068
GREENBRIER JUANITA DIV NO. 02, as recorded in Volume 091 of Plats, page
033
GREENTREE, as recorded in Volume 089 of Plats, page 078
HAZELGROVE(0005), as recorded in Volume 064 of Plats, pages 021 through 023
HAZEN HILLS NO. 01, as recorded in Volume 087 of Plats, pages 016 through 017
HAZEN HILLS NO. 02, as recorded in Volume 088 of Plats, page 077
HEATHER GLEN, as recorded in Volume 088 of Plats, pages 055 through 056
HEATHER GLEN NO. 02, as recorded in Volume 088 of Plats, page 057
HEATHERWOOD, as recorded in Volume 087 of Plats, pages 036 through 037
HERITAGE BISSELL, as recorded in Volume 200 of Plats, pages 014 through 016
HERMOSA VISTA, as recorded in Volume 098 of Plats, pages 011 through 012
HERMOSA VISTA NO. 02, as recorded in Volume 100 of Plats, pages 082 through
083
HERMOSA VISTA NO. 03, as recorded in Volume 105 of Plats, pages 008 through
009
HIDDEN FIRS, as recorded in Volume 104 of Plats, page 032
HIDDEN CREST, as recorded in Volume 095 of Plats, pages 005 through 007
HIDDEN CREST DIV NO. 02, as recorded in Volume 097 of Plats, pages 072
through 075
HIGH WOODLANDS ADD THE, as recorded in Volume 076 of Plats, pages 006
through 007
HIGH WOODLANDS DIV NO. 02, as recorded in Volume 080 of Plats, pages 076
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4. **All drainage easements dedicated to King County or the public within the following recorded short plats, records of King County:**

Short Plat	Recording Number	Parcel Number
KCSP 1078090R	198009220727	3579800559
KCSP 381076	198303070540	2426049148
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KCSP 578204	197812040858	2426049060
KCSP 676061	197609010603	2426049059
KCSP 184100	198410100957	2426049151
KCSP 583017	198507250838	2426049154
KCSP S89S0404	199112109001	2426049043
KCSP 1088026	199207089012	2426049174
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KCSP L96S0004	199612109002	2426049181
KCSP L94S0012	19971109011	2426049184
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KCSP 387040 -	198805110961	2426049157
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KCSP 1277129	197806080592	3574801081
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KCSP 575017	197602170576	1626059033
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KCSP L94S0005	199409209003	6396000013
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KCSP 684002	198606110530	3761100260
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KCSP 681017	198207199001	3761700251
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KCSP L97S0018	19991025900009	3761700083
KCSP 180077	198007140551	3761700071
KCSP 885045	198701050670	3761700059
KCSP L98S0040	20000629900006	3761700080
KC SP 677148 REV -	198003270852	2326049011
KC SP 982043	198305160655	3761700096
KCSP 985037 (ALT.)	199111180963	3761700245
KCSP S89S0226	198908311935	9388100013
KCSP 1076081 R -	197908020899	9388100050
KCSP 382040	198308170826	9388100036
KCSP 376072	197607290790	9388100016
KCSP 682031	198404240701	9388100012
KCSP 1182053	198308170827	9388100033
KCSP 976051	197703160480	9388100021
KCSP 1176042	197908020900	9388100030
KCSP 382039	198308170825	9388100042
KCSP 180009	198007220605	9388100056
KCSP 1277131	197902260619	3761700185
KCSP 1275006	197607270793	3761700215
KCSP 1275005	197607270794	3761700225
KCSP 1078076 REV.	198402060721	3761700176
KCSP 676072	197703010799	2426049132
KCSP 480091	198106080624	4055700721
KCSP 276045	197608050447	4055700799
KCSP S91S0105	199407079016	8677900325
KCSP 1275026	197602270724	8677900202
KCSP L0750076	20081001900012	8677900320
KCSP 377037	197705260885	6076500423
KCSP 682027	198209070509	6076500421
KCSP 585048	198607070600	6076500220
KCSP 1084064	198602180800	6076500362
KCSP L96S0016	199702129008	6396000340

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KCSP 888014	199212150994, 199407270760	6076500200
KCSP S90S0295	199512199002	3840700757
KCSP 486037	198701070392	3840700859
KCSP S89S0319	199212151012	3840700769
KCSP L95S0047	199612069001	6396000350
KCSP L03S0013	20040720900010	3767300041
KCSP L03S0040	20041216900008	3767300001
KCSP L03S0037	20060719900009	3767300076
KCSP L99S0023	20000327900016	2526049039
KCSP L02S0025	20030812900006	2526049043
KCSP S90S0345	199404129001	2526049013
KCSP 379158	197910020901	3026059167
KCSP 482100 REV. -	198709231183	2526049038
KCSP 378026	197903080638	2526049035
KCSP 1087034 -	199009051249	3840700005
KCSP L01S0011	20030220900009	3840700246
KCSP S9250085	199608219002	3840700017
KCSP 475017	197708310800	1926059183
KCSP 688025	198912019003	1926059212
KCSP L07S0034	20090528900006	2888000030
KCSP L9700268 REV	199903099009	1926059227
KCSP 1075063 REV.	197704281059	2026059036
KCSP 778139	197905140951	1926059127
KCSP 578025	197810190909	1926059063
KCSP S92S0055	199601269001	1926059224
KCSP 180038	198009080668	1926059201
KCSP L95S0010	199808109016	1926059226
KCSP S89S0440	199501189014	2026059146
KCSP 279034	197907021067	2026059013
KCSP 185022	198505090746	2541500160
KCSP 478177	197903120811	2026059054
KCSP L04S0013	20070131900005	2026059190
KCSP L00S0053	20021219900008	2026059187
KCSP 1184051	198510010461	2026059176
KCSP 877095	197812180931	2026059073
KCSP 579115	197911130991	2026059089
KCSP S89S0311	199210229001	2026059120
KCSP S89S0426	199106241125	2026059053
KCSP 786055	198802101090	2026059177
KCSP 1288006	199009180890	2026059180
KCSP S90S0326	199511309004	6675500030
KCSP 982020	198303010664	6675500192
KCSP 584030	198607290716	6675500084
KCSP 1080061	198210220547	6675500132

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KCSP 976020	197704260627	6675500055
KCSP 479157	198011070876	6675500122
KCSP 584031	198607290714	6675500094
KCSP 584029	198607290715	6675500074
KCSP 584117	198607240773	6675500184
KCSP S90S0325	199511309003	6675500042
KCSP L04S0069	20060816900004	667550TR-A
KCSP L04S0053	20060531900031	667550TRCT
KCSP 777068	197802070718	2426049140
KCSP L95S0005	199603149011	2426049057
KCSP 785077	198703160616	2426049155
KCSP 377057 (R)	197806150785	2426049135
KCSP 1178140	197909250790	2426049064
KCSP 777067	197802070717	2426049137
KCSP S89S0125	199003121479	1112700170
KCSP 475017	197708310800	1926059025
KCSP 483078	198403090970	3840700747
KCSP 1273012	197505230639	4055701010
KCSP 577039	197804050875	2126059228
KCSP S89S0309	199212221372	2126059273
KCSP 978003	197909241001	6706600010
KCSP L06S0031	20071114900025	2126059158
KCSP S90S0125	199402019008	2126059274
KCSP 174009	197407220617	2126059223
KCSP 1187010	198806140560	2126059268
KCSP 1178047	198009040742	2126059251
KCSP L00S0018	20020708900009	1626059171
KCSP S90S0282	199212079008	1926059106

5. **The following declaration of covenant:**

As recorded under recording number #20010821-000525

Exhibit E-1

Residential Drainage Facilities			
Facility Number	Name	Address	Major Components
D90183	Finn Hill Crest 2 (includes Glen Lyon)	12716 87th Ct NE	Pond, Trench
D90202	Appletree Lane	14022 81st Pl NE	Tank
D90204	Boyd Farm Estates	13944 101st Pl NE	Tank
D90209	Maple Tree Lane	14016 127th Pl NE	Tank
D90239	Country Trace	12604 NE 140th St	Tank
D90338	Inglewood East Div 2 Pond A	14238 90th Ave NE	Pond
D90373	Boyd Farm Estates #2	13900 101st Pl NE	Tank
D90401	Blenheim	10132 NE 141st Pl	Tank
D90418	Emily Park	14309 101st Pl NE	Tank
D90419	Emily Park	10127 NE 143rd St	Tank
D90428	Blenheim	14202 101st Pl NE	Tank
D90470	Park Lake T E	13229 112th Ave NE	Tank
D90471	Park Lake T C	13236 111th Ct NE	Tank
D90479	Park Lake T W	10942 NE 133rd St	Tank, Trench
D90496	Mattila Place	11009 NE 140th St	Trench
D90524	Inglewood East Div 2 pond B	9016 NE 142nd Ct	Pond
D90533	Dunmore Div 1 Tr A	9935 NE 140th Pl	Pond
D90535	Totem Vista	13204 NE 130th Pl	Tank
D90542	Firlock 14 W Tnk	13531 124th Ct NE	Tank
D90543	Firloch 14	12445 NE 136th Pl	Tank
D90550	Juanita Ridge	11905 80th Pl NE	Tank, Trench
D90572	Cedar Creek #2	10435 NE 135th Pl	Tank
D90583	Sunny Creek	11211 NE 140th St	Tank
D90584	Sunny Creek	13909 113th Ave NE	Tank
D90597	Simonds Glenn	10129 NE 144th Ct	Tank
D90627	Timberwood #4	14341 93rd Ave NE	Pond, Trench
D90628	Patricia Park	8621 NE 142nd St	Tank
D90681	Cedar Creek A	10506 NE 136th Pl	
D90682	Cedar Creek B	10421 NE 136th Pl	Trench
D90685	Thompson's Replat	8729 NE 142nd St	Tank
D90748	Upland Green, Tr. H	13708 135th Ave NE	Pond, Tank
D90790	Park Lake #2	13413 110th Pl NE	Tank
D90812	Cresta Aleta	8401 NE 132nd St	Pond
D90866	Dunmore Div 1 Tr B	14048 97th Ave NE	Pond
D90873	ElDorado West #3	8842 NE 132nd St	Tank

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D90916	McAllaster Place	10626 133rd Pl NE	Trench
D90933	Timberwood #5	14040 92nd Pl NE	Tank
D90990	KCSP 0183071	14441 105th Ct NE	Tank
D91016	Morley Place	14320 79th Pl NE	Tank
D91075	KCSP 0181047	13526 62nd Ave NE	Trench
D91080	Kamiakan Park T1	12821 NE 142nd St	Tank

D91081	Kamiakan Park T2	12821 NE 142nd St	Tank
D91082	Kamiakan Park T3	14002 129th Ave NE	Tank
D91100	KCSP 0583017	8001 NE 145th St	Tank
D91140	Totem Lake Meadows	13329 122nd Pl NE	Pond
D91141	Totem Lake Meadows	12141 NE 134th Ct	Tank
D91159	KCSP 0585048	12324 Juanita Dr NE	Pond
D91163	KCSP 0185008	13104 NE 133rd Ct	Tank
D91170	Finn Hill Court	8218 NE 140th Pl	Tank
D91180	Dunmore Div 2 Tr F	9734 NE 141st Ct	Pond
D91266	Maple Lane View	14011 127th Pl NE	Tank
D91270	Meadow View	12823 133rd Pl NE	Tank
D91273	Eagle Ridge	13612 62nd Ave NE	Pond
D91321	Totem Crest	12802 NE 132nd Pl	Tank
D91330	Timberwood #2	9537 NE 141st Pl	Pond, Trench
D91339	Hidden Firs	13901 127th Pl NE	Pond
D91353	Timberwood #3 Tr B	14204 95th Ave NE	Pond
D91354	Timberwood #3	9420 NE 143rd St	Tank
D91382	Finn Creek	13417 78th Pl NE	Tank
D91399	Totem View	12237 NE 133rd Pl	Tank
D91431	KCSP 1076072-3	12800 Juanita Dr NE	Pond
D91441	Olympic View Estates	13013 NE 137th Pl	Tank
D91442	Highbury Court	13110 72nd Ave NE	Pond
D91449	KCSP 1080061	8640 NE 141st St	Tank, Trench
D91477	Hermosa Vista 2	8010 NE 115th Wy	Tank
D91478	Hermosa Vista 2	8108 NE 115th Wy	Tank
D91479	Hermosa Vista 2	8221 NE 115th Wy	Tank
D91480	Hermosa Vista 2	8201 NE 115th Wy	Tank
D91497	Maple Lane Estates	13603 88th Pl NE	Tank
D91498	Maple Lane Estates	13510 89th Pl NE	Tank
D91574	Inglemoor Highlands	14309 85th Pl NE	Tank
D91575	Inglemoor Highlands	8619 NE 144th St	Tank
D91576	Inglemoor Highlands	14330 88th Ave NE	Tank
D91577	Inglemoor Highlands	8835 NE 144th St	Tank
D91578	Inglemoor Highlands	14426 91st Ave NE	Tank, Trench
D91579	Inglemoor Highlands	14450 91st Ave NE	Tank
D91580	Inglemoor Highlands	9230 NE 143rd Pl	Tank
D91581	Inglemoor Highlands	9106 NE 143rd Pl	Tank, Trench
D91582	Inglemoor Highlands	9045 NE 143rd St	Tank, Trench

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D91583	Inglemoor Highlands	8606 NE 143rd St	Tank
D91590	Finn Hill Park	12351 Juanita Dr NE	Tank
D91677	KCSP 1087034 (Dompier SP)	13019 84th Ave NE	Tank, Trench
D91699	Patricia Park	8519 NE 142nd St	Tank
D91733	Oak Meadow	12813 86th Ave NE	Tank
D91740	KCSP S89S0205-206 (Robbins SP)	14500 82nd Ave NE	Tank
D91741	KCSP 0387039/040 (Lindstrom SP)	8112 NE 143rd St	Tank
D91782	Oak Meadow	8400 NE 129th Pl	Pond
D91868	KCSP 1088001 (Gordon)	9924 NE 135th Pl	Tank
D91878	Finn Hill Vista #2	13801 90th Ave NE	Pond, Tank
D91879	Village at Blue Gables	13500 132nd Ave NE	Tank
D91880	Village at Blue Gables	13428 135th Ave NE	Pond, Trench
D91881	Willow Glen	13199 86th Pl NE	Bioswale, Pond, Trench
D91949	Brighton Place	14102 81st Pl NE	Tank
D91950	Carla Hills	7846 NE 145th St	Tank
D91954	Inglemoor Ridge	14419 88th Ave NE	Pond
D91962	Oosterwyk Gardens	8000 NE 125th St	Tank
D91964	Totem Park	126th Ave NE & NE 140th St	Tank
D91965	Totem Park	12600 NE 138th Pl	Tank
D91981	Belmont Lane	14501 92nd Ave NE	Bioswale, Tank
D91999	KCSP 1088026 (Ross SP)	8019 NE 145th St	Tank, Trench
D92010	Kamiakin Heights	12890 NE 140th St	Tank
D92011	Woodland Glenn	8018 NE 122nd Pl	Tank
D92013	Qodesh	8405 NE 122nd St	Tank
D92045	KCSP 0688025 (Goakey SP)	8404 NE 137th Ct	Tank
D92053	KCSP 0888014 & S89S0319 (Federspiel)	7801 NE 124th St	Tank
D92083	KCSP S90S0052 (Diesen SP)	12419 NE 140th St	Tank
D92084	Firlock #15	12712 NE 132nd St	Tank
D92134	KCSP 1283061	13619 133rd Ave NE	Tank
D92140	KCSP 1178047	11633 NE 140th St	Trench
D92156	KCSP S90S0282 (Johnson SP)	9000 NE 136th St	Tank
D92218	Parke at Finn Hill	12432 Juanita Dr NE	Bioswale, Pond
D92219	Parke at Finn Hill	7600 NE 124th St	Tank
D92224	Meadows at Finn Hill, The	12088 84th Ave NE	Bioswale, Pond
D92261	Carlena Gardens	12500 82nd Ave NE	Bioswale, Tank
D92268	KCSP 1084064	7850 NE 122nd Pl	Tank

	(Washington SP)		
D92307	KCSP S91S0146 (Deasy-Shriner SP)	13130 NE 145th Pl	Bioswale, Pond
D92322	KCSP S90S0345	11627 82nd Ave NE	Bioswale, Trench
D92332	Diamond Creek	11305 NE 144th Pl	Tank
D92333	Diamond Creek	11285 NE 145th St	Bioswale, Pond, Trench
D92408	KCSP S92S0085 (Cammack)	13103 84th Ave NE	Tank
D92409	Crossland Meadows	8201 NE 124th Pl	Bioswale, Tank
D92410	KCSP L95S0047 (Lindstrom SP)	7829 NE 125th St	Tank
D92468	KCSP L96S0004 (Riddell SP)	14420 81st Ave NE	Bioswale
D92481	Juanita Village	14445 Juanita-Woodinville Wy	Bioswale, Tank
D92529	KCSP L95S0064-65 (Vermeulen SP)	12957 64th Ave NE	Bioswale
D92556	Cambridge Heights, Tr F	13408 NE 134th PL	Trench
D92557	Cambridge Heights Tr J	13414 132nd Ave NE	Bioswale
D92624	Timberlake	11270 Juanita Dr NE	Bioswale
D92644	Aaronwood	10058 NE 142nd Pl	Bioswale, Tank, Trench
D92646	Foxbrier, Tr M	13728 NE 136th Pl	Bioswale, Pond
D92649	Braeburn	13220 120th Ave NE	Bioswale
D92656	Saarela Tr B	13348 88th Pl NE	Bioswale, Tank, Trench
D92664	Appletree	12414 84th Ave NE	Bioswale, Tank
D92675	Canterbury Court	10820 NE 142nd St	Bioswale, Pond
D92677	Allison Estates, Tract B	13073 134th Ave NE	Bioswale, Tank
D92678	KCSP L00S0018, Tr. A (Berhold SP)	13165 NE 145th PL.	
D92684	Maki Estates	131XX 82nd Ave NE	Tank
D92694	Crescent Ridge	8426 NE 128th St	
D92707	Sweetbriar	13801 130th Pl NE	
D92752	Aston Gardens II	8200 NE 119th St	Bioswale, Trench
D92770	One Eagle Place	7200 NE 120th St	Bioswale
D92795	KCSP L99S0001 (Petragallo/Shannon Creek)	14151 97th Ave NE	Bioswale, Tank
D92796	AAA 2YR BOND KCSP L97S0018	6051 NE 135th St	Bioswale, Trench
D92843	Brandt's North Kirkland Addition	13105 NE 133rd Ct	Bioswale, Tank
D92844	Brandt's North Kirkland	13113 NE 133rd Ct	Tank

	Addition		
D92865	Perkins Lane	132XX NE 137th Ct	
D92905	Portico on Finn Hill	8671-1/2 NE 123rd Pl	
D92906	Lateste SP L98S0071-72	NE 135th Ct & 132nd Ave NE	Bioswale, Tank
D92918	Kingsgate 18	13279 124th Ct NE	
D92936	Heritage Bissell	8019 NE 132nd St	Pond
D92937	Heritage Bissell	8019 NE 132nd St	Tank
D92982	Finn Hill Subdivision	7115 NE 132nd Ln	
D92983	Hubbell Plat	13200 126th Ct NE	
D93070	Greenwood Estates	139XX 105th Ct NE	Tank
D93076	Cliff Mull 6 At Kirkland	13941 127th PL NE	
Regional Drainage Facilities			
DR0564	Simmonds Road Regional Pond	10000 Simonds Road NE	Pond, Trench
DR0514	Edith Moulton Park Bank Stabilization	13600 108th Ave NE	Regional R/D
DR0525	High Woodlands Regional Pond	11601 NE 143rd Place	Channel
DR0589	Windsor Vista Stream Restoration	11000 NE 143rd St	Dam
DR0530	Lower Denny Creek Fishway	12200 Holmes Point Dr NE	Channel
DR0567	Sparkman & McLean #3	9748 NE 134th St	Channel
DR0579	Timberwood Div No. 2	14107 97th Av NE	Enclosed Drain
DR0532	McDonald Heights Tightline	7200 NE 126th St	Enclosed Drain
DR0599	Timberwood #4 (D90627)	14344 93rd Ave NE	HDPE
DR0610	Inglemoor Highlands	9230 NE 143rd Pl	HDPE

Exhibit E-2

	FACILITY #	FACILITY NAME	ADDRESS
1	D95014	Tamarack Condos	9810 NE 137th St
2	D95018	Grace Church	13116 NE 132nd St
3	D95036	Westwood Village Townhomes	10027 NE 138th PI
4	D95037	Kingsgate Meadows Apartments	14300 124th Ave NE
5	D95065	Lexington Condominiums	12720 NE 144th St
6	D95101	Inglewood Forest Condos	14022 Juanita Dr NE
7	D95107	Totem Sub-station - Puget Sound Energy	13201 NE 123rd St
8	D95693	Sno-King Bingo Hall	12526 NE 144th St
9	D95728	Juanita Row II Retail Office Bldg	13501 100th Ave NE
10	D95729	Bridlewood Apartments	13210 97th Ave NE
11	D95733	Fairfax Hospital	10126 NE 132nd St
12	D95738	Juanita Bayshore	11615 91st Ln NE
13	D96312	Kingsgate Shopping Plaza	14302 124th Ave NE
14	D96313	Kingsgate Shopping Plaza	14302 124th Ave NE
15	D96316	Brighton Place	13434 Juanita-Wdme Wy
16	D96344	Kingsgate Terrace Condos	12715 NE 144th St
17	D96357	Compton Meadows	14300 126th Ave NE
18	D96663	Totem East	13508 NE 124th St
19	D97077	Henry David Thoreau Elementary School	8224 NE 138th St
20	D97081	Inglewood Presbyterian	7718 NE 141st St
21	D97091	Juanita Brook Apartments	11230 NE 132nd St
22	D97093	Willows Road Office Park - 12515	12515 Willows Rd NE
23	D97094	Drywall by Garlow	12828 Willows Rd
24	D97095	7-Eleven Store	13400 100th Ave NE
25	D97096	Griffin Broweleit Apartments	9911 NE 134th Ct
26	D97097	Griffin Broweleit Apartments	9911 NE 134th Ct
27	D97098	Griffin Broweleit Apartments	9911 NE 134th Ct
28	D97108	Chantry Estates	13811 Juanita-Woodinville Wy
29	D97455	Hazel Grove Condos/Townhomes	137th PI & Wdme-Juanita Wy NE
30	D97456	Hazel Grove Condos/Townhomes	137th PI & Wdme-Juanita Wy NE
31	D98165	Simonds Estates	14505 Simonds Rd NE
32	D97527	Griffin Apts	9902 NE 134th Ct
33	D98229	Village on the Park Condos	13140 130th PI NE
34	D98232	St John Vianney Church	12526 84th Ave NE
35	D98263	Griffin Townhouses & Offices	9925 NE 134th Ct
36	D98343	North Willows Business Park-Office Warehouse	13649 NE 126th PL
37	D96534	Four-Plex Unit Apts	7325 NE 141st St
38	D96551	Totem Place	13209 NE 126th PI
39	D96594	Sound Sleep Health	13531 Juanita Woodinville Wy
40	D96129	Close Encounters Condos	9903-9921 NE 135th PI
41	D96139	Alpine Ridge Apartments	14461 Simonds Rd NE
42	D96142	Evergreen Veterinary Hospital	14423 124th Ave NE
43	D96182	Washington Mutual	14400 124th Ave NE
44	D96183	Olympic Village Condos	14441 124th Ave NE
45	D96199	Lakeside Milam Recovery Center	10322 NE 132nd St

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46	D96200	Our Redeemer Lutheran Church	11611 NE 140th St
47	D96218	Inglewood Hills Condos	14132 74th PI NE
48	D96219	Inglewood Hills Condos	14253 73rd Ave NE
49	D96221	Kingsgate Firs	14311 124th Ave NE
50	D96243	United Rentals	12500 132nd PI NE
51	D96244	Kirkland Church of Christ	10421 NE 140th St
52	D96245	Kirkland Church of Christ	10421 NE 140th St
53	D96254	Lovell Apartments	7333-7339 NE 141st St
54	D96255	Lovell Apartments	7341-7347 NE 141st St
55	D96256	Air Cold Supply	12530 135th Ave NE
56	D96257	Air Cold Supply	12530 135th Ave NE
57	D96272	Kingsgate Ridge Manor	12400 NE 145th PL
58	D96274	Waste Management of WA	12545 135th Ave NE
59	D96275	Verizon-Juanita (2330B01)	10020 NE 133rd PI
60	D96809	Inglenook Court Apts	NE 142nd PI & Juanita Dr NE
61	D96810	Inglenook Court Apts	NE 142nd PI & Juanita Dr NE
62	D96811	Inglenook Court Apts	NE 142nd PI & Juanita Dr NE
63	D96812	Inglenook Court Apts	NE 142nd PI & Juanita Dr NE
64	D96816	NW Auto Glass Center	13400 NE 124th St
65	D97118	Fairfax Hospital	10200 NE 132nd St
66	D97122	Verizon-Juanita (2330B01)	10020 NE 133th PI
67	D97125	Big Finn Hill Park	NE 138th St & 87th Ave NE
68	D96917	Kamiakin Junior High School	14111 132nd Ave NE
69	D96918	Kamiakin Junior High School	14111 132nd Ave NE
70	D97664	Duganair Technologies	12735 Willows Rd
71	D97665	Cedar Heights Apartments	13215 NE 123rd St
72	D97876	LDS Church	13220 NE 132nd St
73	D97921	Consolidated Graphic Services	13600 NE 126th PI
74	D97923	Unified Information	13513 NE 126th PI
75	D97932	Inglewood Village	14130 Juanita Dr NE
76	D98053	Washington Mutual Bank	12440 NE 144th St
77	D98146	McDonalds	13630 100th Ave NE
78	D98147	Hunters Run Apts	13420 Juanita-WdMe Wy NE
79	D98149	Lake Washington Christian Church	13225 116th Ave NE
80	D97796	Kindercare #000389	14230 Juanita-WoodinMe Wy NE
81	D98831	Henry David Thoreau Elementary School	8224 NE 138th St
82	DS0073	Fitzgerald Residence	11715 90th Ave NE
83	D98698	Safeway #2734 (Kirkland)	10020 NE 137th St
84	D96448	Sno-King Bingo Hall	12526 NE 144th St
85	D95974	Northshore Baptist Church	10301 NE 145th St
86	D95989	KC Housing Authority-Cedarwood	14415 123rd Ln NE
87	D96721	KC Fire Dist 36 Station 34	12703 NE 144th St
88	D96724	Woodlake Apts	13501 116th Wy NE
89	D96725	Woodlake Apts	13501 116th Wy NE
90	D96726	Woodlake Apts	13501 116th Wy NE

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91	D97152	Totem Ridge Business Park #2	13621 NE 126th PI
92	D97153	Totem Ridge Business Park #1	13609 NE 126th PI
93	D96869	Sancerre Apts.	12648 NE 144th St
94	D97396	Evergreen House	13645 NE 126th PI
95	D96524	Kingsgate Ridge Manor	12400 NE 145th PI
96	D96532	Bridlewood Apartments	13210 97th Ave NE
97	D97341	Willows Road Office Park	12525 Willows Rd
98	D97666	Cedar Heights Apartments	13215 NE 123rd St
99	DS0058	Haberzette SP	6619/6622 NE 130th Ln
100	DS0025	Calvert SP S92S0080 (Lots 2 & 3)	13236 136th Ave NE
101	DS0026	Calvert SP S92S0080 (Lots 1 & 4)	13236 136th Ave NE
102	D98391	Unified Information	13513 NE 126th PI
103	DS0019	Matt & Maki Deisher Residence	12041 89th PI NE
104	DS0013	Paul Wood Residence	12045 89th PI NE
105	DS0014	Kevin Osmulski Residence	12033 89th PI NE
106	DS0015	James Thomas Residence	12029 89th PI NE
107	DS0016	Joseph Villa Residence	12017 89th PI NE
108	DS0017	Radharkrishnan Residence	12013 89th PI NE
109	DS0018	Paulo & Sharman Sosa Residence	12001 89th PI NE
110	DS0020	Joel Attri Residence	12037 89th PI NE
111	DS0021	John Bair Residence	12025 89th PI NE
112	DS0022	Lawrence Sanchez Residence	12021 89th PI NE
113	DS0023	Graham Naeseth Residence	12009 89th PI NE
114	DS0024	Camille Spitaleri Residence	12005 89th PI NE
115	D98375	Big Finn Hill Park (W pond)	NE 138th St & 84th Ave NE
116	D98376	Big Finn Hill Park (E ballfield pond)	NE 138th St & 84th Ave NE
117	D98377	Big Finn Hill Park (E swale)	NE 138th St & 84th Ave NE
118	D98407	Willows 124 Building	12413 Willows Rd NE
119	DS0032	89th PI NE Shared Bioswale	12001-12045 89th PI NE
120	DS0033	Shared Tract N (tank/conveyance)	12037-12045 89th PI NE
121	DS0034	Shared Tract O (tank/conveyance)	12017-12025 89th PI NE
122	DS0035	Shared Tract P (tank/conveyance)	12001-12009 89th PI NE
123	D98420	Chadwick Farms Townhomes	14005 84th Ave NE
124	DS0027	Dreyfoos Residence	11838 89th PI NE
125	D98490	Valley View Corporate Center	13905 NE 128th St
126	D98498	LDS Church of Kirkland	7910 NE 132nd St
127	D98501	Kids R Special Day Care	13842 100th Ave NE
128	D98551	Villa Juanita Townhomes	14335 Simonds Rd NE
129	D98689	Kingsgate Safeway Store #526	14452 124th Ave NE
130	D98879	Juanita Gas Station	12206 Juanita Dr NE
131	D98887	Kirkland Villas	13356 NE 134th PI
132	D98697	Safeway Store #2734 (Kirkland)	10020 NE 137th St
133	D98860	Sinclair Condominiums	7741 NE 122nd Ln
134	D98861	Sinclair Condominiums	7791 NE 122nd Ln
135	DT0057	132nd Ave NE Tank	13116 132nd Ave NE

R-4878
 Kirkland-King County Interlocal Agreement
 JFK Annexation

136	DT0052	Cascade Ridge road facility	13201 136th Ave NE
137	DT0054	Pond @ Instersection	12600 132nd Ave NE
138	DT0055	Northern WQ Vault	12500 132nd Ave NE
139	DT0056	Southern WQ Vault	12505 132nd Ave NE
140	DT0061	D1-005 Timberwood Drainage Repair	9717 NE 140th St
141	DT0067	D1-002	14449 100th Ave NE
142	DT0069	D1-008	13810 Juanita Woodinville Way NE
143	D98795	Money Saver Mini Storage	12707 141st Ave NE
144	D98870	Juanita Place Retail	13325 100th Ave NE
145	D98863	The Crest at Juanita	12008 89th PI NE
146	D98902	Juanita Townhomes	13203 101st Ln NE
147	DT0078	Valley View Corporate Center R/W	13906 NE 128th St
148	D98924	McDonalds at Juanita	13636 100th Ave NE
149	D98914	Waste Management	13225 NE 126th PI
150	D96028	Kingsgate Convenience Center	14340 124th NE
151	D96113	Juanita Row Shopping Center	13510 100th Ave NE
152	D96115	Four-Plex	13317 100th Ave NE
153	D96127	Wild Glen Condos	NE 145th St & 100th Ave NE
154	D96128	Wild Glen Condos	NE 145th St & 100th Ave NE

Exhibit F—Park and Greenbelt Properties

PARK PROPERTIES LEGAL DESCRIPTIONS

Windsor Vista Park

(Parcel ID #947710-1350)

Tract “A”, Windsor Vista #2 as per plat recorded in Vol. 83 of Plats, pages 76 thru 78, records of King County.

Together with,

(Parcel ID #947720-0640)

Lot 64, Windsor Vista #3, as per plat recorded in Vol. 86 of Plats, pages 7 and 8, records of King County.

Kingsgate Park

(Parcel ID #202605-9004)

The east 330 feet of the south ½ of the southeast ¼ of the northeast ¼ of Section 20, Township 26 north, Range 5 east, W.M.; except county road.

Together with,

That portion of the south ½ of the southeast ¼ of the northeast ¼ of Section 20, Township 26 north, Range 5 east, lying easterly of Secondary State Highway #2A; except the east 330 feet and except the south 30 feet for road; and except that portion conveyed to State of Washington for Primary State Highway #1 by deed filed under Auditor’s File #6071550; situate in the County of King, State of Washington.

Subject to:

Relinquishment of right of access to State Highway and of light, view and air as recorded under Auditor’s File #4696944. Relinquishment of right of access to State Highway and of light, view and air as recorded under Auditor’s File #6071550.

Edith Moulton Park

(Parcel ID #202605-9027)

The northeast ¼ of the northwest ¼ of the southeast ¼ of Section 20, Township 26 north, Range 5 east, W.M. in King County, State of Washington, except the west 412.53 feet of the north 280 feet thereof and except the north 30 feet of the remainder as conveyed to King County for road purposes by deed recorded under Auditor’s File #703148.

Subject to:

- a. Release of damages granted to the State of Washington from future claims arising from the operation of pit and quarry site, recorded under Auditor’s File #4998452.
- b. Temporary construction easement and permanent easement for sewer granted to Northeast Lake Washington Sewer District by instruments recorded under Auditor’s File #6210625 and #6210629.

Together with :

The south ½ of the northwest ¼ of the southeast ¼ of Section 20, Township 26 north, Range 5 east, W.M. in King County, State of Washington.

Together with:

(Parcel ID #202605-9186)

That portion of Lot 1 of Short Plat #579115, under King County recording #7911130991, lying easterly of Juanita Creek; situate in the County of King, State of Washington

132nd Square Park

(Parcel ID #282605-9073)

That portion of the east ½ of the northeast ¼ of the northeast ¼ of Section 28, Township 26 north, Range 5 east, W.M., in King County, Washington, described as follows: Beginning at the northeast corner of said subdivision; thence south along the east line thereof 812 feet; thence west parallel with the north line thereof to a point on the west line thereof, which is 812 feet south of said north line; thence north along the said west line 458 feet to a point 354 feet south of the said north line; thence east parallel with the said north line to a point 405 feet west of the east line thereof; thence north parallel with said east line 354 ft to the said north line; thence east along the said north line 405 feet to the point of beginning; except the north 30 feet and east 30 feet for roads. Subject to provisions contained in that certain agreement for Intergovernmental Disposition of property between the parties herein dated March 12, 1980.

Juanita Heights Park

(Parcel #919410-0155)

Lots 1 through 24, inclusive, Block 7; and Lots 1 through 6, inclusive, and Lots 21 through 24, inclusive, Block 8, Waterfront Addition to Kirkland, according to the plat thereof recorded in Volume 6 of Plats, page 92, in King County, Washington; Together with that portion of 90th Avenue Northeast as vacated by City of Kirkland Ordinance No. 7161, recorded under Recording Numbers 8505010681 and 20020415002221;

And Together with that portion of the Easterly half of Olympic Street (89th Place Northeast) as vacated by operation of law and confirmed by King County Superior Court Cause No. 05-2-41103-1SEA and recorded under Recording No. 20060825001209.

Greenbelt Properties and Open Space Properties with Legal Descriptions

- | | |
|--------------------|--|
| 1. Tax Parcel # | 111900-0270 |
| Physical location: | NE 131 Way / adj to 302605-9269 / 0.37 acre |
| Designation: | Open Space and Recreation |
| Deed: | SWD #6587319 / 08-25-69 / restrictive language on use |
| Restriction: | “By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said |

property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "A" Plat of Broadridge, recorded in Vol. 91 of Plats on Pg. 37 in records of King County, Washington.

2.. Tax Parcel # **111900-0280**
 Physical location: NE 131 Way X 94th Ave NE / 1.15 acres
 Designation: Open Space and Recreation
 Deed: SWD #6587319 / 08-25-69 / restrictive language on use
 Restriction: "By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "B" Plat of Broadridge, recorded in Vol. 91 of Plats on Pg. 37 in records of King County, Washington.

3.. Tax Parcel # **172750-0450**
 Physical location: 94th Ave NE X NE 132nd Pl / 0.55 acre
 Designation: Open Space and Recreation
 Deed: SWD #7111110-0464 / 11-10-1971 / restrictive language on use
 Restriction: "By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "A" Plat of Compton Heights Addition, recorded in Vol. 93 of Plats on Pg. 80 in records of King County, Washington.

4.. Tax Parcel # **212540-0320**
 Physical location: 97th Ave NE X NE 141st PL / 1.61 acres
 Designation: Open Space on face of plat
 Deed: no
 Legal Description:
 Tract "E" Plat of Dunmore Division 1, recorded in Vol. 119 of Plats on Pg. 49 in records of King County, Washington.

5. Tax Parcel # **212541-0320**
 Physical location: NE 141st Pl X 97th Ave NE / 0.81 acre
 Designation: Open Space and Recreation by deed
 Deed: No DEED. Dedicated to KC upon recording of plat
 Restriction: Open Area as designated by plat.
 Legal Description:
 Tract "G" Plat of Dunmore Division #2, recorded in Vol. 121 of Plats on Pg. 82 in records of King County, Washington.

6. Tax Parcel # **254080-0420**
 Physical location: 134xx 76th Pl NE / 0.68 acres
 Designation: Permanent open space by plat
 Deed: No Deed. General dedication to the public.
 Restriction: open space designated by plat
 Legal Description:
 Tract "A" Plat of Finn Creek Addition recorded in Vol. 103 of Plats on Pg. 8 in records of King County, Washington.

7. Tax Parcel # **254080-0430**
 Physical location: 133xx 79th Pl NE / 0.06 acres
 Designation: Pedestrian walkway by plat
 Deed: No Deed. General dedication to the public
 Restriction: walkway by plat
 Legal Description:
 Tract "B" Plat of Finn Creek Addition recorded in Vol. 103 of Plats on Pg. 8 in records of King County, Washington.

8.. Tax Parcel # **255861-0390**

Physical location: 126xx NE 136th St / 0.44 acre

Deed: SWD #730710-0461 / restrictive language on use

Restriction: “By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:
Tract “A” Plat of Firloch #2, recorded in Vol. 95 of Plats on Pg.12 in records of King County, Washington.

9.. Tax Parcel # **255869-0280**

Physical location: 127xx NE 135th St / 6.24 acres

Designation: permanent open space by plat

Deed: SWD #770614-0931

Legal Description:
Tract “A” Plat of Firloch #10, recorded in Vol. 101 of Plats on Pg.30-31 in records of King County, Washington.

10. Tax Parcel # **255864-0370**

Physical location: 135xx 127th Ave NE / 2.83 acres

Designation: ???

Deed: No Deed. General dedication to the public

Legal Description:
Tract “B” Plat of Firloch No. 5, recorded in Vol. 95 of Plats on Pg. 65 in records of King County, Washington.

11.. Tax Parcel # **255865-0320**

Physical location: 129th PI NE X NE 135th St / 0.04 acre

Deed: SWD #750415-0428// restrictive language on deed

Restriction: “By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only.

King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "A" Plat of Firloch NO. 6, recorded in Vol. 96 of Plats on Pg. 33 in records of King County, Washington.

12.. Tax Parcel #	289570-0160
Physical location:	10844 NE 135 th Pl / 0.03 acre
Designation:	Pedestrian walkway by plat
Deed:	No Deed. Plat dedication.

Legal Description:

Tract "A" Plat of Greenbrae, recorded in Vol. 107 of Plats on Pg. 62 in records of King County, Washington.

13.. Tax Parcel #	326102-0380
Physical location:	83 rd Pl NE X 85 th Ave NE / 1.87 acre
Designation:	???
Deed:	No Deed. Dedicated to KC upon recording of plat.

Legal Description:

Tract "A" Plat of Hermosa Vista NO. 3, recorded in Vol. 105 of Plats on Pg. 9 in records of King County, Washington.

14. Tax Parcel #	327574-0240
Physical location:	79 th PL NE X NE 130 th St / 0.96 acre
Designation:	Open Space and Recreation
Deed:	SWD #760302-0528 / restrictive language on use
Restriction:	"By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and

preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "A" Plat of Hidden Crest Div. 2, recorded in Vol. 97 of Plats on Pg. 72 in records of King County, Washington.

15. Tax Parcel # **375450-0950**
 Physical location: 89th Ave NE X NE 118th PL / 1.60 acres
- Deed: SWD #830824-1055 / restrictive language on use
 Restriction: "The property shall be maintained as an undeveloped open-space or green-belt concept and the existing trees and groundcover should not be disturbed or developed, but left as a natural preserve, and no development by clearing or platting will be allowed; provided that the property can be used as a part of a county trail system that would maintain the open-space concept. Uses not allowed are pumping stations, maintenance shops and similar uses inconsistent with the open- space or green-belt concept of property."

Legal Description:

Lots 1 thru 13, inclusive, Lots 15 and 16, Lots 18 thru 24, inclusive, and Lots 27 thru 29, inclusive, all in Block 8, Juanita Beach Camps, recorded in Vol. 32 of Plats on Pg. 25 in records of King County, Washington.

16. Tax Parcel # **542250-0240**
 Physical location: 93rd Ave NE X NE 138th Pl / 0.44 acre
 Designation: ???
 Deed: No Deed. General plat dedication to the public

Legal Description:

Tract "A" Plat of Meadowood, recorded in Vol. 94 of Plats on Pg. 74 - 75 in records of King County, Washington.

- 17.. Tax Parcel # **661991-0290**
 Physical location: 89th PL NE & NE 127th PL / 0.66 acre
 Designation: ???
 Deed: SWD #830411-0817

Legal Description:

Tract "A" Plat of Panorama Estates NO. 2, recorded in Vol. 96 of Plats on Pg. 93 in records of King County, Washington.
 TOGETHER WITH an easement for purposes of ingress, egress, drainage and utilities, over, under, through and across that portion of the SE quarter of the NW quarter of said

section 30 embraced within a strip of land 25.00 ft in width, being more particularly described as follows:

Commencing at the west quarter corner of said section, thence S 87-43-44 E along the east-west centerline of said section 1824.42 ft; thence N 02-40-17 E 1179.70 ft; thence S 87-10-59 E 144.00 ft to the point of beginning of the easement herein described; thence S 02-40-17 W 25.00 ft; thence S 87-10-59 E 100.00 ft; thence N 02-40-17 E 25.00 ft; thence N 87-10-59 W 100.00 ft to the point of beginning.

18. Tax Parcel # **701600-0720**
Physical location: NE 153rd St X 117th AVE NE/ 0.02 acre
Designation: Plat did not specify
Deed: No Deed

Legal Description:
Tract "B" Plat of Queensgate NO. 1, recorded in Vol. 83 of Plats on Pg. 71-72 in records of King County, Washington.

19. Tax Parcel # **701610-0600**
Physical location: 119th Ave NE X NE 155th St / 2.20 acres
Designation: Plat did not specify
Deed: No Deed.

Legal Description:
Tract "B" Plat of Queensgate NO. 2, recorded in Vol. 86 of Plats on Pg. 32-33 in records of King County, Washington.

20. Tax Parcel # **701630-0061**
Physical location: 116th PL NE X NE 155th St / 0.05 acre
Designation: Plat did not specify
Deed: No Deed.

Legal Description:
Tract "B" Plat of Queensgate NO. 4, recorded in Vol. 88 of Plats on Pg. 86 in records of King County, Washington.

21.. Tax Parcel # **790537-0640**
Physical location: 98xx NE 133rd PL / 0.02 acre
Designation: walkway
Deed: SWD #6525135 (04-01-69) /QCD #750917-0438 / restrictive language on use
Restriction: "By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. . The County may, however, place improvements and

impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "D" Plat of Sparkman & Mclean NO. 3 Div. NO. 1, recorded in Vol. 89 of Plats on Pg. 71-73 in records of King County, Washington.

22.. Tax Parcel #	790537-0650
Physical location:	NE 134 th ST. & 96 th Ave NE / 0.02 acre
Designation:	walkway
Deed:	SWD #6525135 (04-01-69) /QCD #750917-0438 / restrictive language on use
Restriction:	"By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. . The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "E" Plat of Sparkman & Mclean NO. 3 Div. NO. 1, recorded in Vol. 89 of Plats on Pg. 71-73 in records of King County, Washington.

23.. Tax Parcel #	790537-0660
Physical location:	97xx NE 134 th PL / 0.03 acre
Designation:	walkway
Deed:	SWD #6525135 (04-01-69) /QCD #750917-0438 / restrictive language on use
Restriction:	"By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. . The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "F" Plat of Sparkman & Mclean NO. 3 Div. NO. 1, recorded in Vol. 89 of Plats on Pg. 71-73 in records of King County, Washington.

24.. Tax Parcel #	790537-0670
Physical location:	98xx NE 135th PL / 0.04 acre
Designation:	walkway

Deed: SWD #6525135 (04-01-69) /QCD #750917-0438 / restrictive language on use

Restriction: “By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. . The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract “G” Plat of Sparkman & Mclean NO. 3 Div. NO. 1, recorded in Vol. 89 of Plats on Pg. 71-73 in records of King County, Washington.

25.. Tax Parcel # **790538-0920**

Physical location: NE 136th & 96th Ave NE / 3.76 acres

Designation: ???

Deed: SWD #6525135 (04-01-69) /QCD #750917-0438 / restrictive language on use

Restriction: “By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. . The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract “H” Plat of Sparkman & Mclean NO. 3 Div. NO. 2, recorded in Vol. 89 of Plats on Pg. 63-65 in records of King County, Washington.

26.. Tax Parcel # **790538-0930**

Physical location: 95th Ave NE & NE 135th Ln / 0.55 acre

Designation: ???

Deed: SWD #6525135 (04-01-69) /QCD #750917-0438 / restrictive language on use

Restriction: “By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. . The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract “I” Plat of Sparkman & Mclean NO. 3 Div. NO. 2, recorded in Vol. 89 of Plats on Pg. 63-65 in records of King County, Washington.

27.. Tax Parcel # **790538-0940**
 Physical location: 94th Ave NE & NE 134th St / 1.05 acres
 Designation: ???
 Deed: SWD #6525135 (04-01-69) /QCD #750917-0438 /
 restrictive language on use
 Restriction: “By acceptance of this deed the County of King covenants
 and agrees that the use of subject property shall be
 restricted to open space and recreational purposes only. .
 The County may, however, place improvements and
 impose such regulations on said property as is consistent
 with the proper maintenance and preservation of public
 health, safety, morals and general welfare.

Legal Description:
 Tract “J” Plat of Sparkman & Mclean NO. 3 Div. NO. 2, recorded in Vol. 89 of Plats
 on Pg. 63-65 in records of King County, Washington.

28.. Tax Parcel # **790539-0470**
 Physical location: 97th Ave NE x NE 137th St / 1.45 acres
 Designation: ???
 Deed: SWD #6525135 (04-01-69) restrictive language on use
 /QCD #750917-0439
 Restriction: “By acceptance of this deed the County of King covenants
 and agrees that the use of subject property shall be
 restricted to open space and recreational purposes only. .
 The County may, however, place improvements and
 impose such regulations on said property as is consistent
 with the proper maintenance and preservation of public
 health, safety, morals and general welfare.

Legal Description:
 Tract “k” Plat of Sparkman & Mclean NO. 3 Div. NO. 3, recorded in Vol. 89 of Plats
 on Pg. 66-68 in records of King County, Washington

29.. Tax Parcel # **790539-0490**
 Physical location: 97th Ave NE x NE 137th St / 0.04 acre
 Designation: walkway
 Deed: SWD #6525135 (04-01-69)/ QCD #750917-0438 /
 restrictive language on use
 Restriction: “By acceptance of this deed the County of King covenants
 and agrees that the use of subject property shall be
 restricted to open space and recreational purposes only. .

The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "M" Plat of Sparkman & Mclean NO. 3 Div. NO. 3, recorded in Vol. 89 of Plats on Pg. 66-68 in records of King County, Washington

30.. Tax Parcel #	790539-0480
Physical location:	NE 136 th St. x 95 th Ave NE / 4.85 acres
Designation:	???
Deed:	SWD #6525135 (04-01-69)/ QCD #750917-0438 / restrictive language on use
Restriction:	"By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. . The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.
Permit:	Special Use Permits / # S-133-09 expiring 05-10-2014 #S-9-09 expiring 03-05-2014 / #S-202-8 expiring 03-17-2014

Legal Description:

Tract "L" Plat of Sparkman & Mclean NO. 3 Div. NO. 3, recorded in Vol. 89 of Plats on Pg. 66-68 in records of King County, Washington

31.. Tax Parcel #	795506-0320
Physical location:	NE 144 th ST x 107 th PI NE / 0.74 acre
Designation:	???
Deed:	SWD #730710-0460 / restrictive language
Restriction:	"By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "A" Plat of Stafford Hansell NO.9, recorded in Vol. 95 of Plats on Pg. 55 in records of King County, Washington

32.. INTENTIONALLY DELETED

33.. Tax Parcel # **865172-0520**
 Physical location: 96th Ave NE / 8.00 acres
 Designation: Open Space
 Deed: No Deed. By plat dedication.

Legal Description:

Tract "A" Plat of Timberwood NO. 3 recorded in Vol. 105 of Plats on Pg. 10-11 in records of King County, Washington.

34.. Tax Parcel # **865173-0590**
 Physical location: NE 143rd ST x 93rd Ct NE / 1.54 acres
 Designation: Open Space
 Deed: No Deed. By plat dedication.

Legal Description:

Tract "A" Plat of Timberwood NO. 4 recorded in Vol. 108 of Plats on Pg. 66-67 in records of King County, Washington.

35.. Tax Parcel # **865170-0540**
 Physical location: 94th Ave NE & NE 139th St / 2.62 acres
 Designation: Open Space
 Deed: SWD #750415-0426 / restrictive language
 Restriction: "By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:

Tract "A" Plat of Timberwood recorded in Vol. 97 of Plats on Pg. 70-71 in records of King County, Washington

36.. Tax Parcel # **865170-0550**
 Physical location: 94th Ave NE x NE 139th St / 1.83 acres
 Designation: Open Space
 Deed: SWD #750415-0426 / restrictive language
 Restriction: "By acceptance of this deed the County of King covenants and agrees that the use of subject property shall be restricted to open space and recreational purposes only. King County further covenants and agrees that King County will not use, nor will King County authorize the use of subject property for any use except open space and recreational uses. The County may, however, place improvements and impose such regulations on said property as is consistent with the proper maintenance and preservation of public health, safety, morals and general welfare.

Legal Description:
 Tract "B" Plat of Timberwood recorded in Vol. 97 of Plats on Pg. 70-71 in records of King County, Washington

37.. Tax Parcel # **952700-0610**
 Physical location: NE 122nd PL x NE 123rd St / 0.77 acre
 Designation: Open Space designated by plat
 Deed: QCD #880705-0434
 Legal Description:
 Tract "B" Plat of Woodlane recorded in Vol. 98 of Plats on Pg. 43-46 in records of King County, Washington

38. Tax Parcel # **321160-0910**
 Physical location: NE 141st ST X 105th Ave NE / 1.00 acre
 Designation: Open Space by deed
 Deed: SWD #6551161 / Mar 1969
 Legal Description:
 Tract "A" Plat of Heatherwood, recorded in Vol. 87 of Plats on Pg. 36 in records of King County, Washington.

39.. Tax Parcel # **357811-0350**

Physical location: NE 142nd CT X 90th Ave NE / 5558 sq. ft.
 Designation: Open Space / drainage
 Deed: No / Dedication by plat

Legal Description:
 Tract "A" Plat of Inglewood East Div. #2, recorded in Vol. 121 of Plats on Pg. 28-29
 in records of King County, Washington.

40.. Tax Parcel # **357811-0370**
 Physical location: NE 142nd CT X 90th Ave NE / 8843 sq. ft.
 Designation: Open Space
 Deed: No / Dedication by plat

Legal Description:
 Tract "C" Plat of Inglewood East Div. #2, recorded in Vol. 121 of Plats on Pg. 28-29
 in records of King County, Washington.

41.. Tax Parcel # **254085-0390**
 Physical location: NE 127TH St X 87th Ct. NE / 18886 sq. ft.
 Designation: Open Space
 Deed: No / Dedication by plat

Legal Description:
 Tract "B" Plat of Finn Hill Crest, recorded in Vol. 115 of Plats on Pg. 16-17 in records
 of King County, Washington.

42.. Tax Parcel # **192605-9203**
 Physical location: 92nd Ave NE X Simonds Rd NE / 8.10 AC
 Designation: Open Area
 Deed: No / Dedication by short plat

Legal Description:
 Tract "A" Plat of King County Short Plat #1280040 with recording number #810408-
 0288 in records of King County, Washington.

END OF LIST

EXHIBIT G—Personal Property to be conveyed with Parks Properties

PARK	FACILITIES	EQUIPMENT
132ND Square	2 BB fields, 1 soccer, open play field, parking, 2 picnic areas, play equipment, restroom	4 bleachers (3-tiered), 2 soccer goals (regulation size), 9 plastic garbage cans, 2 mutt-mitt dog bag dispensers, 3 wood picnic tables, 1 metal picnic table, signs
Edith Moulton	trails, picnic shelter w/stationary picnic table, parking lot undeveloped, rustic	3 plastic garbage cans, signs
Juanita Heights	trails	sign
Kingsgate Park	rustic trail, bridge	2 metal garbage cans, signs
Windsor Vista Park	undeveloped	signs



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

Date: April 21, 2011

Subject: **2011-2012 BUDGET ADJUSTMENT: 2009-2010 CIP CARRYOVERS & OTHER ADJUSTMENTS**

RECOMMENDATION:

City Council adopt the attached ordinance increasing the 2011-2012 budget appropriations for selected funds to reflect carryovers and actual beginning cash balances (resources forward).

BACKGROUND DISCUSSION:

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 reflects appropriation increases to the adopted 2011-2012 budget due to capital project carryovers and other adjustments to non-operating funds. Council adopted Ordinance 4295 on March 15, 2011 amending the 2011-12 Budget to reflect operating funds carryovers and other adjustments.

Two types of adjustments are included in the proposed 2011-2012 budget amendment:

1. Carryovers with a net appropriation change of \$6,796,527. Projects totaling \$29,640,561 are being carried over. However, the original 2011-12 adopted budget included estimated carryovers in the appropriation. The current appropriation change recognizes the difference between the original estimate and the actual project carryovers.
2. Adjusting resources forward by \$7,505,740 to recognize actual cash balances.

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 2009-2010 Budget to the 2011-

2012 Budget. Accordingly, the 2011-2012 Adopted Budget needs to be amended. Funding for carryovers comes from:

- Current appropriation that was set aside to recognize capital carryovers
- Recognizing cash that was obligated but not spent in the prior biennium (i.e. Resources Forward)
- External sources, such as grants, and in some funds, carryovers funded by reserves in recognition of the fact that appropriated reserves are adequate to fund such items.

Estimated carryovers that have already been included in the original 2011-12 Budget appropriation and those funded from reserves do not require an appropriation change as they are line item adjustments within the funds' appropriation. The appropriation change only reflects recognizing an increase to resources forward and external revenue funding.

Project Carryovers by Category	
Neighborhood Connections	132,583
Parks	3,772,018
Facilities	4,720,353
Transportation	14,506,617
Technology	2,282,067
Public Safety	678,152
Water/Sewer	2,011,366
Surface Water	1,537,405
Total Carryovers	29,640,561
Less Previously Appropriated Fund Balance	(22,844,034)
Net Appropriation Change for Project Carryovers	6,796,527

2. **2011 Resources Forward**, or beginning fund balance (cash), was estimated as part of the 2011-12 budget process during fall 2010. Now that 2010 is complete and the books have been closed, an analysis has been completed of capital and other non-operating funds (operating funds were adjusted in March) to reconcile the estimated resources forward with actual balances. Funds will receive an adjustment (increase or decrease) to the budgeted beginning balance with a corresponding offset to the expenditure side. 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. Total beginning fund balance for the capital and other non-operating funds is a net increase of \$7,505,740 primarily due to the repayment in 2010 of the interfund loan to the utility capital funds for the public safety building purchase in 2010. The loan was originally budgeted to be repaid in 2011, but occurred in 2010 as a result of the timing of the debt issuance.

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 2011-2012 revised budget by fund type is included in the table on the next page:

Fund Type	Current 11-12 Budget	Adjustments	Revised 11-12 Budget
General Government:			
General Fund	163,096,373	0	163,096,373
Other Operating Funds	17,692,126	0	17,692,126
Internal Service Funds	56,835,976	0	56,835,976
Non-Operating Funds	98,882,198	6,187,042	105,069,240
Utilities:			
Water/Sewer	62,789,079	4,183,390	66,972,469
Surface Water	27,800,602	3,931,835	31,732,437
Solid Waste	31,295,829	0	31,295,829
Total Budget	458,392,183	14,302,267	472,694,450

Staff has continued the review and reconciliation exercise of capital projects that was initiated in 2009 as part of the mid-biennial process. This reconciliation process involves closing hundreds of inactive projects. The current estimated unobligated cash balance in the General Capital Projects Fund is more than \$4.6 million, of which \$4.4 million is the designated balance for the General Capital Contingency Reserve. Staff is currently reviewing reserve policies and targets with the Council's Finance Subcommittee and recommendations will be brought forward later in the year.

**City of Kirkland
2011-2012 Budget
2011 May Budget Adjustment Summary**

Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Impact Fees Fund									
Resources Forward	N/A	2011 Resources Forward Adjustment to Actual Balance	230,710	230,710			230,710		Resources Forward
Impact Fees Fund Total			230,710	230,710	-	-	230,710	-	
Real Estate Excise Tax Fund									
Resources Forward	N/A	2011 Resources Forward Adjustment to Actual Balance	(50,693)	(50,693)			(50,693)		Resources Forward
Real Estate Excise Tax Fund Total			(50,693)	(50,693)	-	-	(50,693)	-	
UTGO Debt Service Fund									
Resources Forward	N/A	2011 Resources Forward Adjustment to Actual Balance	(7)	(7)			(7)		Resources Forward
UTGO Debt Service Fund Total			(7)	(7)	-	-	(7)	-	
LTGO Debt Service Fund									
Resources Forward	N/A	2011 Resources Forward Adjustment to Actual Balance	22,270	22,270			22,270		Resources Forward
LTGO Debt Service Fund Total			22,270	22,270	-	-	22,270	-	
General Capital Projects Fund									
Carryover	ND	Neighborhood Connections GG0023	132,583	41,485			41,485		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Shoreline Restoration PK0006	82,242	25,734			25,734		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Forbes Lake Park Development PK0056	725,358	226,964			226,964		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	N. Rosehill Woodlands Park PK0057	105,725	33,081			33,081		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Park Play Area Enhancements PK0066	257,303	80,510			80,510		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Rose Hill Elementary Playfields PK0078400	75,000	23,467			23,467		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Ben Franklin Elementary Playfields PK0078700	24,600	7,697			7,697		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	So. Juanita Park Site Devel. PK0083	212,349	66,444			66,444		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Waverly Beach Park Renov. PK0087	74,323	23,256			23,256		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Ben Franklin School Park Development PK0089	3,097	969			969		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	McAuliffe Park Development PK0108	172,477	53,968			53,968		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Juanita Bay Park Wetland Restoration PK0109	45,345	14,188			14,188		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Skate Park PK0111	200,000	62,580			62,580		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Everest Park A-Field Bleachers PK0112	20,000	6,258			6,258		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Juanita Beach Park Development PK0119	1,231,101	896,902			152,192	744,710	RF/Existing Approp. Fund Balance/External Revenue
Carryover	Parks	Green Kirkland Program PK0121	82,607	25,848			25,848		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Community Rec. Facility Planning PK0122	71,980	22,523			22,523		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Peter Kirk Pool Upgrades PK0123	126,064	39,445			39,445		Resources Forward/Existing Approp. Fund Balance
Carryover	Parks	Park and Open Space Acquisition PK0131	262,447	82,120			82,120		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Facilities Expansion GG0013	4,315,100	1,350,194			1,350,194		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Maintenance Center Expansion Phase 1 GG0037001	49,496	15,487			15,487		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	City Hall Life Cycle Projects	53,523	16,747			16,747		Resources Forward/Existing Approp. Fund Balance
General Capital Projects Fund con't									

E-page 177 Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Carryover	PW	City Hall Annex Life Cycle Projects	10,000	3,129			3,129		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Fire Station Life Cycle Projects	118,728	37,150			37,150		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Kirkland Teen Center Life Cycle Projects	3,690	1,155			1,155		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Maintenance Center Life Cycle Projects	24,799	7,760			7,760		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	North Kirkland Community Center Life Cycle Projects	74,985	23,463			23,463		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Peter Kirk Community Center Life Cycle Projects	55,163	17,260			17,260		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Parking Garage Life Cycle Projects	14,869	4,653			4,653		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	116th Avenue NE Sidewalk NM0044	4,565	1,428			1,428		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Annual Sidewalk Maintenance Programs NM0057	263,185	82,351			82,351		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Crosswalk Upgrade Program NM0912	46,211	14,459			14,459		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 85th Street Undergrounding ST0075	1,120,889	350,726			350,726		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	State Street Utilities Undergrounding ST0076	47,327	14,809			14,809		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Annual Street Preservation ST0006	214,298	67,054			67,054		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Annual Striping Program ST1080	33,998	10,638			10,638		Resources Forward/Existing Approp. Fund Balance
Carryover	IT	GIS GG0006100	749,390	234,484			234,484		Resources Forward/Existing Approp. Fund Balance
Carryover	IT	Records Mgt System GG0006110	251,266	78,621			78,621		Resources Forward/Existing Approp. Fund Balance
Carryover	IT	Finance/HR System GG0006160	304,332	95,225			95,225		Resources Forward/Existing Approp. Fund Balance
Carryover	IT	Local & Wide Area Network GG0006300	514,235	160,904			160,904		Resources Forward/Existing Approp. Fund Balance
Carryover	IT	Help Desk Clientele Replacement GG0006302	42,308	13,238			13,238		Resources Forward/Existing Approp. Fund Balance
Carryover	IT	Permit System Repl. GG0006501	420,536	131,586			131,586		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	North Kirkland Community Center Emergency Power PS0046	21,609	6,761			6,761		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Emergency Operations Center Upgrade PS0054	19,626	6,141			6,141		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Disaster Supply Storage Units PS0056	56,847	17,787			17,787		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Disaster Response Vehicle PS0057	57,726	18,062			18,062		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Mobile Data Computers PS0061	227,267	71,112			71,112		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Breathing Air Fill Station Replacement PS0063	81,990	39,792			19,217	20,575	RF/Existing Approp. Fund Balance/External Revenue
Carryover	F&B	RFTD Office Space PS0064	9,709	3,038			3,038		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Critical Ham Radio Equipment PS0069	11,427	3,576			3,576		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Permanent Information Signs PS0070	113,536	35,525			35,525		Resources Forward/Existing Approp. Fund Balance
Carryover	F&B	Investigations Vehicle/Equipment PS0072	78,415	24,536			24,536		Resources Forward/Existing Approp. Fund Balance
General Capital Projects Fund Total			13,315,646	4,692,290	-	-	3,927,005	765,285	
Transportation Capital Projects Fund									
Carryover	PW	NE 100th/Spinney Homestead Park Sidewalk NM0034	7,588	2,606			2,606		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Rose Hill Business District Sidewalks NM0051	1,620,483	7,516			-	(23,556)	Existing Approp. Fund Balance/External Revenue
Carryover	PW	100th Ave NE/99th Pl NE Sidewalk NM0060	28,213	9,688			9,688		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Central Way Pedestriamn Enhancements Ph 2 NM0065	239,984	14,958			14,958		Resources Forward/Existing Approp. Fund Balance

E-page 178 Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Transportation Capital Projects Fund con't									
Carryover	PW	12th Avenue Sidewalk NM0066	237,486	18,124			18,124		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Elementary School Walkroute Enhancement NM0067	212,929	11,175			11,175		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 120th Street Roadway Extension ST0057	1,994,613	149,246			149,246		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 128th Street @ I-405 Overpass ST0069	654,775				31,072		Existing Appropriated Fund Balance
Carryover	PW	NE 85th/132nd NE Intersection Improvements TR0078	1,583,277						Existing Appropriated Fund Balance
Carryover	PW	NE 85th/114th NE Intersection Improvements TR0079	1,958,201	244,802			244,802		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 85th/124th NE Intersection Improvements TR0080	1,248,326	568,088			568,088		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Signal-Kirkland Ave & 3rd Street TR0004	87,999	120,062			120,062		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 68th/108th Avenue Intersection Improvements TR0085	576,657	143,080			143,080		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	6th St Central Way Intersection Improvements TR0100	654,377						Existing Appropriated Fund Balance
Carryover	PW	Growth & Transportation Efficiency GTEC TR0102	117,491						Existing Appropriated Fund Balance
Transportation Capital Projects Fund Total			11,222,399	1,289,345	-	-	1,312,901	(23,556)	
Water/Sewer Capital Fund									
Carryover	PW	NE 80th St Sewer Repl SS0050	20,000						Existing Appropriated Fund Balance
Carryover	PW	Plaza Lift Station SS0066	14,291						Existing Appropriated Fund Balance
Carryover	PW	Sewer System Telemetry Upgrades SS0074	16,461						Existing Appropriated Fund Balance
Carryover	PW	Inflow & Infiltration Reduction Program SS075	37,084						Existing Appropriated Fund Balance
Carryover	PW	NE 75th St/130th Av Wtrmn Rep WA0058	21,169						Existing Appropriated Fund Balance
Carryover	PW	101st Avenue NE Watermain Repl WA0059	17,518						Existing Appropriated Fund Balance
Carryover	PW	10th Ave Watermain Repl WA0060	64,945						Existing Appropriated Fund Balance
Carryover	PW	NE 110th St Watermain Replacmnt WA0077	194,619						Existing Appropriated Fund Balance
Carryover	PW	Vulnerability Analysis WA0093	334,938						Existing Appropriated Fund Balance
Carryover	PW	North Reservoir Painting WA0094	386,535	207,927			207,927		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	120th Ave NE/NE 73rd St Watermain Repl WA0107	356,570						Existing Appropriated Fund Balance
Carryover	PW	Telemetry Upgrades WA0115	21,189						Existing Appropriated Fund Balance
Carryover	PW	20th Ave Watermain Replacement WA0117	288,410						Existing Appropriated Fund Balance
Carryover	PW	9th Ave Watermain Replacement WA0141	180,087						Existing Appropriated Fund Balance
Carryover	PW	Third Street Watermain Replacement WA0142	57,550						Existing Appropriated Fund Balance
Resources Forward	PW	2011 Resources Forward adjustment to Actual Balance	3,975,463	3,975,463			3,975,463		Resources Forward
Water/Sewer Capital Fund Total			5,986,829	4,183,390	-	-	4,183,390	-	

E-page 179 Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Surface Water Capital Fund									
Carryover	PW	NE 85th Street Detention SD0025	546,490	107,306			107,306		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Totem Lake Water Quality SD0029	473,710	93,016			93,016		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 126 Street/94th Ave NE Channel Restoration SD0039	752	148			148		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 125th Pl/95th Ave NE Sediment Pond Restoration SD0041	94,245	18,506			18,506		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Regional Detention Forbes Creek SD0046001	27,190	5,339			5,339		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Totem Lake Blvd Flood Control SD0059	7,360	1,445			1,445		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Cochran Spr/Yarrow Pt Flood Cont SD0065	48,450	9,513			9,513		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	2008 Repl Aging/Failing Infrastructure SD0847	139,263	27,345			27,345		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	2010 Repl Aging/Failing Infrastructure SD1047	158,885	31,198			31,198		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Juanita Creek Basin Retro Fit OSD0802	41,060	8,062			8,062		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	116th Ave NE Non-Motorized Facility-SWM NM0001	107,697	21,147			21,147		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 100th Street/Spinney Homestead Park Sidewalk SWM NM0034	16,270	3,195			3,195		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	116th Avenue Improvements-Surface Wtr NM0042	323,343	63,490			63,490		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	116th Avenue NE Sidewalk SWM NM0044	77,257	15,170			15,170		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Rose Hill Business District Sidewalks SWM NM0051	618,206	121,388			121,388		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Park Lane Pedestrian Corridor Enhance SWM NM0064	58,000	11,389			11,389		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Central Way Pedestrian Enhancements Ph 2 SWM NM0065	56,227	11,040			11,040		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	12th Avenue Sidewalk SWM NM0066	20,536	4,032			4,032		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Elementary School Walkroute Enhancements SWM NM0067	93,533	18,366			18,366		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 85th/132nd NE Intersection SWM TR0078	44,824	8,801			8,801		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 85th/114th NE Intersection SWM NM0079	34,953	6,863			6,863		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 85th/124th NE Intersection SWM TR0080	30,304	5,950			5,950		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	NE 68th/108th Ave Intesection Imp SWM TR0085	49,649	9,749			9,749		Resources Forward/Existing Approp. Fund Balance
Carryover	PW	Kirkland Transit Center Local Portion SWM TR0101	22,946	4,507			4,507		Resources Forward/Existing Approp. Fund Balance
Resources Forward	PW	2011 Resources Forward adjustment to Actual Balance	3,324,870	3,324,870			3,324,870		Resources Forward
Surface Water Capital Fund Total			6,416,020	3,931,835	-	-	3,931,835	-	
Firefighter's Pension Fund									
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	3,127	3,127			3,127		Resources Forward
Firefighter's Pension Fund Total			3,127	3,127	-	-	3,127	-	
TOTAL ALL FUNDS			37,146,301	14,302,267	-	-	13,560,538	741,729	

ORDINANCE NO. 4301

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2011-2012.

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2011-2012 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 May 2011 adjustments to the Biennial Budget of the City of Kirkland for 2011-2012 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	163,096,373	0	163,096,373
Lodging Tax	525,824	0	525,824
Street Operating	14,215,172	0	14,215,172
Cemetery Operating	762,492	0	762,492
Parks Maintenance	2,188,638	0	2,188,638
Contingency	2,246,510	0	2,246,510
Impact Fees	1,701,073	230,710	1,931,783
Excise Tax Capital Improvement	12,917,441	(50,693)	12,866,748
Limited General Obligation Bonds	6,364,069	(7)	6,364,062
Unlimited General Obligation Bonds	2,138,406	22,270	2,160,676
General Capital Projects	42,721,620	4,692,290	47,413,910
Transportation Capital Projects	29,027,224	1,289,345	30,316,569
Water/Sewer Operating	45,956,044	0	45,956,044
Water/Sewer Debt Service	2,962,187	0	2,962,187
Utility Capital Projects	13,870,848	4,183,390	18,054,238
Surface Water Management	17,130,512	0	17,130,512
Surface Water Capital Projects	10,670,090	3,931,835	14,601,925
Solid Waste	31,295,829	0	31,295,829
Health Benefits	15,735,691	0	15,735,691
Equipment Rental	18,618,953	0	18,618,953
Information Technology	11,765,579	0	11,765,579
Facilities Maintenance	10,715,753	0	10,715,753
Firefighter's Pension	1,765,855	3,127	1,768,982
	<u>458,392,183</u>	<u>14,302,267</u>	<u>472,694,450</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 _____, 2011.

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

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**MEMORANDUM**

To: Kurt Triplett, City Manager

From: Lorrie McKay, Intergovernmental Relations Manager

Date: April 25, 2011

Subject: 2011 LEGISLATIVE UPDATE 7

RECOMMENDATION:

Council should receive a seventh update on the 2011 legislative session.

BACKGROUND DISCUSSION:

The 105-day regular session was scheduled to end Sunday, April 24. However, the Legislature adjourned on Friday, April 22, ending the regular session on the 103rd day without reaching deals on the operating budget or the capital budget. As a result, on April 22, Governor Gregoire called for a special session to convene at 9 am on Tuesday, April 26 for a period of thirty consecutive days.

The expectation is that the full Senate will return to Olympia on April 26, while House members will go on "rolling recess," returning to their home districts until budget negotiations reach an ending point.

Legislative leadership and the Governor have generally agreed that the special session is for the purpose of adopting operating and capital budgets for the 11-13 biennium and the bills necessary to implement those budgets. It is unlikely they will stray from that agenda. However, the Governor has included bills necessary to implement the transportation budget (even though that budget was passed during the regular session) and other issues that aren't technically *necessary* to implement the budgets that she would like to see addressed.

The Senate has proposed a state budget that would slash spending by \$4.8 billion and includes deeper cuts to education than the House's budget proposal. The House budget includes \$4.4 billion in spending cuts along with a liquor-privatization plan estimated to raise \$300 million. The Governor has stated that she also wants to finish a reform of the workers' compensation program in the special session.

Waypoint Consulting does not expect that the forthcoming a list of bills will limit what will be considered during this special session. As we know, almost anything can be in play if there is agreement among the parties. Further, because of the unprecedented economic times, there are an unprecedented number of actual bills "necessary to implement the budget" (estimated at 45-60). Some of those would have already passed in the regular session but there will be a number of bills still needed that will accompany the budget agreements.

COUNCIL LEGISLATIVE SUBCOMMITTEE:

The Council's Legislative Subcommittee meets weekly on Friday's at 4pm (Mayor McBride, Council Member Asher, and Council Member Marchione). The April 22 meeting was cancelled.

2011 LEGISLATIVE PRIORITIES:

Four of the City's priority bills have been delivered to the Governor for her consideration and/or signature. (REET Flexibility – HB 1953, Annexation census – SB 5505, Express lane tolling on I-405 – HB 1382, and Fiscal relief & regulatory reform - HB 1478).

The City sent letters of support for these four bills to the Governor urging her to sign them into law. As each of these bills gets calendared for the Governor's consideration and signature, at the same time her staff will notify Kirkland's Intergovernmental Relations Manager of the scheduling. The City's Intergovernmental Relations Manager will notify Council members and work to schedule those who are interested in attending the signing ceremonies in the Governor's office in Olympia. We will not have much advance notice for the ceremonies.

A fifth bill among the City's legislative priorities, (SB 5705) concerning new financing tools to support public/private partnerships, is on the list of nearly 60 bills necessary to implement the budget. While this bill remains alive, its prospects have not looked good for some time.

It's important to consider that just because a bill did not make it all the way through during the regular session does not mean it is "dead." At the end of the session, all the bills in the second house are returned to the highest status they received the house of origin; so a House bill in committee in the Senate when session ends (HB 1398 for example), is returned to the House. At the start of the next session, even a special session, bills from the previous session are reintroduced and retained in their present position.

These "carryover" bills can be taken up again. The Legislature has a lot of latitude with these bills. The first house can place the bill on the calendar for third reading (where the roll call vote for final passage is taken) and send it right back to the second house, or it can make the bill go to committee and through the whole process again.

Annexation Sales Tax Credit: One last note here about the City's priorities. Keeping the Annexation Sales Tax Credit intact this session was also a significant priority of Kirkland. As of the writing of this memorandum, the Governor and the legislature have kept their commitment to do just that. There has been no action taken to date to reduce or repeal the sales tax credit. We will monitor this and all other Kirkland priorities during the special session.

Kirkland's 2011 Legislative Priorities	Bill Number	Status
Financial assistance for the construction of the Public Safety Building	HB 1497 – Dunshee SB 5467 – Kilmer	- Funding request not included in either chamber's budget.
Flexibility in the use of Real Estate Excise Tax	HB 1953 – Springer	- 4/22 Delivered to the Governor
Annexation census requirements	SB 5505 – Hill	- 4/22 Delivered to the Governor
Roadway pricing tools (tolling) on I-405	HB 1382 – Clibborn	- 4/22 Delivered to the Governor -
New financing tools to support public/private partnerships	HB 1881 – Springer SB 5705 – Kilmer	- House bill appears "DEAD" - Senate bill NTIB
Streamline SEPA process	HB 1952 – Upthegrove	- Bill is "DEAD" - 4/22 Returned to House Rules for 3 rd Reading
"Fiscal relief" and "regulatory reform"	HB 1478 – Springer	- 4/22 Delivered to the Governor
Support the principles of growth management by assigning funding priority for infrastructure in communities with designated urban centers	HB 1335 - Springer SB 5243 - Tom	- Both bill are "DEAD" - 4/22 Returned to Rules for 3 rd Reading

Eliminate cities' obligation to pay impact fees exempting low-income housing	HB 1398 - Fitzgibbon	- Bill is "DEAD" - 4/22 Returned to House Rules for 3 rd Reading
Fire benefit authority	(HB 1230 & SB 5155)	- Both bill are "DEAD" - 4/22 Returned to House Rules for 3 rd Reading

A detailed matrix tracking the status of Kirkland's legislative priorities as of April 22 is attached to this memorandum (Attachment A).

2011 LEGISLATIVE SUPPORT OF ALLIES:

Of the 32 legislative items of the City's ally organizations that the City selected to support, seven of those items (22%) are reflected in legislation that has passed. Four items (12.5%) are reflected in the budget process. The remaining 20 items (62.5%) either died or never actualized.

Support of Ally Org Select Priority Items	Bill Number	Status
PDR on behalf of inmates ineligible for penalties	SB 5025 – Hargrove	4/22 – Delivered to the Governor
Changing penalty amounts for public records violations	HB 1899 – Miloscia	4/22 – Delivered to the Governor
joint provision and management of municipal water	HB 1332 – Eddy	4/22 – Delivered to the Governor
Creating a complete streets grant program.	HB 1071 - Moeller	4/19 – Delivered to the Governor
<ul style="list-style-type: none"> Public Works Trust Fund Maintain the current investment in home visiting funding Maintain current funding for Washington Information Network (2-1-1) Maintain the State's investment in Housing Trust Fund. 	Proposed Budgets	4/25 - Governor proclaimed a special session. It is expected that the full Senate will return to Olympia on April 26, while House members will go to their home districts until budget negotiations reach an ending point.

A detailed matrix tracking the status of selected legislative items of Kirkland's ally organizations is also attached to this memorandum (Attachment B). Changes since the April 19 council meeting are highlighted in gray (dead), yellow (alive). The status of bills that the City has been tracking is shown in Attachment C.

Matrices updated April 29 will be emailed to Council in advance of the meeting on May 3.

STATUS OF HB 1812 – “Changing provisions relating to community municipal corporations”:

- March 8 - Heard in the Senate Committee on Government Operations, Tribal Relations & Elections
- April 22 - By resolution, returned to House Rules Committee for third reading

The meaning of “returned to House Rules Committee for third reading.” As mentioned at the beginning of this memorandum, at the end of the session bills that do not become law are returned to their house of origin, to the highest status they received. For HB 1812, it goes back to House Rules and is considered on 3rd reading status. The House and the Senate will sort out all of these bills and anything they want to put into play will get pulled from Rules and start moving again.

At some point, the legislature's informational web page for HB 1812 will appear with “Rules X” on it. This means that the bill is 'dead' and has been "X-filed". X-filing could happen during the special session or, it

may happen as late as the beginning of session next year, when the legislature sorts through what they want to keep alive (since the bills stay alive for a biennium).

END OF SESSION STATS:

Kirkland	Ally Org. Support	House	Senate
10 Legislative Priorities	32 issues	1288 bills introduced	1260 bills introduced
4 bills passed (40%) <i>1 bill "NTIB"</i>	11 passed (34%) <i>7 bills, 4 budget items</i>	353 passed (27%)	223 passed (17.5%)

The 2011 City Work Program, adopted by the City Council on February 1, 2011 called for "actively engaging both the City Council and City staff in the 2011 State Legislative Session to achieve Kirkland's adopted legislative agenda."

Achieving a 40% success rate this session was not an easy task and was made possible because the Council and Kirkland staff were actively engaged.

Each Kirkland City Council Member traveled to Olympia at least once to testify in support of the City's legislative priorities. In total, Council members testified at 14 hearings.

Kirkland's subject-matter experts (Dave Godfrey, Jenny Gaus, Donna Burris, Van Sheth, John MacGillvray, Julie Elsom, Dawn Nelson, Ellen Miller-Wolfe and Paul Stewart) drafted specific talking points and drafted 16 letters advocating specific support for not only the City's priorities but also support for the selected priorities of our ally organizations.

The City's legislative delegation from the 45, 48 and 32 advocated strongly on behalf of the City's interests throughout the session.

Representative Larry Springer (LD 45) was a champion this session, carrying an enormous load in Olympia, not only for the City of Kirkland but on behalf of all Washington cities. Three of Kirkland's four priority bills that the Governor is considering were sponsored by Representative Springer. (REET Flexibility, Annexation Census Requirements and Fiscal Relief)

Senator Andy Hill (LD 45) was an effective partner as well, sponsoring the Senate version of the Annexation Census Requirements bill and working with Senator Maralyn Chase (LD 32) and OFM staff to negotiate agreement on the final language for that bill. The City can look forward to continuing to develop our working relationship with Senator Hill in the interim.

While all of our House Representatives supported the City's Public Safety Building funding request, Representative Cindy Ryu (LD 32) advocated for this request consistently throughout the session.

Representative Ross Hunter (LD 48) worked to hold the line on existing funding sources while avoiding unfunded mandates. Representative Deb Eddy (LD 48) sponsored the CWA's bill providing for the joint provision and management of municipal water, wastewater, storm and flood water, and related utility services, which is waiting for the Governor to sign it into law.

Other key legislators who worked with us and advocated on behalf of the City's interests are Senator Steve Litzow (LD 41), Senator Scott White (LD 46), Senator Mary Margaret Haugen (LD 10), and Representative Judy Clibborn (LD 41).

Letters thanking these legislators for their efforts are in the process of being drafted and will be sent soon.

Attachments: Status of City's 2011 legislative priorities
Status of Ally Support 2011 legislative priorities
List of bills the City is tracking and positions

City of Kirkland Legislative Priorities and Status: 2011 Legislative Session

Attachment A

Updated 4.25.11

	Legislative Priority	Bill #	Prime Sponsor	Status
1	Oppose new mandates and cost shifting			See bill tracker – monitoring status of all bills.
2	Financial assistance for the construction of the Public Safety Building	HB 1497 SB 5467	Kirkland Legislators	PSB funding request was not included in either Capital Budget See Attachment B for details on budget items (operating and capital) filled in - human services, capital and Puget Sound/stormwater.
3	Flexibility in the use of Real Estate Excise Tax revenue for infrastructure and parks maintenance.	HB 1953 (AWC)	Rep. Springer	4/22 – Delivered to the Governor
4	Financial relief for annexation census requirements through the ability to use alternate enumeration methods such as the federal census.	SB 5505	Sen. Hill	4/22 – Delivered to the Governor
5	Support legislation for roadway pricing tools that provides funding for high priority transportation routes, promotes multi-modal transportation modes and mitigates collateral impacts.	HB 1382	Rep. Clibborn	4/22 – Delivered to the Governor
6	Preserve all options for future use of the BNSF corridor and state financial assistance to implement multiple uses.	NA		Monitored bills that would restrict possible uses of the corridor and continue to bring project to legislator's attention for future action.
7	New financing tools to support public/private partnerships including flexibility in the use of existing tax sources to support new development and to facilitate small business growth through the use of microloans.	HB 1881 (AWC) SB 5705	Rep. Springer Sen. Kilmer	Possible NTIB > Bill appears dead Possible NTIB > Bill appears dead
8	Streamlining the state environmental policy act process.	HB 1952	Rep. Uptegrove	3/5 Passed House – yeas, 95; nays 2; absent, 0; excused 1 3/8 Read into Environment, Water & Energy Bill is "died" 4/22 Returned to House Rules for 3rd Reading

City of Kirkland Legislative Priorities and Status: 2011 Legislative Session

Updated 4.25.11

9	"Fiscal relief" bill to postpone various city reporting requirements.	HB 1478	Rep. Springer	4/22 – Delivered to the Governor
10	Support the principles of growth management by assigning funding priority for infrastructure in communities with designated urban centers	HB 1335 SB 5243	Rep. Springer Sen. Tom	Both bills "died" 4/22 Returned to Rules for 3rd Reading
11	Amend RCW 82.02.060 to eliminate cities' obligation to pay impact fees from qualifying public funds when exempting low-income housing from impact fee requirements.	HB 1398	Rep. Fitzgibbon	2/22 Passed House - yeas, 86; nays, 8; absent, 0; excused, 4 4/12 Bill "died" on the floor of the Senate 4/22 Returned to House Rules for 3rd Reading
12	Fire benefit authority	HB 1230 SB 5155		Both bills "died" 4/22 Returned to Rules for 3rd Reading

Legislative Support Issue	Bill #	Prime Sponsor	Status
Association of Washington Cities			
<p>Provide flexibility within current revenue and regulatory frameworks to respond to these challenging times</p> <ul style="list-style-type: none"> • City fiscal flexibility package, such as greater flexibility in the expenditure of locally collected real estate excise tax (REET). • Fund, Flex, Repeal, Amend, Pause (FFRAP), such as delaying adoption of new storm water regulations until the existing ones are successfully implemented and funded. 			<p>See Top Priorities Sheet for Update...</p>
<p>Enact new tools to help cities recover, thrive and be efficient</p> <ul style="list-style-type: none"> • Pro-active public record proposals that address some of the problems that come with the burgeoning public records requests. • Options for creating sustainable personnel related costs. • Additional tools for combating gang activity including funding for gang intervention and prevention activities. • Street maintenance utility authority. 	<p>SB 5022</p> <p>HB 1033</p> <p>SB 5025</p> <p>HB 1034</p> <p>SB 5049</p> <p>SB 5062 HB 1139</p>	<p>Sen. Kilmer</p> <p>Rep. Eddy</p> <p>Sen. Hargrove</p> <p>Rep. Takko</p> <p>Sen. Kline</p> <p>Sen. Pridemore Rep. Armstrong</p>	<p>3/4 Passed - yeas, 47; nays, 0; absent, 1; excused, 1 DEAD</p> <p>HB is dead</p> <p>4/22 – Delivered to the Governor</p> <p>HB is dead</p> <p>SB is dead</p> <p>SB is dead HB is dead</p>
Page 1 of 6			

			<p>Learning home visiting appropriations.</p> <p>However, the federal health care plan included provisions for home visiting grants if the state's home visiting account is funded at a "maintenance effort" around the \$1.6M-\$1.7M level.</p> <p>To take advantage of these grants, the House transferred the \$600k for home visiting from Dept of Early Learning and put it into the Home Visiting Account managed by the Office of Financial Management and appropriated an additional \$1.2M into the home visiting account. In total, the House appropriates \$1,868,000 into the Home Visiting Account.</p> <p>For Home Visiting, the Senate proposed \$500K for 2011 for the home visiting program and of that \$500k, \$200k shall go to the Home Visiting Account.</p> <p>211 funding was not cut in the Governor's proposed supplemental nor in the House proposed supplemental (HB 1086) and the Washington Telephone Assistance Program account (where 211 is funded from) was not swept. The Governor, however, did not propose funding 211 in the 11-13 budget.</p> <p>The House proposed \$500K in funding for 2012 and \$500K for 2013 through the Washington Telephone Assistance Program (Springer amendment in W&M)</p> <p>The Senate budget provides \$500K for 2012 and \$500k for 2013 for 2-1-1 funding.</p>
Environmental Priorities Coalition			
<ul style="list-style-type: none"> • Budget Solutions for our Environment – Develop a proactive approach that will improve the economy while maintaining environmental protections. • 2011 Clean Water Act/Working for Clean Water -- Fund job-creating projects across 	<p>HB 1735 SB 5604</p>	<p>Rep. Ormsby Sen. Nelson</p>	<p>HB is dead SB is dead</p>

the state by building water infrastructure that will clean up our water ways.			
Washington Fire Chiefs Association			
<ul style="list-style-type: none"> Require simple majority elections (50% +1) for Emergency Medical Services levies and Benefit Charge elections. Provide funding for CBRNE/Funded Regional Hazardous Materials Teams. Mandate radio repeaters for use by emergency responders inside buildings larger than 10,000 square feet. Exempt major fire department capital equipment purchases from State sales tax or allow for some form of a rebate. 	HB 1476 SB 5381	Rep. Haigh Sen. Prentice	HB is dead SB is dead
Washington Association of Sheriffs and Police Chiefs			
<ul style="list-style-type: none"> Burglar Alarm Program information protection – Amend RCW 42.56 to protect law enforcement false alarm program information from public disclosure that would compromise the security of properties. Require that red light cameras comport with federal standards and that fines are equalized. Increase penalties for vehicle prowling. 	HB 1234 SB 5244	Rep. Moscoso Sen. Fraser	<p>2/25 Passed - yeas, 97; nays, 0; absent, 0; excused, 1 4/12 – Bill died on the Senate floor</p> <p>2/2/ Passed - yeas, 46; nays, 0; absent, 0; excused, 3 DEAD</p> <p>WASPC ended up not putting these on their agenda.</p>
Washington Bicycle Alliance			
Safe Routes to School – Protect existing funding and find ways to improve the program to better meet the demand created by schools.	HB 1071	Rep. Moeller	4/19 – Delivered to the Governor
Washington Recreation and Parks Association			
<ul style="list-style-type: none"> Real Estate Excise Tax -- Provide local-option legislation allowing cities and 			

<p>counties to use up to 25 percent of the revenue from the two local 1/4-percent Real Estate Excise Tax (REET) collections to be used for maintenance and operations of parks and recreational facilities.</p> <ul style="list-style-type: none"> Washington Wildlife Recreation Program (WWRP) – Support the request by the Recreation and Conservation Funding Board, the Washington Wildlife and Recreation Council (WWRC), WRPA, and others to preserve a \$100 million 2011 Capital Budget funding level for the Washington Wildlife and Recreation Program (WWRP) Grant program. 			<p>See Top Priorities Update Sheet.</p> <p>The Governor’s proposed capital budget for 11-13 created the “Puget Sound Washington Wildlife and Recreation Grants” program, which selects certain projects off the WWRP ranked list. The House proposed capital budget funds WWRP at \$50 million using the traditional RCO ranking. The Senate proposed capital budget funds WWRP at \$20 million with traditional ranking plus pulls some WWRP projects in to a new program called “Jobs in Recreation” and funds that at about an additional \$16 million.</p>
Washington Low-Income Housing Alliance			
<ul style="list-style-type: none"> Maintain the State’s investment in Housing Trust Fund. 			<p>The Governor’s proposed capital budget for the 11-13 biennium gives \$40m to the Housing Trust Fund. The House proposes \$60 million and the Senate proposes \$30 million.</p>
Washington Chapter of the American Planning Association			
<ul style="list-style-type: none"> Create a funding mechanism for Planned Action EIS -- Amend RCW 82.02.020 to allow jurisdictions to impose a fee or charge on development for preparation of a Planned Action EIS. 			
WRIA 8			
<ul style="list-style-type: none"> Funding – Support legislation to establish a sustainable funding mechanism to implement the Puget Sound Partnership agenda including funding for projects, programs, permitting and monitoring 	<p>HB 1332</p> <p>SB 5198</p>	<p>Rep. Eddy</p> <p>Sen. Pridemore</p>	<p>Watershed Bills:</p> <p>4/22 – Delivered to the Governor</p> <p>SB is dead</p>

<p>related to storm water pollution in Puget Sound and throughout Washington State.</p> <ul style="list-style-type: none"> • Authorize legislation for creation of multipurpose Watershed Districts. 	<p>HB 1735 SB 5604</p> <p>HB 1497 SB 5467</p>	<p>Rep. Ormsby Sen. Nelson</p> <p>Rep. Dunshee Sen. Kilmer</p>	<p><u>Storm Water:</u> HB is dead SB is dead</p> <p>Capital Budgets: Salmon Recovery money – Senate at \$70m (\$60 fed and \$10m state) compared to House \$60m. Puget Sound restoration projects – Senate at \$15m vs. House at \$30m Stormwater - Senate at \$50m vs. House at \$46m</p>
<p>Additional Legislation to Support</p>			
<ul style="list-style-type: none"> • Support brown grease to energy conversion legislation and programs. • Support modification of the Washington State Department of Licensing’s (DOL) implementation of the Commercial Driver’s License process. • Support legislation providing for the safe collection and disposal of unwanted drugs from residential sources through a producer provided and funded product stewardship program. • Support an amendment to RCW 46.68.090 that would allocate gas tax revenues between counties and cities based on a per capita allocation rather than the current fixed percentages. • Support legislation that would allow cities access to the State Department of Labor and Industries data as a means of verifying local business tax payments. 	<p>HB 1370 SB 5234</p>	<p>Rep. De Wege Sen Kline</p>	<p>HB is dead SB is dead</p>

Bill	Title	Position	Status
<i>Support</i>			
HB 1012	Planning commissioners	Support	Signed by the Governor
HB 1014	Watersh mgmt partnerships	Support	DEAD
HB 1071	Complete Streets grant prog	Support	Delivered to the Governor
HB 1087	2009-11 & 2011-13 operating appropriations		On Concurrence Calendar. Referred to House Rules 3
HB 1223	Street vacation hearings	Support	Signed by the Governor
HB 1234	Security alarms, crime watch	Support	DEAD
HB 1332	Utility services joint mgmt	Support	Delivered to the Governor
HB 1382	Express toll lanes/eastside	Support	Delivered to the Governor
HB 1398	Low income housing/fee ex.	Support	DEAD
HB 1406	intrastate building safety mutual aid system	Support	Delivered to the Governor
HB 1469	Landscape conservation	Support	DEAD
HB 1478	Fiscal relief/cities & towns	Support	Delivered to the Governor
HB 1497	2011-2013 capital budget	Support	NTIB
HB 1730	Authorization of bonds issued by local gov	Support	Delivered to the Governor
HB 1881	Community redevelopment financing	Support	DEAD; possibly NTIB
HB 1953	Real Estate Excise Tax	Support	Delivered to the Governor
HB 1969	Exempting FCDZ from regular property tax lev	Support	Delivered to the Governor
<i>Neutral</i>			
HB 1702	impact fees/convenants	Neutral	DEAD
HB 1812	Relating to community municipal corporations	Neutral	DEAD
HB 1997	Tourism, workfrce hsg, art & hrtge progrms	Neutral	DEAD
HB 1634	Regarding underground utilities.	Neutral	Delivered to the Governor
<i>Oppose</i>			
HB 1026	Adverse possession actions	Oppose	Delivered to the Governor
<i>Undecided</i>			
HB 1217	Speed limits		4/22 Returned to House Rules for 3rd Reading
HB 1662	appeal/shoreline mgmt act		4/22 Returned to House Rules for 3rd Reading
HJR 4217	Community redevelopment financing		DEAD; possibly NTIB

Bill	Title	Position	Status
<i>Support</i>			
SB 5022	Court actions/42.56.550	Support	DEAD
SB 5025	Inmate public record req.	Support	Delivered to the Governor
SB 5034	Concerning private infrastructure development	Support	Delivered to the Governor
SB 5098	minors in parks/recs progs	Support	Delivered to the Governor
SB 5143	Annexation/fire prot. Dists.	Support	DEAD
SB 5154	Modifying vehicle prowling prov	Support	DEAD
SB 5192	Shoreline Management Act	Support	Delivered to the Governor
SB 5244	security alarms, crime watch	Support	DEAD
SB 5253	landscape conservation	Support	Delivered to the Governor
SB 5467	2011-2013 capital budget	Support	NTIB
SB 5505	census data/annexation	Support	Delivered to the Governor
SB 5705	Community redev financing	Support	NTIB
SB 5834	Extending lodging taxes to programs arts/herit	Support	DEAD
<i>Neutral</i>			
SB 5607	impact fees/covenants	Neutral	Senate Rules "X" file
SB 5457	Funding from car tabs for Transit		Delivered to the Governor
<i>Oppose</i>			
SB 5553	Requiring cities post certain info on web sites	Oppose	DEAD
<i>Undecided</i>			
SB 5188	Traffic control signals		Senate Rules "X" file
SB 5265	Multijurisdiction flood control zones		returned to Senate Rules for 3rd reading
SB 5693	"Copy"/public records act		Senate Rules "X" file
SB 5695	Local gov't bonds		Concurrence Cal. Ref to Senate Rules 3
SJR 8213	Community redevelopment financing		DEAD; possibly NTIB



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

Date: April 21, 2011

Subject: VOTING DELEGATES - ASSOCIATION OF WASHINGTON CITIES ANNUAL CONFERENCE AND BUSINESS MEETING, JUNE 21-24, 2011, SPOKANE, WA

Recommendation

City Council designates three voting delegates to represent the City of Kirkland at the Association of Washington Cities (AWC) Annual Business Meeting.

Background Discussion

The AWC annual business meeting will be held Thursday, June 23, 2011, 4:10 – 5:30 p.m., at the Spokane Convention Center, Spokane, WA. Should the City Council wish to participate in the meeting, the voting delegates will need to be designated and their names must be filed with the AWC.

The City of Kirkland is eligible to designate three voting delegates. The delegate or proxy must be present at the meeting to cast a vote. The recommended action is consistent with Council practice.



The following are the official
2011 VOTING DELEGATES for:

Thursday, June 23, 2011

4:10 – 5:30 pm

(Please note the new date and time.)

City/Town of _____

	Name	Title
1.	_____	_____
2.	_____	_____
3.	_____	_____

Mayor's signature: _____

Please return by Monday, June 13, 2011
Fax to Michelle Catlin at (360) 753-0149



CITY OF KIRKLAND

Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3225
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dawn Nelson, Planning Supervisor, Planning and Community Development
Sharon Anderson, Human Services Coordinator, Parks and Community Services
Michael Cogle, Interim Deputy Director, Parks and Community Services
Jennifer Schroder, Director, Parks and Community Services

Date: April 26, 2011

Subject: COMMUNITY DEVELOPMENT BLOCK GRANT OPTIONS

RECOMMENDATION

Receive a report on the City's options for participating in the Community Development Block Grant (CDBG) program and provide direction to staff to bring back an appropriate resolution of intent for Council consideration at the May 17, 2011 meeting.

Staff's preliminary recommendation is that the City enter into an agreement with King County to become a CDBG Joint Agreement City based on the amount of local control gained over CDBG funds compared to the costs and risks.

BACKGROUND

The City currently receives its CDBG funds through the King County CDBG Consortium based on an Interlocal Cooperation Agreement with King County. With the annexation that will become effective June 1st, the City will surpass the population threshold of 50,000, presenting options for how we may choose to receive CDBG funding. The three options available are identified briefly below. A more detailed matrix of pros and cons related to each option is included in Attachment 1. Attachment 2 is a graphic that identifies the relative levels of local control and risk for the three options.

- 1. Remain part of the King County CDBG Consortium by renewing the existing interlocal agreement for 2012 – 2014.** In this option, the City does not receive any direct CDBG funds. Instead, it participates in the process of allocating several million dollars with the other cities in King County that have fewer than 50,000 people. King County staff administers this program, which is paid for through the planning and administration portion of the CDBG allocation. City staff participates in the Consortium staff group that makes funding recommendations to the Joint Regional Committee (JRC), the group that makes funding decisions.

- 2. Participate in the Consortium as a Joint Agreement city by executing a new interlocal agreement for 2012 – 2014.** In this option the City and the County each receive some of the CDBG funds attributable to the City, with each having different responsibilities for program administration. The County would retain half of the planning and administration allocation to provide contract oversight and satisfy federal administrative requirements. The City would retain the other half of the planning and administration allocation, which can be used to pay for staff to provide the necessary program support. The City would also receive a portion of the public service and capital CDBG funds to allocate to eligible projects that are selected by the City. Shoreline and Renton are currently Joint Agreement cities. Redmond is in the process of considering the Joint Agreement option.
- 3. Become a Direct Entitlement city and receive funds directly from the Department of Housing and Urban Development (HUD).** Although this would bring the entirety of the City's CDBG funds directly to the City, it also comes with the full burden of administering the entire program, as well as full responsibility for all federal compliance and reporting requirements. Seattle, Bellevue and Kent are currently Direct Entitlement cities. Federal Way recently announced that it would be changing its status from Joint Agreement to Direct Entitlement.

The decision process must follow the timeline outlined below to comply with HUD requirements:

May 17, 2011	City Council Decision: The County requires that we notify it of our intent to proceed by May 27, 2011. Staff will prepare a resolution of intent for the May 17 th meeting based on Council direction at the May 3 rd meeting.
July 2011	HUD Eligibility Criteria: HUD will officially notify the City of its eligibility to participate as a Joint Agreement or Direct Entitlement city by July 2011. HUD requires final action by King County by July 15, 2011.
September 2011	2012 CDBG Allocation Plan: Staff will follow up with the City Council in late summer to present options for allocating the capital and human services dollars for 2012. Decisions must be made by late September.

Use of CDBG Funds - General

The primary objective of the federal CDBG program is to support the development of viable urban communities by providing decent housing, a suitable living environment (community facilities and public infrastructure) and expanded economic opportunities, principally for persons of low and moderate income. The three areas where CDBG funds can be used are:

- Capital projects serving low and moderate income residents;
- Public service programs serving low and moderate income residents (capped at 15% of the CDBG allocation); and
- Planning and administration in support of these activities (capped at 20% of the CDBG allocation).

Consortium Allocation of CDBG Funds

One of the primary benefits of being part of the CDBG Consortium is that a wide variety of projects and programs can be funded because the CDBG funds are pooled and process efficiencies are gained. This is similar to the philosophy behind ARCH – more can be done collectively than individually.

The North/East subregion of the King County CDBG Consortium has funded the following capital projects in the last six years: rehabilitation of community facilities including Elder and Adult Day Services in Bellevue; Northshore Senior Center in Bothell; Carnation sidesewer rehabilitation project and senior center improvements; Duvall water main projects; a community well in Baring, a Skykomish Wastewater project; a Snoqualmie street light project; and various affordable housing projects in East King County through ARCH. ARCH cities represent 48.5% of the low to moderate income population in this subregion and about 42.5% of the CDBG capital funding over the last six years was spent in ARCH jurisdictions.

Public service programs funded through the Consortium have been split equally between Emergency Assistance and Emergency Shelter uses. Eastside providers that have received funding include Hopelink (Kirkland, Sno Valley, Redmond, Northshore, Avondale Park Family Shelter, Kenmore Family Shelter), Eastside Domestic Violence Prevention, Eastside Interfaith Social Concerns, Friends of Youth, and Volunteers of America.

Two additional areas where the Consortium has chosen to allocate funds are in Housing Stability and Housing Repair. Residents with low and moderate incomes have equal access to these programs, as they are operated on a first-come, first-served policy. The Housing Stability program is part of the public services funding and is a move-in and eviction prevention program that provides assistance to renters and homeowners in danger of losing their housing. Fifty-five households in the North/East subregion were helped through this program in 2010, including nine in Kirkland.

Twenty five percent of the CDBG allocation in King County is directed toward the Housing Repair program, which allows deferred home loans up to \$25,000 for health, safety and building preservation repairs. In the last three years, 125 housing units were repaired through this program in the North/East subregion. This included nine units in Kirkland.

City Control of CDBG Funding

As a Joint Agreement city, Kirkland would continue to participate in the CDBG Consortium, but would also gain some flexibility in determining how a portion of its CDBG funds are spent. Under the Joint Agreement interlocal, the City would be required to continue making contributions to the Housing Stability and Housing Repair programs, making Kirkland residents eligible to access these funds.

Under the Direct Entitlement option, the City would not participate in the Consortium and would determine independently how all of its CDBG funds could be spent. The Council Finance Committee considered this option at its March and April meetings and recommended that the City not pursue it because of the significant staff costs and other risks outlined in Attachment 1.

This chart shows the anticipated CDBG funds attributable to or allocated to the City in 2012 under the three options. The amounts highlighted in green indicate funds for which the City would make spending decisions. Those decisions would need to be consistent with HUD requirements.

	Existing Status	Proposed Status	Status Not Recommended
	CDBG Consortium Member	Joint Agreement City	Direct Entitlement City
Housing Repair (Kirkland portion of Consortium total)	\$107,000	\$107,000	N/A ⁽³⁾
Housing Stability (Kirkland portion of Consortium total)	\$21,000	\$21,000	N/A ⁽³⁾
Public Services (Kirkland portion of Consortium total)	\$43,000	N/A	N/A
Public Services - Kirkland	N/A	\$43,000 ⁽¹⁾	\$64,000 ⁽¹⁾
Capital Projects - Kirkland	\$34,000 ⁽²⁾	\$158,000 ⁽¹⁾	\$279,000 ⁽¹⁾
Planning and Admin. - Kirkland	N/A	\$43,000 ⁽¹⁾	\$86,000 ⁽¹⁾
Planning and Admin. - County	\$86,000	\$43,000	N/A

⁽¹⁾ These CDBG funds would be under City control. The total amount is \$244,000 under the Joint Agreement option and \$429,000 under the Direct Entitlement option.

⁽²⁾ Kirkland's anticipated credit for the Consortium allocation to ARCH Housing Trust Fund

⁽³⁾ Kirkland would **not** be required to fund this type of program, but could choose to do so by using some Capital (for Home Repair) and Public Service (for Housing Stability) funds.

Use of Capital Funds as a Joint Agreement City

Capital projects must meet narrow HUD guidelines (i.e. benefit low/moderate income individuals) and be an eligible CDBG activity such as public infrastructure within a city (e.g. sidewalk repair, sewer and water systems), community facilities, parks, affordable housing projects, and minor home repair programs. Three specific ways the City could decide to use capital funds are identified below. They are not mutually exclusive. However, as a Joint Agreement city, Kirkland would be limited to two capital projects per year that are not being funded with CDBG funds from other sources.

1. Invest in City sponsored capital projects that benefit a geographic area, like infrastructure or parks. Funds used for this type of project must be located in areas where at least 51% of the residents qualify as low or moderate income. The most recent data available from HUD indicates only three Census Block Groups (the smallest geography for which income data is available) in Kirkland and the annexation area together that meet this definition. They are shown on the map in Attachment 3. It is possible to use a survey method to determine areas of eligibility related to a specific project, but those surveys must be done to HUD specifications and paid for by the City.

2. Fund community facilities that serve a regional clientele, including Kirkland residents. As examples, four such applications are expected to be submitted to the CDBG Consortium for this year's funding cycle. They include:
 - Sophia's Place – a Homeless Women's Center in Bellevue
 - EADS – an Elder and Adult Day Services Center in Bellevue
 - Emergency Feeding Program – serving Seattle and King County
 - PROVAIL – a service center in Shoreline for those with traumatic brain injuries

Both Sophia's Place and EADS provide services that the City currently supports through its Human Services grant funding.

3. Allocate capital funds to ARCH to be used for affordable housing projects. In this scenario, Kirkland's CDBG funds could be used to take care of part of its annual parity contribution to the ARCH Housing Trust Fund. With annexation, the City's parity range will be \$280,000 to \$350,000. The City's annual contribution to the Housing Trust Fund has averaged \$240,000 for the last ten years, including CDBG funds that the City has directly allocated (prior to 2006) and been given credit for as part of the Consortium (since 2006). During that time, our parity range has been \$159,000 to \$269,000.

ARCH would determine which projects that have submitted Housing Trust Fund applications are eligible to receive CDBG funds. However, there are a number of limitations attached to the use of these funds that make them less flexible than general fund contributions. For example, the funds can be used to acquire property for affordable housing, but not to reimburse an agency that has already purchased land. They also cannot be used for the construction of new permanent housing. They can, on the other hand, be used for acquisition and rehabilitation of existing housing units.

Use of Public Services Funds as a Joint Agreement City

Public Services programs must serve Kirkland residents who are seniors, disabled, have special needs, or qualify as low- and moderate-income. Programs must also address the goals and strategies of the King County Consortium's Consolidated Plan and be eligible under CDBG regulations. Qualifying nonprofit organizations and public agencies serving residents can apply for funding.

As examples, Shoreline directs all of its Public Services funds to its Senior Center, while Federal Way distributes its funding among five different programs, ranging from dental care to food banks. The County Consortium has directed Public Services funds over recent years towards services related to emergency assistance and emergency shelters.

For many years prior to 2006 Kirkland directly distributed Public Services CDBG grants to community agencies (beginning in 2006 the Consortium consolidated the process for fund distribution so that Consortium member cities no longer directly allocated "pass-through" funds.) These Public Services grants were distributed and administered as part of the City's Human Services grant program.

Staffing Implications for Joint Agreement Option

As a member of the King County's CDBG Consortium, staff spends a nominal amount of time supporting CDBG activities, ranging from 40 to 60 hours per year. These responsibilities are primarily assumed by Sharon Anderson in her position as our Human Services Coordinator. Based upon the experiences of our colleagues at the cities of Renton, Shoreline, and Federal Way (each are currently Joint Agreement cities) we estimate that the staffing needs for Kirkland to become a Joint Agreement city would increase to about 700 to 1,000 hours per year, or from 0.33 to 0.50 FTE. This variability is due to both the potential number and potential types of CDBG projects and services which might be funded, and the resulting tasks necessary to implement and monitor them.

Current estimates (see chart on page 4) are that the City would receive \$43,000 for the purposes of administering CDBG activities associated with our funding allocation. This would provide for approximately 750 hours (0.36 FTE) of staff time, within the range (albeit the low end) of our staffing estimate. The amount of staff time required can potentially be managed by targeting CDBG funds to only a few select projects and services, and by integrating CDBG grant application processes with our City's existing human services granting program (with oversight by our Human Services Advisory Committee).

Should the Council decide to become a Joint Agreement city in 2012, Kirkland would need to make funding allocations this fall – before any CDBG funding would be made available to support planning and administrative tasks. This would create a one-time, short term need to provide staffing support in order to ramp up and implement an application process, the peak of which would occur from mid-July through September of this year. We have estimated the need for up to 150 hours of administrative staff support during this interim period, with an estimated cost of about \$3,000. Staff will be prepared to prepare a funding request and associated fiscal note should the Council decide on the Joint Agreement option.

Note that the change to a Joint Agreement structure will result in some level of increased Finance oversight to ensure City compliance with County (and Federal) requirements. While the impact of the CDBG change is difficult to judge and may be relatively small if the scope of the projects selected is limited, it highlights an emerging issue of the need for increased grant monitoring as the City pursues and secures more Federal funding. As this needs grows, it may necessitate the need for additional Finance resources to ensure compliance and support the audit process, which would be brought forward separately as needs become better defined.

The Future of CDBG

It should also be noted that the fate of CDBG funding is perennially threatened in the federal budget process. The recently approved federal spending bill for 2011 included a 15% reduction in funding from 2010 levels. The amounts represented in this memo assume that CDBG funding for 2012 will remain at the level approved for 2011. If CDBG allocations are smaller in the future, the City's and County's responsibilities to administer the program and comply with Federal requirements will not be diminished unless the CDBG program is revamped. Staffing requirements will likely remain the same under the joint agreement and direct entitlement options, while the Federal funds to support them would be reduced.

ATTACHMENTS

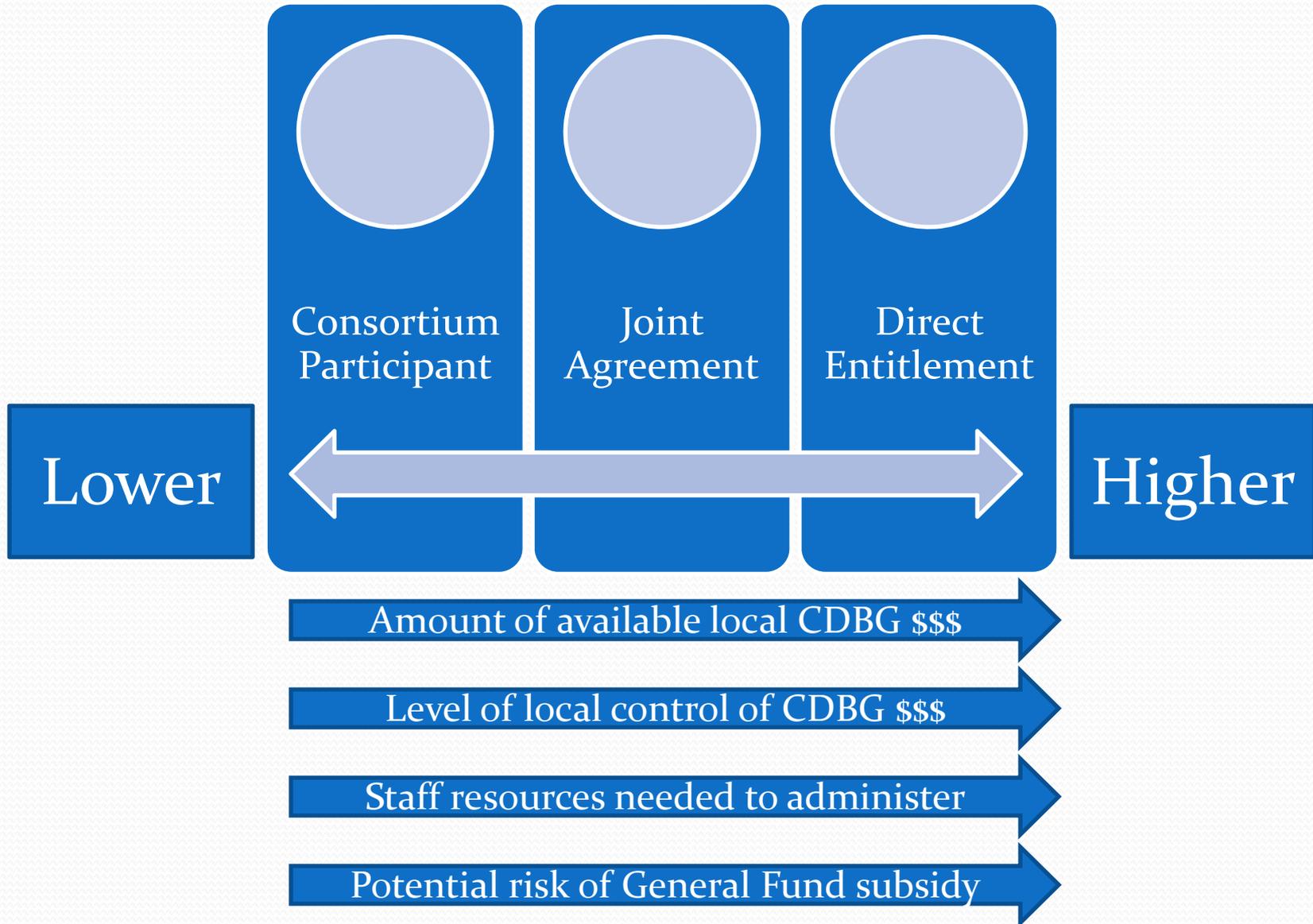
1. CDBG Participation Comparison Chart
2. CDBG Participation Factors Graphic
3. Kirkland and Annexation Area Block Groups Eligible for Area Benefit Capital Projects

**Kirkland's Options for Participating in the
Community Development Block Grant (CDBG) Program**

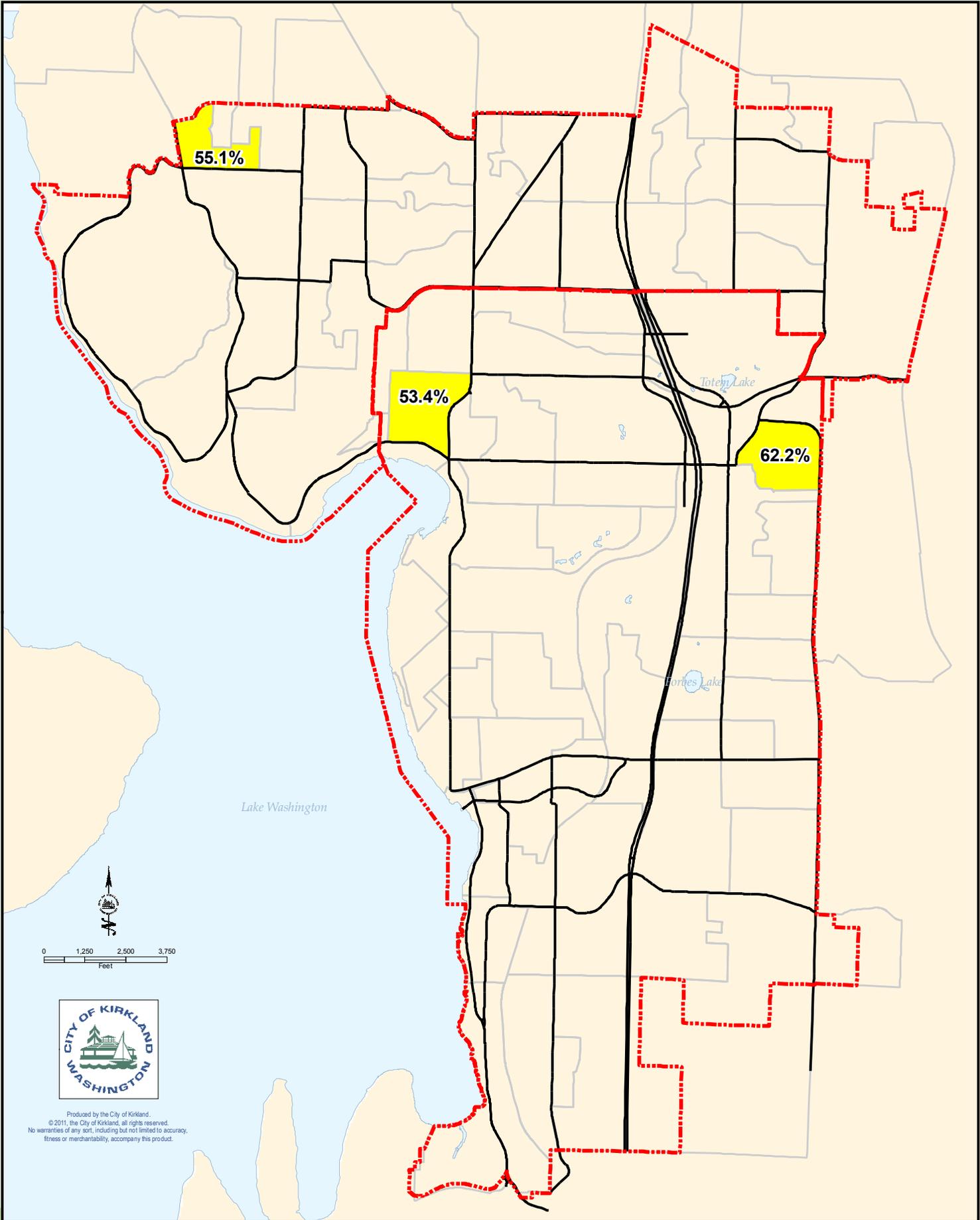
Option	Pros	Cons
CDBG Consortium	<ul style="list-style-type: none"> ▪ Pooling of funds can allow larger projects to be completed ▪ King County administers all aspects of the program ▪ King County bears all legal and financial responsibility ▪ Kirkland gets some credit toward its ARCH Housing Trust Fund contribution ▪ Kirkland residents who have low or moderate incomes have access to the Housing Repair and Housing Stability programs administered by King County ▪ Does not require any additional staff 	<ul style="list-style-type: none"> ▪ No local control of funding decisions
Joint Agreement	<ul style="list-style-type: none"> ▪ City has local control over some CDBG funds ▪ City selects eligible projects and programs to fund, within parameters of agreement with County (up to four public service agencies and two capital projects) ▪ King County administers capital projects ▪ King County is responsible for all federal reporting and audit findings ▪ Kirkland residents who have low or moderate incomes have access to the Housing Repair and Housing Stability programs administered by King County 	<ul style="list-style-type: none"> ▪ Would require an estimated additional 0.33 to 0.50 FTE (from \$39,000 to \$58,500) to administer overall program and public service contracts, with limited funding available from the program to support those FTE ▪ City is required to make funding allocations in the fall of the year prior to funds being received, which means that the City must run a selection process this year prior to any administrative funds being available to support the process ▪ City processes quarterly payments to agencies, submits vouchers to King

		<p>County, submit quarterly and annual reports to County, tracks program expenditures and income, and complies with OMB audit requirements</p> <ul style="list-style-type: none"> ▪ City is responsible for State audit findings
<p>Direct Entitlement</p>	<ul style="list-style-type: none"> ▪ City has local control over all CDBG funds 	<ul style="list-style-type: none"> ▪ Would require an additional estimated 1.00 to 1.50 FTE (from \$117,000 to \$176,000) to administer, with limited funding available from the program to support those FTE ▪ City is required to complete a Consolidated Plan by November 2011 and then every 5 years, with an estimated cost of \$50,000 ▪ The City is responsible for ensuring compliance with all Federal requirements, including prevailing wage monitoring, affirmative action, construction monitoring, relocation assistance and environmental review (NEPA, Endangered Species, Historic Preservation, Clean Air Act) ▪ City administers all aspects of program and must report quarterly and annually to HUD ▪ City is responsible all Federal and State audit findings

CDBG Participation Factors



Kirkland and Annexation Area: Census Block Groups with 51% or More Low/Moderate Income People



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MEMORANDUM

To: Kirkland City Council

From: Kurt Triplett, City Manager
Marilynne Beard, Assistant City Manager

Date: April 19, 2011

Subject: CITY COUNCIL RETREAT FOLLOW-UP

RECOMMENDATION:

City Council reviews and confirms the follow-up tasks resulting from the 2011 City Council Retreat.

BACKGROUND DISCUSSION:

The purpose of this memo is to describe follow-items from the City Council retreat to confirm that staff accurately captured Council direction.

STRATEGIC PLANNING AND COUNCIL GOALS

- Environmental Scan -- The Executive Team will conduct a SWOT analysis using the City Council goals as a framework. The SWOT will be available for the 2012 City Council retreat as a means to evaluate the Council goals against the existing environment and to plan for the 2013-2014 Biennial Budget.

Estimated completion: March 2012.

- Council Goals and Performance Measures -- Council goals and performance measures will be amended per Council input. Most performance measures were affirmed by the Council as complete. Further work was directed for the Human Services, Balanced Transportation and Public Safety performance measures. Staff will propose amended measures for Human Services and Public Safety. Council members Sternoff, Asher and Sweet will work with staff on the Balanced Transportation performance measures. Data fields for the currently approved measures will begin to be populated in May. Once the remaining measures are finalized, all data fields will be populated and the performance measure report will be completed and presented to the City Council for adoption.

Estimated completion: June 2011 -- Draft revisions; September 2011 -- Council Adoption of updated goals and performance measures.

- Program Reviews – The City Council supported the staff recommendation for conducting program reviews during the off-budget year of the planning cycle. Priorities

for program reviews may emerge as recommendations from the City Manager or requests from the City Council. For 2011, the Budget Process and Citizen Involvement are the focus for the program review. Depending upon the conclusion of ILA negotiations with Fire District #4, a strategic plan and program review for the Fire and Building Department may also be funded and conducted in 2011-2012. Program review options for the City Council to consider may also result from the citizen budget involvement process and will be presented at the City Council retreat.

Estimated completion: March 2012.

FINANCIAL PLANNING AND BUDGET PROCESS

- Focus Groups – Focus groups can be a useful means of understanding what people know about the City budget and what they want to see happen. Focus groups have the advantage of reflecting the attitudes of the general population because participants are solicited from the general populace. Focus groups were used several years ago to prepare for the budget process and those results can be reviewed to better define areas where new focus groups would be useful. If an outside consultant and facility are used to conduct the focus groups, each session typically costs about \$5,000. Contracted services include recruitment of focus group participants that are representative of community demographics, payment to participants, and use of facilities to videotape the session and consultant time to develop focus group questions and to facilitate the sessions.

Estimated completion: October 2011.

- Budget Contingency Planning -- Staff will work with the Council and potentially the Budget Advisory Team (see discussion below) to prepare a financial contingency plan that would outline the steps the Council would take in light of a variety of budget scenarios. The plan would include a process for evaluating the nature of imbalance between resources and requirements (such as whether it is positive or negative, short term or long term, localized or global). Depending on the nature of the imbalance, a series of options will be available that will match the appropriate tools to the situation and the factors causing an imbalance. Tools can include use of reserves, expenditure and/or service level changes and changes in revenue policy, each of which would be appropriate in differing scenarios. Within the category of expenditures, priorities will be articulated with regard to how to approach reductions or enhancements (e.g. mandatory versus of quality of life services, regional versus local, etc.). The objective would be to plan ahead for both negative and positive budgetary environments so that policies and priorities are defined outside of a crisis.

Estimated completion: May 2012

- Budget Advisory Team -- Staff will prepare a more detailed plan for convening the "hybrid" stakeholder/citizen group with the working title of the Kirkland Budget Advisory Team (KBAT). The KBAT will work with staff and the City Council to evaluate the sustainability of the City's budget and to assist in identifying priorities. The plan for convening the group will be presented to the City Council in July 2011 with a goal of convening the KBAT in September. The plan will include recommendations regarding:

- Name for the group.
- Charter for the group based on the City Council's existing goals (as updated).
- Size and membership.
- Recruitment and appointment process.
- Plan for educating and orienting the committee to the City budget and financial management practices.
- Options for a range of deliverables for the City Council to consider for budget planning purposes. Committee recommendations may be in the form of suggested priorities, evaluation of potential new revenue measures, and/or areas for further study or an evaluation of whether the City's budget is reflecting the community's priorities. The KBAT may also be a good resource for understanding the best ways to educate and involve the public in the budget process.

Estimated completion: July 2011 – Recommendation on membership, charter, and other logistics; September 2011 – Convene KBAT; March 2012 – Initial report from KBAT to City Council; June 2012 – Completion of KBAT work.

COMMUNITY EDUCATION AND ENGAGEMENT

- Education -- Staff will develop a plan for educating and engaging the public about City government and, in particular, the City's budget and financial challenges. The plan will involve a multi-media approach and focus on reaching the community in a variety of venues. Potential tools may include:
 - "Civics 101" Classes – Similar to the Citizen's Police Academy, classes will offer information, be interactive and provide opportunities for participants to provide input to the City Council.
 - Videos – Videos will be used to provide information and to educate the public about the services the City offers, City finances and the budget, how to get involved and make a difference. Videos can be made available on both of the City's cable channels as well as the City's website.
 - Media Outlets – To the extent possible, local media outlets will be used to present facts about City services, a focus on a particular challenge or work plan item and perspectives from Council members. Since the City does not control media publications, collaborative efforts will be sought with local media outlets.
 - New Media – Staff will continue to seek ways to use new media such as Facebook, Twitter, list serves, blogs and other social engagement technology to improve access and involvement by the community.

Estimated completion: August 2011 – Communications plan; October 2011 – Begin implementation.

- Engagement – The City Council expressed an interest in exploring alternatives for engaging the public in the budget development and review process. The Kirkland Budget Advisory Team is one way to engage a selected group of individuals in evaluating the City's budget. However, there is still a desire to provide avenues for the

general public to become involved. Over the years, staff has used a number of different methods to both inform and involve the public with regard to the budget with limited success (if success is measured by the number of individuals that participated). Experience indicates that individuals and groups tend to become involved when there is a specific issue that is impacting them (e.g. service level reduction, elimination of a service, tax and fee increases that affect a particular sector of the community). The City is currently recruiting for an intern to conduct research about successful efforts of other cities around the country. Specific recommendations and an outreach plan will be presented to the City Council once this research is complete.

Estimated completion: September 2011 – research results.

With City Council concurrence or further direction, staff will begin working toward the estimated completion dates and keep the Council apprised of progress.

PARKS BALLOT MEASURE EXPLORATORY COMMITTEE AND KBAT

At the April 19th Council meeting, the City Council heard testimony from the Parks Board and citizens requesting the City Council authorize the formation of a citizen exploratory committee for a potential parks bond or levy ballot measure. The Council authorized staff to work with the Parks Board to form such an exploratory committee and staff will be reporting back to the Council on May 17th on the issues and logistics related to creating the committee. If both groups are approved by the Council, the parks exploratory committee will be evaluating whether or not a parks ballot measure should be proposed at the same time that the Kirkland Budget Advisory Team will be reviewing Kirkland's overall budget and priorities and potential ballot measures. These two efforts will be running in parallel and will require clear communication and coordination among staff, Council and committee members. Staff will develop options for how the two processes might interact to be presented at the May 17th Council meeting.