CITY OF KIRKLAND
CITY COUNCIL

Joan McBride, Mayor • Penny Sweet, Deputy Mayor • Dave Asher • Jessica Greenway
Doreen Marchione • Bob Sternoff • Amy Walen • Marilynne Beard, Interim City Manager

Vision Statement

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

123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • TTY 425.587.3111 • www.ci.kirkland.wa.us

AGENDA
KIRKLAND CITY COUNCIL MEETING
City Council Chambers
Tuesday, June 15, 2010
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.ci.kirkland.wa.us, 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 (587-3190) or the City Manager's Office (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 587-3190, or for TTY service call 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.

P - denotes a presentation from staff or consultant

1. *CALL TO ORDER*

2. *ROLL CALL*

3. *STUDY SESSION*, Peter Kirk Room

   a. Joint Meeting with Transportation Commission

   b. Joint Meeting with Parking Advisory Board

4. *EXECUTIVE SESSION*

   a. To Review Qualifications of an Applicant for Public Employment

5. *HONORS AND PROCLAMATIONS*

   a. Battalion Chief David Kryger, Thirty Year Service Award
      Firefighter Steven Karthas, Thirty Year Service Award
      Retired Firefighter Arthur Hill, Twenty Five Year Service Award
      Volunteer Lieutenant Dave Lee, Twenty Five Year Service Award
      Lieutenant Gregory Picinich, Twenty Year Service Award
      Volunteer Firefighter Randall Maes, Twenty Year Service Award

6. *COMMUNICATIONS*

   a. *Announcements*

   b. *Items from the Audience*

c. Petitions

7. SPECIAL PRESENTATIONS

8. CONSENT CALENDAR

a. Approval of Minutes: June 1, 2010

b. Audit of Accounts:

Payroll $

Bills $

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.

c. General Correspondence

d. Claims

(1) Brett and Wendy Alston

(2) Aziz I. Jivani

(3) Charles Shields

e. Award of Bids

(1) 2010 Annual Striping Program, Stripe Rite, Inc., Auburn, Washington

(2) 2010 Street Overlay Project, Watson Asphalt Paving Company, Redmond, Washington

(3) Emergency Management Digital Message Display Signs, The Sign Factory, Kirkland, Washington

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.

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

(1) Resolution R-4817, Regarding Home Energy Reports for Kirkland Residents

(2) Resolution R-4818, Approving a Water Facility Agreement with Luna Sol and Authorizing the City Manager to Sign Said Agreement on Behalf of the City of Kirkland

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.

(3) Resolution R-4819, Authorizing the Duly-Appointed Administering Agency for ARCH to Execute All Documents Necessary to Enter Into Agreements for the Funding of Affordable Housing Projects, as Recommended by the ARCH Executive Board, Utilizing Funds From the City's Housing Trust Fund

(4) Resolution R-4820, Authorizing the City Manager to Enter Into an Animal Services Interlocal Agreement With King County

P - denotes a presentation from staff or consultant

h. Other Items of Business

(1) 2009 Annual Transportation and Park Impact Fees Report

(2) Appointment to Civil Service Commission

(3) Resolution R-4821, Relinquishing Any Interest the City May Have in an Unopened Right-of-Way as Described Herein and Requested by Property Owners Robert M. and Viera H. Lee

(4) Report on Procurement Activities

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

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

a. Ordinance No.4245 and its Summary, Authorizing and Providing for the Acquisition of Interests in Land for the Purpose of Construction of the NE 85th Street Corridor Improvements Projects, Within the City of Kirkland; Providing for the Acquisition of Necessary Land and Property Rights, Providing for the Cost of Property Acquisition and Authorizing the Initiation of Appropriate Proceedings in the Manner Provided by Law

b. Transportation Benefit District Process

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. Ordinance No. 4246 and its Summary, Relating to Modifications to Title 21 of the Kirkland Municipal Code Regarding Building and Construction

b. Ordinance No. 4247, Amending the Biennial Budget for 2009-2010

c. Resolution R-4822, Approving an Employment Agreement Between the Kirkland City Council and Kurt Triplett, its City Manager

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.

12. REPORTS

a. City Council

(1) Regional Issues

b. City Manager

(1) Calendar Update

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT

P - denotes a presentation from staff or consultant

Council Meeting: 06/15/2010
Agenda: Study Session
Item #: 3. a.

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

To: City Council

From: Transportation Commission, Don Samdahl Chair

Date: June 3, 2010

Subject: JOINT MEETING STUDY SESSION

RECOMMENDATION:

It is recommended that the City Council review and discuss the attached Transportation Conversations document and the proposed Transportation Commission work plan.

BACKGROUND:

Transportation Conversations

At their January 5, 2010 Council meeting, the first part of the Transportation Conversations document was presented to Council. This part of the document described the four guiding principles that the Commission developed to serve as a foundation for transportation policy making:

- Move People
- Be Sustainable
- Be an Active Partner
- Link to Land Use

Council asked the Commission to present the principles to the community, solicit their feedback, and continue with developing recommendations for three key transportation issues based on the principles.

Presentations on the principles were made during January, February, and March to the following groups:

January 13	Business Roundtable
January 13	Kirkland Alliance of Neighborhoods
January 14	Planning Commission
February 3	Norkirk Neighborhood Association
March 9	South Rose Hill/Bridle Trail Neighborhood Association
March 22	Houghton Community Council

All the groups were supportive of the principles and the general approach of the document; some suggested minor edits or additions which have to the degree possible been incorporated into the document. During the same community outreach process, a new issue arose – the future of the Eastside Rail Corridor. Many groups had questions regarding the future use of the Eastside Rail Corridor. The Commission has subsequently added this issue to the proposed workplan.

In addition to meeting with various groups in the community, over the past several months, the Commission has added discussions of three transportation issues, including recommendations, to the document, and a final draft of the document is Attachment 1 to this memo. The Commission would like to discuss any changes that the Council wishes to make to the document before it is finalized. As discussed below, some of the Transportation Conversations document recommendations have been incorporated into the Commission's work plan.

Work Plan

The work plan contains three sections: *Most Important* – items where action is required, *Maintain* — items necessary for conducting the business of the Commission, and *Monitor* – items that don't need particular action but that the Commission should stay in touch with.

At the June 15th study session, the Commission would like to discuss the work plan and any changes to the plan that Council would like to make. Three items from the Transportation Conversations recommendations, one from each issue area, have been incorporated into the work plan.

Transportation Commission Work Plan

July 2010 – June 2011

Principles: *Move People, Be Sustainable, Be an Active Partner, Link to Land Use*

Most important items to be proactively pursued with action expected			
ITEM		ACTION/COMMENTS	DATE
Eastside Rail Corridor		Develop interest statement	Current into early 2011
Transportation planning for annexation area		Determine issues and needs, layout steps for planning	Begin 1/2010
Complete Transportation Conversations		Approval by Council	July 2010
From Transportation Conversations	**Develop new level of service standards that align with transportation principles**	First step to multimodal development review	Begin 9/2010
	Develop clear goals and prioritization systems for project categories	Includes ranking and funding	Timing appropriate for CIP
	Develop ideas and strategies for linking Pollution, Climate change and health into Comprehensive Plan policies	Transportation policies should be linked	7/2010 through 6/2011
Determine transportation actions/investments that would be helpful for development of Totem Lake			Begin fall 2010
Maintain these items are routine or recurring			
ITEM		ACTION/COMMENTS	DATE
Joint meeting with City Council.		Study Session	Mid 2011
Comprehensive Plan updates		None in 2010	
Neighborhood Plan updates		Lakeview and Central Houghton	Completed by 12/2010
Elect officers		Last meeting of 2010	December
CIP process update		Minor update planned	In time for CIP
Active Trans. Plan implementation		Plan calls for annual report	September 2010
Monitor no particular action needed, but keep track of what is going on with these items.			
ITEM		ACTION/COMMENTS	DATE
SR 520 Eastside project/tolling			7/2010 through 6/2011
I-405 HOT lanes/NE 116th construction			
Metro Transit Task Force			9/2010 or after

TRANSPORTATION CONVERSATIONS

PERSPECTIVES ON KIRKLAND'S TRANSPORTATION POLICY

Move People
Be Sustainable
Be an Active Partner
Link to Land Use

City of Kirkland Transportation Commission

Final draft JUNE 2010

This document was prepared by the City of Kirkland Transportation Commission and does not necessarily reflect the views of City staff or the City Council

City of Kirkland Transportation Commission

Don Samdahl, Chair

Joel Pfundt, Vice-chair

Morgan Hopper

Tom Neir

Tom Pendergrass

Sandeep Singhal

Michael Snow

Carl Wilson

The Commission wishes to acknowledge former Commissioner and Chair Jon Pascal. His vision, inspiration and leadership helped create this document.

City of Kirkland Public Works Department

Ray Steiger, P.E. Interim Director

David Godfrey, P.E. Transportation Engineering Manager

Dave Snider, P.E. Interim Capital Projects Manager

Modern style, Paper colors, median font

Cover photo credits Clockwise from upper left: Juanita Drive, City of Kirkland; Eastside Rail Corridor, Georgine Foster; Totem Lake Area 1936, 2007, King County; www.pedbikeimages.org Dan Burden

INTRODUCTION

This document began as a tool to organize thinking around Kirkland's transportation policy. Kirkland is making progress in many areas of transportation, but principles underlying the different programs have not been enunciated. The Transportation Commission felt that the alignment illustrated in Figure 1 was missing --Kirkland's transportation vision wasn't clear and project priorities, policies and programs didn't flow logically. Securing agreement on principles that guide decision making is an important factor in achieving alignment of these elements. At a retreat in the spring of 2009, the Commission first developed these four principles.

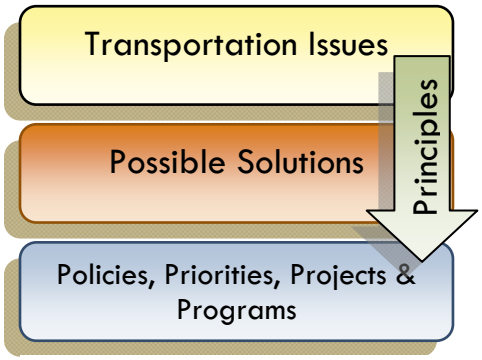

Figure 1 Consistent principles help align issues with possible solutions.

- Move People
- Be Sustainable
- Create Partnerships
- Link to land use

Often, the Transportation Commission is asked to recommend positions on issues for the City Council. Using the principles as a guide will help to give the Commission a uniform way of considering issues, and will also help ensure that the Commission's recommendations are grounded in principles that are supported by the Council and the Community (see Figure 2 Selected City of Kirkland City Council Goals. The principles identified in this document are closely aligned with these Council Goals. As the City's Comprehensive Plan undergoes a major update in 2011,

SELECTED CITY OF KIRKLAND CITY COUNCIL GOALS
(updated September 2009)

FINANCIAL STABILITY *Citizens of Kirkland enjoy high-quality services that meet the community's priorities.*
Council Goal: Provide a sustainable level of core services that are funded from predictable revenue.

BALANCED TRANSPORTATION *Kirkland values an integrated multi-modal system of transportation choices.*
Council Goal: To reduce reliance on single occupancy vehicles.

DEPENDABLE INFRASTRUCTURE *Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.*
Council Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

ENVIRONMENT *We are committed to the protection of the natural environment through an integrated natural resource management system.*
Council Goal: To protect our natural environment for current residents and future generations.

Figure 2 Selected City of Kirkland City Council Goals. The principles identified in this document are closely aligned with these Council Goals.

revisions to the Transportation Element of the Comprehensive Plan should rest on a foundation of the principles.

During the first months of 2010, the Commission discussed the principles with the Community. Based on those discussions, the principles were refined and then applied to three important transportation issues. Specific recommendations for each issue, developed by the Commission, and based on the principles are presented in the next part of the document. These recommendations are in the form of work items for the Commission or policy goals to be adopted by City Council.

THE PRINCIPLES

MOVE PEOPLE

SUPPORT A TRANSPORTATION SYSTEM, AND RELATED GOVERNMENT AND PRIVATE ACTIONS THAT PROMOTE ALL VIABLE FORMS OF TRANSPORTATION.

For more than 70 years, Kirkland's transportation system has been focused on moving cars. The principle of Moving People requires development of facilities and programs that support not only cars but travel by bicycle, transit and walking to move people where they want to go. The movement of people includes people who are moving in support of commerce, moving goods, freight and providing services. Moving cars has been the organizing concept for transportation during the past 70 years, but today people are seeking alternatives.

Figure 3 Juanita Drive is a complete street, with facilities for bicycles, pedestrians and cars.

Instead of considering how *people* can move around Kirkland, the city's transportation policy decisions have been based mainly on building and supporting infrastructure for *automobiles*. Level of service standards in our Comprehensive Plan that *require* transportation projects to be built consider only automobiles. Fees paid by developers to mitigate the transportation impacts of their developments can be spent only on projects that provide capacity for cars. Capital project spending is not currently balanced across modes; only a small fraction directly benefits cyclists and pedestrians.

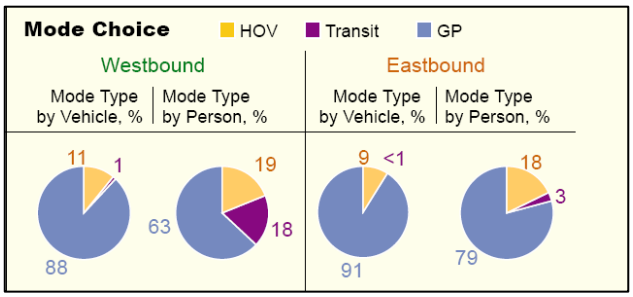

Figure 4 Mode split by vehicle trips and person trips, SR 520 bridge, AM period. In the westbound direction, transit carries 18% of the person trips in 1% of the vehicles. Source: WSDOT

Except for a few missing segments, Kirkland's street system is fully developed for auto travel. In order to have a complete transportation system however, the street system has to be complemented by additional facilities for other modes, such as the following:

- Facilities identified in the Active Transportation Plan[1] including bicycle lanes, trails and sidewalks
- Actions that allow buses to have increased speed and on-time performance
- Implementing Intelligent Transportation Systems[2] to operate the existing transportation system more efficiently
- Consideration of possible long-term availability of convenient rail access to our citizens

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[1] *More People, More Places, More Often* the City of Kirkland Active Transportation Plan is available on the City website www.ci.kikland.wa.us

[2] Intelligent Transportation Systems are the application of information and communications technology to transportation. Video cameras that relay information to travelers, remote operation of traffic signal systems, interconnection of traffic signals are all examples of ITS.

BE SUSTAINABLE

SUPPORT A TRANSPORTATION SYSTEM THAT CAN BE SUSTAINED OVER THE NEXT 50 YEARS. ACT TO ASSURE A TRANSPORTATION SYSTEM THAT:

- ***WILL BE PLANNED, DESIGNED, BUILT, OPERATED AND MAINTAINED USING REASONABLY ASSURED REVENUE SOURCES***
- ***MINIMIZES OVERALL ENVIRONMENTAL IMPACTS.***

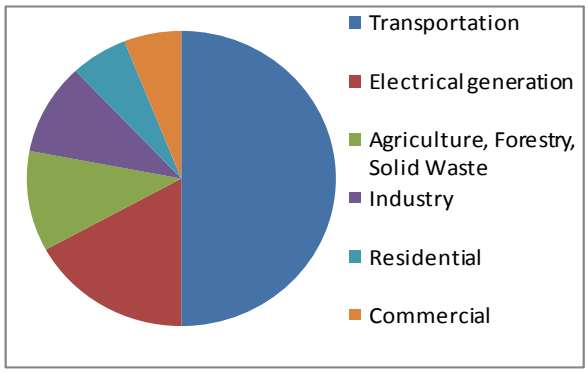


Figure 5 Relative contributions of various sources to greenhouse gas emissions, 2002. Source: Puget Sound Clean Air Agency.

If the transportation system is sustainable, its condition is stable or improving over time. Kirkland faces challenges in both sustainability areas. Because approximately 50% of greenhouse gasses are transportation related, (Figure 5) it will be impossible to meet the Council's and State's adopted climate change goals without changing the way we travel. Transportation is also the primary contributor to water and air pollution. Fiscally, even if all the current capital budget were spent on pavement preservation, it's likely that current maintenance standards could not be met. This is without funding the construction of other types of projects, like development of ITS and preservation of other transportation infrastructure. New funding methods and alternate transportation configurations must figure in our future transportation solutions if Kirkland is to move toward sustainability.

BE AN ACTIVE PARTNER

ACTIVELY BUILD AND MAINTAIN PARTNERSHIPS LOCALLY, REGIONALLY AND NATIONALLY, TO FURTHER OUR TRANSPORTATION GOALS.

A shared vision is vital to accomplishing transportation goals and leveraging resources. Partnerships must be created locally –between neighborhoods, businesses and others; as well as regionally –among Kirkland, other cities and transportation agencies like Metro, Sound Transit and the Washington State Department of Transportation (WSDOT).

In order to be successful, a renewed vision for transportation policy has to have support from stakeholders. At the same time, once agreement on a course of action is achieved, implementation must follow. The City of Kirkland has a sterling reputation for involving local stakeholders in decision making. However, too many times in the past plans have been adopted only to unravel during implementation when criticism from a few undermines previous resolve. Recent struggles around downtown land use decisions exemplify this problem. Traffic doesn't stop at city borders. Cars, buses, bicycles and pedestrians all travel within and between cities.

Kirkland is bisected by I-405, which is the responsibility of the WSDOT. Transit service is provided by King County Metro and Sound Transit both of which are governed by separate boards. Regional policy determines, to a large extent, the minimum number of person trips that Kirkland must plan for. For all these reasons, working with other agencies is a requirement for achieving Kirkland's transportation goals. Kirkland must be proactive in its work with regional partners. Kirkland should come to other partners with a strong sense of our needs rather than reacting to what is offered by others.

LINK TO LAND USE

ENSURE CONSISTENCY BETWEEN LAND USE AND TRANSPORTATION PLANNING AND IMPLEMENTATION.

Transportation networks are often designed to support certain land use patterns. At the same time, transportation facilities can alter and influence land use patterns. Land use and transportation plans must be developed with consideration of effects each has on the other.

The interchange at I-405 and NE 124th Street has been reconstructed several times since it was first built. In 1936 (see Figure 6) the area was rural. A modest interchange supported the semi-rural land of the mid 1960's. However, the fact that there was an interchange at all presented an opportunity to intensify the land use. As the land use changes increased, more capacity was added to the interchange which in turn supported more land use growth.

System performance is a result of land use and transportation (Figure 7). The intersection of land use and

Figure 6 The I-405 NE 124th Street area 1936 (left) and 2007 (right). Land use and transportation changes combined to transform the area. Source: King County

transportation network takes place most fundamentally in Kirkland's Comprehensive Plan where the Land Use and Transportation Plans reside. Discussions about the implications of land use and transportation often take place during development review where the impacts of development are quantified and mitigations are proposed.

Figure 7 Transportation system performance is as much a function of land use as it is of facilities and programs.

Transportation plans need to be support/respond to the City's land use vision. That vision will not be realized without a transportation plan that supports it.

ISSUES

The Commission selected three issues to examine in more detail. These issues are relevant, timely and offer opportunities for progress. Taken together, they span Kirkland's transportation spectrum and touch the life of every Kirkland citizen. Each issue is examined in the context of the principles identified above.

Development Review. New developments cause impacts on the transportation system. Development review is the process by which city staff reviews those impacts and prescribes mitigating measures. Elements of development review include Transportation Impact Analysis, concurrency, State Environmental Policy Act (SEPA) and impact fees. In 2008, the Commission proposed several ideas for improvements to concurrency but was not able to achieve adequate consensus to move forward. Several other aspects of development review are in need of improvement. Development review has important influences on both project funding and land use decisions.

Funding. Project funding and prioritization has not been comprehensively looked at for 10 years. Ensuring the adequacy of capital funding and its proper allocation is the most important challenge facing Kirkland's transportation system.

Pollution, climate change and public health. Increasing attention is being paid to the role of transportation in climate change and in public health issues such as obesity. Automobiles are important contributors to air and water pollution. Kirkland has not yet comprehensively examined this relationship. The following table shows how the three issues fit within the framework of the principles

TABLE 1 ISSUES AND PRINCIPLES

Issue → / Principle ↓		Development Review	Funding	Climate change/public health/pollution
Move People		Analysis and mitigation currently focus on moving motor vehicles. This needs to change in order to give equal or greater weight to other modes.	Clear funding levels and priorities have not been identified across all kinds of projects. Most funding goes to projects focused on moving cars.	How people move will determine impacts on climate change, health and pollution.
Be Sustainable	fiscal	Fiscal sustainability will have to address concurrency because funding projects to meet concurrency account for a large portion of the capital budget costs.	Funding of transportation is not tied to sustainability goals.	Fiscal sustainability will require changing transportation pricing to account for the costs of climate change, pollution and public health impacts.
	environment	Environmental sustainability is not currently part of the development review process.	Choices of funding mechanisms can impact vehicle miles of travel and green house gas production.	Environmental sustainability is directly impacted through this issue.
Create Partnerships		Changing development review practices requires acceptance from a number of internal and external stakeholders.	Funding priorities and funding levels will require agreement from many groups.	Kirkland cannot meet its goals on its own and requires state and regional partners.
Link to Land Use		Development review is intended to coordinate land use choices and transportation facilities.	Land use decisions affect the need for transportation facilities and services and influence funding priorities.	Combining land use and transportation choices is central to this issues and can significantly impact quality of life in Kirkland.

DEVELOPMENT REVIEW

Background

Concurrency is a requirement of the Growth Management Act adopted by the State Legislature in 1990. It is based on the notion that any land use growth should be supported by transportation facilities available so that appropriate levels of service are preserved. If growth in development outpaces the ability of the transportation system to accommodate the growth, development must stop. Theoretically, this will allow time for more transportation system improvements to be made and the level of service to improve at which time development may resume.
Impact Fees are levied on developers to help pay for capital projects necessary to meet levels of service. Impact fee rates are based on the total cost of the network necessary to provide a given future level of service divided by the number of future trips.
SEPA Analysis looks for impacts from development projects and prescribes mitigation. SEPA analysis looks at project level impacts not covered by the system wide concurrency analysis, such as how project driveways access streets or the development's impact on safety.
Traffic Impact Analysis is the report which must be submitted by a developer to the city and which shows the calculations necessary for calculation of concurrency, SEPA and impact fees. It contains certain tests to make sure that large impacts to intersections are mitigated. In practice, current procedures require improvements for only the biggest developments.

Concerns

- **The role of development review is misunderstood.** *Stopping "too much growth or "wrong projects" or even promoting good growth are not the functions of development review.* <u>These are the roles of carefully developed and broadly supported land use and transportation plans.</u> *Concurrency is sometimes mischaracterized as a tool for solving congestion problems.* One of the major roadblocks to improving concurrency has been the lack of a shared understanding of concurrency's role in the development process and lack of a shared transportation vision for Kirkland. *Development review's effects are often overemphasized.* Development review's power is limited because it only affects a small portion (the redeveloping portion) of a city's land use, while traffic comes from the comparatively vast areas of surrounding communities. These misunderstandings make designing and implementing development review difficult; stakeholders are disappointed in outcomes and expectations are often not met.
- **Kirkland's level of service measures only auto traffic.** Because the level of service standard directly affects concurrency and impact fees it is central to development review. The current focus on only cars is a source of misalignment between development review results and the transportation principles.
- **Kirkland's current Concurrency system is cumbersome and unpredictable.** Currently, lengthy calculations are needed to know if a development project passes concurrency. It is difficult for those interested in development; developers themselves, neighbors, City Council, to know when concurrency is close to its limits. The most critical factor in designing a concurrency system is choosing the point where a moratorium is triggered. Triggering growth moratoriums cause harm and don't solve the problem concurrency is intended to solve. Recognizing this, expensive and sometimes unpopular auto capacity projects have been funded to ensure that concurrency doesn't cause a moratorium. Agreeing on concurrency's purpose will help determine where trigger points should be set.

Recommendations

- **Develop new level of service standards that align with the transportation principles.** This will mean incorporating transit, bicycling and walking into the standards. A new, less auto-centric level of service standard could reduce the requirement for construction of expensive projects to meet that standard. Because impact fees are proportional to the cost of projects needed to meet the level of service, reducing the cost of projects could reduce impact fee rates. The design of concurrency systems are heavily reliant on appropriate selection of level of service.
- **Review and revise the Concurrency system.** Concurrency should be simplified and should consider transit, bicycling and walking in coordination with a new level of service. Concurrency should principally monitor the approved land use and transportation plans and insure that they are being completed in relative balance.
- **Streamline the development review process.** Create a new document/website to replace the existing Traffic Impact Analysis Guidelines. This document should serve as a "one-stop" guide for anyone interested in the development review process. It should include a section that explains how development review elements relate to each other and to the transportation principles. These relationships should be woven through methods prescribed for analysis. The calculations in the existing Guidelines should be revised to include a multimodal approach and more explicitly consider the impacts of shared use development.

TABLE 2 HOW DO THE DEVELOPMENT REVIEW RECOMMENDATIONS MEET THE PRINCIPLES?

Transportation Principle →	**Move People**	**Be sustainable**		**Create Partnerships**	**Link to Land Use**
		fiscal	environment		
Development Review	Revised level of service standards would focus on transit, bicycling and walking in addition to motor vehicles.	A multi-modal concurrency program will help to balance funding priorities	Development review will more explicitly consider environmental impacts	There are many stakeholders in the development review process. They should each feel as though they have accurate information and understanding of the review process.	Concurrency will do a better job of monitoring the balance of Land Use and transportation at a planning level important to setting citywide priorities.

TRANSPORTATION FUNDING

Background

The City of Kirkland delivers quality projects in a timely and thrifty way. Systems are in place to prioritize sidewalk projects and projects that add capacity for cars. Other project categories have needed less precise prioritizing in the past. Council has struggled with funding the projects necessary to meet auto level of service standards while adequately funding other types of projects. Some funding sources are limited in the type of projects they can pay for. This creates a lack of alignment between funding sources and fulfillment of transportation vision. Capital funding for transportation is programmed through the Capital Improvement Program (CIP) which is usually updated in even numbered years. Changes in policy, technology and costs make it impossible to precisely determine the funding needs over the next 20 years. Instead we should focus on *priorities* for funding and for project selection.

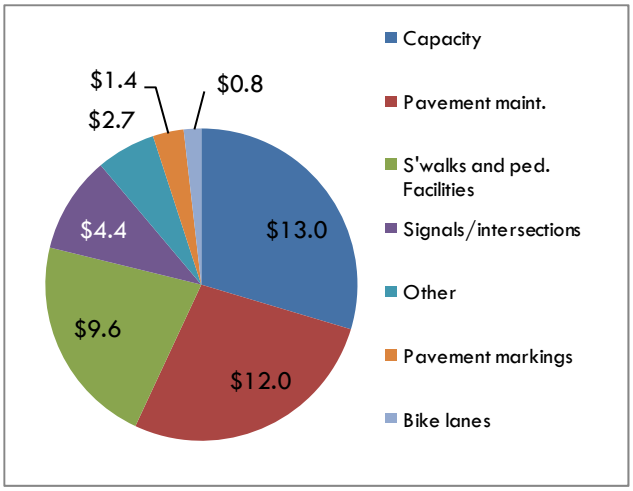


Figure 8 Cumulative CIP transportation spending by project type in millions of dollars. 1997-2007

Concerns

- **Funding for capital projects and replacement of transportation infrastructure is not currently adequate.** For example, based on past performance, even if all revenue were spent on pavement maintenance it would not be sufficient to maintain Kirkland's pavement at targeted levels of condition. Funding to replace transportation infrastructure is not planned for. In contrast to a water utility model where rates are set in order to account for replacement of system elements at the end of their service life, there is not a similar mechanism for funding replacement of traffic signals or other infrastructure.
- **Funding sources are not necessarily in line with our goals.** For example, gas tax revenue cannot be used for sidewalks and bicycle facilities.
- **Clear priorities need to be identified for spending.** It's not currently clear, as an example, whether capacity improvements from the concurrency system or maintenance and preservation of our pavement system, or something else should get the first available funding. It's also not clear how funds are distributed between transportation improvements and, say, park improvements or other macro project categories.
- **Investments in efficiency improvements have been small.** Improving signal timing, developing an Intelligent Transportation System and implementing Transportation Demand Management strategies have each been shown to have substantial benefit cost ratios. In the past there have been large investments in infrastructure, but little investment in operating the transportation system more efficiently.

Recommendations

- **Give first funding priority to preservation of existing investments.** Therefore, the maintenance categories should be funded with a greater fraction of available funding than the other capital projects. Cost effective projects to improve operations should also be a high priority.

- **Consider new ways of doing business and develop new and more flexible funding sources.** New funding options such as transportation benefit districts, street utilities and bond issues for specific projects may be necessary to fund a full transportation system. New funding sources should be supported with creative methods to make the most of existing resources. State laws govern the use of impact fees and gas tax funding to certain types of projects. Some real estate excise tax sources have restrictions as well. Kirkland should work to add flexibility to funding so that multiple funding sources are available to construct projects in line with Kirkland's transportation goals. Maintenance costs should be considered when determining the costs of new infrastructure.

An example of combining strategies to improve pavement management

In February of 2010, Public Works Staff presented City Council with a series of strategies to improve pavement management. Some of the ideas in each of the four strategies areas are shown below

Efficiencies
- More aggressive crack sealing
- Improved paving strategies

Regulatory and policy changes
- Modify the acceptable Pavement Condition Index
- Increase the amount utilities pay for pavement impacts

Pursue partnerships at the State level
- Eliminate studded tires
- Increase gas tax revenue

New revenue sources
- Institute Transportation Benefit District

This is an example of using ideas other than simply raising revenues to help solve a funding shortfall, as proposed in the second recommendation (see left).

- **Develop clear goals and prioritization systems for those project categories where it does not currently exist.** These will guide funding decisions regardless of the amount of total funding available. For example, pavement maintenance has a well developed and sophisticated project prioritization methodology, but maintenance of traffic signals does not.

TABLE 3 HOW DO THE FUNDING RECOMMENDATIONS MEET THE PRINCIPLES?

Transportation Principle →	**Move People**	**Be sustainable**		**Create Partnerships**	**Link to Land Use**
		fiscal	environment		
Transportation funding	Given limits to funding, clear priorities will be made across the entire range of modal projects.	Priorities, funding methods, and funding alignment will be clarified to assure long-term sustainability.	What is funded, and how it is funded, can influence the patterns of use and the related environmental impact or our transport system.	Potential funding sources are numerous. Partnerships/ relationships will be developed with each significant source of funds.	Land use decisions impact our transportation system's financial viability.

POLLUTION, CLIMATE CHANGE AND HEALTH

Background

It is undeniable that the future of transportation will not rely on automobiles fueled by petroleum. In part because of concerns about pollution, climate change and public health, the next Federal transportation bill is likely to radically depart from previous orientations around construction of motor vehicle facilities funded by a gas tax. The regional transportation plan does not reduce greenhouse gasses, to state target levels, despite aggressive plans to shift emphasis away from roads toward bicycling, walking and transit. Meeting Kirkland's own adopted climate change reduction targets will similarly require changes in transportation policy. Changes in automobile technology can be significant and helpful in the areas of pollution and climate change, but the auto fleet is so large major change may take years to accomplish. In Washington, the age-adjusted percent of adults who are obese more than doubled over the past 17 years, increasing from 10% in 1990 to 25% in 2007. Physical inactivity is a proven contributor to obesity and chronic disease. Transportation choices such as walking and bicycling are relatively simple ways of increasing physical activity that are available to almost everyone. Additionally, our current transportation system is a major contributor to health concerns linked with air and water pollution.

Selected Recommendations for Improving Health through Transportation Policy
US Centers for Disease Control and Prevention April 2010

Reduce injuries associated with motor vehicle crashes *Motor vehicle crashes are the leading cause of death for people ages 1-34.*

Improve Air Quality *Transportation-related air pollutant are one of the largest contributors to unhealthy air quality.*

Expand Public Transportation *Public transportation systems reduce the necessity for single occupancy vehicle trips, reduce the production of automobile emissions, increase incidental physical activity, and provide necessary transportation access for people with physical, economic, or other limitations that impede their access to an use of a single occupancy motor vehicle.*

Promote Active Transportation *Active Transportation systems should connect the places where people live, learn, work, shop, and play by providing safe and convenient walking and bicycling facilities.*

Encourage Healthy Community Design *Healthy community design incorporates elements (such as transportation networks, street designs, and zoning/land use policies) that work synergistically to promote health and safety.*

Source: http://www.cdc.gov/transportation/recommendation.htm

Concerns

- **Transportation policy goals have not been specifically linked to climate change, health or pollution goals.** High-level policy support is necessary to create change in a timely manner.
- **Auto dominated transportation causes a host of negative consequences.** Cars represent the largest single emitter of greenhouse gases and contributor to air pollution and water pollution in Kirkland. Studies by Public Health experts have implicated our current transportation system as a contributor to obesity and other "lifestyle" diseases.
- **Transportation and land use are closely linked in the areas of climate change, health and pollution.** When people can live close to work and other common destinations trip lengths are shortened and the health benefits of active transportation can be felt.

Recommendations

- **Make specific links in the Comprehensive Plan between transportation policy and pollution, climate change and health goals.** Because transportation plays key roles in pollution, climate change and public health, it must be linked to goals in those areas.
- **Implement actions that will begin to reduce vehicle miles of travel and emissions.** Kirkland has a strong statement supporting pricing. This support should continue in order to put driving cost signals in line with

community goals. Implementing infrastructure that supports more efficient vehicles should also be encouraged. This could include easy access to energy for electric vehicles.

- **Proactively meet the goals of the Active Transportation Plan.** The plan encourages development of more facilities for walking and cycling. It has been shown in many other cities that when the number of facilities increase, walking and cycling increase. This increased level of activity can have positive health benefits.

TABLE 4 HOW DO THE POLLUTION, CLIMATE CHANGE AND HEALTH RECOMMENDATIONS MEET THE PRINCIPLES?

Transportation Principle →	**Move People**	**Be sustainable**		**Create Partnerships**	**Link to Land Use**
		fiscal	environment		
Pollution/ Climate change/public health	Emphasis on non-motorized and transit modes will reduce emissions and encourage public health.	Fiscal sustainability should match the objectives of environmental sustainability.	A transportation system emphases the health of our citizens and supports alternative modes directly adds to the overall sustainability of our City.	The health of our citizens is inexorably linked to that our neighbors near and far. Partnering with those organizations and groups will positively impact our success in addressing these issues	The combination of land use and transportation choices are central to working on these issues.

CONCLUSIONS

Every community needs principles to organize it's transportation policy making. This reports proposes four principles tailored to Kirkland's needs

- Move People
- Be Sustainable
- Create Partnerships
- Link to Land Use

Incorporating these principles into the Comprehensive Plan will give a consistent lens with which to view transportation decisions now and in the future.

Looking at three issues in the context of the principles illustrates how the principles can be brought to bear on existing problems to generate meaningful recommendations and actions. Implementing the recommendations contained in this report will require perseverance and the unified work of many interests. It is the goal of the Transportation Commission to incorporate the recommendations into its work plan in order to bring forth meaningful change in the way Kirkland plans, designs, constructs, operates and maintains its transportations projects and programs.

RECOMMENDATION SUMMARY

DEVELOPMENT REVIEW

- ***Develop new level of service standards that align with the transportation principles***
- ***Review and revise the Concurrency system***
- ***Streamline the development review process***

FUNDING

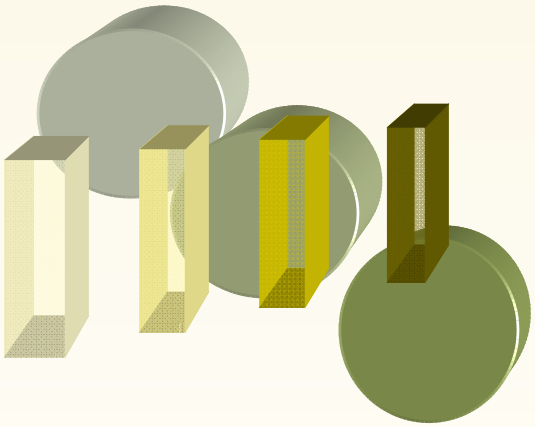
- **Give first funding priority to preservation of existing investments .**
- ***Consider new ways of doing business and develop new and more flexible funding sources***
- ***Develop clear goals and prioritization systems for those project categories where it does not currently exist.***

POLLUTION, CLIMATE CHANGE AND HEALTH

- ***Make specific links in the Comprehensive Plan between transportation policy and pollution, climate change and health goals.***
- ***Implement actions that will begin to reduce vehicle miles of travel and emissions.***
- ***Proactively meet the goals of the Active Transportation Plan.***

TRANSPORTATION CONVERSATIONS

Perspectives on Kirkland's Transportation Policy



City of Kirkland Transportation Commission
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CITY OF KIRKLAND
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MEMORANDUM

To: City Council

From: Parking Advisory Board, Jack Wherry, Chair

Date: June 3, 2010

Subject: Report for June 15 Study Session

RECOMMENDATION:

The Parking Advisory Board (PAB) seeks Council direction on the major issues on which the Board is currently working.

BACKGROUND DISCUSSION:

On February 16th the PAB presented a review of the recently completed stakeholder process and obtained Council direction to focus on four major work items:

- License Plate Recognition Device for enforcement
- Variable Pricing implementation
- Pay Parking implementation
- Parking Requirements for new development

The PAB understands that each of the items should be considered as a whole and support overall goals including

- Provide affordable and user friendly parking options.
- Create an efficiently managed parking market where fees generate sufficient revenue to cover costs and create a revenue stream to help expand the supply of parking.
- Create consistent parking rules and prices in each lot throughout the downtown area in order to reduce confusion.

In this memo, each work item is discussed briefly giving background, long term goal(s), next steps and policy questions where appropriate. An additional item, item 5 Parking Benefit District is also discussed. The PAB would like to focus discussion at the study session on the policy questions and particularly on items 1,2 and 3. Attachment 1, the status memo from the February 16 Council meeting describes each of the first four work items in more detail.

1. License Plate Recognition Device

Background
This parking enforcement device is essentially a special camera located on an enforcement vehicle. As the vehicle drives down the street, the camera captures images of license plates of parked vehicles with an electronic time and location stamp on each image. When enforcement personnel capture successive images, separated by for example 2 hours, on a given street the device detects violators. It can find vehicles that are not allowed to park in

certain areas –as prescribed by Park Smart for example, overtime vehicles and vehicles that have moved to evade. Moving to evade would then be enforced between zones. For example, parking for two hours in zone A and then moving to another location zone A would be illegal. In other jurisdictions where similar equipment has been used, the devices have paid for themselves through increased revenue.

Long term goal
The long term goal is to increase the accuracy, productivity and efficiency of enforcement personnel. Simplification of Park Smart is another goal that the device can help achieve.

Next steps
Purchase of the device soon as feasible. The Police Department is planning to submit a request during the 2011-2012 budget process. Cost of the device is about $70,000.
Establish parking zones and communications strategy, enact a move to evade ordinance.
The addition of zone parking will need to be carefully explained and clearly signed.

Policy questions
Is establishment of zone parking/moving to evade appropriate?
Should Park Smart be replaced with zone parking regulations?

2. Variable Pricing

Background
Variable pricing would be used to change the price of parking based on the season and/or would price parking differently during special events. There are a number of details that would have to be worked out to implement event parking including rates, clearing the lot before an event, use of a private vendor and enforcement capabilities.

Long-term goal(s)
To price parking based on event and seasonal demands and keep occupancy close to 85% as well as encourage turnover.

Next steps
a) Event Parking
The last day of Kirkland Uncorked and The Classic Car Show occur on the same day, Sunday, July 18, 2010. The board would like to introduce a flat $5 Event rate from 9AM – 5PM at the Lake and Central lot and/or the library garage. One payment would allow a parker 6 hours of time. We are investigating two options for staffing; hiring off duty police parking enforcement personnel or hiring a private parking operator. Depending on the results of the July 18th event, special event parking could expand to other events in 2011.

b) Seasonal Parking
Because parking occupancy is near 100% in the pay stalls on summer evenings, The board would like to introduce seasonal peak rates during the summer of 2011 in the City parking lots. The recommendation would be to increase the hourly rate by $1/hr to $2/hr on Thursday – Saturday evenings from 5PM – 9PM from the first Thursday in June through the last Saturday in August.

Policy question
Should we embark on event and parking/seasonal parking rates at this time?

Is the library garage an appropriate location for event parking charges?

3. Pay Parking

Background
Expanding revenue from pay parking appears to be the most realistic source of revenue for construction of new supply. It is also the most realistic source of revenue to fund updates to, and better maintenance of, the library garage. In the short term, expanded revenue, after operations and maintenance costs are covered, could be used for funding downtown improvements such as improved sidewalks, lighting or other elements to make downtown more livable. When an opportunity for more supply becomes available, the revenue stream could be increased as appropriate and directed to funding more supply.

Long-term goal
Use pay parking in lots and on the streets as a tool to keep occupancies around 85%. Use the revenue from pay parking to fund specific improvements to downtown and the expansion of new supply.

Next steps
Change the hours of pay parking in the Lakeshore Plaza and Lake and Central lots so that pay parking begins at 11:00 AM instead of 5:00 PM, beginning Summer 2011. This change would simplify the current pay system where parking is free in the daytime and pay in the evening, which causes confusion for many customers.

We propose pay parking for the Library Garage from 11:00 AM – 9 PM as well, also beginning in Summer 2011. If pay parking in the library garage is acceptable to Council, the PAB would come back with a more detailed plan for implementation. The plan would address questions such as providing and managing reduced rates for employees and allowing a first hour or two to be free or discounted.

Policy Question
Should pay parking hours be expanded in Lakeshore Plaza and Lake & Central lots and/or added in the Library Garage?

4. Parking Requirements

Background
We propose modifications to the parking requirements in order to encourage shared parking to support mixed use development. Parking requirements can be reduced if parking is well managed and parking is shared among uses. The PAB proposes two methods by which to change parking requirements. The first method is a direct reduction, and the second is to develop guidelines for developers to follow in applying for a reduction of parking requirements in downtown Kirkland.

Long-term goal(s)
Support redevelopment of older buildings downtown which have limited parking.
Change parking requirements to better match the requirements of mixed use developments

Next steps
The PAB is developing a proposal (Attachment 2) which will be reviewed with the Planning Commission.

Policy question
None at this time

5. Parking Benefit District

Background
The PAB is exploring the creation of a Parking Benefit District. A Parking Benefit District is an alternative to piecemeal assessment districts for allocating a share of the cost of building new parking supply or street improvements, such as being proposed for Park Lane. Instead of multiple assessment districts for downtown infrastructure improvements, a single Parking Benefit District could be formed that would provide more flexibility, predictability, and control by downtown stakeholders. The proposed district would be funded by assessments on downtown properties, based on total assessed value, parking revenue in excess of parking expenses, and an annual allocation from general revenue. This predictable stream of funds would be used for pay off bonds for capital improvements in the downtown area.

The advantage of this approach is the predictable revenue stream and the control shared by the City and downtown stakeholders. The disadvantage is the shares allocated to properties would not be tweaked by nearness to the improvement. All properties would be assessed for Park Lane improvements and all properties would pay their assess value share for new parking supply irrespective of the location of the new supply. A method will have to be found to credit newer developments for their investments in sidewalk improvements and parking. A normal improvement district for a specific improvement could better differentiate by nearness to the improvement.

Next Step
The PAB is still exploring this issue.

Policy question
Does the Council wish to see the issue explored more?

CITY OF KIRKLAND
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To: City Council

From: Parking Advisory Board, Jack Wherry Chair

Date: February 4, 2010

Subject: STAKEHOLDER PROCESS AND PAB WORK ITEMS

RECOMMENDED ACTION

The Parking Advisory Board (PAB) wishes to update the Council on the recently completed stakeholder process and to receive Council direction on four proposed work items. The work items are based on outcomes from the stakeholder processes plus subsequent discussions by the PAB.

BACKGROUND

Stakeholder meetings

We've had two rounds of Stakeholder meetings. The first was in spring of 2008 and the second was in late fall of 2009. Some of the stakeholders from the first round also participated in the second round but the second group was made up mainly of people who had not participated in the first set of discussions, although they represented the same interests. This brought some fresh thinking while still providing continuity. The stakeholder processes are depicted in Figure 1 on the next page.

The first stakeholder meetings were held to accomplish two purposes. The first purpose was to develop an implementation strategy for pay parking in the evening at the two City owned lots. The second purpose was to gain insight on how to move forward on securing more parking supply. In March 2009 we implemented pay parking as developed by the stakeholders. As for the issue of new parking supply, in our July 9, 2009 memo to the Council, we stated:

> Following Council direction given at the Council/PAB study session in December of 2007 and in February of 2008, the PAB convened a group of downtown stakeholders[1] to help us move forward in the area of pay parking and in securing new parking supply.
>
> The process of engaging stakeholders to enlarge the perspective of the PAB resulted in two recommendations: 1) do not price on-street parking until there is a firm commitment to construct new supply, and 2) partner with a developer rather than build a dedicated parking facility. *This second recommendation calls for a commitment on the part of the city to be ready to partner by preparing a financing plan so that a developer is not delayed by the City.* Such a financing plan will likely involve a mix of: 1) expanding pay parking, 2) assessing nearby benefited properties/businesses by means of a Parking Benefit District, and 3) general revenue. ... Stakeholders will be reconvened to develop an efficient and equitable financing plan to increase parking supply.

[1] Stakeholders included representatives from Downtown Commercial Property owners, KDA, Chamber, Restaurant operators, Gallery owners, Salon and Spa operators, Park Board, Downtown Condo Owners and Moss Bay Neighborhood Association

As mentioned above, we have completed this second round of discussion with stakeholders. Our main goal was to engage stakeholders in a discussion of three sources of financing outlined in our July memo

Figure 1 PAB stakeholder processes
meetings in blue, actions in green, major conclusions in red

excerpted above. The stakeholder report is included as Attachment 1. It says that parking revenue should be the primary source of funding for new supply, with general revenue and a parking benefit district making up the difference. The amount of parking revenue depends on how parking is managed downtown. The stakeholder process has reinforced the need for a thorough re-examination of the parking management in downtown.

The stakeholder group considered an addition of around 125 stalls, a reasonable amount to be added to the current supply of about 1200 public stalls –approximately 600 of which are on street.

Some of the stakeholders questioned the conclusions developed in the first stakeholder process. Namely, they expressed a desire to build a dedicated parking facility instead of partnering with a developer (s) to build a dedicated floor (s) of public parking. They cited the economic recession and the City's zoning limitations; there will not be any opportunities to partner with a developer, like at the Antique Mall site, in the near future.

While considering development of a contingency financing plan to hold ready to partner with developers, stakeholders examined the usual three sources of funding; parking revenue, general revenue, and a benefit district. Stakeholders noted that a benefit district was used in 1980 to acquire and prepare the Lake & Central lot for parking. Subsequently, the City built the library garage using general revenue. Stakeholders feel revenue from pay parking should be the primary source of funding for the next additions to parking supply in downtown, but until there is a more experience with pay parking and a reliable parking revenue stream, all three sources might be needed to fund supply.

The stakeholders also emphasized a need for better parking management. This included parking rates that are variable perhaps by season, time of day, and unusual demands such as special events. They felt that regardless of whether or not new supply was secured, better parking management would be helpful.

PAB Work items

This section of the memo describes potential work items on which the PAB would like to focus its actions in the upcoming months. Most of the items are based in part on our work with the stakeholder groups however they are not limited to what the stakeholders recommended. The work items have been shaped by PAB discussion and our interpretation of logical next steps. We offer these work plan items for Council reaction and comment.

1. Building on the stakeholder's emphasis on parking management, the first item involves acquisition of new technology to increase the efficiency of parking enforcement. We propose the City acquire GPS-based license plate scanning equipment that eliminates the need to chalk tires. The new equipment tracks the duration of vehicles parked at the same location or within the same zone, which not only identifies overtime parkers, it identifies those that move to avoid detection. This will speed up the enforcement process and thereby increase efficiency and effectiveness of parking enforcement. The initial new equipment will cost on the order of $60,000. One of the benefits of this new technology is that it could radically simplify how Park Smart, our employee parking program, is managed. The PAB would develop a structure for how the new equipment should be used, propose a reorganization of Park Smart and help with outreach to the public.

2. The second item stems from the second stakeholder group's recommendation to consider variable pricing. Parking demand downtown varies by time of day, season and weather. There is little reason to price parking when there is ample space. But when there is a strong demand for parking we need to manage it by pricing it. An important goal for measuring performance of pay parking is occupancy. Ideally, close to 85% of stalls would be occupied

   Developing a variable pricing program will be a learning process. The first step will be to price the leased lot at the Antique Mall site from 9 AM to 9 PM to gain experience with daytime pricing and market response. A possible second step could be to operate city lots (Lake & Central, Lakeshore Plaza, and Antique Mall) for special events and charge a flat rate with no time limit. Thirdly, we would like to consider seasonal or summer peak demands that might increase the current hourly rate of $1. The pay stations are equipped to change rates within the same day, for example if morning demands are not as high as evening demands.

Based on experience with variable pricing, the PAB would develop a recommendation on pricing on-street parking and charging for parking in the Library Garage. We see problems with giving parking away on street and in the Library Garage. Free on-street parking leads to cruising, which adds to traffic congestion and free parking in the Library Garage does not generate revenue that could be used to improve maintenance and security. The lack of maintenance and security in the garage deters some potential users.

3. The third item is based in the second stakeholders recommendation to use pay parking as the major revenue stream for funding new parking supply. We believe that gauging the ability of pay parking to generate revenue and demonstrating the willingness of the city to implement pay parking, will be necessary to gain support from downtown property owners to invest their money to fund a portion of new parking supply.

   To begin with, we would like to explore linking of pay parking revenue with other downtown improvements, including projects that would improve sidewalks, lighting or other elements to make downtown more livable. This is an idea that has been used successfully elsewhere in the US and which is supported by parking experts like Donald Shoup. Attachment 2 is an article by Dr. Shoup which describes parking management techniques used in the City of Pasadena California. It says stakeholders should have a large say in parking management and in budgeting revenue generated for downtown improvements. This would involve earmarking parking revenue, after operating and maintenance costs, both for new parking supply <u>and/or</u> downtown improvements. For example, parking revenue could be used first to fund updates to, and better maintenance of, the library garage. Remaining revenue could then be used for funding of downtown improvements. If an opportunity for more supply became available, the revenue stream could be directed to funding more supply.

4. The final work item involves parking requirements for new buildings. The PAB would like to study parking requirements to see if they can be reduced so that appropriate development can be made more financially feasible, but without adding to the parking problem. Shared parking and mixed-use development reduces the need for parking, but the current parking requirements are based on suburban single-use sites without street parking. The PAB would develop draft recommendations and consult with the Planning Commission and Council.

Taken together, these four work items will result in a coordinated and thorough re-examination of parking management in downtown Kirkland. The Parking Advisory Board looks forward to your consideration and critique of our ideas.

ATTACHMENT 1

Parking Stakeholder's Report

December 2009

City of Kirkland Parking Advisory Board

This document consists of three sections, each section describing funding from one of the major funding categories, Public Funding, Pay Parking Revenue and Property owner's (benefit district) funding. Each section was written by one of the participants in the group that discussed that funding source.

Section 1 Parking Benefit District Group

Joe Castleberry, Ken Dueker, Andy Loos, Bonny McLeod, Jeremy McMahan,

The stakeholders explored assessment methods by which properties that receive special benefit due to walking distance proximity share in the cost of providing new parking supply. They started by examining the way the cost of the parking lot at Lake & Central was allocating among benefited properties in 1980, and then discussed ways in which to improve upon that method.

In 1980 cost was allocated by the share of land area. This was modified to reduce the share by one half for properties farther than 400 feet, and reduced by the amount of land area devoted to parking. This was equitable in 1980 when most buildings in downtown were one story and most parking was surface. But today land area would not be an equitable method for allocating costs among benefited properties.

Consequently, an alternative method was examined that employed share of assessed value. Assessed value is a better proxy for income potential of properties. Instead of an abrupt reduction at 400 feet a gradual distance gradient was employed to reduce the rate of assessment by distance. Then the assessed value was reduced by the value of surface and structured parking spaces. Scenarios were examined that showed the amounts of assessment for typical properties, that showed parcels in the range of $1M of assessed value at a distance of 500 feet would be levied 1% of the cost of new parking that might be assigned to a parking benefit district. For example, if $1M were to be the amount to be raised from a parking benefit district, the share for a property assessed at $1M would be about $4000, or $300 per year, based on bonds at 5% over 20 years.

Although this method seemed more equitable to the stakeholders, there were suggestions to modify the approach to assess more heavily land uses that require more parking, and to factor out residential portions of properties. Stakeholders concluded that refinements may be needed to insure that the method to allocate cost among property owners is equitable.

In addition, the amount or share of cost of providing new supply assigned to a benefit district depends on the location. A location such as Lake& Central is in the heart of the commercial district and warrants a larger share from downtown properties than does a location at the periphery of downtown, such as beneath Lee Johnson Field or as part of a city hall expansion.

Section 2 Pay Parking Group:

Georgie Kilrain, Lakeshore Gallery
Rob Brown, Portsmith
Mike Nelson, Frontier Bank
Joel Ostroff, Property Owner
Jennifer Lindsay, PAB
Tami White, City
Jack Wherry, PAB

Pay Parking Option for $1,000,000 toward 100 additional parking spaces from a Private/Public joint venture.

After a lot of discussion the group decided that a plan utilizing a larger number of pay parking spaces resulting in a significantly lower hourly cost per space would make pay parking much more attractive, fair and likely to succeed.

A discussion of who should pay was then taken up. It was noted that shoppers do not like to pay for parking and that restaurant and bar customers were less affected, but not entirely immune to pay parking. Employee parking was very sensitive to pay parking and often resulted in increased street parking.

It was pointed out that without a plan that included integrated management of street as well as pay lots there would be little incentive for parkers to utilize pay parking except as a last resort. A plan should include all downtown lots to be pay and street parking should be managed to produce adequate turnover for the benefit of the downtown business. Lots should be priced at a level that would lead to about an 85-90% utilization rate.

The group then tackled the problem of slow periods in the downtown. During late fall, the winter months, and early spring there is plenty of parking, yet during the late spring and summer as well as during events finding parking can be quite difficult. Parking is plentiful most days until late morning. The solution to this seems to be variable pricing. The cost to park would change by time and season. During the slow months the price could be lower or even free. The same for morning parking. The challenge is to make this understandable to the users. The very reason we change from half pay all day to pay only 5-9pm was to simplify the process and make it easier to understand.

Through the use of Parking Stations additional incentives could be created by retailers paying for parking for customers that make purchases. With variable pay parking this benefit would be only needed during the high demand time of the year when parking is hard to find.

The group then took up the pricing question. It was felt that $1.00 per hour was a good starting point. With the use of proper monitoring this price could be adjusted if necessary.

Each table was asked to come up with an estimate of what the chances were that their plan would be able to achieve a cash flow level that would fund $1,000,000 over a 20 year period

toward the creation of 100 new parking spaces now. The group felt that there was a 7 out of 10 chance of success based on a utilization rate of 5 hrs per day per at $1.00 per hr and a 40% utilization rate.

Section 3 Public funding group: Chris Dotson, Vince Isaacson, Michael Olson, Dave Godfrey

We looked at two types of financing, voted and Councilmanic or non-voted. The group felt that getting the Council to commit general funds to support new debt for downtown parking was highly unlikely and so we spent most of our time discussing voted debt. However, we did feel that the current payments on the library garage were a possible source of funding from the general fund that was worth pursuing. These payments are about $400,000 a year and would become available when the current bonds are retired in 2014. Interestingly, this amount would be adequate to finance about $5.5 million dollars at 4% for 20 years. Therefore even a portion of the current funding would be adequate to fund $1,000,000.

The Finance Department supplied us with a formula for computing the property tax necessary to raise a given amount of money. In order to finance $1,000,000 over 20 years at 4%, an annual tax of about 51¢ per $100,000 of assessed value would be necessary.

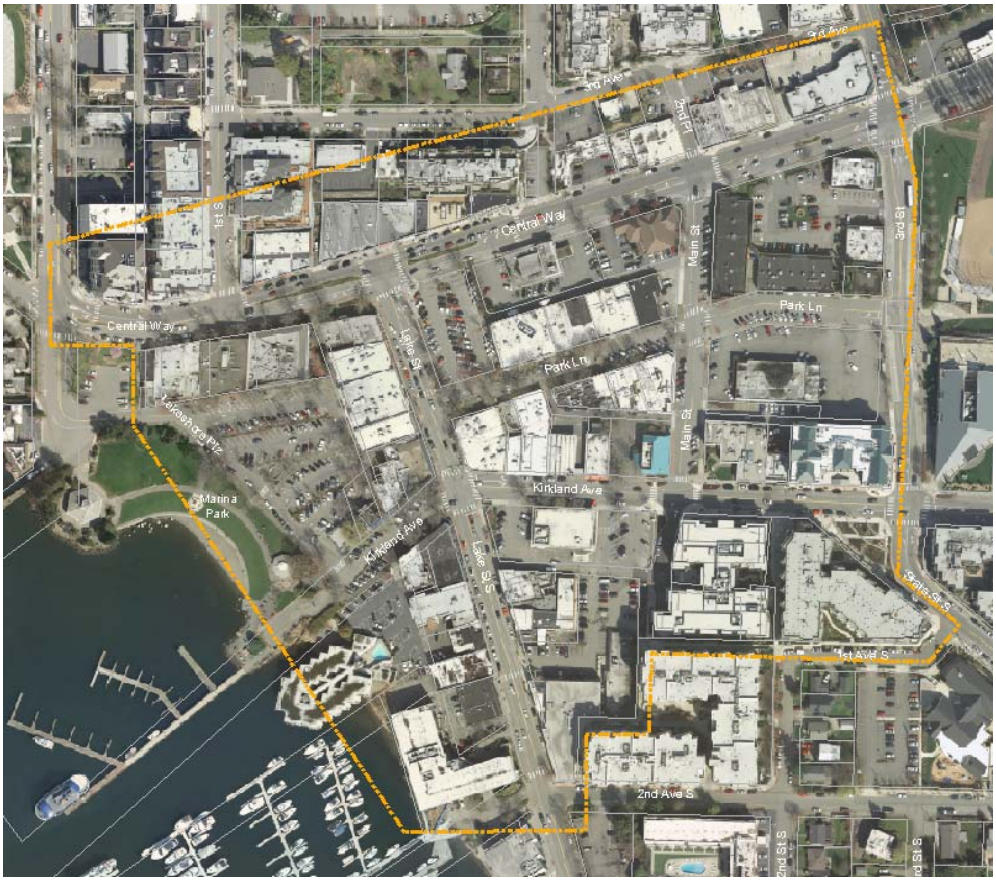
The group felt that this small amount would be an advantage to city funding, but also felt there were several major political and logistical hurdles to overcome. These included questions around timing; if a developer were ready to begin work, the City could not commit until a successful vote were taken, and this would not occur until a November general election. On the other hand, it would be difficult to consider a ballot measure unless a specific development opportunity were identified. The fact that any tax increase is viewed negatively by many is also a difficulty that would require a strong and unified "yes" campaign in response. Downtown businesses and property owners would have to spearhead such a campaign. The group thought that the overall likelihood of obtaining city funding was 3 on a 1 to 10 scale.

Parking Advisory Board Issue Paper

Parking Requirements

June 3, 2010

The Parking Advisory Board proposes changes to the parking requirements in CBD zones 1, 2, and 8 (the Downtown area bordered by Market and Third Streets between Central Way and approximately 2nd Ave South - see vicinity map). Redevelopment in downtown Kirkland is difficult, with its legacy of older and small buildings without on-site parking. We propose modifications to the parking requirements that will encourage shared parking to support mixed use development. Our analysis indicates parking requirements can be reduced if parking is well managed and parking is shared among uses. The PAB proposes two methods by which to change parking requirements. The first method is a direct reduction, and the second is to develop guidelines for developers to follow in applying for a reduction of parking requirements in downtown Kirkland. Both methods pose problems that need discussion and further analysis. The problem with a direct reduction is the lack of data that provides a basis for amounts of reduction. The problem with the second method is the analysis burden it places on applicants, particularly of small developments. Consequently, we propose direct reductions for development of small parcels and propose guidelines for developers of large development projects to use in determining parking requirements.



Downtown Vicinity Map

In addition, there are three unique challenges in Downtown Kirkland. Parking requirements often do not apply to the redevelopment of the ground floor area of existing buildings in downtown that fully occupy their lot. This is referred to as "grandfathering" redevelopment rights of legacy buildings. Second, parking does not generate revenue in Kirkland, but structured parking is expensive and revenue-producing development is needed to offset its cost. Height limits and other zoning provisions can restrict the amount of revenue producing development to make parking feasible. Third, parking requirements ought to incentivize assembly of parcels in the redevelopment process.

Proposed Changes to Parking Requirements under Zoning

Introduction

Parking requirements are based on the premise that a single land use is only accessible by auto in a "cornfield" without opportunity for off-site parking, and should provide free parking for all users on the busiest day and busiest hour. The purpose of parking requirements is to provide adequate parking for all users and to avoid spillover parking. However, strict application of parking requirements leads to over provision of parking for most hours, particularly in downtown areas where there are other parking opportunities, where some users of businesses arrive on foot or by transit, where some users park once and perform multiple activities, where parking supply is shared among businesses with different patterns of parking demand, and where parking charges lead to reduced parking usage and duration.

If downtown were to redevelop under current parking requirements there would be an oversupply, but current requirements make it unlikely that redevelopment will occur, netting very little new supply.

Some critics of parking requirements call for their elimination entirely, letting developers determine what is needed to make their projects feasible. Yet others call for parking maximums so as not to over provide rather than minimum parking requirements that we now have. Neither of these two extremes is well suited to downtown Kirkland. They are better suited to larger downtowns with a well functioning parking marketplace.

The Parking Advisory Board recommends a middle approach to assess parking requirements that apply to new development or redevelopment in downtown Kirkland. There are two ways to address minimum parking requirements that would lead to over provision. One is to directly reduce the parking ratios of land uses in areas where uses are mixed and complementary, where there are alternative modes of travel, and where parking is shared and managed for efficient utilization. The second approach is to require developers to perform analysis to support a reduction in parking requirements. A third way is a mix of the two approaches. A mixed strategy is proposed for downtown Kirkland.

Step one is to develop a rationale for a general reduction in parking requirements that reflect the mixed use nature of downtown, the opportunity for access by alternative modes of travel, and a managed public parking supply. This approach should be based on a parking study that determines actual demand and confirms is a reduction is warranted. However, it is unlikely that a study would provide definitive results. This would require developing a consensus on how many hours per year is a parking shortfall acceptable, and then estimating how many hours per year there is a shortfall of parking supply.

Even then the results would be highly variable. Parking demand varies from business to business, and among types of business. Consequently, the proposed general reduction in parking requirements based upon guidelines from national studies, which range from 10 to 50 percent.

Step two is a process that developers can follow to request an additional reduction in parking requirements that is based on the nature of the proposed development and additional parking management strategies. Guidelines for developer applications will need to be developed.

The proposed reduction in parking requirements is contingent on the introduction of pricing of on-street parking in the downtown to foster the turnover of parking, which is a necessary ingredient to reduce parking requirements. Also, the proposed reduction in parking requirements is contingent upon increasing the amount of shared public parking.

The proposed reduction is based upon the following principles:

1. The redevelopment of older buildings in downtown is hindered by current parking requirements. Parking requirements should encourage assembly of parcels in the redevelopment process to better integrate parking with the development.

2. On-site parking should not be required for redevelopment of small parcels in downtown. Shared parking is preferable. Exemption of parking requirements for the existing amount of floor area when small parcels are redeveloped will be continued.

3. Parking shall not be required for redevelopment in CBD2 subject to one- or two-story height restriction. Instead, below grade of Central and Lake Street parking shall be encouraged by means of a bonus floor above the one- or two-story limitation in CBD2.

4. Fee in-lieu of on-site parking is encouraged for redevelopment of small parcels and medium sized parcels. Large parcels should provide on-site parking.

5. A general reduction in parking requirements in downtown Kirkland is warranted to reflect the mixed use nature of downtown, the opportunity for access by alternative modes of travel, and a managed public parking supply.

6. A detailed analysis to determine the amount of parking reduction is required for the redevelopment of large parcels, and a transportation demand management plan will be developed and implemented to reduce parking demand.

7. The Engineering News Record Construction Price Index shall be used to make current the fee in-lieu and to make current any prior assessments for shared public parking.

8. Parcels that meet current parking requirements will have reduced assessments for future shared public parking.

Conceptual approach and rationale for a general reduction of non-residential parking requirements in downtown Kirkland

Public parking opportunities, both on street and off street, is sufficient rationale for a general reduction of parking requirements for new development in downtown Kirkland. *20 percent*.

Shared parking opportunities allow a further reduction for some mixed use developments. *Parking requirements are reduced by 50 per cent for the retail portion of Mixed Use developments of Office and Retail in downtown Kirkland where office is over 60 per cent of the floor area.*

Small scale redevelopment has a de minimus impact on parking supply or demand. *Single-story retail redevelopments on parcels of 10,000 sf or less shall be exempt from parking requirements*.

Small scale development is typically not able to accommodate on-site parking due to limited lot size. *Multi-story developments on parcels of 10,000 sf or less are encouraged to pay fee in-lieu instead of providing on-site parking.*

If multiple parcels are assembled to a size 10,000-15,000 sf, parking requirements that apply to parcels of less than 10,000 sf shall apply.

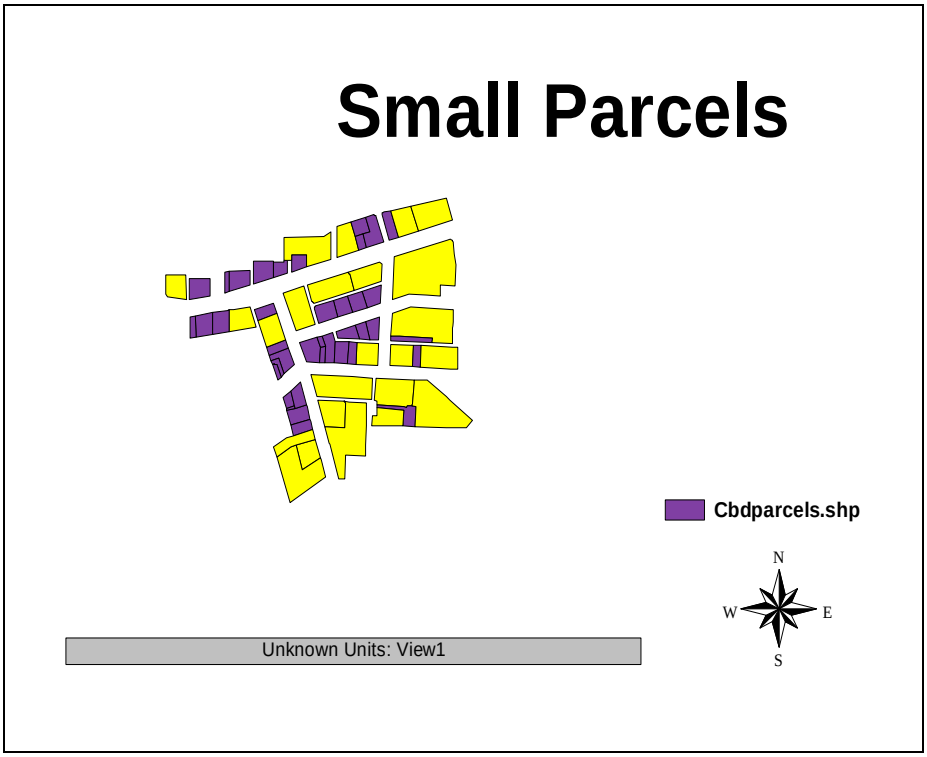
Parking shall not be required for redevelopment in CBD2 subject to one- or two-story height restriction. Below grade of Central and Lake Street parking shall be encouraged by means of a bonus floor above the one- or two-story limitation in CBD2.

Mid scale developments may be able to provide some on-site parking and could contribute to a more effective supply of shared parking. *Developments on parcels of size 10,000 to 15,000 sf may meet parking requirements by means of a mix of fee in-lieu and on-site provision.*

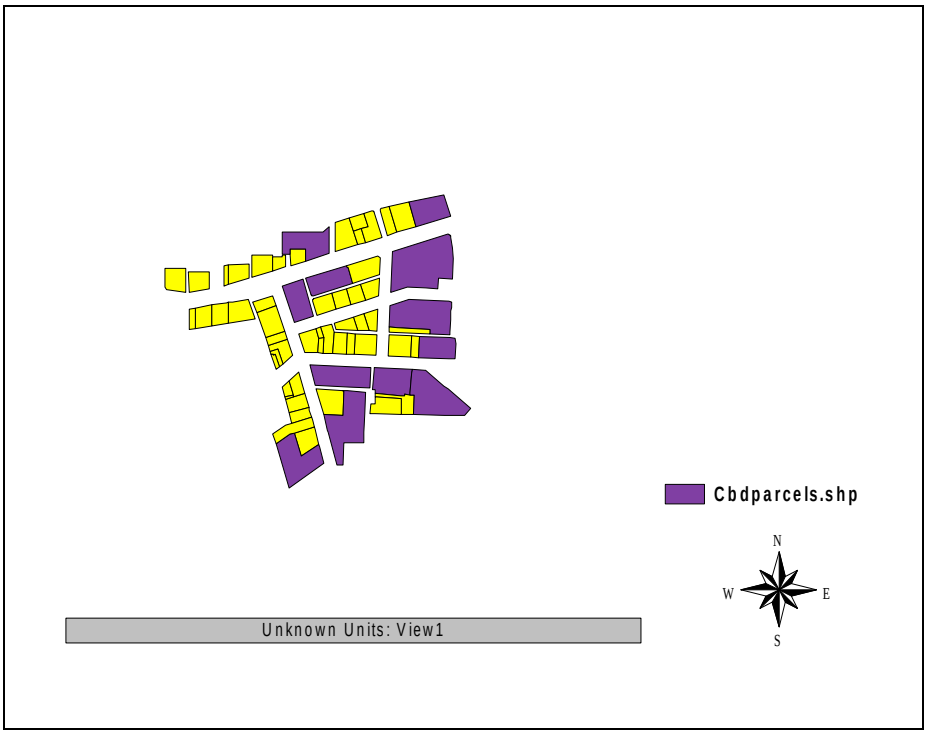
Larger scale developments are more capable of providing on-site parking and can provide for shared parking within the development. *Developments on parcels of 15,000 sf or greater in downtown Kirkland may request a parking requirement reduction greater than the general reduction of 20 per cent by application of the process described in the following section.*

Process for an additional reduction in non-residential parking requirements for large developments

Some flexibility in parking requirements is still necessary to accommodate unique project conditions. *Applicants for development permits in downtown Kirkland may request a parking requirement reduction greater than the general reduction of 20 per cent. Such requests must be based on an analysis by a traffic engineer and a parking management plan that includes shared parking and a transportation demand management program. The analysis shall include an estimate of hourly arrivals and departures of vehicles by land use that takes into consideration modal shares, vehicle occupancy, and seasonal factors. The modal and occupancy analysis shall consider transportation demand management strategies to reduce auto use and the demand strategies shall be included in a transportation management program that will be implemented to manage the on-site parking supply.*



Map 1 -- Small Parcels (less than 10,000 square feet in area)



Map 2 -- Large Parcels (greater than 15,000 sqare feet)

CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Kevin Nalder, Director Fire & Building

Date: June 3, 2010

Subject: Fire Department Service Award Presentations

I would like to publicly recognize six members of our organization who have dedicated 20, 25, and 30 years of professional service to the citizens of Kirkland and Fire District #41, as members of the Kirkland Fire Department and the Greater Kirkland Volunteer Firefighters Association. Battalion Chief David Kryger and Firefighter Steven Karthas will receive 30 year service awards. Retired Firefighter Arthur Hill and Volunteer Lieutenant Dave Lee will receive 25 year service awards. Lieutenant Gregory Picinich and Volunteer Firefighter Randall Maes will receive 20 year service awards.

KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
June 01, 2010

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.

3. STUDY SESSION

a. City Hall / Facilities Planning

Joining Councilmembers for this discussion in addition to Interim City Manager Marilynne Beard were Internal Services Manager Donna Burris, Director of Finance and Administration Tracey Dunlap, and Consultants Jim McLaren and Leo McGill of McLaren, Wilson and Lawrie, Inc.

4. EXECUTIVE SESSION

a. To Review Qualifications of an Applicant for Public Employment

An announcement was made at 7:30 p.m. that the Executive Session would be extended to 7:40 p.m., at which time Council returned to the Chamber and reconvened the regular meeting at 7:45 p.m.

5. HONORS AND PROCLAMATIONS

a. Honoring Youth Council Senior Class of 2010

Graduating members Charlie Cowin, Jessica Gutierrez, Kevin Lemme and Jeremiah Surface were acknowledged.

b. Relay for Life Proclamation

Team "Kick Cancer’s Butt" members Janet Jonson, Deborah Hack, Cindy Sheehan, and Joanna Johnson received the proclamation from Mayor McBride and Councilmember Walen.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

David Hoffman
Phil Megenhardt
Lisa McConnell
Georgine Foster

c. Petitions

(1) Residents of Lake Avenue West Petition the City Not to Implement Construction of Steps Joining Heritage Park to the Small Park at the North End of Lake Ave West

7. SPECIAL PRESENTATIONS

a. Green Tips

A short City-produced video highlighting recycling was shown.

8. CONSENT CALENDAR

a. Approval of Minutes:

(1) May 14, 2010 Special Meeting

(2) May 18, 2010

(3) May 25, 2010 Special Meeting

(4) May 25, 2010 Special Meeting

b. Audit of Accounts:
Payroll $ 1,974,396.63
Bills $ 1,256,733.50
run #918 checks #517438 - 517448
run #919 checks #517476 - 517681
run #920 checks #517683 - 517753

c. General Correspondence

d. Claims

(1) Zhida Anees

(2) Henry HC Huang

(3) Viera Lee

(4) Debra Lewis

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

(1) Ordinance No. 4241, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING SECTION 11.84A.030 OF THE KIRKLAND MUNICIPAL CODE, ENTITLED “DISORDERLY CONDUCT” AND AMENDING PROVISIONS RELATING TO THE CRIME OF DISORDERLY CONDUCT."

(2) Report on Procurement Activities

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

9. PUBLIC HEARINGS

a. Ordinance No. 4242, 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 December 1, 2010.

Mayor McBride reviewed the parameters for, and opened, the public hearing, and called on Planning and Community Development Director Eric Shields to review the proposed ordinance. Testimony was provided by David Hoffman; no further testimony was offered and the Mayor closed the hearing.

Motion to Approve Ordinance No. 4242, entitled "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 DECEMBER 1, 2010."
Moved by Councilmember Bob Sternoff, seconded by Councilmember Dave Asher
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

10. UNFINISHED BUSINESS

a. Eastside Rail Corridor Process Update

Interim Public Works Director Ray Steiger reviewed the proposed process for Council consideration.

Motion to support the proposed public process as outlined by the Transportation Commission and staff.
Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

11. NEW BUSINESS

a. Annexation Area School Construction Project Permits

Interim City Manager Marilynne Beard provided an overview of the proposal from the Lake Washington School District.

Motion to direct staff to prepare an interim ordinance and schedule a public hearing to allow the reconstruction of two new elementary schools in the annexation area to be processed through the City rather than King County.
Moved by Councilmember Jessica Greenway, seconded by Councilmember Dave Asher
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

b. Ordinance No. 4243 and its Summary, Relating to Impact Fees, Establishing Impact Fee Credits for Residential Subdivisions in Certain Situations, Providing the Option for Deferral of Payment of Impact Fees for Single Family Residences to the Initial Sale of the Residence, and Making Other Miscellaneous Changes

Motion to Approve Ordinance No. 4243 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO IMPACT FEES, ESTABLISHING IMPACT FEE CREDITS FOR RESIDENTIAL SUBDIVISIONS IN CERTAIN SITUATIONS, PROVIDING THE OPTION FOR DEFERRAL OF PAYMENT OF IMPACT FEES FOR SINGLE FAMILY RESIDENCES TO THE INITIAL SALE OF THE RESIDENCE, AND MAKING OTHER MISCELLANEOUS CHANGES."

Moved by Councilmember Doreen Marchione, seconded by Councilmember Bob Sternoff
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

c. Ordinance No. 4244 and its Summary, Relating to Street Cut Fees and Amending Sections 5.74.040 and 19.12.090 of the Kirkland Municipal Code

Public Works Development and Environmental Services Engineering Manager Rob Jammerman presented information on the proposed fees and responded to Council questions and comment. Council agreed to delay consideration of the ordinance for one month.

d. Potential Property Acquisition for a Public Safety Facility

Motion to authorize the Interim City Manager to enter into a purchase and sale agreement for acquisition of the property commonly known as 11831 120th Avenue NE, Kirkland, Washington.
Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding the Puget Sound Regional Council General Assembly; Councilmember Walen's tour of the Public Works Maintenance Facility; Suburban Cities Public Issues Committee; Lakeview Elementary School Geography event; 25th anniversary Kirkland CROP (Church Rural Overseas Project) walk to benefit CROP and Hopelink; Joint Meeting with the Redmond City Council; Visit with Ben Franklin Elementary Quest students; "Map Your Neighborhood" event; Kirkland Downtown Association "Clean Sweep" event; Kirkland hosting Seattle International Film Festival screenings; Kirkland position on King County Flood Control District funding recommendation; thanks extended to the Parks Department for Cemetery Memorial Day flag installation; and Council announced that the City Manager finalist is Kurt Triplett.

b. City Manager

(1) Calendar Update

13. ITEMS FROM THE AUDIENCE

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of June 1, 2010 was adjourned at 9:20 p.m.

City Clerk

Mayor

Council Meeting: 06/15/2010
Agenda: Claims
Item #: 8. d.

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Kathi Anderson, City Clerk

Date: June 3, 2010

Subject: CLAIM(S) FOR DAMAGES

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

POLICY IMPLICATIONS
This is consistent with City policy and procedure and is in accordance with the requirements of state law (RCW 35.31.(040).

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

(1) Brett and Wendy Alston
9704 NE 130th Place
Kirkland, WA 98034

Amount: Unspecified Amount

Nature of Claim: Claimant states damage to property resulted when City lawnmower debris struck a window.

(2) Aziz I. Jivani
12229 N 130th Way, Apt. G-304
Kirkland, WA 98034

Amount: $60,000.00

Nature of Claim: Claimant states damages resulted from unlawful arrest.

(3) Charles Shields
10610 NE 45th Street
Kirkland, WA 98033

Amount: $77,526.50

Nature of Claim: Claimant states damage to home resulted from drainage problems due to nearby construction.

Council Meeting: 06/15/2010
Agenda: Award of Bids
Item #: 8. e. (1).

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

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

Date: June 3, 2010

Subject: 2010 Annual Striping Program – Award Contract

RECOMMENDATION:

It is recommended that City Council award the contract for the 2010 Annual Striping Program to Stripe Rite, Inc., Auburn, Washington in the contract amount of $183,677.45.

BACKGROUND AND DISCUSSION:

The purpose of this citywide project is to maintain the pavement markings that define the path of safe travel for motorists, bicyclists, and pedestrians. The work efforts include the repainting of automobile lane lines, bicycle lanes and bicycle lane symbols, and on-street public parking lines. The work also includes replacing worn thermoplastic crosswalk markings, stops bars, turn arrows, railroad crossings and other symbols.

The annual striping program is broken into two phases: Phase I is performed in the summer and includes the lane striping and thermoplastic work on all aforementioned facilities. The Phase II work is performed in the fall and results in the restriping of all travel lane lines on collectors and arterials (Attachment A) before the onset of the winter months -- both phases are included with this recommended contract award.

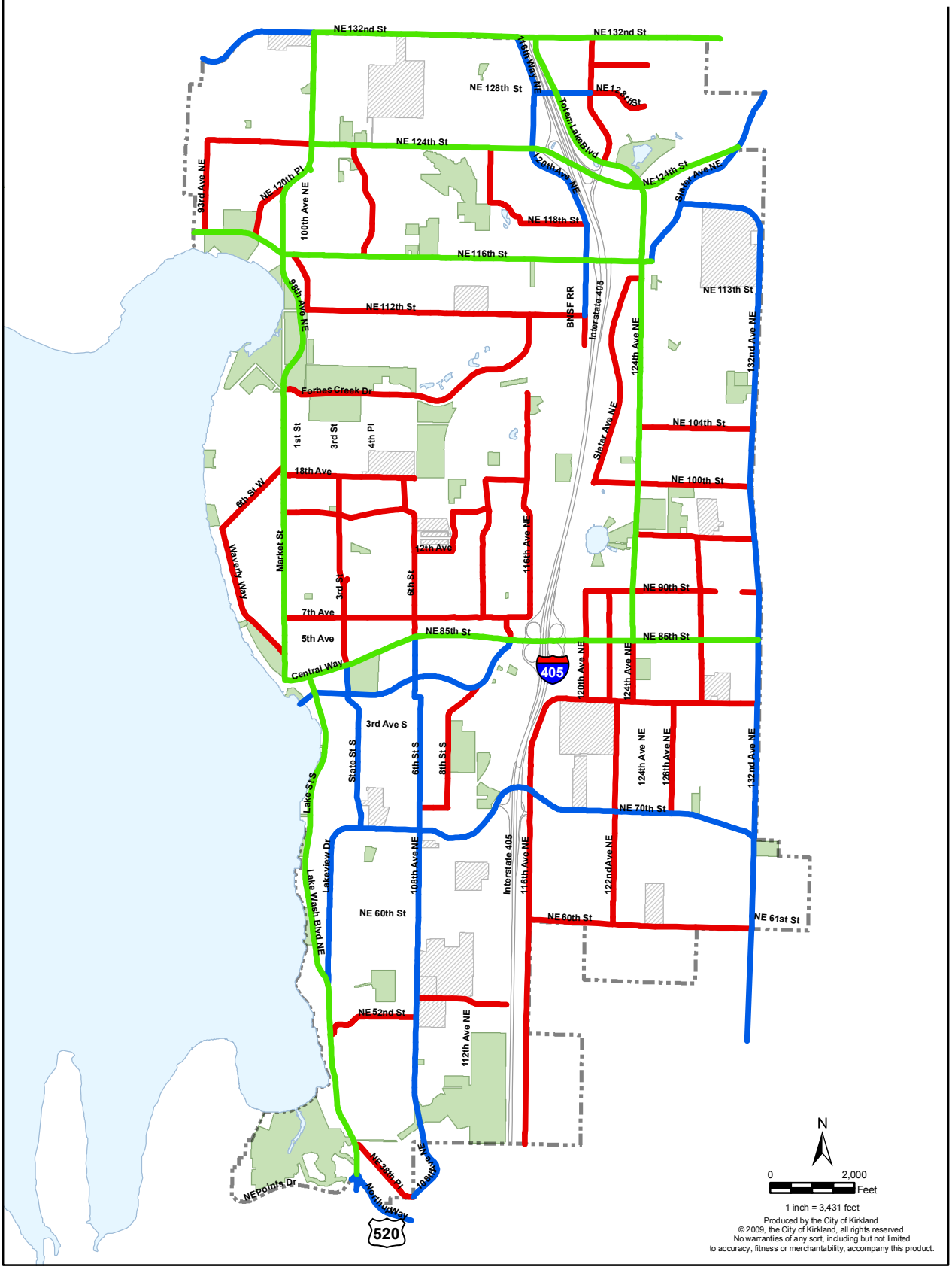
This project is part of the Capital Improvement Program with an annual total budget of $250,000 (Attachment B). With an engineer's estimate of $198,000, the first advertisement for the Project occurred on May 17, 2010. On May 27th two bids were received with Stripe Rite, Inc. being the lowest responsive bidder. The total bid prices are as follows:

Contractor	Total Bid
Stripe Rite, Inc.	**$ 183,677.45**
Engineer's Estimate	*$ 198,239.75*
Apply-A-Line, Inc.	$ 277,074.75

Phase I work will begin in July, and Phase II restriping will be completed by October.

Attachments: (3)

Attachment A

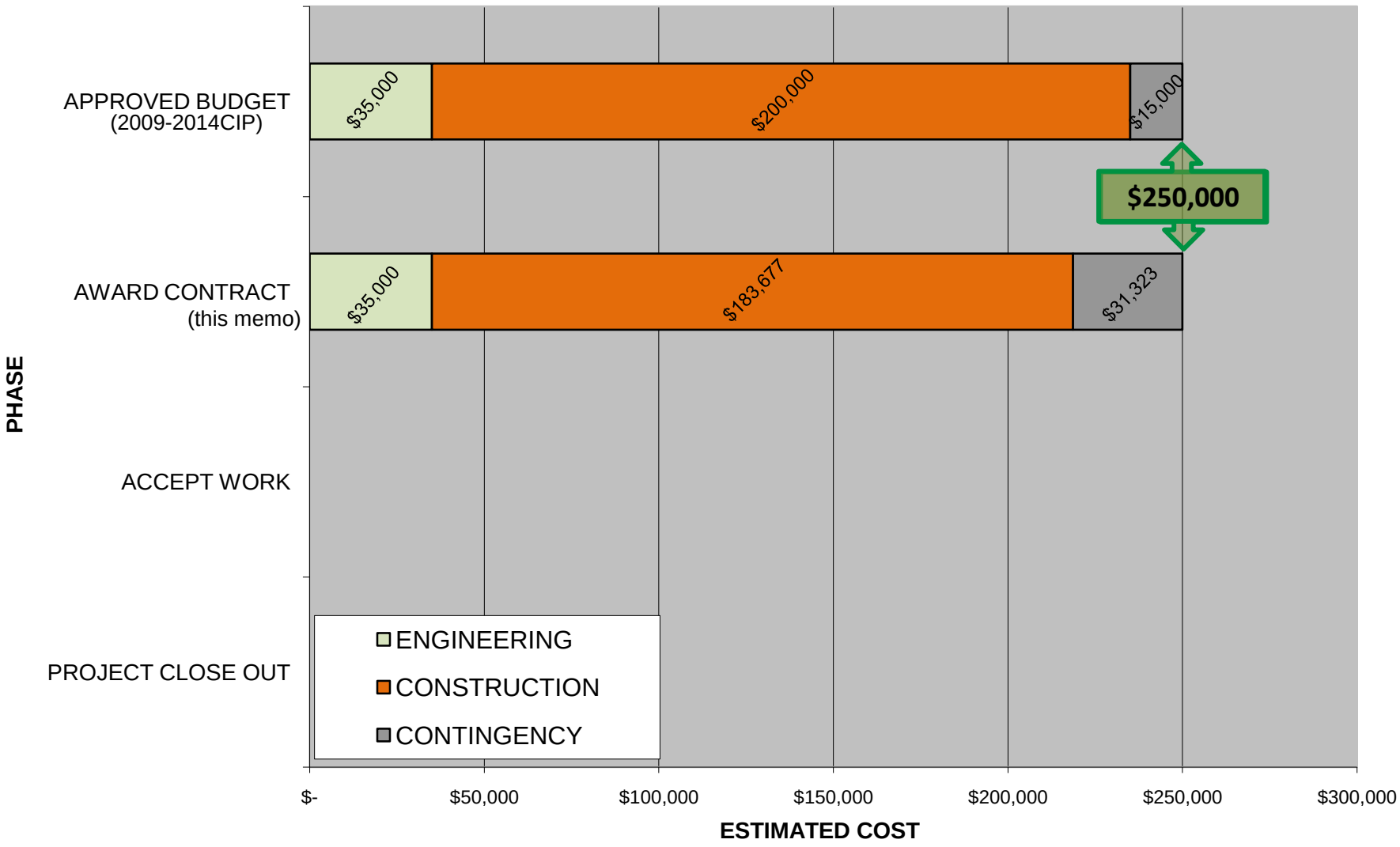


Principal Arterial
Minor Arterial
Collector
State Routes and Interstate
Parks
Schools
Lakes
City of Kirkland

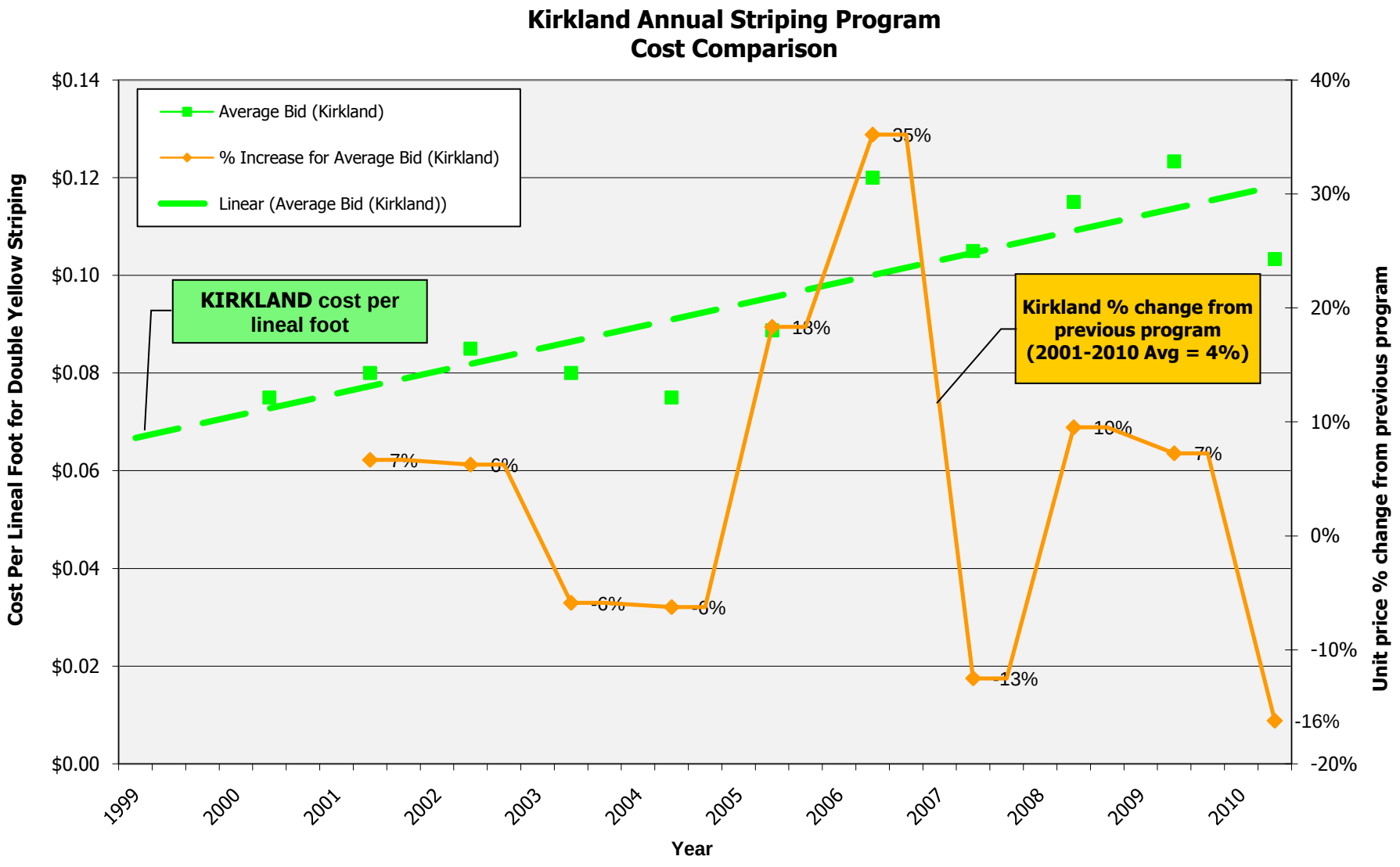
FUNCTIONAL STREET CLASSIFICATIONS MAP

2010 Annual Striping Program -- CST 1080

PROJECT BUDGET REPORT



Attachment B



ATTACHMENT C

Council Meeting: 06/15/2010
Agenda: Award of Bids
Item #: 8. e. (2).

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

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

Date: June 3, 2010

Subject: 2010 STREET PRESERVATION PROGRAM (PHASE I – OVERLAY PROJECT) AWARD CONTRACT

RECOMMENDATION:

It is recommended that City Council award Schedules A and B (Base Bid) and Schedules C, D, and E (Additive Alternates) for the 2010 Overlay Project to Watson Asphalt Paving Company of Redmond, Washington in the amount of $1,444,139.74.

BACKGROUND DISCUSSION:

The Overlay Project is Phase I of the 2010 Annual Street Preservation Program which provides for the maintenance and rehabilitation of the City's street network through subgrade repair, asphalt grinding, and the application of a new surface layer of asphalt overlay applied to selected streets. This year's Project included five schedules of work resulting in the resurfacing of approximately six lane miles of roadway throughout the City (Attachment A). The work also includes installation of new curb ramps, as required by the Americans with Disabilities Act, and replaces adjacent broken curb and sidewalk panels. Phase II of the Annual Street Preservation Program is the Slurry Seal Project, and a separate award memo for that project is scheduled to be included on the July 20th Council meeting agenda.

The first advertisement for the Overlay Project was published on May 14, 2010 and bids were opened on June 1, 2010; four bids were received and tabulated as follows:

Contractor	Schedules A & B (Base Bid)*
Watson Asphalt	$787,904.74
Lakeside Industries	$795,133.52
CEMEX	$808,834.99
Northwest Asphalt	$850,599.40
Engineer's Estimate	*$996,000.00*

**Schedules A & B (Base Bid) were used as the basis for determining award.*

Since the Base Bid was significantly below the engineer's estimate, the budget allows for the addition of a number of additive alternates. Staff recommends adding all of the remaining schedules of work bringing the total Watson Asphalt contract amount to $1,444,140. The Engineer's Estimate was based on information received from Bellevue and WSDOT 2010 bids, as well as Kirkland's bid tabulations from previous years. For 2010, staff had estimated the cost

for pavement would be approximately $76 per ton. By comparison, the average cost of asphalt received in the 2009 Street Preservation Program bids was $76 per ton; however, the average cost of asphalt received in 2010 decreased to $74. (Attachment C)

The work for Schedule B (Base Bid) includes repaving streets that had new sewer lines installed in them during the 2009 Emergency Sewer Program (ESP). The repaving work was included in the 2010 Overlay Project to benefit from better unit pricing and keep the ESP assessments as low as possible – approximately $41,000 of 2009 ESP funds are being utilized to repave streets that were in the "excellent" to "very good" condition (i.e. Pavement Condition Index (PCI) range of 100 to 70) prior to the impacts caused by the 2009 ESP. The streets that were in "good" to "poor" condition (i.e. below 70) prior to the 2009 ESP are being repaved using the 2010 Overlay funds since they would soon be repaired as a part of the City's ongoing Street Preservation Program.

The Street Preservation Program has a 2010 CIP budget of $2.0 million; with a contribution of $41,000 from the 2009 ESP, the total Project budget is $2,041,000 (Attachment B).

As is the City's standard practice, notification of the 2010 Street Preservation Program was sent to all utilities: PSE, Northshore Utility District, and others in the fall of 2009. This notification allowed those agencies the opportunity to upgrade their facilities in the roadways being repaved. City utility crews also upgraded and repaired City facilities (water, sewer, storm) in advance of this year's Program.

Construction of the 2010 Overlay Project will start in early July with substantial completion expected by the end of October. In advance of the construction work, Public Works will notify adjacent property owners with an informational mailing describing the City's Street Preservation Program. This information, along with a regularly updated construction schedule, will also be posted on the City's web site. Construction notice signs will be installed in advance of the overlay on higher volume streets and portable construction notice signs will be placed on residential streets a few days prior to construction. Supplemental notices will also be distributed to all adjacent homes and businesses at least 24 hours prior to construction. As the Project also includes a significant amount of sidewalk and ramp reconstruction, staff will ensure the contractor maintains safe travel for pedestrians throughout the work areas at all times.

Attachments: (3)

Street Preservation Project - 2010 Overlay Plan

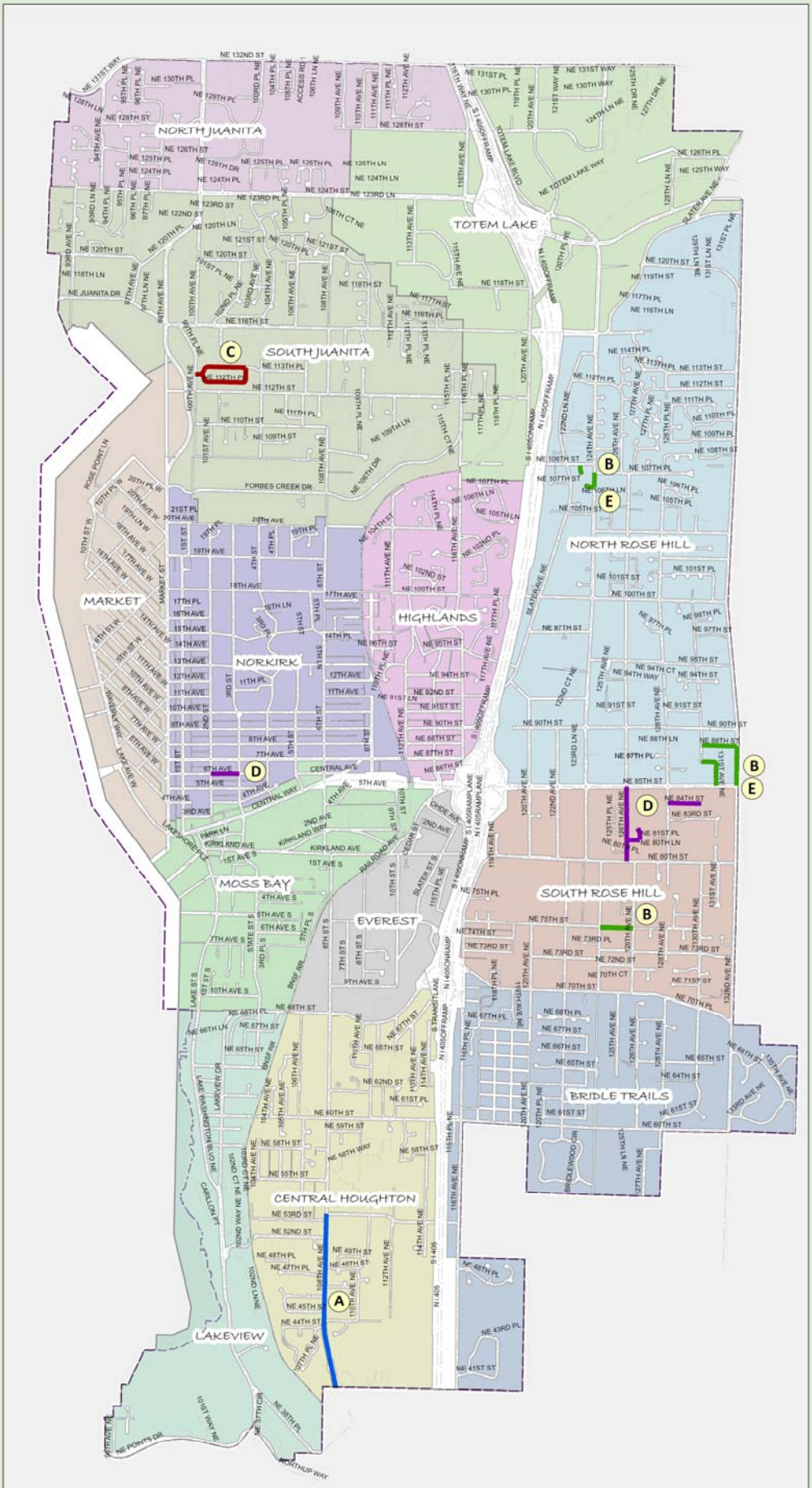
Vicinity Map

0 7,000 14,000 21,000
Feet

Note: Streets selected for treatment are preliminary and may or may not be resurfaced as indicated on this drawing.

This map does not include streets to be treated with other preventative maintenance techniques (i.e. Slurry Seal, Crack Seal, etc.).

Some streets shown on this drawing will be repaved by other projects and are indicated as such with callouts.



Map Legend
Preliminary Overlay Streets
Year, Sched
Schedule A - Base Bid
Schedule B - Base Bid
Schedule C - Additive
Schedule D - Additive
Neighborhoods
Bridle Trails
Central Houghton
Everest
Highlands
Lakeview
Market
Moss Bay
Norkirk
North Juanita
North Rose Hill
South Juanita
South Rose Hill
Totem Lake

(E) Schedule E consists of pavement repair on 132nd Ave NE and 124th Ave NE.

0 880 1,760 2,640
Feet

CITY OF KIRKLAND
DEPARTMENT OF PUBLIC WORKS

CITY OF KIRKLAND WASHINGTON

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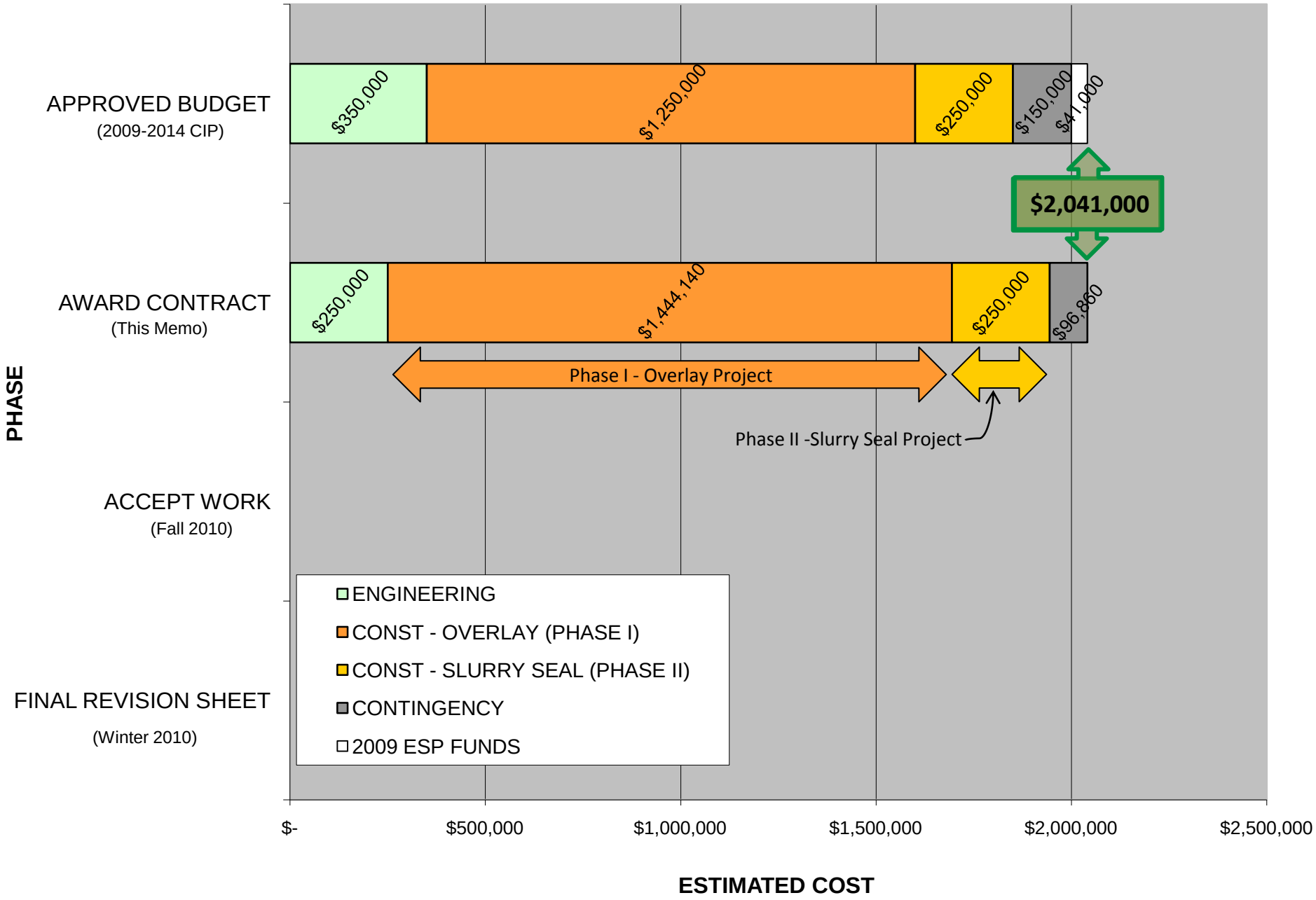
No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

-Print Date: 6/2/2010

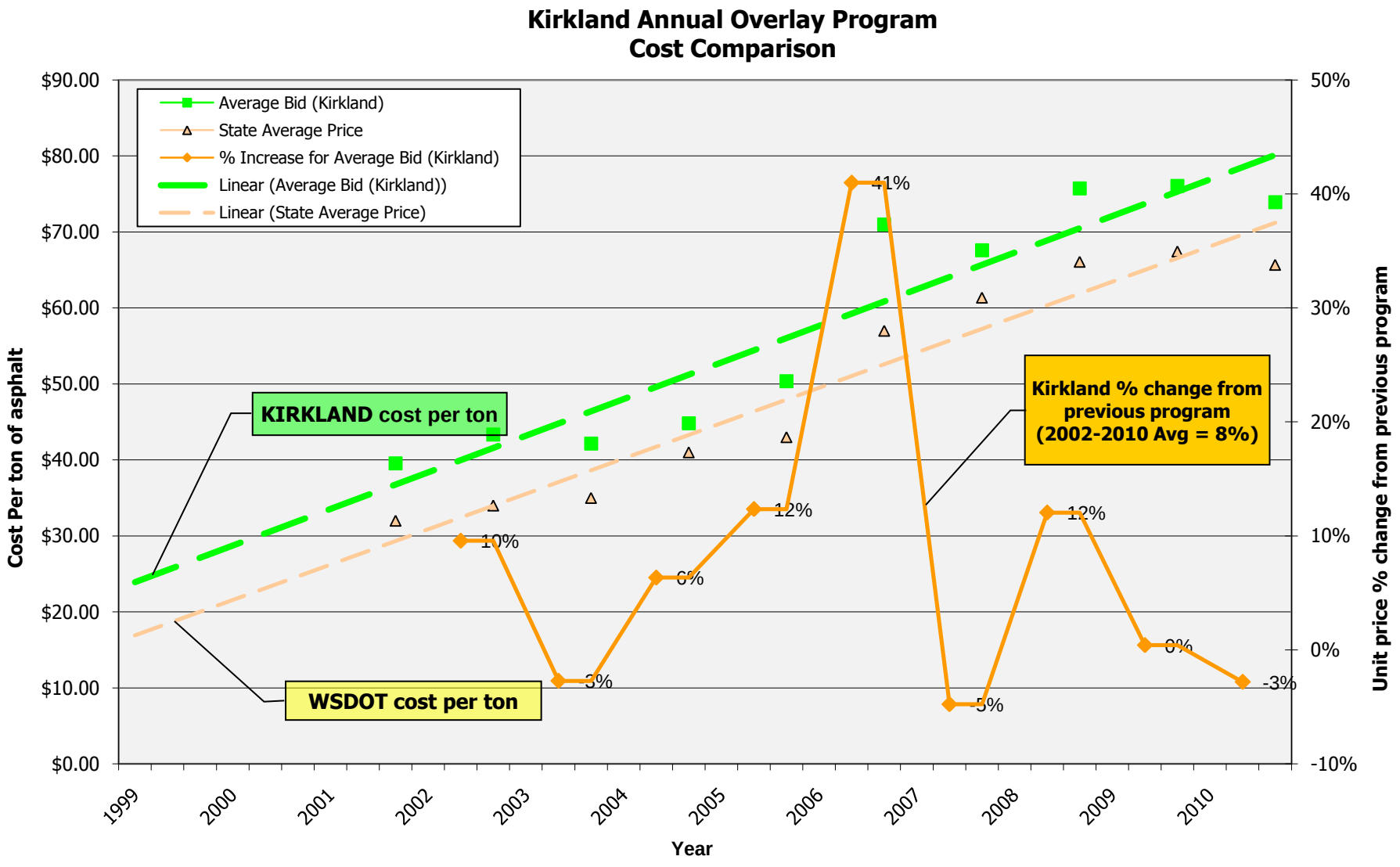
-Location: \\SRV-FILE01\Data\Pw\Street Systems\SPP_PMS\PMS\GIS\COKSPP-OL 2010 Plan.mxd

2010 STREET OVERLAY PROJECT
(ST-1006)

Project Budget Report



Attachment B



ATTACHMENT C

Council Meeting: 06/15/2010
Agenda: Award of Bids
Item #: 8. e. (3).

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Kevin Nalder, Director of Fire and Building Department
Helen Ahrens-Byington, Deputy Fire Chief / City Emergency Manager
Gina M. Hortillosa, P.E., Project Engineer

Date: June 3, 2010

Subject: Emergency Management (Digital Message Display Signs) – Award Contract

RECOMMENDATION:

It is recommended that Council award the manufacturing and installation contract for five Emergency Management Digital Message Display Signs to The Sign Factory, of Kirkland, Washington in the amount of $90,542.00.

BACLKGROUND AND DISCUSSION:

The Digital Message Display Signs project consists of the design, manufacturing, installation and testing of five digital message board signs. Fours signs (base project) are proposed at Fire Stations 21, 22, 26 and 27 (Forbes Creek, Central Houghton, Rose Hill and Totem Lake respectively). A fifth sign (additive alternate) is proposed at the North Kirkland Community Center. The primary goal of these signs is to provide the City with a means of emergency communication to citizens at high traffic flow areas. These signs will be connected to the generators in the facilities and will have remote internet access to change the messages. In non-disaster times these signs will be used for public education and community event messaging so the community gets used to seeing messaging at these locations.

City crews will be responsible for the removal of existing signs, site preparation (grading), construction of pedestal base, providing fiber optic and electrical supply to each sign location. The Sign Factory will submit appropriate sign permits (City of Kirkland for all sign locations except Station 27 which is located within King County), manufacture all signs per City of Kirkland Zoning Codes, install signs at specified property locations, test sign operations at each site and provide adequate training to Kirkland staff regarding sign maintenance and operations.

Netversant Solution LLC, under the guidance of IT and CIP staff, will install handholes and provide fiber optic connections from each facility termination point to the respective digital message sign. Netversant has provided a quote of approximately $11,000 for providing these services at the four fire stations and the North Kirkland Community Center under a professional services contract.

Staff advertised for requests for proposal on the City's web page. The first advertisement was published on May 3, 2010 and nine proposals were received by the May 17, 2010 deadline and total cost (one criteria of the proposal evaluation) is as follows:

Vendor	Base Project + Alternate
Heath Northwest	$55,588.05
Golden Rule Signs	$71,507.60
Plumb Signs	$74,698.10
The Sign Factory	**$90,542.00**
Tube Art	$100,740.00
Apollo Neon	$104,384.45
Advantage LED	$104,626.00
American Neon	$121,924.30
Crossroad Sign	*$129,215.00*
Engineer's Estimate	*$160,000.00*

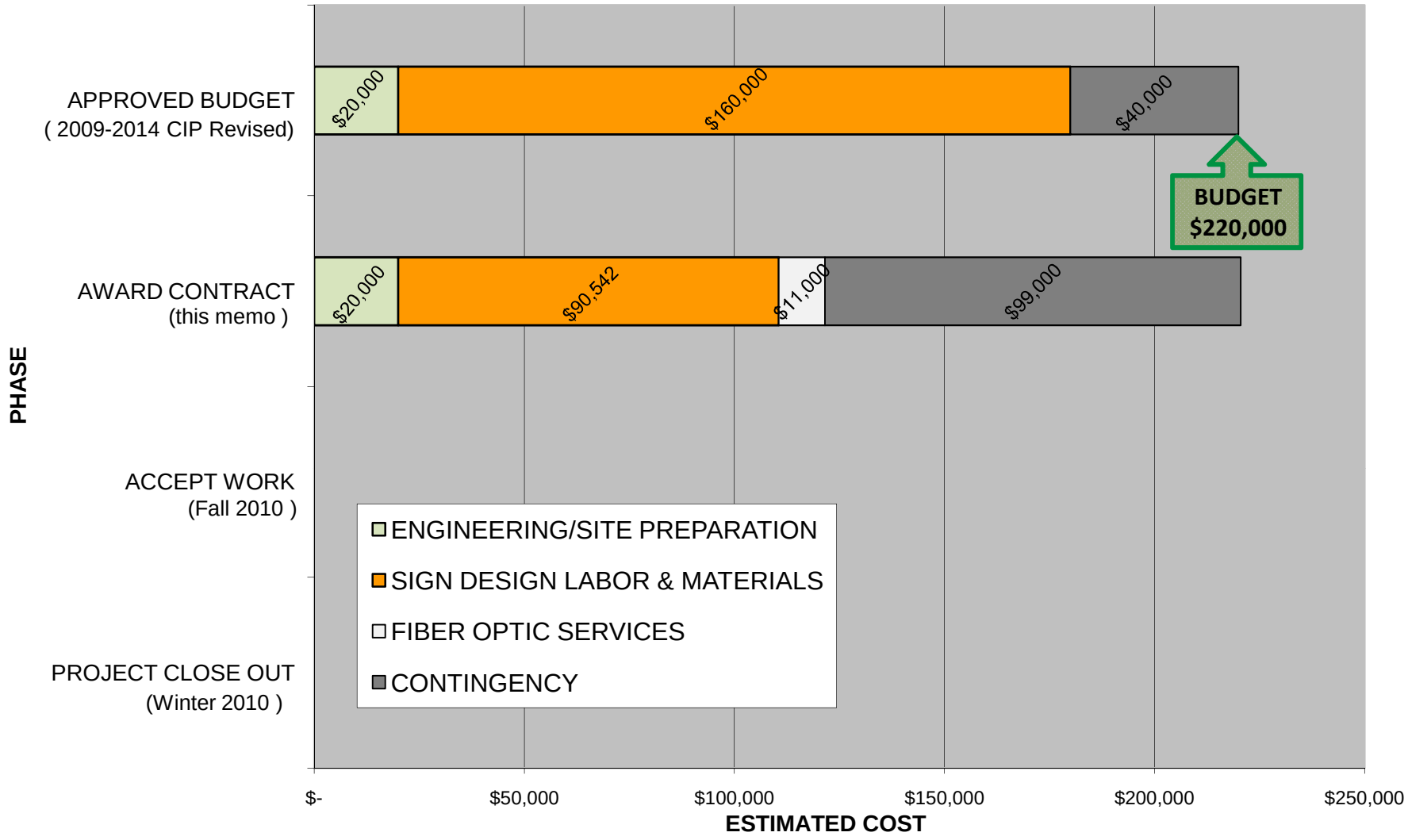
Proposals were reviewed and evaluated by a panel formed by staff from the Public Works, Fire - Office of Emergency Management, Finance, Planning, and Information Technology Departments. Based on the following criteria:

- proposed artwork
- sign layout
- project understanding
- cost
- past experience (including references)

Staff recommends that the Digital Message Display Signs contract be awarded to The Sign Factory. Including work by City forces, engineering/design/proposal, fiber optic services and the Contractor's manufacturing and installation, the Project remains within the approved $220,000 budget (Attachment A). With award of the contract by Council at their June 15th meeting, final installation is expected to be completed by early fall.

Attachments (1)

Digital Message Display Signs
(PS 0070)
PROJECT BUDGET REPORT



Attachment A

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

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

Date: June 3, 2010

Subject: ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT (EECBG) – HOME ENERGY REPORTS AGREEMENT

RECOMMENDATION:

It is recommended that Council approve the attached resolution authorizing the City Manager to sign an agreement with Puget Sound Energy and OPower to provide Home Energy Reports to over 11,000 of Kirkland's single-family residents.

BACKGROUND:

The American Recovery and Reinvestment Act of 2009 provided multiple funding opportunities intended for local governments. One such opportunity is the Energy Efficiency and Conservation Block Grant (EECBG). The overall intent of the EECBG Program is to assist eligible entities in creating and implementing strategies to:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximize benefits for local and regional communities;
- Reduce the total energy use of the eligible entities; and
- Improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors.

The City of Kirkland is slated to receive $211,500 in EECBG formula funding. The Green Team recommended potential uses of this grant funding, and the projects proposed were consistent with Kirkland's emissions goals and Climate Protection Action Plan. At the May 19, 2009 meeting, Council approved staff recommendations from a menu of project options as shown below:

PROJECT	***ESTIMATE***	***STATUS***
Convert City Hall Parking Lot Lights to LED Technology	$54,000	NA – Per 5/18/10 Council memo
Convert Traffic Signals to LED Technology	$69,500	Compiling list of materials
Replace Single-Pane Windows at Fire Station 27	$28,000	Contract awarded
Home Energy Reports (Puget Sound Energy/OPower)	$60,000	***This memo***
TOTAL	***$211,500***	

OPower Home Energy Reports

Puget Sound Energy is contracting with OPower (formerly Positive Energy) www.opower.com and partnering with cities to provide home energy reports for residential customers. The report contains information and analysis about electricity and natural gas consumption in comparison with a resident's neighbors to help increase understanding about energy usage. The report also provides personalized action steps to reduce utility usage and costs. Reports are customized for the community and provide information about City programs and opportunities.

This program will present a helpful outreach method to engage the community about the Climate Protection Action Plan and encourage behaviors that will reduce the community's greenhouse gas emissions. OPower employs a statistical test and control methodology to sample energy use results over meaningful time periods (12-24 months) and measure exact impact within the community. Six other east King County cities (Bellevue, Redmond, Renton, Issaquah, Sammamish and Mercer Island) are also participating in this program utilizing EECBG funds. The City will be responsible for $5.10 per customer for one year of reports and an introductory letter so the $60,000 budgeted in the EECBG grant will provide reports for over 11,000 single-family residents in Kirkland.

RESOLUTION R-4817

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND REGARDING HOME ENERGY REPORTS FOR KIRKLAND RESIDENTS.

WHEREAS, the American Recovery and Reinvestment Act of 2009 provided funding for the Energy Efficiency and Conservation Block Grant; and

WHEREAS, the City received $211,500 funding from this grant, which at its May 19, 2010, meeting the Council determined should be spend on certain projects; and

WHEREAS, providing Home Energy Reports to residents of the City under a contract with PSE and OPower to further understanding about energy usage and provide action steps to reduce enegy consumption was one of these approved projects,

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

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland an Interlocal Agreement substantially similar to that attached as Exhibit "A", which is entitled "Agreement for Home Energy Report Pilot Program."

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____, 2010.

_____
MAYOR

Attest:

_____
City Clerk

PUGET SOUND ENERGY
The Energy To Do Great Things

Agreement for Home Energy Report Pilot Program
No. 2009-00_

This Agreement, dated as of _____, is entered into by and among **Puget Sound Energy, Inc.,** a Washington corporation ("PSE"), **OPOWER, Inc.**, a Delaware corporation ("OPOWER"), and _____ ("City"), a municipal corporation of the State of Washington. PSE, OPOWER, and City are each a "party" to this Agreement, and collectively may be referred to as "parties."

The Agreement sets forth each party's respective roles, commitments, and obligations with respect to **PSE's Home Energy Report Pilot Program ("Program")** further described in this document and its attachments. Those attachments consist of Attachment 1, Scope of Work; Attachment 2, Pricing/Invoicing Detail; Attachment 3, Sample Home Energy Report; Attachment 4, PSE/OPOWER contract (redacted); and Attachment 5, federal regulatory requirements, each of which is incorporated by this reference.

This Agreement is intended to implement a City decision to employ funds that the City obtained or will obtain under the American Recovery and Reinvestment Act of 2009 ("ARRA") from the US Department of Energy (or another funding agency), and thus increase the availability of a substantially identical PSE/OPOWER pilot program to eligible PSE customers within the City limits.
The parties agree to participate in the Program with an end date of the earlier of a) **12/31/2011;** b) until the allocated funding cap of $_____ allocated by the City and matched by PSE, as further set forth in this Agreement, is fully expended; or c) until this Agreement is terminated pursuant to Section 10 (the "Program Term"). If extensions of the Program Term are requested by PSE or the City and agreed upon by OPOWER, such extensions must be written and mutually agreed upon in advance through an amendment to this Agreement. The term of this Agreement runs concurrently with the Program Term.

1. Program Description

The PSE Home Energy Report Pilot Program is intended to increase energy efficiency practices and reduce consumption of energy by delivering energy usage information to participating PSE customers ("New Participants") together with energy savings information. New Participants will be selected through the process described in the Scope of Work and receive regular reports ("Home Energy Reports") that tell them where they stand in comparison to their neighborhood with respect to energy use (both electricity and gas). Further, the Program uses customers' energy profiles to individually target energy efficiency offers and rebates most relevant to New Participants, and such offers and rebates may be included in mailings or communications to New Participants.

Further detail found in Attachment 1 Scope of Work, and Attachment 4, PSE/OPOWER contract.

1.1 PSE Commitments:

- PSE shall work with OPOWER under the PSE/OPOWER contract to expand the availability of the Program to New Participants residing within the City limits.
- PSE shall ensure that at least the first Home Energy Reports have been delivered for New Participants within the City limits on or before December 31, 2010.
- For each New Participant residing within the City limits, PSE shall bear the Setup Fees and the Website License Fees as shown on Attachment 2. PSE shall bear one-half of each of the Report Delivery fees, the Website Access fees, and the costs of the Introductory Insert as shown on Attachment 2. PSE shall pay OPOWER the fees and costs allocable to PSE for New Participants under this Agreement consistent with a quarterly invoice issued from OPOWER to PSE. PSE's obligation to make its payments to OPOWER is not conditioned on any City payment or agreement to pay OPOWER pursuant to that invoice. PSE shall bear no liability for or responsibility for the portion of the fees to be paid by the City as described in Section 1.2 below. Invoices issued by OPOWER pursuant to this Agreement shall clearly indicate those fees to be paid by PSE and those fees to be paid by the City. All Setup Fees and Website License Fees are due and payable by PSE to OPOWER upon execution of this Agreement and are non-refundable.
- PSE's payments will be made directly to OPOWER.
- PSE shall maintain, and upon the City's reasonable request, provide to the City copies of invoices or proofs of payment of invoices to OPOWER, detailing PSE's expenditures to assist the City in documenting and reporting upon direct cash matching expenditures as such relate to the scope of work under this Agreement.
- PSE shall ensure that all Home Energy Reports are branded with PSE and City logo, at PSE's expense, subject to the restrictions in Section 5.
- PSE shall provide quarterly reports to City Program Coordinator specifying number of New Participants, number of opt-outs, and the Home Energy Report release schedule for New Participants.
- PSE shall provide the City with one summary of evaluation results from the Program not later than 18 months after the delivery of the first Home Energy Report to a New Participant within the City's limits.
- PSE shall provide, at no cost until September 30, 2011, all New Participants with access to the Energy Insider Website with energy saving tips.
- PSE shall comply with ARRA funding rules or requirements, if any, that are applicable to its responsibilities under this Agreement. PSE shall maintain and, upon the City's request, provide the City with, documentation to support the City in meeting reporting, audit or other documentation requirements imposed on the City under ARRA funding rules or requirements that apply to the grant(s) awarded to the City that the City is using to fund the City's participation in the Program.

1.2 City Commitments:

- For each New Participant residing within the City limits, City shall pay to OPOWER one-half of each of the Report Delivery fees, the Website Access fees, and the costs of the Introductory Insert, as shown on Attachment 2 and to be invoiced on a quarterly basis as described there. PSE and City may be concurrently invoiced by OPOWER for such costs and fees, but City is not obligated to pay OPOWER for City's portion of such costs and fees until PSE has already paid OPOWER for PSE's portion of those fees and costs. The City shall bear no liability for or responsibility for the portion of the fees to be paid by PSE as described in Section 1.1 above. Invoices issued by OPOWER pursuant

to this Agreement shall clearly indicate those fees to be paid by PSE and those fees to be paid by the City.

- City's payments will be made directly to OPOWER.
- City's total payments in support of the Program shall not exceed $_____, i.e., the amount of ARRA grant(s) received by the City and that the City has decided to make available to support the Program.
- City shall be responsible for all reporting or auditing that may be required for compliance with rules related to use of funds it obtained under the ARRA.

1.3 OPOWER Commitments:

- OPOWER shall implement the Program for delivery to New Participants residing within the City limits consistent with its obligations under the PSE/OPOWER contract (Attachment 4) and the Scope of Services (Attachment 1), provided that PSE and the Cities are meeting their payment commitments.
- Provided that PSE and the City meet their respective obligations necessary for delivery of the services, including without limitation timely delivery of data to OPOWER, timely execution of these Agreements, and timely payments to OPOWER, OPOWER shall deliver at least the first Home Energy Reports to New Participants within the City limits on or before December 31, 2010.
- OPOWER shall maintain records adequate to identify New Participants, and (except for the Setup Fees and Website License Fees payable immediately by PSE as described above) shall not bill either PSE or the City for costs or fees associated with any New Participants until such New Participants have been identified for the Program.
- OPOWER shall maintain its records of New Participants (and records of persons already participating in PSE's pilot program) in a manner consistent with the confidentiality of the provisions in the PSE/OPOWER contract (Attachment 4).
- Under a confidentiality agreement that restricts use of information at least to be consistent with privacy rules applicable to PSE customer information, OPOWER shall provide its records of the Program within the City limits to an independent auditor designated by the City, upon the City's reasonable request, but not more than once per year, for audit or review purposes to enable the City to verify the number of New Participants that have been identified during the applicable period.
- OPOWER shall invoice City and PSE on a quarterly basis for New Participants residing within the City limits consistent with Attachment 2.
- OPOWER shall comply with ARRA funding rules or requirements, including the federal regulatory requirements attached as Attachment 5, that are applicable to its responsibilities under this Agreement. OPOWER shall maintain and, upon the City's request, provide the City with, documentation to support the City in meeting reporting, audit or other documentation requirements imposed on the City under ARRA funding rules or requirements that apply to the grant(s) awarded to the City that the City is using to fund the City's participation in the Program.

2.0 Program Coordination Contacts:

PSE:	**City:**
Name Jessica Geenen	**Name**_____
Phone 425-457-5884	**Phone**_____
email jessica.geenen@pse.com	**email**_____

OPOWER:

Name Josh Bufford
Phone 804-514-0588
Email josh@opower.com

3.0 Qualifications for Participation

3.1 City:
City qualifies for this Program because some of its residents are PSE customers for gas and/or electric service who are not already participating in the Program as a member of a test or a control group, and because City received an ARRA grant that it desires to employ in support of expanding the availability of the Program to City residents.

3.2 Customers:
Qualifying New Participants are PSE customers who (a) are not part of the existing test or control groups living in single family homes within the City limits, (b) meet technical eligibility requirements regarding quality of data, (c) are selected through the process described in Task 8 of Appendix A to Amendment 3 of the PSE/OPOWER contract, and (d) choose not to opt out of the Program after being selected to participate.

4.0 Promotions and Advertising

4.1 The City, OPOWER and PSE must approve in advance and in writing any advertising or news releases about the Program. Proposed advertising or news releases must be provided three weeks in advance to the designated contacts for PSE, OPOWER and the City. The Introductory Insert (the first mailing announcing the Program to New Participants) shall comply with any applicable acknowledgement requirements associated with federal ARRA grant recipients.

4.2 Failure of a party to provide its written approval as set forth in section 4.1 shall not constitute such party's approval or acceptance.

5. Logos and Language

5.1 The PSE logo and the OPOWER logo must be added to all materials and advertising about the Program. The City logo—or other identifying information—will be included in any such materials or advertising if the City desires, at no cost to the City. PSE and OPOWER shall not use any trade name, trademark, service mark, or logo of the City (or any name, mark, or logo confusingly similar thereto) in any advertising, promotions, or otherwise, without the City's express prior written consent.

5.2 Each party acknowledges and agrees that it does not own any right, title or interest in or to any other party's name and logo. No party will at any time dispute or contest, directly or indirectly, the exclusive right and title to, and validity of, another party's respective name and logo. Each party agrees to take no action inconsistent with another party's ownership of its respective name and logo or that is likely to subject such party to claims by third parties or potential loss of any rights therein, and agrees and acknowledges that its use of the other party's name and logo inures to the benefit of such party. Each party acknowledges that maintaining a high standard of quality for the Program materials bearing the name and logo and maintaining the goodwill associated with such names and logos are of substantial importance.

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6. Limited Liability, Indemnification and Hold Harmless

6.1 Except as set forth in Sections 6.2 and 6.3 below or except with respect to violations of OPOWER's intellectual property rights as defined in the PSE/ OPOWER contract, the total liability for either PSE or the City under this Agreement shall be limited to paying their respective portion of the Program fees, costs or expenses as set forth herein or in Attachment 2, but only if and as such Program fees, costs or expenses become due and payable pursuant to the terms of this Agreement. If for any reason the City is unable to spend the full amount of the City's ARRA grant(s) allocated to this Program, whether due to lack of resident response, failure of advertising or Program performance or otherwise, PSE and City agree to work together to explore whether any replacement energy efficiency effort is viable or appropriate. OPOWER's liability under this Agreement shall be limited to the actual fees received pursuant to this Agreement.

6.2 PSE shall protect, defend, indemnify and save harmless the City, its officers, employees and agents from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of PSE or OPOWER with respect to the Program or the terms of this Agreement. .

6.3 The City shall protect, defend, indemnify and save harmless PSE and/or OPOWER, its or their respective officers, employees and agents from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of the City with respect to the Program or the terms of this Agreement.

6.4 OPOWER shall protect, defend, indemnify and save harmless the City, its officers, employees and agents from any and all costs, claims, judgments or awards of damages, arising out of the negligent acts or omissions of OPOWER with respect to the Program or the terms of this Agreement. OPOWER shall have no such obligation for acts arising out of the acts of the City or PSE.

6.5 OPOWER will indemnify, defend, and hold the City (and its elected officials, officers, employees, successors, assigns, insurers, licensees, distributors, independent Consultants, and agents) harmless from all claims, damages, losses, and expenses arising out of any claim, action, or other proceeding that is based upon (a) OPOWER'S breach of any warranties under this Agreement, or (b) the infringement or misappropriation by OPOWER of any foreign or United States patent, copyright, trade secret, or other proprietary right.

7. Changes

No change or amendment to this Agreement or the Program shall be effective unless it is set forth in writing and executed by each of the parties.

8. No Discrimination; Compliance With Laws

8.1 OPOWER and PSE agree not to discriminate against any employee or applicant for employment or any other person in performance of this Agreement because of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance

prohibited by federal, state, or local law or ordinance, except for a bona fide occupational disqualification.

8.2 OPOWER and PSE shall comply with all current federal, state, and local laws and ordinances applicable to the work to be done under this Agreement.

8.3 Violation of this Section 8 shall be a material breach of this Agreement and grounds for cancellation, termination or suspension of the Agreement by the City, in whole or in part, and may result in ineligibility for further work for the City.

9. Independent Contractor

9.1 OPOWER and/or PSE shall be and act as an independent contractor (and not as the employee, agent, or representative of the City) in the performance of this Agreement. The Agreement shall not be interpreted or construed as creating or evidencing an association, joint venture, partnership or franchise relationship among the parties or as imposing any partnership, franchise, obligation, or liability on any party. Neither OPOWER nor PSE shall be entitled to, and shall not attempt to, create or assume any obligation, express or implied, on behalf of the City. Neither OPOWER nor PSE shall permit or cause any of their employees, agents or subcontractors to perform any services under the Agreement in such a way as to cause or enable them to become, or claim to have become, employees, common law or otherwise, of the City. In addition, OPOWER and PSE acknowledge that as an independent contractor, it and/or its agents, servants or employees are not eligible to recover worker's compensation benefits from or through the City in the event of injury.

10. Termination

10.1 Any party may terminate this Agreement, and its participation in the Program, upon 30 days' written notice delivered to the other parties. In such an event, all payments or other obligations due or to be performed up to the effective date of termination shall be performed, and all obligations owed as of the date of termination shall remain until satisfied.

10.2 This Agreement is one of seven substantially identical agreements intended to be executed by PSE, OPOWER, and each of the Washington cities of Bellevue, Issaquah, Kirkland, Mercer Island, Redmond, Renton, and Sammamish. The economics of expanding the Program depend to a large extent upon sufficient additional participation. Thus, while it is not necessarily mandatory that each of the seven cities decides to participate, to ensure that the expansion of the Program is economic, if fewer than all of the seven cities decide to participate, PSE, OPOWER and the cities that decide to participate will need to evaluate whether proceeding remains feasible under the terms set forth here. Therefore, if one or more of the seven cities has not executed its version of this Agreement on or before June 30, 2010, PSE, OPOWER and the cities that have

executed will determine the proper course of proceeding, which may include declaring this Agreement to be void ab initio and of no effect, and each party reserves that right to itself in such circumstances for any or no reason, and in which case no party will owe any other party any damages, costs or reimbursements. Regardless, the parties recognize that failure of all parties to execute the agreements by June 30, 2010 may lead to delays in the provision of the services to any party or any New Participants.

11. Miscellaneous

Governing Law; Forum. The Agreement will be governed by the laws of Washington and its choice of law rules. OPOWER and PSE irrevocably consent to the exclusive personal jurisdiction and venue of the federal and state courts located in King County, Washington, with respect to any dispute arising out of or in connection with the Agreement, and agree not to commence or prosecute any action or proceeding arising out of or in connection with the Agreement other than in the aforementioned courts.

Severability. If any provision of the Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way.

Nonwaiver. Any failure by any party to enforce strict performance of any provision of the Agreement will not constitute a waiver of that party's right to subsequently enforce such provision or any other provision of the Agreement.

No Assignment. Neither this Agreement nor any of the rights or obligations of the parties arising under this Agreement may be assigned, without the other parties' prior written consent. Subject to the foregoing, this Agreement will be binding upon, enforceable by, and inure to the benefit of, the parties and their successors and assigns. Notwithstanding the foregoing, in the event that OPOWER is acquired by, merged with, or otherwise transfers control of its corporate operations to a third party, then OPOWER shall be free to assign this agreement to such third party without seeking consent of either the City or PSE.

Notices. All notices and other communications under this Agreement must be in writing, and must be given by registered or certified mail, postage prepaid, or delivered by hand to the party to whom the communication is to be given, at its address set forth in this Agreement.

In witness whereof, the parties have caused this Agreement to be signed by their respective duly authorized representatives.

Puget Sound Energy, Inc. **_____(City)_____**

By: _____
Printed Name:
Title:

Date Signed: _____

By: _____
Printed Name: _____
Title: _____

Date: _____

OPOWER, Inc.

By: _____
Printed Name:
Title:

Date Signed: _____

Attachments:

- ✓ Attachment 1 Scope of Services
- ✓ Attachment 2 Pricing Table
- ✓ Attachment 3 Sample Home Energy Report
- ✓ Attachment 4 PSE/OPOWER contract (financial information redacted)
- ✓ Attachment 5 federal regulatory requirements

Attachment 1

SCOPE OF WORK

1. Selection of New Participants

PSE and OPOWER will select participants based on recommended parameters and technical eligibility requirements for available data and "neighbor" selection.

OPOWER will integrate data received from PSE with third party data and populate OPOWER's Insight Engine database. Following the data matching steps, address standardization and Geo-coding, OPOWER will analyze the integrated data and provide statistics and insights necessary to enable and recommend the final selection of New Participants by PSE and meeting the technical requirements.

Working in conjunction with PSE, OPOWER will partition customers into participants and controls, enabling measurement and reporting, and selecting an exact set of customers from within the City limits as identified by tax records.

2. Home Energy Reports Program (see Attachment 3 for Sample)

Description of Program

OPOWER's Home Energy Reporting System and Insight Engine are respectively the front-end and back-end of the communications platform it provides to utilities to better use customer data to engage customers. The Insight Engine is a software analytics engine that analyzes an array of data streams to derive insights about customer segments and individual customers.

The Home Energy Reporting System is delivered in the mail and online. It tells customers where they stand in their neighborhood with respect to energy use (both electricity and gas). Further, it uses customers' energy profiles – determined by the Insight Engine (e.g. heavy A/C use, consistent use, home owner/renter, etc) – to individually target energy efficiency offers and rebates most relevant to them.

Delivery of offline Home Energy Reports

a. OPOWER manages the creation, printing and mailing of Home Energy Reports.

b. The Home Energy Reports are delivered to the New Participants via USPS Standard Mail.

Description of Energy Insider Website

The online component of the Home Energy Reporting System, the Energy Insider Website, serves as an extension and elaboration of the offline reports, providing new participants with more opportunities to learn about their energy consumption and gain access to all available offers and rebates. This website includes OPOWER's robust online analysis tools, audit-like functionalities, and content functionalities. The website is

deployed as a destination for New Participant customers to better understand their energy use and to learn about actions they may take to reduce their consumption. The site is hosted and maintained by OPOWER and is private labeled for PSE so that it appears to the participant to be a site provided by PSE.

The Energy Insider Website will allow customers to: a) see similar information online as they would receive in a printed Home Energy Report; b) set personal goals for reducing energy use and track their progress towards their goal; c) browse the full set of energy efficiency tips in OPOWER's efficiency database; d) join other customers in sharing best practices, comments and reviews; e) view benchmarking online and audit-like functionalities ; f) provide information online that will be leveraged to make online and offline reporting and benchmarking more robust.

3. Provided Services

On behalf of PSE, OPOWER will deliver Home Energy Reports to New Participants through an opt-out program, and will make the Energy Insider Website available to New Participants.

New Participants will receive offline Home Energy Reports for an initial period of 12 months, with 12-month extensions subject to mutual signed agreement by PSE and the City. Accompanying the first months' mailing for any newly enrolled New Participants will be an introductory insert explaining the nature of the program, its duration, and the options for learning more or opting out. Home Energy Reports shall be delivered at an average frequency of no fewer than six reports per New Participant per year.

PSE customer service staff will be able to opt-out New Participants who call in and request to no longer receive the Home Energy Reports.

The Energy Insider Website will be available to New Participants throughout the initial term of the program with the option to extend subject to mutual signed agreement by PSE, OPOWER and City. OPOWER will host and maintain the website, which is integral to the Home Energy Reporting System, which in turn is integrated with the Insight Engine, both also hosted and maintained by OPOWER.

The Energy Insider Website includes the following sections:

a. Online Home Energy Report: This section is a secure area for New Participants to see online a very similar set of information to what is contained in their printed Home Energy Reports. New Participants can see their electricity and gas usage compared to neighborhood averages, and receive targeted energy efficiency recommendations generated by the Insight Engine.

b. Commitment Tracker: Enables New Participants to set a personal goal to reduce their energy use and to track their progress online.

c. Energy Efficiency Recommendation Library: New Participants gain access to Energy Insider's entire library of Energy Efficiency Tips, organized by cost to implement and type of energy use (heating, cooling, lighting, etc).

d. Online Benchmarking: New Participants view their benchmarking analysis, and interact with the website to view various analyses over time. This functionality is linked to the benchmarking report and participants' PSE account information.

e. Online Mini-Audit Functionality: New Participants can answer questions and provide input about their homes and energy-related behaviors. This functionality is linked to the benchmarking report and customers' account information.

f. Energy Insider Network: New Participants gain access to the Energy Insider Network, where they can share their suggestions with others, view popularity rankings of different efficiency tips in their neighborhood, and understand what's working and what isn't working for other people who appear similarly situated.

OPOWER
APPLICATION SERVICE AGREEMENT
Exhibit A
ORDER

ORDER # [_____]

The following products are licensed under the terms and conditions specified in the Application Service Provider Agreement (the "Agreement") between OPOWER, PSE and City dated _____ as well as the additional terms and conditions set forth in this Order:

OPOWER Proprietary Software:	Home Energy Reporting System Suite
OPOWER Portal URL:	www.psereports.com
Access Term:	4 Month Implementation Timeline (estimate) 12 months of reporting and web access from launch date: 9/1/10 - 8/30/11 (exact dates TBD)
Included Features:	X 6 Printed and Mailed Home Energy Reports X OPOWER Customer Portal X OPOWER CSR Portal X Program Report
Training Time & Expenses Included:	1 eight hour training day with OPOWER onsite and training materials included

Fees and Payments:

1. Service Fees

License Fees	Payment Due-Date
Home Energy Reporting Platform	
$1.25 set-up fee per new Designated Customer payable by **PSE**	Typically due at Execution of Agreement, this fee will be paid by OPOWER for the concurrent enrollment of the new Designated Customers for each City in this agreement.
$5.00 total license fee per Designated Customer per 12-month period $2.50 payable by **PSE** $2.50 payable by **City [city name]**	For initial Designated Customers: $XXX [$2.50*number of customers] due at Execution of the Agreement, estimated June 25, 2010, payable by **PSE** $XXX [$2.50*number of customers] due at Execution of the Agreement, estimated June 25, 2010, payable by **City [city name]** For additional Designated Customers, $5.00 per year upon addition of each Designated Customer.
OPOWER Portal	
$0 Set-up Fee	Customary fee of $25,000 will not be charged under the initial 12-month term of the Application Service Agreement.
$0 license fee per Designated Customer per year	Customary annual license fee will not be charged by OPOWER in the initial 12-month term of the Application Service Agreement. After the initial 12 month period, the OPOWER Portal license fee will be charged at the market rate.

R-4817
ATTACHMENT 2

2. Service Fees

Service Fee	Payment Terms
Home Energy Reports **Print Management, Printing, and Mailing**	
YEAR 1: 12 months of Reporting $5.00 per Designated Customer **6 reports Per Designated Customer, on average** $2.50 payable by **PSE** $2.50 payable by **City [city name]** Additional Designated Customers will be billed at $5.00 per Designated Customer for an average of 6 paper reports per 12-month period. Incremental reports above the average of 6 per Designated Customer, will be charged at $0.83/report	**First Reports Sent ("*FRS*"):** o 1/3 of annual printing and mailing fees for the initial Designated Customers due when first reports sent (estimated for September 1, 2010) **Program Year 1: 2010: 9/1/10 - 8/30/2011 (exact dates TBD)** Remaining balance for the Designated Customers paid in quarterly increments as reports are mailed o 2/9 of annual fee due after first 3 months from start of Program Year (FRS) o 2/9 of annual fee due after first 6 months from start of Program Year (FRS) o 2/9 of annual fee due after first 9 months from start of Program Year (FRS) In subsequent years and for Additional Designated Customers, print management, printing and mailing fees will be billed quarterly.
Explanatory insert: Welcome letter for the program; priced at $0.10 per letter	Due at Execution of Agreement, estimated June 25, 2010, for inclusion with the first reports and payable by **PSE**
Staff Training Days and Travel	
$0 per day or portion thereof	No charge for the first training day with PSE Energy Advisors. Additional training days will be invoiced upon delivery of the training at $2,000 per day.

* Fee Calculation is based upon delivery to each Designated Customer six (6) Reports over the 12 month program each report being one-page double-sided 8.5" by 11" Home Energy Reports per Program Year via USPS standard mail at current freight and postage prices. OPOWER may increase the fees by not more than an amount equal to the percentage increase of the USPS rate for Standard Mail Regular - Letters AADC Local entry rate, as defined in the USPS Domestic Mail Manual (current price is $0.256).

This pricing is good for the term of the Application Services Agreement and up to 250,000 Designated Customers. Additional Services may be subject to additional Fees as quoted by OPOWER, including smartgrid/AMI functionality.

All Fees are non-refundable except as expressly provided herein. Upon termination, OPOWER shall only refund the pro-rated portion of any Home Energy Report printing and mailing service Fees paid for services not yet delivered as of the termination date. All setup and license fees are deemed due and payable per the pricing table above, and will be invoiced accordingly.

All invoices to be paid within 30 days of receipt of invoice.

PUGET SOUND ENERGY
The Energy To Do Great Things

City Logo Here

Home energy report

REPORT PERIOD: 11/01/08 - 11/30/08

Account number:

**********AUTO**MIXED AADC 430

We are pleased to provide this personalized report to you. The purpose of the report is to:

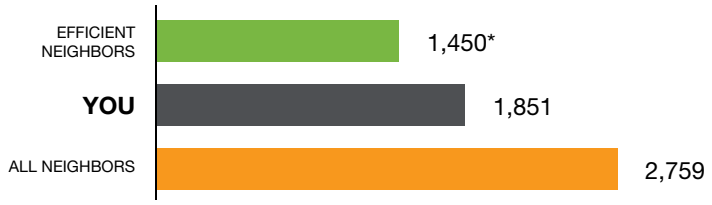
Provide information This report is an educational tool to help you understand your home's energy use in the context of other homes' energy use. This information is private and not shared with anyone else.

Track progress We will help you learn about how your home's usage changes over time and where you likely have opportunities to save.

Share energy efficiency tips On the back of the report, we provide ideas for saving energy and money. For more ideas, visit our special website at www.psereports.com

November Neighbor Comparison

You used **28% MORE** energy than your efficient neighbors.



HOW YOU'RE DOING:

GREAT ☺☺

GOOD ☺

MORE THAN AVERAGE

* This energy index combines electricity (kWh) and natural gas (therms) into a single measurement.

WHO ARE YOUR "NEIGHBORS"?

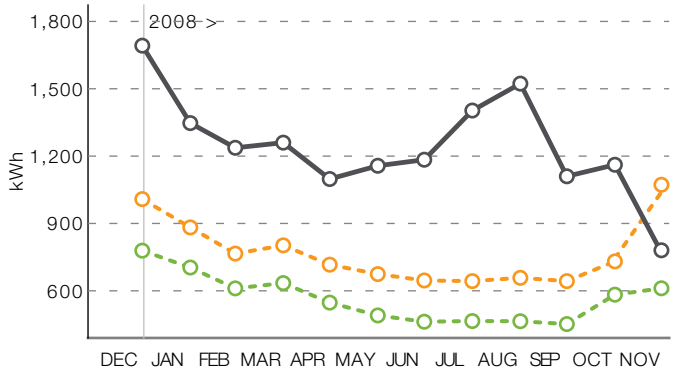
ALL NEIGHBORS
Approximately 100 occupied nearby homes that are similar in size to yours (avg 2,023 sq ft) and have both electricity and natural gas service.

EFFICIENT NEIGHBORS
The most efficient 20 percent from the "All Neighbors" group.

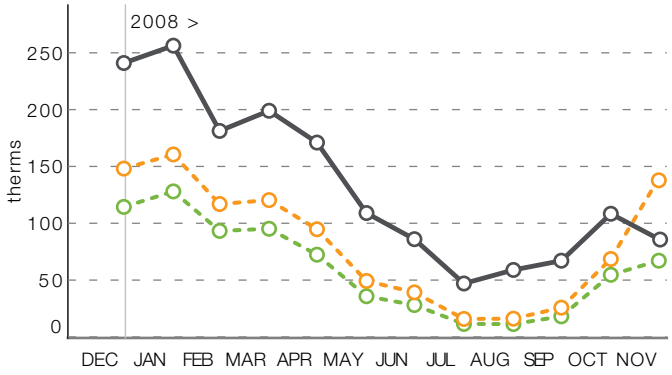
Last 12 Months Neighbor Comparison

You used **74% MORE** energy than your neighbors.
This costs you about **$1,385 EXTRA** per year.

Electricity | 70% more electricity than your neighbors



Natural Gas | 77% more natural gas than your neighbors



Personalized
Action Steps

- ☐ Set your thermostat for comfort and savings
- ☐ Switch to compact fluorescent bulbs
- ☐ Upgrade your washer and get money back

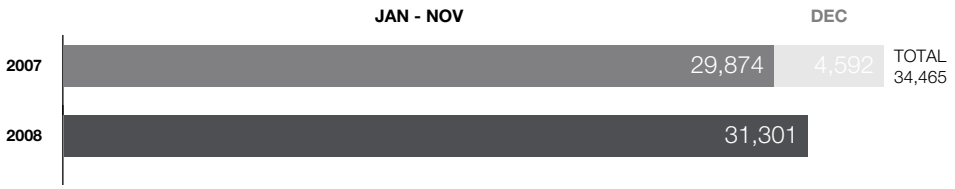
TURN OVER TO LEARN MORE

Personal Comparison | How your energy use this year compares to last year.

About This Graph
This section shows how much energy you've used so far this year and compares that amount to the same period last year.

As the months go by you can see how your progress compares to last year.

Your Progress
So far this year, you've used **5% MORE** energy than last year.



* This energy index combines electricity (kWh) and natural gas (therms) into a single measurement.

Action Steps | Personalized tips chosen for you based on your energy use and housing profile

Quick Fixes
Things you can do right now

☐ **Set your thermostat for comfort and savings**
Heating in the winter in our area requires a lot of energy. By setting your thermostat appropriately, you can be comfortable while saving energy and money.

Set the thermostat up to 10 degrees lower than your preferred setting (or off) when you're away from home or sleeping. This temperature reduction can save you up to 10% on heating.

Consider a programmable thermostat to help you save.

SAVE UP TO $65 IN ANNUAL HEATING COSTS

Smart Purchases
Save a lot by spending a little

☐ **Switch to compact fluorescent bulbs**
Compact fluorescent light bulbs (CFLs) use 75% less energy and last up to 10 times longer than standard incandescent light bulbs. Replace a few of your incandescent bulbs and start saving money now.

Today's CFLs provide high-quality light and are available in a variety of sizes and shapes.

PSE offers a discount of up to $3 on certain bulbs—find participating retailers at PSE.com.

SAVE $60 OR MORE OVER THE LIFE OF A BULB

Great Investments
Big ideas for big savings

☐ **Upgrade your washer and get money back**
Washing your clothes in a machine uses significant energy, especially if you use warm or hot water. In fact, when using warm or hot water cycles, up to 90% of the total energy used for washing clothes goes towards water heating.

Some premium-efficiency clothes washers use about half the water of older models—resulting in significant savings.

PSE offers rebates for some washers. Contact us for details.

REBATE OF $100 FOR ELIGIBLE WASHERS

To find more ways to save energy and money and for more information about this report visit:

www.psereports.com

PUGET SOUND ENERGY
The Energy To Do Great Things

City Logo Here

runs on OPOWER

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POSITIVE ENERGY, INC.
IMPLEMENTATION AND LICENSE AGREEMENT
Agreement 6400001120

This Implementation and License Agreement (the "Agreement") is between Positive Energy, Inc., a Delaware corporation with offices located at 1911 Fort Myer Drive, Suite 702, Arlington, VA 22209 ("Positive Energy"), and Puget Sound Energy, Inc. with offices located at 10885 NE 4th, Bellevue WA 98004-5591 (the "Utility"), and is effective as of March 25, 2008 (the "Effective Date").

Positive Energy has developed technology that permits it to analyze certain patterns and parameters of residential utility customers' energy use and make customized energy conservation recommendations. The Utility wishes to make this information available to its customers. Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Positive Energy and the Utility do hereby agree as follows:

1. **Definitions.**

1.1 "**Anonymized Data**" means: (a) any data or information, including but not limited to, Confidential Information, provided to Positive Energy by the Utility under the terms of this Agreement and any data or information collected and/or compiled by Positive Energy under the terms of this Agreement, including, but not limited to the product of any manipulation, analysis, calculations, or processing of such data; and (b) in each case from which individual or specific Utility Customer information cannot be determined or derived.

1.2 **"Confidential Information"** has the meaning given in the Mutual Confidentiality and Nondisclosure Agreement attached as Appendix F.

1.3 **"Customer"** means any current or former electric or gas utility customer and any person, organization, or business entity that is eligible to be an electric utility customer of the Utility.

1.4 **"Designated Customers"** means the 40,000 Customers who receive Home Energy Reports hereunder, or such other group of Customers as mutually agreed upon by the parties and added by executing the Additional Services Order Form, the form of which is set forth in Appendix D.

1.5 **"Home Energy Report"** has the meaning given in the Statement of Work ("SOW") attached as Appendix A.

1.6 "**Infringing Materials**" has the meaning given in Section 13.2.

1.7 "**Intellectual Property Rights**" means all rights of a person or business entity in, to, or arising out of: (i) any U.S., international or foreign patent or any application therefore and any and all reissues, divisions, continuations, renewals,

extensions and continuations-in-part thereof; (ii) inventions (whether patentable or not in any country), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology and technical data; (iii) copyrights, copyright registrations, mask works, mask works registrations, applications, moral rights, patents, trademarks, trade secrets, and rights of personality, privacy and likeness, whether arising by operation of law, contract, license or otherwise; and (iv) any other similar or equivalent proprietary rights anywhere in the world.

1.8 "**Marks**" means all trademarks, service marks, trade dress, trade names, domain names, corporate names, brand names, product names, proprietary logos, symbols, all other indicia of origin, all applications to register and registrations for the foregoing, and any renewals therefore.

1.9 "**Positive Energy Data**" means any data or information collected and/or compiled by Positive Energy under this Agreement, excluding the Utility Data.

1.10 "**Positive Energy Work Product**" shall mean proprietary or licensed systems owned by Positive Energy, or any analysis, compilation, aggregation, derivative work, or work of authorship created by Positive Energy under the terms of this Agreement, including without limitation the Home Energy Reports, Program Reports, and Sample Reports.

1.11 "**Program Report**" has the meaning given in the SOW.

1.12 "**Sample Reports**" has the meaning given in Section 3.1.

1.13 **"Services"** has the meaning given in Section 2.1.

1.14 "**Utility Data**" means any data or information supplied by the Utility to Positive Energy under this Agreement, including personally identifiable data as further defined in Appendix F; provided, however, that the Utility Data shall not include the Anonymized Data.

2. **Party Responsibilities.**

2.1 **Positive Energy.** Positive Energy shall provide the services, including the Home Energy Reports and the Program Reports, to the Utility and its Customers during the Term as set forth in the SOW attached at Appendix A (the "**Services**"). Positive Energy will use reasonable efforts to make the Services available 24 hours per day, 7 days per week, except for downtime for scheduled and unscheduled maintenance, and will promptly investigate any technical problems that the Utility reports to Positive Energy.

2.2 **Utility.** The Utility shall provide the Utility Data to Positive Energy as mutually agreed upon or as set forth in the SOW.

2.3 **Feedback.** The Utility agrees to provide Positive Energy with prompt written notification of any comments or complaints about the Services that are made by

Customers, and of any problems with the Services or their use that the Utility becomes aware of during the Term. Such written notification shall be considered to be part of Positive Energy's Confidential Information.

2.4 **Additional Services and Changes.** The parties may agree to additions or changes to the Services by written amendment to the SOW signed by both parties. Such additions or changes may be subject to additional Fees.

3. **Licenses.**

3.1 **Positive Energy License to Utility.** Subject to the terms and conditions of this Agreement, Positive Energy hereby grants to the Utility:

(a) a perpetual, fully paid, non-exclusive, non-sublicensable, royalty-free license to use, internally reproduce, internally distribute, internally transmit, and privately display (i) the Home Energy Reports, solely for use in providing customer service to Designated Customers and for other purposes as mutually agreed upon by the parties and (ii) the Program Reports for Energy Efficiency services, solely for the purpose of evaluating the initiatives contemplated hereunder; and

(b) a fully paid, non-exclusive, non-sublicensable, royalty-free license during the Term to use, reproduce, publicly perform and publicly display single, Anonymized Data samples of the Home Energy Reports (**"Sample Reports"**) solely for the purpose of promoting and publicizing the Services with Positive Energy's written approval, or as otherwise mutually agreed by the parties.

3.2 **Utility License to Positive Energy** Subject to the terms and conditions of this Agreement and Appendices, the Utility hereby grants to Positive Energy:

(a) a worldwide, perpetual, fully paid, exclusive, non-sublicensable (except as provided below), royalty-free license to, in connection with the Services, use, reproduce, have reproduced, publish, perform, publicly display, distribute, have distributed, transmit, have transmitted, reformat, modify, edit, translate, compile, archive, and create derivative works of the Utility Data**.** Positive Energy shall not use the Utility Data except to provide the Services as authorized herein or as otherwise authorized by the Utility in writing. Any data used outside of Services provided to PSE by Positive Energy must be Anonymized data. Positive Energy may sublicense, with the notification and agreement of the Utility, the foregoing license to its third party service providers solely as necessary for Positive Energy to exercise its obligations under this Agreement. If Positive Energy sublicenses any part of this agreement, the Mutual Confidentiality and Nondisclosure Agreement attached as Appendix F must be completed by the third party sublicensee and provided to the Utility.

3.3 **Trademark License.** In performing its obligations under and in accordance with the Agreement, the Utility grants to Positive Energy a limited , non-transferable (except as otherwise provided herein), royalty-free license to use the Utility Marks provided by the Utility to Positive Energy; and Positive Energy grants to the

Utility a limited, non-exclusive, non-transferable (except as otherwise provided herein), royalty-free license to use the Positive Energy Marks provided to the Utility, each in connection with the Services and the promotion thereof.

4. **Fees.** The Utility shall pay to Positive Energy the license and service fees set forth in Appendix C ("Fees").

5. **Term; Termination.**

5.1 **Term.** The term (the "**Term**") of this Agreement shall commence on the Effective Date and continue for 12 months from the delivery of the first Home Energy Report unless terminated earlier as expressly provided

5.2 **Termination.** This Agreement may be terminated by either party prior to the expiration of the Term, upon delivery of written notice of termination to the other party, as follows:

(a) if the other party fails to perform or observe any material term or condition in this Agreement and fails to cure such breach within thirty (30) days after receipt of written notice of such breach from the non-breaching party; provided that if the Utility terminates the Agreement under this Section 5.2(a), Positive Energy shall refund the pro-rated portion of any Home Energy Report license Fees (excluding set-up Fees) and Home Energy Report printing and mailing service Fees paid for Services not yet delivered as of the termination date;

(b) if the other party (i) makes a general assignment for the benefit of creditors, (ii) admits in writing its inability to pay debts as they come due, (iii) voluntarily files a petition or similar document initiating any bankruptcy or reorganization proceeding, or (iv) involuntarily becomes the subject of a petition in bankruptcy or reorganization proceeding and such proceeding shall not have been dismissed or stayed within sixty (60) days after such filing;

(c) if the other party is prevented from performing or unable to perform any of its obligations under this Agreement for more than ninety (90) days due to a Force Majeure Event; or

(d) by mutual written agreement of the parties.

(e) The Utility may, at its sole discretion, terminate Positive Energy's services under this Agreement anytime after six months from contract date by giving Positive Energy a 60 day written notice of such termination. In the event of such termination, the Utility shall pay to Positive Energy reasonable costs including: personnel costs, recoverable costs incurred to date in the performance of such services, including without limitation printing costs, plus possible other costs incurred as a result of such termination. Service Fees (such as printing and mailing services not rendered) shall be refundable, on a pro-rated basis, in the event of termination under this Section 5.2.

5.3 **Effect of Termination.** Upon notification of termination or expiration of this Agreement for any reason:

(a) Each party shall promptly cease all use of the other party's Marks, provided that the Utility may continue to internally use the Positive Energy Marks solely in connection with the license granted in Section 3.1(a);

(b) The Utility shall promptly cease all use of all Positive Energy Work Products, excluding the Home Energy Reports and Program Reports (which the Utility may continue to use for internal purposes in accord with the license granted in Section 3.1(a)), and shall return or destroy such Positive Energy Work Products (excluding the Home Energy Reports and Program Reports) at Positive Energy's request; and

(c) All rights and obligations of the parties under this Agreement shall expire, except that all accrued payment obligations hereunder shall survive such termination or expiration; and the rights and obligations of the parties under Sections 1, 3.1(a), 3.2, 4 (to the extent fees accrued during the Term), 5.3, 6 – 13, and 21 shall survive such termination or expiration.

For the avoidance of doubt, nothing in this Section 5.3 shall restrict Positive Energy's right to use the Positive Energy Work Products after termination of this Agreement.

6. **Data Security.**

6.1 Positive Energy shall treat the Utility Data as Confidential Information in accordance with Section 7.

6.2 Positive Energy shall use commercially reasonable physical, managerial, and technical safeguards to preserve the integrity and security of the Utility Data while in its possession and control hereunder.

6.3 The Utility shall have the right, during the Term upon seven (7) days notice and during Positive Energy's normal business hours, to conduct an audit of Positive Energy's compliance with the Data Security provisions of this Agreement, provided that such audit shall be conducted by an independent third party approved by Positive Energy (such approval not to be unreasonably withheld), and provided that such audit shall not unreasonably disrupt Positive Energy's business or operations.

6.4 Positive Energy shall not provide access to any hardware on which the Utility Data is stored, maintained, housed or used in its performance hereunder to any person or entity (except for employees of Positive Energy and its affiliates and subcontractors) without the prior written consent of the Utility, which consent shall not unreasonably be withheld.

6.5 Positive Energy shall promptly notify the Utility of any actual, probable or reasonably suspected breach of security of the Positive Energy systems and of any other actual, probable or reasonably suspected unauthorized access to or acquisition, use, loss, destruction, compromise or disclosure of any Confidential Information (as defined in Appendix F) of the Utility, including without limitation any Company Information (as defined in Section 7) (each, a "Security Breach"). In any notification to the Utility required under this Section 6.5, Positive Energy shall designate a single individual employed by Positive Energy who must be available to the Utility 24-hours per day, 7-days per week as a contact regarding Positive Energy's obligations under this Section 6.5. Positive Energy shall (a) assist the Utility in investigating, remedying and taking any other action the Utility deems necessary regarding any Security Breach and any dispute, inquiry or claim that concerns the Security Breach; and (b) shall provide the Utility with assurance satisfactory to the Utility that such Security Breach or potential Security Breach will not recur. Unless prohibited by an applicable statute or court order, Positive Energy shall also notify the Utility of any third-party legal process relating to any Security Breach, including, but not limited to, any legal process initiated by any governmental entity (foreign or domestic).

6.6 Upon the termination of this Agreement, any and all Utility Data in the possession or control of Positive Energy, its agents, employees, assigns, providers and subcontractors, residing on any and all hardware shall be securely removed within sixty (60) days thereof. Computer and servers must be electronically wiped (e.g. using a secure data deletion program for computers that writes random data in multiple passes) or the physical media must be destroyed. Tapes, CDs, cartridges and other electronic and/or physical storage and backup media and devices containing Utility Data must also be securely deleted or destroyed within sixty (60) days thereof.

7. **Confidentiality.**

7.1 The Mutual Confidentiality and Nondisclosure Agreement attached hereto as Appendix F is hereby incorporated by reference.

7.2 **Utility Information.** The Utility exclusively owns all Company Information. “Company Information” is any personally identifiable information about persons or entities that Positive Energy obtains in any manner from any source under this Agreement, which concerns prospective and existing customers or employees of (1) the Utility, (2) the Utility's affinity marketing partners, (3) the Utility’s contracting parties and (4) the Utility’s data suppliers. Company Information includes, without limitation, names, addresses, telephone numbers, e-mail addresses, social security numbers, credit card numbers, call-detail information, purchase information, product and service usage information, frequent flier information, account information, credit information and demographic information, to the extent that each of the foregoing is personally identifiable. Positive Energy (a) may collect, access, use, maintain and disclose Company Information only for the specific purpose for which such Company Information is collected, stored or processed by Positive Energy under this Agreement, and (b) shall, without limiting any other obligations applicable to Company Information hereunder, treat all Company Information as Confidential Information of the Utility. For this

Agreement, the acts or omissions of Positive Energy and anyone with which it is associated (e.g., employees of Positive Energy and its subsidiaries and affiliates, and Positive Energy's agents and approved contractors and subcontractors, and their respective employees) are Positive Energy's acts or omissions.

Positive Energy will indemnify the Utility, its subsidiaries and affiliates, and each of their respective officers, shareholders, directors and employees from and against any claims, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees and expenses) that relate to any failure to comply with any obligation enumerated in this (1) Agreement relating to Company Information, or (2) this Section, subject to the indemnification process set forth in Section 13.1.

8. **Administrative Contacts.** The parties' primary contacts for purposes of implementing this Agreement shall be as follows:

Puget Sound Energy

Contract:

Services Buyer: Pamela Mead	(425) 456-2409
On-going Project Coordination:	
Nathan Adams	(425) 456-2411

Positive Energy:

President: Alexander Laskey	(415) 830-2485
CEO: Daniel Yates	(650) 281-8460

9. **Ownership.**

9.1 **By Positive Energy.** Positive Energy acknowledges and agrees that, as between the Utility and Positive Energy, the Utility owns all right, title, and interest in and to the Utility Data and Utility Marks and the Intellectual Property Rights therein, and nothing in this Agreement will confer on Positive Energy any right of ownership or interest in such Utility Data or the Utility Marks.

9.2 **By Utility.** The Utility acknowledges and agrees that, as between the Utility and Positive Energy, Positive Energy owns all right, title, and interest in and to the Positive Energy Work Products (excluding the Utility Data), Positive Energy Data, Positive Energy Marks and the Intellectual Property Rights therein, and nothing in this Agreement will confer on the Utility any right of ownership or interest in the Positive Energy Work Products (excluding the Utility Data), Positive Energy Data or Positive Energy Marks.

9.3 **Use of Marks.**

(a) Positive Energy may identify the Services, including but not limited to the Home Energy Reports with the Positive Energy Marks and "powered by Positive Energy" or other similar phrasing;

(b) During the Term, (i) the Utility may use Positive Energy's Marks to identify and publicize the Services at trade shows and utility industry events; (ii) at the mutual agreement of Positive Energy and the Utility, the Utility may use Positive Energy's Sample Reports to publicize the Services at trade shows and utility industry events; and (iii) Positive Energy may identify the Utility as a Positive Energy customer and use the Utility's Marks in connection therewith, provided that (a) such identification shall not state or imply an endorsement by the Utility; and (b) Positive Energy shall not publicly publish or display any results or findings from the Services in connection with the Utility's Marks or name without prior written approval from PSE.

(c) Except as expressly permitted by this Agreement, each party shall have a right of approval over the use of its Marks by the other party.

(d) All use of another party's Marks pursuant to this Agreement shall be in accordance with such party's policies regarding Mark usage, as provided in writing to the party using such Marks from time to time, and any goodwill accruing to any such Mark shall inure to the benefit of the owner thereof. Each party shall have the right to immediately suspend the other party's use of its Mark if such use is not in conformity with such policies. Neither party will use, register or take other action with respect to any Mark of the other party, except to the extent authorized in writing by such party in advance. Each party will have the sole right and discretion to bring proceedings alleging infringement of its Marks or unfair competition related thereto; provided, however, that each party agrees to provide the other party with its reasonable cooperation and assistance with respect to any such infringement proceedings arising under or relating to this Agreement.

10. **Representations and Warranties**

10.1 **By Positive Energy.** Positive Energy hereby represents, warrants and covenants that:

(a) The Services (excluding the Utility Data and Positive Energy's use thereof under this Agreement) and Positive Energy Marks do not and will not violate any applicable statute, regulation, or law, or infringe any Intellectual Property Right of any third party, and will not include any content that constitutes a libel, slander or defamation against any third party or in any way violates, conflicts with or infringes upon any right of any kind or nature of any third party, including without limitation, any rights of publicity or privacy or other rights, or give rise to any legal claim by any third party;

(b) All obligations owed to third parties by Positive Energy with respect to the Services (excluding the Utility Data and Positive Energy's use thereof under the Agreement) and Positive Energy Marks, including without limitation,

obtaining and complying with all third party licenses, remitting any and all third-party payments and making any and all necessary filings have been and will be made, adhered to and maintained;

(c) Positive Energy is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation, and has the full power and authority to enter into and perform its obligations under this Agreement; and

(d) The execution, delivery, and performance by Positive Energy of this Agreement will not violate any law, statute, or other governmental regulation, or any other agreement or instrument to which Positive Energy is a party.

10.2 **By the Utility.** The Utility hereby represents, warrants and covenants that:

(a) The Utility Data and the Utility Marks, and Positive Energy's use of them hereunder, do not and will not violate any applicable statute, regulation, or law or infringe any Intellectual Property Right of any third party, and will not include any content that constitutes a libel, slander or defamation against any third party or in any way violates, conflicts with or infringes upon any right of any kind or nature of any third party, including without limitation, any rights of publicity or privacy or other rights, or give rise to any legal claim by any third party;

(b) All obligations owed to third parties with respect to the Utility Data and the Utility Marks, including without limitation, obtaining and complying with all third party licenses, remitting any and all third-party payments and making any and all necessary filings have been and will be made, adhered to and maintained;

(c) The Utility has the full power and authority to enter into and perform its obligations under this Agreement; and

(d) The execution, delivery, and performance by the Utility of this Agreement will not violate any law, statute, or other governmental regulation, or any other agreement or instrument to which the Utility is a party.

11. **DISCLAIMER OF WARRANTIES.** EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES PROVIDED IN THIS AGREEMENT, (I) NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO SUCH PARTY'S DATA, SERVICES, OR MARKS PROVIDED UNDER THIS AGREEMENT, AND HEREBY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER ALLEGED TO ARISE BY LAW, BY USAGE IN THE TRADE, BY COURSE OF DEALING OR COURSE OF PERFORMANCE, AND (II) EACH PARTY ACKNOWLEDGES THAT THE OTHER PARTY'S DATA, SERVICES, OR MARKS (INCLUDING ANY SERVERS OR OTHER HARDWARE,

SOFTWARE AND OTHER ITEMS USED OR PROVIDED BY POSITIVE ENERGY) ARE PROVIDED "AS IS" AND THAT NEITHER PARTY MAKES ANY WARRANTY THAT THE FOREGOING ITEMS WILL BE FREE FROM BUGS, FAULTS, DEFECTS, OR ERRORS OR THAT ACCESS TO ITS SITE WILL BE UNINTERRUPTED.

12. **Limitation on Damages.**

12.1 **EXCLUSION OF INCIDENTAL AND CONSEQUENTIAL DAMAGES.** NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH LIABILITY SOUNDS IN CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY, WARRANTY, OR OTHERWISE**.**

12.2 **MAXIMUM AGGREGATE LIABILITY.** EXCEPT FOR ANY INDEMNIFICATION LIABILITY ARISING UNDER SECTION 13 OF THIS AGREEMENT, THE MAXIMUM LIABILITY OF EITHER PARTY FOR ANY CLAIMS ARISING IN CONNECTION WITH THIS AGREEMENT WILL NOT EXCEED THE AGGREGATE AMOUNT OF PAYMENTS MADE BY THE UTILITY TO POSITIVE ENERGY UNDER THIS AGREEMENT DURING THE PREVIOUS EIGHTEEN (18) MONTHS, PROVIDED THAT THE UTILITY WILL REMAIN LIABLE FOR THE AGGREGATE AMOUNT OF ANY PAYMENT OBLIGATIONS OWED TO POSITIVE ENERGY PURSUANT TO THIS AGREEMENT.

13. **Indemnification.**

13.1 **General Indemnity.** Each party shall indemnify, defend and hold harmless the other party, any entity controlled, controlled by or under common control with the party, and the officers, directors, consultants, employees, successors and permitted assigns of each from and against any third party lawsuits, claims, demands, penalties, losses, fines, liabilities, damages, costs, expenses, including attorney's fees and costs, or other liability arising from (a) any breach of any of the representations or warranties made by the party hereunder, or (b) any breach by the party of Section 7. The indemnified party shall promptly notify the indemnifying party in writing of any such claim; provided that the failure to provide such notice shall not relieve the indemnifying party of its indemnification obligations hereunder except to the extent of any material prejudice directly resulting from such failure. The indemnifying party shall bear full responsibility for, and shall have the right to solely control, the defense (including any settlements) of any such claim; provided, however, that (i) the indemnifying party shall keep the indemnified party informed of, and consult with the indemnified party in connection with the progress of such litigation or settlement; (ii) the indemnified may participate in the defense and settlement of such claim at its own expense with attorneys of its own selection; and (iii) the indemnifying party shall not have any right, without the indemnified party's written consent, to settle any such claim if such settlement arises

from or is part of any criminal action, suit or proceeding, contains a stipulation to, or admission or acknowledgement of, any liability or wrongdoing (whether in contract, tort or otherwise) on the part of the indemnified party, or requires any specific performance by the indemnified party, including, but not limited to, the payment of unindemnified amounts on the part of the indemnified party.

13.2 Injunctions. If any use of the Services, the Utility Data, or any portion thereof is enjoined, or is found by final, nonappealable order of a court or a regulatory body of competent jurisdiction to infringe or misappropriate any third-party's Intellectual Property Rights (such Services or Utility Data to be deemed the **"Infringing Materials"**) in any place where the Infringing Materials are used or accessed, in addition to any rights in this Section 13, then Positive Energy (in the case of the Services) or the Utility (in the case of the Utility Data) shall, at its sole expense, either: (i) obtain from such third-party the right for the other party to continue to use the Infringing Materials; or (ii) modify the Infringing Materials to avoid and eliminate such infringement or misappropriation, as the case may be; provided, however, that such modification shall comply with the SOW; or (iii) if neither of the remedies are commercially feasible, terminate this Agreement.

13.2 **Sole Remedy.** THE FOREGOING PROVISIONS OF THIS SECTION 13 SET FORTH EACH PARTY'S SOLE AND EXCLUSIVE LIABILITY AND EACH PARTY'S SOLE AND EXCLUSIVE REMEDY FOR ANY CLAIMS OF INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS OF ANY KIND.

14. **Insurance and Release.**

14.1 Positive Energy shall maintain in effect at all times during the Term coverage or insurance as specified in the sample certificate of insurance attached as Appendix B and in accordance with the applicable laws relating to worker's compensation regardless of whether such coverage or insurance is mandatory or merely elective under the law.

14.2 Positive Energy releases the Utility, its successors and assigns, and the respective directors, officers, employees, agents and representatives of the Utility and its successors and assigns (collectively, the "PSE Group") from all claims, losses, harm, liabilities, damages, costs, and expenses related to any property damage or personal injury (including death) that may result or occur in connection with the Services or this Agreement. To the fullest extent permitted by applicable law, the foregoing release shall apply regardless of any act, omission, negligence or strict liability of any of the PSE Group or any one or more of them.

15. **Invoices**

15.1 Positive Energy shall submit to the Utility invoices for each payment event set forth in Appendix C. Each of Positive Energy's invoices shall set forth in a detailed and clear manner a complete description of all Services performed and the dates on which such Services were performed. Further, where applicable, each such invoice

shall be supported by such receipts, documents and other information as the Utility may request.

15.2 Positive Energy shall place the number of this Agreement on all of its invoices and submit such invoices by mailing to the attention of the Utility Project Representative requesting the Services at his or her appropriate address, or to such other address as the Utility may specify.

16. **Payment**

16.1 The Utility shall pay each of Positive Energy's invoices within thirty (30) days of receipt and verification thereof.

16.2 If payment is not timely made per subsection 16.1, interest shall accrue on the unpaid balance of the lesser of one percent (1%) per month or the maximum lawful rate.

16.3 In no event shall total Fees payable under this Agreement exceed **$500,000** without the prior consent of an authorized representative of the Utility.

17. **Travel Expenses.** The Utility will reimburse Positive Energy for all actual and reasonable travel or lodging expenses at cost as incurred by Positive Energy in connection with this Agreement at the request of or as pre-approved by the Utility. All invoices for expenses shall be accompanied by copies of receipts or other reasonable documentation of expenses incurred.

18. **Subcontractors.** Positive Energy shall perform all of the Services. Positive Energy shall not, by contract or otherwise, delegate performance of any Services to any other person or entity without the Utility's written consent; provided, however, that Positive Energy may engage subcontractors for printing, mailing, graphic design, web hosting, and other Internet services in connection with the Services without consent.

19. **Rights to Materials.** Except as otherwise provided herein (which exception encompasses without limitation the Positive Energy Work Products, Positive Energy Marks, and this Agreement), all material submitted to the Utility by Positive Energy hereunder that is not clearly identified as proprietary shall become property of the Utility upon receipt, together with all rights associated with ownership of such items.

20. **Publicity.** Except as may be required by law, neither party to this Agreement shall, without the prior written consent of the other, make any news release or public announcement or place any advertisement stating that the Utility and Positive Energy have contracted for the products or services specified in this Agreement or have entered into any business relationship.

21. **Miscellaneous.**

21.1 **Assignment.** Neither party may assign, sublicense, delegate or otherwise transfer any of its rights or obligations under this Agreement without the express prior

written consent of the other party. Notwithstanding the foregoing, either party may assign this Agreement without consent to another entity merging with, consolidating with, or acquiring all or substantially all of the party's assets or stock, provided that the assignee shall assume all rights and obligations under this Agreement. Any authorized assignment shall be binding upon and enforceable by and against the parties' successors and assigns, provided that any unauthorized assignment shall be null and void and constitute a breach of this Agreement.

21.2 **Entire Agreement.** This Agreement, and any amendments thereto, constitutes the entire agreement between the parties and supersedes all previous agreements, oral or written, with respect to the subject matter of this Agreement. This Agreement may not be amended without the prior written consent of all parties. In the event of any inconsistency between the Appendices and this Agreement, the provisions of this Agreement shall govern.

21.3 **Force Majeure.** If either party is prevented from performing or is unable to perform any of its obligations under this Agreement due to causes beyond the reasonable control of the party invoking this provision, including but not limited to acts of God, acts of civil or military authorities, riots or civil disobedience, wars, strikes or labor disputes (each, a "Force Majeure Event"), such party's performance shall be excused and the time for performance shall be extended accordingly provided that the party immediately takes all reasonably necessary steps to resume full performance.

21.4 **Governing Law.** This Agreement is made under and shall be governed by the laws of the State of Washington, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction.

21.5 **Notices.** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under this Agreement shall be in writing and shall be deemed delivered three business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, fax, or other commercially accepted means. Notices shall be sent to the address specified below:

If to the Utility:

Puget Sound Energy, Inc.
Contract Services (PSE10N)
PO Box 90868
Bellevue, WA 98009-0868
Attn: Pamela J. Mead

If to Positive Energy:

1911 Fort Myer Drive, Suite 702
Arlington, VA, 22209
Attn: Daniel Yates

Either party may change its contact information by providing the other party with notice of the change in accordance with this section.

21.6 **Relationship of Parties.** The parties are independent contractors and will have no right to assume or create any obligation or responsibility on behalf of the other party. Neither party shall hold itself out as an agent of the other party. This Agreement will not be construed to create or imply any partnership, agency, joint venture or formal business entity of any kind. Positive Energy shall not be entitled to workers' compensation, retirement, insurance or other benefits afforded to employees of the Utility. Without limiting the generality of the foregoing, Positive Energy shall not be treated as an employee of the Utility for federal tax, worker's compensation, or any other purpose. Positive Energy shall not be entitled to any pension, deferred compensation, welfare, insurance or other benefits afforded employees.

21.7 **Remedies Cumulative.** The rights and remedies of each party set forth in any provision of this Agreement are in addition to and do not in any way limit any other rights or remedies afforded to such party by any other provisions of this Agreement or by law.

21.8 **Severability.** If any provision of this Agreement is held invalid or unenforceable, it shall be replaced with the valid provision that most closely reflects the intent of the parties and the remaining provisions of the Agreement will remain in full force and effect.

21.9 **Waiver.** No delay or failure by either party to exercise any right or remedy under this Agreement will constitute a waiver of such right or remedy. All waivers must be in writing and signed by an authorized representative of the party waiving its rights. A waiver by any party of any breach or covenant shall not be construed as a waiver of any succeeding breach of any other covenant.

21.10 **Headings.** The headings of the articles and paragraphs contained in this Agreement are inserted for convenience and are not intended to be part of or to affect the interpretation of this Agreement.

21.11 **Construction.** Both parties acknowledge and agree that the Agreement has been jointly prepared and its provisions will not be construed more strictly against either party as a result of its participation in such preparation.

- - - - - - - - - - Signature Page Follows - - - - - - - - - -

ACCEPTED FOR
THE UTILITY (Puget Sound Energy)

By:_____ Date:_____
Pamela J. Mead
Services Buyer

ACCEPTED FOR
POSITIVE ENERGY, INC.

By:_____ Date:_____
Daniel Yates
CEO

Appendix A - Statement of Work
Appendix B - Sample Certificate of Insurance
Appendix C - Payment Schedule
Appendix D - Supplemental Features
Appendix E - Additional Services Order Form
Appendix F – Mutual Confidentiality and Nondisclosure Agreement

PSE No. 6400001120

AMENDMENT 3 (CITIES PROJECT)
TO IMPLEMENTATION AND LICENSE AGREEMENT

This Amendment 3 ("Amendment") is dated and effective as of October 16, 2009, (the "Addendum Effective Date") by and between **OPOWER, Inc.**, a Delaware corporation with offices at 1911 Fort Myer Drive, Suite 702, Arlington, VA 22209 ("OPOWER"), and **Puget Sound Energy, Inc.**, with offices at 10885 NE 4th, Bellevue, WA 98004-5591 (the "Utility"), and pertains to and is made a part of the Implementation and License Agreement 6400001120 executed between the parties and dated as of March 25, 2008 (the "Agreement"). All undefined capitalized terms herein shall have the meanings ascribed to such terms as set forth in the Agreement.

1. **Services.** OPOWER shall provide Home Energy Reports, the Program Reports and/or access to web services, as specified in any Agreement between PSE and the City Partner, to the Utility and its Customers and the City Partner program recipients during the Term as set forth in the SOW attached hereto as Appendix A.

2. "**City Partner**". Any city, town, village, county or other municipality whose residents are PSE ratepayers and who have chosen to allocate Federal, state, municipal or other funds, to expand OPOWER's partnership with PSE into the City's service territory.

3. **City Partner Marks.** Upon execution of an agreement with each City Partner, PSE will acquire and transfer to OPOWER a royalty-free license to use the City Partner Marks for purposes of delivering the Services.

4. **Fees.** The Utility shall pay to OPOWER the license and service fees set forth in the Scope of Work, which is attached hereto as Appendix A.

5. **Term.** The term (the "Term") of this Agreement shall commence on the Effective Date and continue for 12 months, renewing annually subject to mutual signed agreement by PSE and OPOWER, from the delivery of the first Home Energy Report unless terminated earlier as expressly provided.

6. **Governing Terms.** As modified by this Addendum, OPOWER and the Utility agree that the terms and conditions set forth in the Agreement, and all exhibits, schedules, addenda, and prior modifications thereto, if any, shall remain in full force and effect and shall govern, control, and contain the entire understanding between OPOWER and the Utility with respect to the subject matter of the Agreement, except as otherwise modified by the express written agreement between OPOWER and the Utility.

Signed this date: **October 16, 2009**

Puget Sound Energy, Inc.	**OPOWER, Inc.**
By: Pamela J. Mead Pamela J. Mead Purchasing Services Buyer	By: Name: Daniel Yates Title: CEO

APPENDIX A

STATEMENT OF WORK FOR AMENDMENT 3 - CITIES

This Statement of Work ("SOW") covers the engagement between OPOWER, Inc. ("OPOWER") and Puget Sound Energy ("PSE") for the expanded delivery of the Home Energy Reports, the Energy Insider Website, and Program Reports in PSE's Service Territory as specified in Amendment 3, PSE Contract #6400001120. The SOW is an integral part of, and incorporated by reference into the Amendment. Capitalized terms have the meaning given in the Amendment or the Implementation and License Agreement dated March 25, 2008.

OPOWER's Home Energy Reporting System and Insight Engine are respectively the front-end and back-end of the communications platform it provides to utilities to better use customer data to engage customers. The Insight Engine is a software analytics engine that analyzes an array of data streams to derive insights about customer segments and individual customers. The Home Energy Reporting System is delivered in the mail and online. It tells customers where they stand in their neighborhood with respect to energy use (both electricity and gas). Further, it uses customers' energy profiles – determined by the Insight Engine (e.g. heavy A/C use, consistent use, home owner/renter, etc) – to individually target energy efficiency offers and rebates most relevant to them.

Throughout the course of the Agreement robust measurement and verification will be performed, with annual updates culminating in a final report at the conclusion of the program. The report will detail the program impact on the customer base on a number of critical dimensions, including reduction in energy use and overall increase in program participation in energy efficiency programs.

Scope of Work Outline

Product Definitions:

A. Home Energy Reporting System
   i. Home Energy Reports
   ii. Energy Insider Website
B. Insight Engine
C. Customer Service Interface
D. Program Reports

Project Phases:

The Home Energy Reporting System will be delivered to residents of the target cities using a phased approach, as follows, and which will be further detailed below.

PHASE I A: INFRASTRUCTURE AND PRODUCT CUSTOMIZATION

1. Deploy technical infrastructure
2. Select pilot regions and acquire 3rd party data
3. Design optimization, segmentation and targeting plan.
4. Integration of program marketing for Home Energy Reports and Energy Insider Website

PHASE I B: PRODUCT INTEGRATION

5. Deploy Customer Service Interface

6. Implement automated data transfer
7. Integrate PSE data streams and populate Insight Engine
8. Final Selection of Designated Customers

PHASE II: IMPLEMENTATION

9. Implement Home Energy Reports (offline reporting)
10. Deployment of Energy Insider Website (online functionality)

PHASE III: MEASUREMENT AND VERIFICATION

11. Measure and Report on conservation, efficiency and program participation

PHASE IV: OPTIMIZATION AND EXPANSION (optional)

12. Optimize expansion and selection of new Designated Customers based on learnings from phases II and III.

Several deliverables will occur in parallel. The final project timeline will be mutually agreed to via the Program Work Plan that will be completed after the program kickoff meeting, as needed for expanded services.

Commencing delivery of the Home Energy Reports is subject to PSE's approval prior to the mutually agreed to scheduled mailing date, which shall not be unreasonably withheld or delayed. PSE will be invoiced and obligated for the payments tied to the program stated in this Statement of Work, and shown on the pricing schedule in Appendix B. Payment shall not be unreasonably withheld or delayed.

PRODUCT DEFINITIONS

A. Home Energy Reporting System

The Home Energy Reporting System is a combined offline and online system of delivery of customized energy data and recommendations to Designated Customers. Designated Customers are those residential customers who are chosen to receive the reports and access to the website. The system is delivered as a software-as-a-service ("SaaS"), minimizing IT footprint and demands on PSE's staff.

The offline portion of the system, called "Home Energy Reports", is comprised of the following modules, each of which is individually selected for the Designated Customer:

a. *Energy Comparison Report:* An individualized comparison of the Designated Customer's energy use to a group of Customers living in similar sized homes, nearby. The group of Customers is selected to be large enough so that the energy use of another individual Customer cannot be derived.

b. *Progress Tracker:* An individualized comparison of the Designated Customer's energy use for the current time period this year compared to their usage during that same time period during the previous year. For Designated Customers who respond to requests for commitments to reduce energy use, their commitment is presented to them in the Progress Tracker for easy tracking.

c. *Dynamically Generated Tips and Offers:* Tips, recommendations, or offers (collectively "Action Steps") to market new products and services to Designated Customers and to

help them reduce overall and peak electricity consumption.

- Includes PSE marketing and efficiency programs, referrals to and promotions for energy saving products and services.
- Optional: may include 3rd party offers, discounts and coupons (to be priced as an option upon request).
- Dynamically generated and targeted for each Designated Customer based on the analysis, profiling and segmentation performed in Task 6, and/or as directed by PSE marketing staff.

Delivery of offline Home Energy Reports is as follows:

d. OPOWER manages the creation, printing and mailing of Home Energy Reports.
e. The Home Energy Reports are delivered to the Designated Customers via USPS Standard Mail.

The online component of the Home Energy Reporting System, the Energy Insider Website, serves as an extension and elaboration of the offline reports, providing Designated Customers with more opportunities to learn about their energy consumption and gain access to all available offers and rebates. This website includes OPOWER's robust online analysis tools, audit-like ("best tips for me" and "neighbor challenge"), and content functionalities. The website is deployed as a destination for Designated Customers to better understand their energy use and to learn about actions they may take to reduce their consumption. The site is hosted and maintained by OPOWER and is private labeled for PSE so that it appears to the Customer to be a site provided by the PSE. The Energy Insider Website will allow customers to: a) see similar information online as they would receive in a printed Home Energy Report; b) set personal goals for reducing energy use and track their progress towards their goal; c) browse the full set of energy efficiency tips in OPOWER's efficiency database; d) join other customers in sharing best practices, comments and reviews; e) view benchmarking online and audit-like functionalities ("best tips for me" and "neighbor challenge"); f) provide information online that will be leveraged to make online and offline reporting and benchmarking more robust.

B. Insight Engine

The Insight Engine is the back-end data services and analytics engine that powers OPOWER's customer facing applications, including both the online and offline components of the Home Energy Reporting System, for all OPOWER clients. The Insight Engine includes:

- Flexible ETL framework for regular, automated importing of multiple data streams from multiple data sources.
- Sophisticated data matching and cleansing routines for demographic, housing and energy data.
- Geo-coding module for latitude/longitude positioning of addresses.
- Customizable data calculation engine for neighborhood normative comparisons.

C. Customer Service Interface

The Customer Service Interface is a password protected web application for PSE (or OPOWER) customer service staff to support the Home Energy Reporting System. The Customer Service Interface includes:

- Individual password protected user accounts for each customer service representative.
- Flexible permissioning system for differing levels of administrative access.

- Access to all current and historical Home Energy Reports in PDF format, and searchable by both Report Customer last name and account number.

D. Program Reports
Program Reports are provided annually to provide a robust evaluation of the program's accomplishments and effectiveness. Program Reports are composed of two sections, the first of which is Confidential, and the second of which can be shared. The Confidential first section contains detailed information on the technical approaches and techniques utilized to perform the program analysis. These details include analytic methodologies, 3rd-party data sources, data matching techniques, regression models, and models used for energy profiling. The second section, which may be shared, contains the key findings and results from the analysis of the program. These results include the overall energy savings and program participation results from the program, with performance breakdowns by key segments (segments detailed in Task 8 below).

All of these products comprise the Home Energy Reporting System Suite, and are currently being provided (in whole or part, depending on the project) to all OPOWER utility clients, being delivered as a software-as-a-service.

PHASE I A: INFRASTRUCTURE AND PRODUCT CUSTOMIZATION

Task 1: Deploy technical infrastructure

OPOWER will install and configure all necessary hardware, software and network infrastructure for the delivery of the Home Energy Reports and Energy Insider Website.

Task 1 Details:
OPOWER will set up and configure the technical infrastructure:
- Requisition and configure OPOWER servers.
- Install and configure required underlying software (e.g. database server, application server, web server, etc)
- Install and configure multi-layered backup system
- Extend and secure networking topology.
- Harden networked servers and implement operations processes and access controls

Task 1 Deliverables:
- Fully deployed hardware and software infrastructure ready for program launch

ALREADY COMPLETED FOR PUGET SOUND PER SOW #1 in Puget Sound Energy Agreement No. 6400001120, dated March 25, 2008 ("Agreement")

Task 2: Select pilot regions and acquire 3rd party data

OPOWER will perform historical energy usage, demographic and geographic research, in conjunction with PSE, to identify the regions of PSE territory best suited to deploy the pilot program. Zip codes, city, and county boundaries will be considered so as to optimize data coverage and ensure speedy deployment.

Task 2 Details:

OPOWER will identify pilot regions:

- OPOWER and PSE will work together to select the residential Designated Customers from the target cities and an accompanying impacts to the control group. The initial plan is for approximately 75,000 customers to receive either electric-only or electric and gas reports. The control groups will also be established for each type of customer. The final split will be agreed to based upon program goals and by mutual consent.
- Analyze demographic, geographic, and local data coverage rates to select optimal regions for pilot program.
- Acquire housing data from 3rd party providers and county assessor offices in pilot region
- Acquire demographic data from 3rd party providers for pilot region
- Extend geocoding licenses to selected areas

Task 2 Deliverables:

- Selected pilot regions with accompanying 3rd party data sample.

ALREADY COMPLETED FOR PUGET SOUND PER SOW #1 in Puget Sound Energy Agreement No. 6400001120, dated March 25, 2008 ("Agreement") for initial 40,000 designated customers

OPOWER will complete for the additional Designated Customers, up to 950,000, as dictated via change orders.

Task 3: Design optimization, segmentation and targeting plan

OPOWER will develop an analytically grounded segmentation plan to optimize targeting of PSE programs and recommendations.

Task 3 Details:

OPOWER and PSE will:

- Compile available analysis of previous marketing campaigns used to market PSE rebates, programs and recommendations. Where possible, key metrics, such as internal and external cost per acquisition, will be provided to better inform targeting efforts.

OPOWER will:

- Use energy, housing, and demographic data and available past program participation data to design a multi-dimensional segmentation plan of Designated Customers based on:
    - Energy consumption patterns (e.g. normalized high seasonal peak, high base load, etc.)

- Housing data (e.g. age of house, size of house, value of home, type of construction, presence of a pool, presence of a garage)
- Past program participation & rebate redemption (e.g. Energy Star and other rebates; rate programs, etc...) if available
- Demographic data (e.g. renter vs. homeowner, presence of children in the household, indicators of interest in environmental issues, age of customer, duration of residence, socioeconomic/income levels, as available)

- Identify high-potential prospects for program marketing by profiling historical participants and available historical marketing campaign results.

Task 3 Deliverables:

- Designated Customer segmentation and targeting plan summary.

ALREADY COMPLETED FOR PUGET SOUND PER SOW #1 in Puget Sound Energy Agreement No. 6400001120, dated March 25, 2008 ("Agreement")

OPOWER will complete for the additional up to 950,000 customers as dictated via change orders.

Task 4: Integration of program marketing for Home Energy Reports and Energy Insider Website.

OPOWER will work with PSE to target PSE rebates, programs, and recommendations in the Home Energy Reports and through the Energy Insider Website. Updates to these marketing materials will be implemented as needed.

Task 4 Details:

OPOWER and PSE will:

- Compile a comprehensive list of rebates, programs, and recommendations for inclusion in the Home Energy Reports and Energy Insider Website.

OPOWER will:

- Brand the Home Energy Reports and Energy Insider Website with the PSE logo according to PSE's branding style guide.
- Integrate PSE's rebates, programs, and recommendations into OPOWER's offer and tip database for presentation on the Home Energy Reports and Energy Insider Website.
- Update rebates, programs, and recommendations, as needed, by material changes in program structure or availability of program funds.

Task 4 Deliverables:

- Sample Home Energy Report branded with the PSE and City logos, according to PSE's style guide.
- Energy Insider Website branded with the PSE logo, according to PSE's style guide. PSE marketing materials and efficiency programs integrated and formatted for use in OPOWER's Action Steps database.
- Periodic updates of marketed PSE efficiency programs and campaigns as required.

ALREADY COMPLETED FOR PUGET SOUND PER SOW #1 in Puget Sound Energy Agreement No. 6400001120, dated March 25, 2008 ("Agreement") OPOWER will continue to update program marketing details on a semi-annual basis or as needed.

PHASE I B: PRODUCT INTEGRATION AND CUSTOMIZATION

1. Tasks in Phase IB will need to occur in parallel with Phase IA, as they often require greater time for completion.

Task 5: Deploy Customer Service Interface

OPOWER will provide its Customer Service Interface to support the Home Energy Reporting System, and conduct on-site training of customer service staff on using this interface.

Task 5 Details:

OPOWER will:

- Create and permission password-protected accounts for customer service representatives and customer service managers. OPOWER will not be providing accounts to customer service representatives as they will be provided by PSE (or PSE contractor).
- Conduct eight-hours of on-site training session.

Task 5 Deliverables:

- Configured and deployed Customer Service Interface
- Onsite training day (8 hours).

ALREADY COMPLETED FOR PUGET SOUND PER SOW #1 in Puget Sound Energy Agreement No. 6400001120, dated March 25, 2008 ("Agreement") Future training for program changes or new components will be conducted by OPOWER or by PSE with "train the trainer" input from OPOWER.

Task 6: Implement Automated Data Transfer

OPOWER and PSE will jointly develop, implement, and finalize a protocol for regular, secure transfer of data from PSE to OPOWER in a mutually agreed upon format(s).

Task 6 Details:

- Establish secure, firewalled connection (e.g., sftp, ssh) between OPOWER servers and PSE data center for secure transmission of data.

OPOWER and PSE will jointly develop data transfer protocols:

- Develop the list of data elements owned by PSE (e.g., electricity usage and billing data, gas usage and billing data, energy efficiency program participation) and mutually agreed

upon data formats for each to be used in the project implementation. Transfer protocols will need to be developed for data coming from both the electricity system and the gas system.

- Establish a process for the initial transfer of historical data from PSE to OPOWER. The expected data transfer will include 12+ months of energy usage data (back to January 1, 2008, as available) and customer identifying data (address, account #, etc) for the customers from which Designated Customers, neighbors and control groups will be developed.
- Establish an ongoing process for energy usage updates for the selected groups of Designated Customers and customers in the neighbor and control groups.

- Establish an ongoing process for notification of all new Customers and all Customers that have ended their relationship with PSE.

Task 6 Deliverables:

Task 6 Deliverables:

- Establish secure, firewalled connection (e.g., sftp, ssh) between OPOWER servers and PSE data center for secure transmission of electricity data.
- OPOWER receives initial historical energy data and other agreed upon data elements via established, secure connection.
- OPOWER and PSE establish a schedule for ongoing automated data update processes for new, continuing, and departing Customers.

TRANSFER CONNECTION AND DATA FOR KING COUNTY AND ELECTRIC-ONLY CUSTOMERS ARE ALREADY COMPLETED FOR PUGET SOUND PER SOW #1 in Puget Sound Energy Agreement No. 6400001120, dated March 25, 2008 ("Agreement") ADDITIONAL HISTORIC AND ONGOING DATA FOR NEW GEOGRAPHIC AREAS OR ACCOUNT TYPES WILL NEED TO BE COMPLETED VIA THE SAME TRANSFER METHOD. INCLUSION WILL BE DETERMINED BY ACCOUNT TARGETING PLANS.

Task 7: Integrate PSE data streams and populate Insight Engine

OPOWER will integrate data received from PSE with third party data and populate the Insight Engine database by performing the following steps.

Task 7 Details:

OPOWER will:

- Define and author data transform layer for initial and ongoing meter data from PSE.
- Parse and load initial account information and meter read data, and additional data provided by PSE in accordance with Task 6.
- Parse and load available third-party data (e.g. housing data, demographic data) sourced by OPOWER in Task 2.
- Match data, ensuring accurate combination of initial and ongoing Customer and 3rd-party data through the unique customer identifier from your system, and for the 3rd party data through rigorous name and address matching to append those data to your customer data.
- Standardize all addresses to USPS standards for geo-coding and mailing purposes.

- Geo-code all addresses to establish longitude and latitude coordinates for each premise.
- Initiate ongoing normative calculations to determine and regularly update neighbor and efficient neighbor calculations for each Customer.

Task 7 Deliverables:

Task 7A Deliverables:

- Insight Engine with loaded and matched historic and ongoing energy data, housing, and demographic data for all Customers.
- Geo-codes and normative calculations for all Customers loaded in the Insight Engine.

TRANSFER CONNECTION AND DATA FOR KING COUNTY AND ELECTRIC-ONLY CUSTOMERS ARE ALREADY COMPLETED FOR PUGET SOUND PER SOW #1 in Puget Sound Energy Agreement No. 6400001120, dated March 25, 2008 ("Agreement") ADDITIONAL DATA LOADING, GEO-CODING AND CALCULATIONS FOR NEWLY TARGETED ACCOUNTS AND GEOGRAPHIES WILL HAVE TO BE COMPLETED WHEN ACCOUNTS ARE ADDED TO THE PROGRAM.

Task 8: Final selection of Designated Customers

OPOWER will analyze the integrated data resulting from Task 7 and provide statistics and insights necessary to enable the final selection of the test and control groups for the program.

Task 8 Details:

- Working in conjunction with PSE, OPOWER will randomly partition the customers in the selected pilot regions into test and control, selecting an exact set of customers from the pilot regions identified in Task 2. The final test group selection will comprise the Designated Customers.
- The selection of the Designated Customers must meet OPOWER's technical eligibility requirements for available data and "neighbor" selection. Such eligibility requirements shall be shared with PSE in writing prior to implementation, via a data requirements document.

Task 8 Deliverables:

- Final selection of Designated Customers and control group for the program implementation.

PHASE II: IMPLEMENTATION

Task 9: Implement Home Energy Reports Program

OPOWER will deliver the Home Energy Reports to PSE Designated Customers through an opt-out program. OPOWER will make the Energy Insider Website available to PSE Designated Customers and to additional customers

Task 9 Details:

- Designated Customers will receive offline Home Energy Reports for an initial period of 12 months, with 12-month extensions subject to mutual signed agreement by PSE and OPOWER.
- Accompanying the first months' mailing for any newly enrolled Designated Customers will be an introductory insert explaining the nature of the program, its duration, and the options for learning more or opting out.
- Home Energy Reports shall be delivered at an average frequency of no fewer than six reports per Designated Customer per year.
- Cities with 15,000 or more participating Designated Customers shall have the option to co-brand Home Energy Reports with their City Mark at sole discretion of PSE.
- OPOWER will provide reporting to PSE at least once every two months detailing participation of Designated Customers whom are participating as a result of an agreement with a City Partner.
- The Energy Insider Website will be available to Designated Customers throughout the initial term of the program with the option to extend subject to mutual signed agreement by PSE and OPOWER.

PSE customer service staff will be able to opt-out Designated Customers who call in and request to no longer receive the Home Energy Reports.

Optional: At PSE's discretion, OPOWER may source and include 3rd party offers and coupons in the Home Energy Reports to increase their effectiveness and ability to be acted upon.

Task 9 Deliverables:

- Delivery of an average of six (6) reports per year per Designated Customer.

Task 10: Deploy Home Energy Reporting Website

OPOWER shall make available the Energy Insider Website to all Designated Customers.

Task 10 Details:

- OPOWER will work with PSE to "private-label" the website, branding it with PSE's logo, according to PSE's style guide.
- OPOWER will work closely with PSE to set up a mutually agreed upon authentication process to allow Designated Customers access to their energy information online. Such authentication process will include a method to provide Designated Customers with secure and easy access to their information through the website.
- OPOWER will host and maintain the website, which is integral to the Home Energy Reporting System, which in turn is integrated with the Insight Engine, both also hosted and maintained by OPOWER.
- The Energy Insider Website includes the following sections:
  1. *Online Home Energy Report*: This section is a secure area for Designated Customers to see online a very similar set of information to what is contained in their printed Home Energy Reports. Designated Customers can see their electricity and gas usage compared to neighborhood averages, and receive targeted energy efficiency recommendations generated by the Insight Engine.

2. *Commitment Tracker:* Enables Designated Customers to set a personal goal to reduce their energy use and to track their progress online.
3. *Energy Efficiency Recommendation Library:* Designated Customers gain access to OPOWER's entire library of Energy Efficiency Tips, organized by cost to implement and type of energy use (heating, cooling, lighting, etc).
4. *Online Benchmarking:* Designated Customers view their benchmarking analysis, and interact with the website to view various analyses over time. This functionality is linked to the benchmarking report and customers' account information.
5. *Online mini-Audit Functionality:* Designated Customers can answer questions and provide input about their homes and energy-related behaviors, through the "best tips for me" and "neighbor challenge". This functionality is linked to the benchmarking report and customers' account information.
6. *OPOWER's Network:* Designated Customers gain access to the OPOWER Network, where they can share their suggestions with others, view popularity rankings of different efficiency tips in their neighborhood, and understand what's working and what isn't working for people like them.

Task 10 Deliverables:

- Contractor shall make available the Energy Insider Website to all Designated Customers for the initial period of 12 months.

PHASE III: MEASUREMENT AND VERIFICATION

Task 11: Measure and Report on Conservation, Efficiency and Program Participation

- OPOWER shall provide annual reports, thirteen months from the date of the first mailing of Home Energy Reports and every twelve months thereafter or until this Agreement is terminated. Reports will be delivered in electronic format and are provided to verify program accomplishments (the "Program Reports").

Task 11 Details:

Program Reports are composed of two sections, the first of which is Confidential, and the second of which can be shared. These details include analytic methodologies, 3rd-party data sources, data matching techniques, regression models, and models used for energy profiling.

Program Reports will include:

- Section 1: the first section is Confidential and contains detailed information on the technical approaches and techniques utilized to perform the program analysis:
    - Detailed information on the statistical analytic techniques used, such as multi-variate predictive modeling methodology.
    - Information on the methodology used to select test and control groups
    - Matching techniques and data cleaning techniques used to avoid bias
    - Details on cross sectional model diagnostics

- Section 2: the second section may be shared, is not Confidential, and contains the key findings and results from the analysis of the program. This includes the overall energy savings and program participation results from the program, and results broken down by segment, as delineated below:
-

- Analysis of change in electric consumption among Designated Customers compared to the established control group and to their historic consumption. Analysis shall include breakdown of program impact by segments, subject to sufficient data sets and mutual consent. Such segments may include analysis by:
  - Heat type (electric or gas)
  - Designated Customer investment likelihood (a combined measure of wealth, home ownership, etc)
  - Energy profile (high summer peak, low summer peak, etc)
  - Year over year analysis of energy usage
- Final output includes overall analysis of savings impact of Reports and cost of Reports to customer and to PSE (per customer and total for time period). OPOWER shall provide all assumptions and factors used in the calculation of energy and cost savings for PSE internal verification purposes.
- Response rates for trackable actions taken by Designated Customers and for program participation rates for which data is provided to OPOWER, including rebate redemptions and other efficiency and conservation programs tracked at the household level. OPOWER will measure the incremental response rates and aggregate program participation attribution rates for Designated Customers compared to the control group.

Task 11 Deliverable: Delivery of annual Program Reports

PHASE IV: OPTIMIZATION AND EXPANSION (Optional)

Task 12: Optimize expansion and selection of new Designated Customers based on learnings from PHASES I - III.

At the end of the first year and any subsequent years as agreed to by PSE and OPOWER, OPOWER will analyze the results from DELIVERABLES II and III and provide recommendations about how to optimize the expansion of the Home Energy Reporting System among PSE's customers.

Task 12 Details:

- Working in conjunction with PSE, OPOWER will identify the priorities subject to PSE's approval, for expansion and select a set of households that is optimized to increase the efficacy of the program and to increase and explore learnings from the ongoing implementation.
- If desired by PSE, OPOWER and PSE will together select additional Designated Customers as determined by PSE, and an accompanying control group.
- Customers must meet OPOWER's technical eligibility requirements for available data and neighbor selection, as provided to PSE.
- The frequency of Home Energy Report delivery to different sub-segments of the Designated Customers as determined in Task 5 above shall be reconsidered and optimized and this frequency shall be established by amendment to this Statement of Work, with an accompanying amendment to the budget, as appropriate.

Task 12 Deliverables:

- Selection of Designated Customers and control group for program expansion opportunities.

AMENDMENT #4
TO
IMPLEMENTATION AND LICENSE AGREEMENT

This Amendment #1 ("**Amendment #1**") is dated and effective as of _____ ____, 2009 by and between **Positive Energy, Inc.**, a Delaware corporation ("**Positive Energy**"), and **Puget Sound Energy, Inc.** ("**Utility**"), and amends the Implementation and License Agreement 6400001120 executed between the parties and dated as of March 25, 2008 (the "**Agreement**").

WHEREAS the parties wish to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the following.

1. The term of the Agreement shall be extended until December 31, 2011.

2. The attached Statement of Work (Appendix A) shall cover the engagement between Positive Energy and Utility for the ongoing delivery of and expansion of services.

3. As modified by this Amendment #1, Positive Energy and the Utility agree that the terms and conditions set forth in the Agreement, and all exhibits, schedules, addenda, and prior modifications thereto, shall remain in full force and effect and shall govern, control, and contain the entire understanding between the parties with respect to the subject matter of the Agreement, except as otherwise modified by the express written agreement between the parties, including without limitation the Purchase Order Form attached hereto as Appendix C.

EXECUTED as of the date first set forth above.

POSITIVE ENERGY, INC.	PUGET SOUND ENERGY, INC.
By_____	By _____
_____	_____
Name	Name
_____	_____
Title	Title

EECBG Terms and Conditions

Special Provisions

A. Flow Down Requirement

Recipients must include these special terms and conditions in any subaward.

B. Segregation of Costs

Recipients must segregate the obligations and expenditures related to funding under the Recovery Act. Financial and accounting systems should be revised as necessary to segregate, track and maintain these funds apart and separate from other revenue streams. No part of the funds from the Recovery Act shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for Recovery Act projects.

Prohibition on Use of Funds

None of the funds provided under this agreement derived from the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

C. Access to Records

With respect to each financial assistance agreement awarded utilizing at least some of the funds appropriated or otherwise made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, any representative of an appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1988 (5 U.S.C. App.) or of the Comptroller General is authorized –

(1) to examine any records of the contractor or grantee, any of its subcontractors or subgrantees, or any State or local agency administering such contract that pertain to, and involve transactions relation to, the subcontract, subcontract, grant, or subgrant; and

(2) to interview any officer or employee of the contractor, grantee, subgrantee, or agency regarding such transactions.

D. Publication

An application may contain technical data and other data, including trade secrets and/or privileged or confidential information, which the applicant does not want disclosed to the public or used by the Government for any purpose other than the application. To protect such data, the applicant should specifically identify each page including each line or paragraph thereof containing the data to be protected and mark the cover sheet of the application with the following Notice as well as referring to the Notice on each page to which the Notice applies:

Notice of Restriction on Disclosure and Use of Data

The data contained in pages ---- of this application have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes, provided that if this applicant receives an award as a result of or in connection with the submission of this application, DOE shall have the right to use or disclose the data here to the extent provided in the award. This restriction does not limit the Government's right to use or disclose data obtained without restriction from any source, including the applicant.

Information about this agreement will be published on the Internet and linked to the website

www.recovery.gov , maintained by the Accountability and Transparency Board. The Board may exclude posting contractual or other information on the website on a case-by-case basis when necessary to protect national security or to protect information that is not subject to disclosure under sections 552 and 552a of title 5, United States Code.

E. Protecting State and Local Government and Contractor Whistleblowers

The requirements of Section 1553 of the Act are summarized below. They include, but are not limited to:

Prohibition on Reprisals: An employee of any non-Federal employer receiving covered funds under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, to the Accountability and Transparency Board, an inspector general, the Comptroller General, a member of Congress, a State or Federal regulatory or law enforcement agency, a person with supervisory authority over the employee (or other person working for the employer who has the authority to investigate, discover or terminate misconduct, a court or grant jury, the head of a Federal agency, or their representatives information that the employee believes is evidence of:

- gross management of an agency contract or grant relating to covered funds;
- a gross waste of covered funds
- a substantial and specific danger to public health or safety related to the implementation or use of covered funds;
- an abuse of authority related to the implementation or use of covered funds; or
- as violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to covered funds.

Agency Action: Not later than 30 days after receiving an inspector general report of an alleged reprisal, the head of the agency shall determine whether there is sufficient basis to conclude that the non-Federal employer has subjected the employee to a prohibited reprisal. The agency shall either issue an order denying relief in whole or in part or shall take one or more of the following actions:

- Order the employer to take affirmative action to abate the reprisal.
- Order the employer to reinstate the person to the position that the person held before the reprisal, together with compensation including back pay, compensatory damages, employment benefits, and other terms and conditions of employment that would apply to the person in that position if the reprisal had not been taken.
- Order the employer to pay the employee an amount equal to the aggregate amount of all costs and expenses (including attorneys' fees and expert witnesses' fees) that were reasonably incurred by the employee for or in connection with, bringing the complaint regarding the reprisal, as determined by the head of a court of competent jurisdiction.

Nonenforceablity of Certain Provisions Waiving Rights and remedies or Requiring Arbitration: Except as provided in a collective bargaining agreement, the rights and remedies provided to aggrieved employees by this section may not be waived by any agreement, policy, form, or condition of employment, including any predispute arbitration agreement. No predispute arbitration agreement shall be valid or enforceable if it requires arbitration of a dispute arising out of this section.

Requirement to Post Notice of Rights and Remedies: Any employer receiving covered funds under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, shall post notice of the rights and remedies as required therein. (Refer to section 1553 of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, www.Recovery.gov, for specific requirements of this section and prescribed language for the notices.).

F. Request for Reimbursement

Reserved

G. False Claims Act

Recipient and sub-recipients shall promptly refer to the DOE or other appropriate Inspector General any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict or interest, bribery, gratuity or similar misconduct involving those funds.

H. Information in supporting of Recovery Act Reporting

Recipient may be required to submit backup documentation for expenditures of funds under the Recovery Act including such items as timecards and invoices. Recipient shall provide copies of backup documentation at the request of the Contracting Officer or designee.

I. Availability of Funds

Funds appropriated under the Recovery Act and obligated to this award are available for reimbursement of costs until September 30, 2015.

J. Additional Funding Distribution and Assurance of Appropriate Use of Funds

Applicable if award is to a State Government or an Agency

Certification by Governor -- Not later than April 3, 2009, for funds provided to any State or agency thereof by the American Reinvestment and Recovery Act of 2009, Pub. L. 111-5, the Governor of the State shall certify that: 1) the state will request and use funds provided by the Act; and 2) the funds will be used to create jobs and promote economic growth.

Acceptance by State Legislature -- If funds provided to any State in any division of the Act are not accepted for use by the Governor, then acceptance by the State legislature, by means of the adoption of a concurrent resolution, shall be sufficient to provide funding to such State.

Distribution – After adoption of a State legislature's concurrent resolution, funding to the State will be for distribution to local governments, councils of government, public entities, and public-private entities within the State either by formula or at the State's discretion.

K. Certifications

With respect to funds made available to State or local governments for infrastructure investments under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, the Governor, mayor, or other chief executive, as appropriate, certified by acceptance of this award that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Recipient shall provide an additional certification that includes a description of the investment, the estimated total cost, and the amount of covered funds to be used for posting on the Internet. A State or local agency may not receive infrastructure investment funding from funds made available by the Act unless this certification is made and posted.

1. REPORTING AND REGISTRATION REQUIREMENTS UNDER SECTION 1512 OF THE RECOVERY ACT (MAY 2009)

a. This award requires the recipient to complete projects or activities which are funded under the American Recovery and Reinvestment Act of 2009 (Recovery Act) and to report on use of Recovery Act funds provided through this award. Information from these reports will be made available to the public.

b. The reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act.

c. Recipients and their first-tier recipients must maintain current registrations in the Central Contractor Registration (http://www.ccr.gov) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (http://www.dnb.com) is one of the requirements for registration in the Central Contractor Registration.

d. The recipient shall report the information described in section 1512(c) of the Recovery Act using the reporting instructions and data elements that will be provided online at http://www.FederalReporting.gov and ensure that any information that is pre-filled is corrected or updated as needed.

2. REQUIRED USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS -- SECTION 1605 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (MAY 2009)

THIS AWARD TERM IS APPLICABLE TO ANY RECOVERY ACT FUNDS FOR CONSTRUCTION, ALTERATION, MAINTENANCE, OR REPAIR OF A PUBLIC BUILDING OR PUBLIC WORK AND THE TOTAL PROJECT VALUE IS ESTIMATED LESS THAN $7,443,000. THIS AWARD TERM ALSO APPLIES TO ALL SUBGRANTS AND CONTRACTS.

a. Definitions. As used in this award term and condition--

(1) Manufactured good means a good brought to the construction site for incorporation into the building or work that has been—
(i) Processed into a specific form and shape; or
(ii) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

(2) Public building and public work means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

(3) Steel means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

b. Domestic preference.

(1) This award term and condition implements Section 1605 of the American Recovery and Reinvestment Act of 2009 (Recovery Act) (Pub. L. 111--5), by requiring that all iron, steel, and manufactured goods used in the project are produced in the United States except as provided in paragraph (b)(3) and (b)(4) of this section and condition.

(2) This requirement does not apply to the material listed by the Federal Government as follows:

None

[Award official to list applicable excepted materials or indicate "none"]

(3) The award official may add other iron, steel, and/or manufactured goods to the list in paragraph (b)(2) of this section and condition if the Federal Government determines that--
   (i) The cost of the domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;
   (ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
   (iii) The application of the restriction of section 1605 of the Recovery Act would be inconsistent with the public interest.

c. Request for determination of inapplicability of Section 1605 of the Recovery Act .
(1)
   (i) Any recipient request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b)(3) of this section shall include adequate information for Federal Government valuation of the request, including—
      (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
      (B) Unit of measure;
      (C) Quantity;
      (D) Cost;
      (E) Time of delivery or availability;
      (F) Location of the project;
      (G) Name and address of the proposed supplier; and
      (H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(3) of this section.
   (ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this section.
   (iii) The cost of iron, steel, and/or manufactured goods material shall include all delivery costs to the construction site and any applicable duty.
   (iv) Any recipient request for a determination submitted after Recovery Act funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the recipient could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the recipient does not submit a satisfactory explanation, the award official need not make a determination.

(2) If the Federal Government determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the Recovery Act applies, the award official will amend the award to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended award shall reflect adjustment of the award amount, redistribution of budgeted funds, and/or other actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the award official shall adjust the award amount or redistribute budgeted funds by at least the differential established in 2 CFR 176.110(a).

(3) Unless the Federal Government determines that an exception to section 1605 of the Recovery Act applies, use of foreign iron, steel, and/or manufactured goods is noncompliant with section 1605 of the American Recovery and Reinvestment Act.

d. Data. To permit evaluation of requests under paragraph (b) of this section based on unreasonable cost, the Recipient shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Items Cost Comparison

Description	Unit of Measure	Quantity	Cost (dollars)*
Item 1:			
Foreign steel, iron, or manufactured good			
Domestic steel, iron, or manufactured good			
Item 2:			
Foreign steel, iron , or manufactured good			
Domestic steel, iron, or manufactured good			

List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.

Include other applicable supporting information.

*Include all delivery costs to the construction site.

3. REQUIRED USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS (COVERED UNDER INTERNATIONAL AGREEMENTS)--SECTION 1605 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (MAY 2009)

THIS AWARD TERM IS APPLICABLE TO ANY RECOVERY ACT FUNDS FOR CONSTRUCTION, ALTERATION, MAINTENANCE, OR REPAIR OF A PUBLIC BUILDING OR PUBLIC WORK WITH A TOTAL PROJECT VALUE OVER $7,443,000 THAT INVOLVES IRON, STEEL, AND/OR MANUFACTURED GOODS MATERIALS COVERED UNDER INTERNATIONAL AGREEMENTS. THIS AWARD TERM ALSO APPLIES TO ALL SUBGRANTS AND CONTRACTS.

a. Definitions. As used in this award term and condition--

Designated country –

(1) A World Trade Organization Government Procurement Agreement country (Aruba, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom;

(2) A Free Trade Agreement (FTA) country (Australia, Bahrain, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Mexico, Morocco, Nicaragua, Oman, Peru, or Singapore); or

(3) A United States-European Communities Exchange of Letters (May 15, 1995) country: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and United Kingdom.

Designated country iron, steel, and/or manufactured goods –

(1) Is wholly the growth, product, or manufacture of a designated country; or

(2) In the case of a manufactured good that consist in whole or in part of materials from another country, has been substantially transformed in a designated country into a new and different manufactured good distinct from the materials from which it was transformed.

Domestic iron, steel, and/or manufactured good –

(1) Is wholly the growth, product, or manufacture of the United States; or

(2) In the case of a manufactured good that consists in whole or in part of materials from another country, has been substantially transformed in the United States into a new and different manufactured good distinct from the materials from which it was transformed. There is no requirement with regard to the origin of components or subcomponents in manufactured goods or products, as long as the manufacture of the goods occurs in the United States.

Foreign iron, steel, and/or manufactured good means iron, steel and/or manufactured good that is not domestic or designated country iron, steel, and/or manufactured good.

Manufactured good means a good brought to the construction site for incorporation into the building or work that has been--

(1) Processed into a specific form and shape; or

(2) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

Public building and public work means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

Steel means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

b. Iron, steel, and manufactured goods.

(1) The award term and condition described in this section implements--
   (i) Section 1605(a) of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111--5) (Recovery Act), by requiring that all iron, steel, and manufactured goods used in the project are produced in the United States; and
   (ii) Section 1605(d), which requires application of the Buy American requirement in a manner consistent with U.S. obligations under international agreements. The restrictions of section 1605 of the Recovery Act do not apply to designated country iron, steel, and/or manufactured goods. The Buy American requirement in section 1605 shall not be applied where the iron, steel or manufactured goods used in the project are from a Party to an international agreement that obligates the recipient to treat the goods and services of that Party the same as domestic goods and services. This obligation shall only apply to projects with an estimated value of $7,443,000 or more.

(2) The recipient shall use only domestic or designated country iron, steel, and manufactured goods in performing the work funded in whole or part with this award, except as provided in paragraphs

(b)(3) and (b)(4) of this section.

(3) The requirement in paragraph (b)(2) of this section does not apply to the iron, steel, and manufactured goods listed by the Federal Government as follows:

None

[Award official to list applicable excepted materials or indicate "none"]

(4) The award official may add other iron, steel, and manufactured goods to the list in paragraph (b)(3) of this section if the Federal Government determines that--
- (i) The cost of domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, and/or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the overall cost of the project by more than 25 percent;
- (ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality; or
- (iii) The application of the restriction of section 1605 of the Recovery Act would be inconsistent with the public interest.

c. Request for determination of inapplicability of section 1605 of the Recovery Act or the Buy American Act.

(1) (i) Any recipient request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b)(4) of this section shall include adequate information for Federal Government evaluation of the request, including--
- (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
- (B) Unit of measure;
- (C) Quantity;
- (D) Cost;
- (E) Time of delivery or availability;
- (F) Location of the project;
- (G) Name and address of the proposed supplier; and
- (H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(4) of this section.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this section.

(iii) The cost of iron, steel, or manufactured goods shall include all delivery costs to the construction site and any applicable duty.

(iv) Any recipient request for a determination submitted after Recovery Act funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the recipient could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the recipient does not submit a satisfactory explanation, the award official need not make a determination.

(2) If the Federal Government determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the Recovery Act applies, the award official will amend the award to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended award shall reflect adjustment of the award amount, redistribution of budgeted funds, and/or other appropriate actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods.. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the award official shall adjust the award amount or redistribute budgeted funds, as appropriate, by at least the differential established in 2 CFR 176.110(a).

(3) Unless the Federal Government determines that an exception to section 1605 of the Recovery Act applies, use of foreign iron, steel, and/or manufactured goods other than designated country iron, steel, and/or manufactured goods is noncompliant with the applicable Act.

d. Data. To permit evaluation of requests under paragraph (b) of this section based on unreasonable cost, the applicant shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Items Cost Comparison

Description	Unit of Measure	Quantity	Cost (dollars)*
Item 1:			
Foreign steel, iron, or manufactured good			
Domestic steel, iron, or manufactured good			
Item 2:			
Foreign steel, iron , or manufactured good			
Domestic steel, iron, or manufactured good			

List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.

Include other applicable supporting information.

*Include all delivery costs to the construction site.

4. WAGE RATE REQUIREMENTS UNDER SECTION 1606 OF THE RECOVERY ACT (MAY 2009)

THIS AWARD TERM IS APPLICABLE TO RECOVERY ACT PROGRAMS OR ACTIVITIES THAT MAY INVOLVE CONSTRUCTION, ALTERATION, MAINTENANCE, OR REPAIR. THIS AWARD TERM ALSO APPLIES TO ALL SUBGRANTS AND CONTRACTS.

a. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Pursuant to Reorganization Plan No. 14 and the Copeland Act, 40 U.S.C. 3145, the Department of Labor has issued regulations at 29 CFR parts 1, 3, and 5 to implement the Davis-Bacon and related Acts. Regulations in 29 CFR 5.5 instruct agencies concerning application of the standard Davis-Bacon contract clauses set forth in that section. Federal agencies providing grants, cooperative agreements, and loans under the Recovery Act shall ensure that the standard Davis-Bacon contract clauses found in 29 CFR 5.5(a) are incorporated in any resultant covered contracts that are in excess of $2,000 for construction, alteration or repair (including painting and decorating).

b. For additional guidance on the wage rate requirements of section 1606, contact your awarding agency. Recipients of grants, cooperative agreements and loans should direct their initial inquiries concerning the application of Davis-Bacon requirements to a particular federally assisted project to the Federal agency funding the project. The Secretary of Labor retains final coverage authority under

Reorganization Plan Number 14.

5. RECOVERY ACT TRANSACTIONS LISTED IN SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND RECIPIENT RESPONSIBILITIES FOR INFORMING SUBRECIPIENTS (MAY 2009)

a. To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111--5) (Recovery Act) as required by Congress and in accordance with 2 CFR 215.21 "Uniform Administrative Requirements for Grants and Agreements" and OMB Circular A--102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds. OMB Circular A--102 is available at http://www.whitehouse.gov/omb/circulars/a102/a102.html

b. For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A--133, "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF--SAC) required by OMB Circular A--133. OMB Circular A--133 is available at http://www.whitehouse.gov/omb/circulars/a133/a133.html. This shall be accomplished by identifying expenditures for Federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF--SAC by CFDA number, and inclusion of the prefix "ARRA-" in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF--SAC.

c. Recipients agree to separately identify to each subrecipient, and document at the time of subaward and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to subrecipients shall distinguish the subawards of incremental Recovery Act funds from regular subawards under the existing program.

d. Recipients agree to require their subrecipients to include on their SEFA information to specifically identify Recovery Act funding similar to the requirements for the recipient SEFA described above. This information is needed to allow the recipient to properly monitor subrecipient expenditure of ARRA funds as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

6. DAVIS BACON ACT REQUIREMENTS (MAY 2009)

THIS AWARD TERM IS APPLICABLE TO ARRA AWARDS WHEN WAGE RATE REQUIREMENTS UNDER SECTION 1606 OF THE RECOVERY ACT TERM IS APPLICABLE. THIS AWARD TERM IS ALSO APPLICABLE TO SUBGRANTS AND CONTRACTS.

Note: Where necessary to make the context of these articles applicable to this award, the term “Contractor” shall mean “Recipient” and the term “Subcontractor” shall mean “Subrecipient or Subcontractor” per the following definitions.

Recipient means the organization, individual, or other entity that receives an award from DOE and is financially accountable for the use of any DOE funds or property provided for the performance of the project, and is legally responsible for carrying out the terms and conditions of the award.

Subrecipient means the legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided. The term may include foreign or international organizations (such as agencies of the United Nations).

Davis-Bacon Act

(a) *Definition*.—“Site of the work”—

(1) Means--
   (i) The primary site of the work. The physical place or places where the construction called for in the award will remain when work on it is completed; and
   (ii) The secondary site of the work, if any. Any other site where a significant portion of the building or work is constructed, provided that such site is—
      (A) Located in the United States; and
      (B) Established specifically for the performance of the award or project;

(2) Except as provided in paragraph (3) of this definition, includes any fabrication plants, mobile factories, batch plants, borrow pits, job headquarters, tool yards, etc., provided—
   (i) They are dedicated exclusively, or nearly so, to performance of the award or project; and
   (ii) They are adjacent or virtually adjacent to the "primary site of the work" as defined in paragraph (a)(1)(i), or the "secondary site of the work" as defined in paragraph (a)(1)(ii) of this definition;

(3) Does not include permanent home offices, branch plant establishments, fabrication plants, or tool yards of a Contractor or subcontractor whose locations and continuance in operation are determined wholly without regard to a particular Federal award or project. In addition, fabrication plants, batch plants, borrow pits, job headquarters, yards, etc., of a commercial or material supplier which are established by a supplier of materials for the project before opening of bids and not on the Project site, are not included in the "site of the work." Such permanent, previously established facilities are not a part of the "site of the work" even if the operations for a period of time may be dedicated exclusively or nearly so, to the performance of a award.

(b) (1) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, or as may be incorporated for a secondary site of the work, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Any wage determination incorporated for a secondary site of the work shall be effective from the first day on which work under the award was performed at that site and shall be incorporated without any adjustment in award price or estimated cost. Laborers employed by the construction Contractor or construction subcontractor that are transporting portions of the building or work between the secondary site of the work and the primary site of the work shall be paid in accordance with the wage determination applicable to the primary site of the work.

(2) Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (e) of this article; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such period.

(3) Such laborers and mechanics shall be paid not less than the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in the article entitled Apprentices and Trainees. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed.

(4) The wage determination (including any additional classifications and wage rates conformed under

paragraph (c) of this article) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

c. (1) The Contracting Officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the award shall be classified in conformance with the wage determination. The Contracting Officer shall approve an additional classification and wage rate and fringe benefits therefore only when all the following criteria have been met:
   (i) The work to be performed by the classification requested is not performed by a classification in the wage determination.
   (ii) The classification is utilized in the area by the construction industry.
   (iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives and the Contracting Officer agree on the classification and wage rate (including the amount designated for fringe benefits, where appropriate), a report of the action taken shall be sent by the Contracting Officer to the Administrator of the:

Wage and Hour Division
Employment Standards Administration
U.S. Department of Labor
Washington, DC 20210

The Administrator or an authorized representative will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the Contracting Officer or will notify the Contracting Officer within the 30-day period that additional time is necessary.

(3) In the event the Contractor, the laborers or mechanics to be employed in the classification, or their representatives, and the Contracting Officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the Contracting Officer shall refer the questions, including the views of all interested parties and the recommendation of the Contracting Officer, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the Contracting Officer or will notify the Contracting Officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits, where appropriate) determined pursuant to subparagraphs (c)(2) and (c)(3) of this article shall be paid to all workers performing work in the classification under this award from the first day on which work is performed in the classification.

(d) Whenever the minimum wage rate prescribed in the award for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(e) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program; provided, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

Rates of Wages

The minimum wages to be paid laborers and mechanics under this award involved in performance of work at

the project site, as determined by the Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the pertinent locality, are included as an attachment to this award. These wage rates are minimum rates and are not intended to represent the actual wage rates that the Contractor may have to pay.

Payrolls and Basic Records

(a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of 3 years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under paragraph (d) of the article entitled Davis-Bacon Act, that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(b) (1) The Contractor shall submit weekly for each week in which any award work is performed a copy of all payrolls to the Contracting Officer. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under paragraph (a) of this article. This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the --

Superintendent of Documents U.S. Government Printing Office Washington, DC 20402

The Prime Contractor is responsible for the submission of copies of payrolls by all subcontractors.

(2) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the award and shall certify --

(i) That the payroll for the payroll period contains the information required to be maintained under paragraph (a) of this article and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the award during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in the Regulations, 29 CFR Part 3; and

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the award.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by subparagraph (b)(2) of this article.

(4) The falsification of any of the certifications in this article may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

(c) The Contractor or subcontractor shall make the records required under paragraph (a) of this article available for inspection, copying, or transcription by the Contracting Officer or authorized representatives of the Contracting Officer or the Department of Labor. The Contractor or subcontractor shall permit the Contracting Officer or representatives of the Contracting Officer or the Department of Labor to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit required records or to make them available, the Contracting Officer may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

Withholding of Funds

The Contracting Officer shall, upon his or her own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Contractor under this award or any other Federal award with the same Prime Contractor, or any other federally assisted award subject to Davis-Bacon prevailing wage requirements, which is held by the same Prime Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the award. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the award, the Contracting Officer may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

Apprentices and Trainees

(a) Apprentices.

(1) An apprentice will be permitted to work at less than the predetermined rate for the work they performed when they are employed—
  (i) Pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship and Training, Employer, and Labor Services (OATELS) or with a State Apprenticeship Agency recognized by the OATELS; or
  (ii) In the first 90 days of probationary employment as an apprentice in such an apprenticeship program, even though not individually registered in the program, if certified by the OATELS or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

(2) The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program.

(3) Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in paragraph (a)(1) of this article, shall be paid not less than the applicable wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

(4) Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination.

(5) Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

(6) In the event OATELS, or a State Apprenticeship Agency recognized by OATELS, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(b) Trainees.

(1) Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer, and Labor Services (OATELS). The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by OATELS.

(2) Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the OATELS shall be paid not less than the applicable wage rate in the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the work actually performed.

(3) In the event OATELS withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(d) Equal employment opportunity. The utilization of apprentices, trainees, and journeymen under this article shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

Compliance with Copeland Act Requirements

The Contractor shall comply with the requirements of 29 CFR Part 3, which are hereby incorporated by reference in this award.

Subcontracts (Labor Standards)

(a) Definition. "Construction, alteration or repair," as used in this article means all types of work done by laborers and mechanics employed by the construction Contractor or construction subcontractor on a particular building or work at the site thereof, including without limitation—

(1) Altering, remodeling, installation (if appropriate) on the site of the work of items fabricated off-

site;

(2) Painting and decorating;

(3) Manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the building or work;

(4) Transportation of materials and supplies between the site of the work within the meaning of paragraphs (a)(1)(i) and (ii) of the "site of the work" as defined in the article entitled Davis Bacon Act of this award, and a facility which is dedicated to the construction of the building or work and is deemed part of the site of the work within the meaning of paragraph (2) of the "site of work" definition; and

(5) Transportation of portions of the building or work between a secondary site where a significant portion of the building or work is constructed, which is part of the "site of the work" definition in paragraph (a)(1)(ii) of the Davis-Bacon Act article, and the physical place or places where the building or work will remain (paragraph (a)(1)(i) of the Davis Bacon Act article, in the "site of the work" definition).

(b) The Contractor or subcontractor shall insert in any subcontracts for construction, alterations and repairs within the United States the articles entitled—

(1) Davis-Bacon Act;

(2) Contract Work Hours and Safety Standards Act -- Overtime Compensation (if the article is included in this award);

(3) Apprentices and Trainees;

(4) Payrolls and Basic Records;

(5) Compliance with Copeland Act Requirements;

(6) Withholding of Funds;

(7) Subcontracts (Labor Standards);

(8) Contract Termination – Debarment;

(9) Disputes Concerning Labor Standards;

(10) Compliance with Davis-Bacon and Related Act Regulations; and

(11) Certification of Eligibility.

(c) The Prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor performing construction within the United States with all the award articles cited in paragraph (b).

(d) (1)Within 14 days after issuance of the award, the Contractor shall deliver to the Contracting Officer a completed Standard Form (SF) 1413, Statement and Acknowledgment, for each subcontract for construction within the United States, including the subcontractor's signed and dated acknowledgment that the articles set forth in paragraph (b) of this article have been included in the subcontract.

Within 14 days after the award of any subsequently awarded subcontract the Contractor shall deliver to the Contracting Officer an updated completed SF 1413 for such additional subcontract.

(e) The Contractor shall insert the substance of this article, including this paragraph (e) in all subcontracts for construction within the United States.

Contract Termination -- Debarment

A breach of the award articles entitled Davis-Bacon Act, Contract Work Hours and Safety Standards Act -- Overtime Compensation, Apprentices and Trainees, Payrolls and Basic Records, Compliance with Copeland Act Requirements, Subcontracts (Labor Standards), Compliance with Davis-Bacon and Related Act Regulations, or Certification of Eligibility may be grounds for termination of the whole award or in part for the Recovery Act covered work only, and for debarment as a Contractor and subcontractor as provided in 29 CFR 5.12.

Compliance with Davis-Bacon and Related Act Regulations

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are hereby incorporated by reference in this award.

Disputes Concerning Labor Standards

The United States Department of Labor has set forth in 29 CFR Parts 5, 6, and 7 procedures for resolving disputes concerning labor standards requirements. Such disputes shall be resolved in accordance with those procedures and not the Disputes and Appeals as defined in 10 CFR 600.22. Disputes within the meaning of this article include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

Certification of Eligibility

(a) By entering into this award, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded Government awards by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(b) No part of this award shall be subcontracted to any person or firm ineligible for award of a Government award by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(c) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Approval of Wage Rates

All straight time wage rates, and overtime rates based thereon, for laborers and mechanics engaged in work under this award must be submitted for approval in writing by the head of the contracting activity or a representative expressly designated for this purpose, if the straight time wages exceed the rates for corresponding classifications contained in the applicable Davis-Bacon Act minimum wage determination included in the award. Any amount paid by the Contractor to any laborer or mechanic in excess of the agency approved wage rate shall be at the expense of the Contractor and shall not be reimbursed by the Government. If the Government refuses to authorize the use of the overtime, the Contractor is not released from the obligation to pay employees at the required overtime rates for any overtime actually worked.

7. HISTORIC PRESERVATION

Prior to the expenditure of Federal funds to alter any structure or site, the Recipient is required to comply with the requirements of Section 106 of the National Historic Preservation Act (NHPA), consistent with DOE's 2009 letter of delegation of authority regarding the NHPA. Section 106 applies to historic properties that are listed in or eligible for listing in the National Register of Historic Places. In order to fulfill the requirements of Section 106, the Recipient must contact the State Historic Preservation Officer (SHPO),

and, if applicable, the Tribal Historic Preservation Officer (THPO), to coordinate the Section 106 review outlined in 36 CFR Part 800. SHPO contact information is available at the following link: http://www.ncshpo.org/find/index.htm. THPO contact information is available at the following link: http://www.nathpo.org/map.html.

Section 110(k) of the NHPA applies to DOE funded activities. Recipients shall avoid taking any action that results in an adverse effect to historic properties pending compliance with Section 106.

Recipients should be aware that the DOE Contracting Officer will consider compliance with Section 106 of NHPA complete only after the Recipient has submitted adequate background documentation to the SHPO/THPO for its review, and the SHPO/THPO has provided written concurrence to the Recipient that it does not object to its Section 106 finding or determination. Recipient shall provide a copy of this concurrence to the Contracting Officer.

CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587-3800
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: John A. Burkhalter, P.E., Development Engineering Supervisor
Rob Jammerman, Development Engineering Manager
Ray Steiger, Interim Public Works Director

Date: June 3, 2010

Subject: RESOLUTION APPROVING A WATER FACILITY AGREEMENT WITH LUNA SOL

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution authorizing the City Manager to execute a Water Facility Agreement with Luna Sol.

BACKGROUND DISCUSSION:

The City of Kirkland is authorized pursuant to Chapter 35.91 RCW to enter into a Water Facility Agreement (also known as a Water Latecomers' Agreement) allowing developers to receive compensation for the installation of public water main line extensions, i.e. persons connecting to the extensions are required to pay a portion of the construction costs as a condition of connection. These latecomers' fees are calculated based on the square footage of the property being served: dividing the total square footage of the properties being served into the total cost of the water extension yields the latecomers' charge per square foot. Fifteen percent (15%) of the water latecomers' fee is retained by the City of Kirkland for administering the agreement and eighty-five percent (85%) of the fee is returned to the developer. The agreement is valid for 15 years and is administered by the Department of Public Works.

Luna Sol installed approximately 500 lineal feet of 12 inch water main line extension along NE 115^{h} Place and Slater Ave NE. This public water main extension provides improved water service and fire flow. A Water Facility Agreement has been filed with the Department of Public Works to receive reimbursement for the water main extension. Property owners listed in this agreement applying for connection to the water main will be required to pay $1.85 per each square foot of their lot plus normal City of Kirkland water connection fees.

Upon approval of the resolution and subsequent signing by the City Manager, the agreement will be sent to King County for recording. Finally, notice of latecomers' connection charges will be sent to each property owner included in the agreement.

RESOLUTION R-4818

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A WATER FACILITY AGREEMENT WITH LUNA SOL AND AUTHORIZING THE CITY MANAGER TO SIGN SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND.

WHEREAS, the improvement of public health is furthered by adequate water systems; and

WHEREAS, the Washington State Legislature enacted the Municipal Water and Sewer Facilities Act (RCW 35.91.010 et seq.) in furtherance of this goal and authorizing municipalities to enter into agreements of this nature; and

WHEREAS, The City of Kirkland concludes entering into this agreement will promote this goal; and

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 the Water Facility Agreement between the City and Luna Sol. A copy of this Agreement is attached as Exhibit A.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____,2010.

_____
MAYOR

Attest:

_____
City Clerk

EXHIBIT A

WATER FACILITIES AGREEMENT PURSUANT TO CHAPTER 35.91 REVISED CODE OF WASHINGTON

THIS AGREEMENT made and entered into this day, pursuant to RCW Chapter 35.91, between the City of Kirkland, a non-charter optional code city, hereinafter referred to as "City" and _____ hereinafter referred to as "Developer":

WITNESSETH

Section 1. Developer does hereby agree to construct, at its sole expense, the WATER FACILITIES described in EXHIBIT 1, attached hereto and by this reference incorporated herein, all in accordance with the specifications and standards of the City of Kirkland pertaining to water construction and installation.

Section 2. Upon completion of said water facilities to the satisfaction of the Kirkland Director of Public Works, and acceptance thereof by the City of Kirkland, said facility shall become the property of the City of Kirkland and a part of its water system with full power of the City of Kirkland to charge for its use such water connection and service rates and charges as the City of Kirkland may be authorized by law to establish, and all further maintenance operation costs of said facility shall be borne by the City of Kirkland.

Section 3. The benefit area to be served by said facility is described and designated on EXHIBIT 1 attached to this agreement and by this reference incorporated herein. Said Exhibit is a map showing the total benefit area and delineating thereon that portion of the benefit area owned by Developer. EXHIBIT 2 attached to this agreement and by this reference incorporated herein is a listing of each lot or parcel within the benefit area including the lot or parcel legal description and the lot of parcel's "pro rata share" of the cost of construction of the water facilities. EXHIBIT 3 identifies those lots or parcels owned by Developer and not subject to the provisions of Section 4 of this agreement.

Section 4. Any owner of any real property located within the benefit area (other than those properties designated in EXHIBIT 3 as Developer's properties) who shall hereafter tap into or use said water facility (including not only connecting directly into, but also to users connecting laterals or branches connected thereto) shall, prior to such tap in or use, pay to the City of Kirkland, in addition to any connection or other change required by the ordinances of the City of Kirkland to be paid upon connecting to a water facility, their fair pro rata share of the cost of construction of said facility.

Section 5. For the purposes of determining such "fair pro rata share" the cost of construction of said facility shall be considered to be $191,318.74, provided, however, the City may adjust said cost to reflect the true and final cost of construction of said facility. The "FAIR PRO RATA SHARE" of the cost of construction as designated on EXHIBIT 2, and is hereby approved by the City of Kirkland.

Section 6. Within sixty (60) days after receipt by the City of any "fair pro rata share," the City shall disburse said sum, less fifteen (15) percent thereof to be retained by the City of Kirkland to cover costs of administering the provisions of this agreement, to Developer at _____until such time as Developer shall have received the total sum of $162,620.93, or the expiration of fifteen (15) years from the date of this agreement, whichever event shall first occur. Thereafter, any amount of charge made or received by the City to tap into or use said facility shall be retained by the City. It shall be the duty of the Developer to advise the City of any change in the Developer's mailing address.

Section 7. The provisions of this agreement shall not be effective as to any owner of real property designated in EXHIBIT 2, other than Developer, until such time as this agreement shall have been recorded in the Office of the King County Department of Elections and Records and then only as to such real property owners as tap into or connect into said facility subsequent to such recording. City shall not be required to disburse any "fair pro rata share" to Developer which may not be lawfully collected from such real property owner at the time said real property taps into or connects to said facility.

Section 8. In the event the cost, or any part thereof, of a or water improvement, whether local or general, is or will be assessed against the owners of real property and such improvement will be connected into or will make use of the facility constructed pursuant to this agreement and the cost thereof was not contributed to by the owners of said real property, there shall be included in the Engineer's estimate for the hearing or any such improvement, separately itemized, and in such assessments, a sum equal to the amount provided for in this agreement as a fair pro rata share due from such owners in accordance with the provisions of this agreement.

Section 9. No person, firm, or corporation, other than Developer's, as to the real property identified as owned by Developer in EXHIBIT 3 hereto, shall be granted a permit or authorized to tap into or use said facility or extensions thereof without first paying their fair pro rata share as herein provided.

DATED at Kirkland, Washington, this _____ day of _____, _____.

CITY OF KIRKLAND:	DEVELOPER:
_____	_____
CITY MANAGER FOR THE City of Kirkland KIRKLAND WHO IS AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF SAID CITY BY VIRTUE OF RESOLUTION NO. _____	By: _____
	By: _____

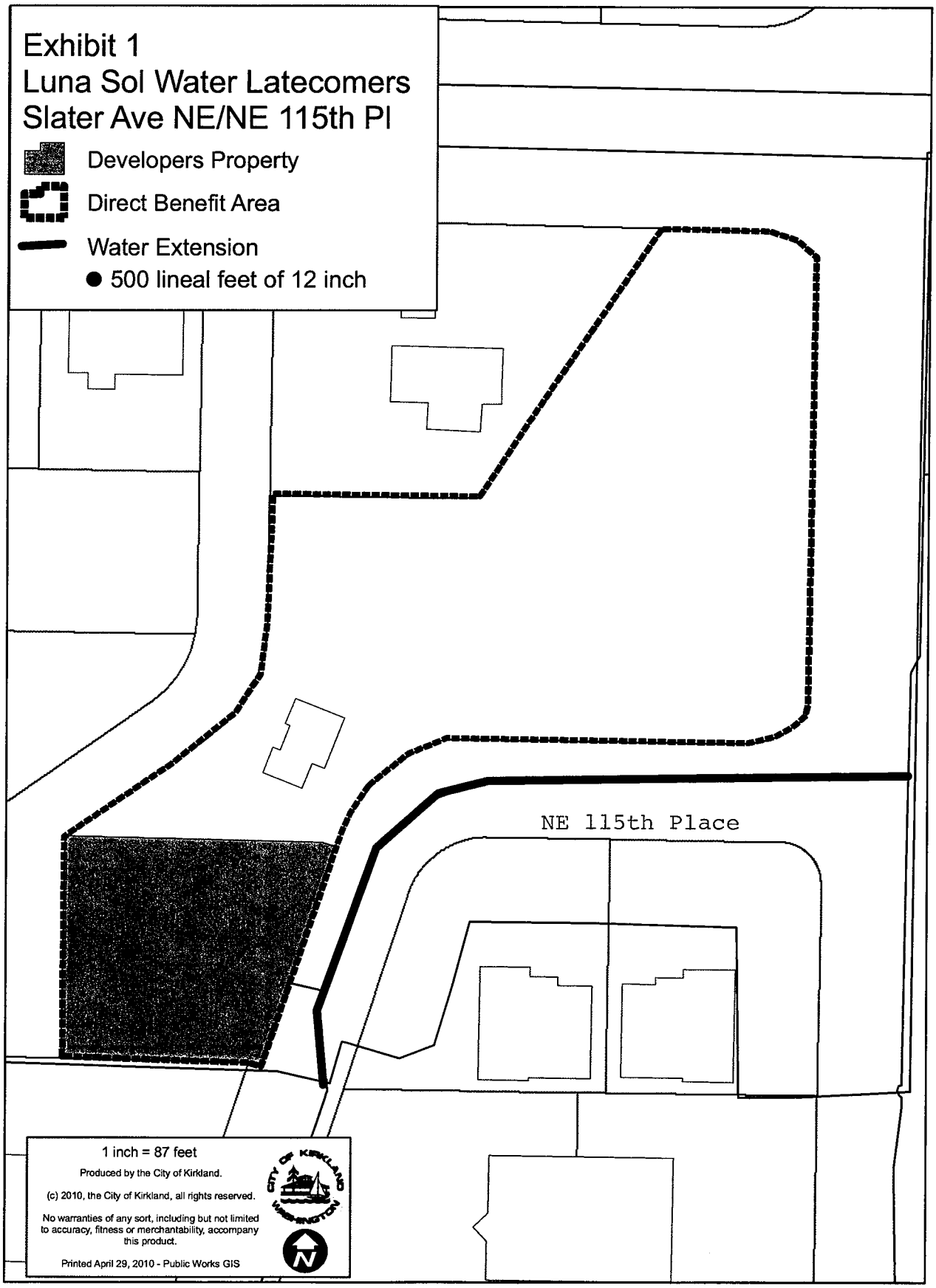
Exhibit 1
Luna Sol Water Latecomers
Slater Ave NE/NE 115th Pl
Developers Property
Direct Benefit Area
Water Extension
500 lineal feet of 12 inch
NE 115th Place
1 inch = 87 feet
Produced by the City of Kirkland.
(c) 2010, the City of Kirkland, all rights reserved.
No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.
Printed April 29, 2010 - Public Works GIS
CITY OF KIRKLAND WASHINGTON
N

Luna Sol Water Main Latecomers Assessments

EXHIBIT 2

Ref No.	Tax/Parcel No.	Owner/Address	Abbreviated Legal Description	Lot Square Footage	Cost per Square Foot	Total Cost	Reimburse Developer @ 85%	Reimburse City @ 15%
1	332605-9069	Luna Sol LLC C/O Base Capital 11415 Slater Avenue NE, Suite 100 Kirkland, WA 98033	LOT 1 KCSP #778140 AF # 7912100778 SD PLAT DAF - S 266 FT OF N 577.5 FT OF E 944.625 FT OF NE 1/4 OF NW 1/4 LY W OF CO RD #970 LESS N 115 FT LY WITHIN E 544.625 FT OF SD SUBD LESS POR LY W OF E MGN PSH NO 1; TGW WEST 8 FT OF PORTION OF SLATER AVE NE AS VACATED UNDER CITY OF KIRKLAND ORD NO 3684A	19,883	$1.85	$36,850.73	$31,323.12	$5,527.61
2	332605-9092	Michael R. Mastro 510 Rainier Avenue S Seattle, WA 98144	LOT 1 KIRKLAND LLA #LL-00-68 REC #20020314002030 TGW POR VAC SLATER RD PER VAC ORD #8370 & #4094 LESS POR FOR 124TH AV NE PER REC #20040115000414 SD LLA LY IN NE COR OF NW 33-26-5 TGW UND INT IN POR SD NW 1/4 DAF - BEG SD N 1/4 COR TH N 88-36-29 W ALG N LN THOF 384.64 FT TH S 0-51-09 W PLW N-S C/L 60 FT TO POB TH CONT S0-51-09W 251.51 TO BEG CRV TO R RAD 78 FT ARC DIST 73.67 FT TH S 54-58-04 W 112 FT TH S 0-51-09 W 136 FT TH N 88-36-29 W 43 FT TH N 0-51-09 W 135.6 FT TO BEG CRV TO R RAD 43 FT ARC DIST 40.61 FT TH N 54-58-04 E 112 FT TO BEG CRV TO L RAD 35 FT ARC DIST 33.06 FT TH N 0-51-09 E 251.91 FT TO SLY LN SR 405 TH S 88-36-29 E TO POB	83,344	$1.85	$154,468.01	$131,297.81	$23,170.20
			TOTALS	**103,227**	**$1.85**	**$191,318.74**	**$162,620.93**	**$28,697.81**

Cost of Sewer Construction	
Paving	$32,726.04
Engineering	$3,077.20
Construction Cost	$132,000.00
10% construction mgmt	$13,200.00
Permit Fees	$10,315.50
Total	$191,318.74

Calculation of the Cost Per Square Foot

100% of Total Cost Shall be borne by the total SF of the lot areas benefitted

Therefore the following is the cost per Square Foot:

(Total Cost/Total SF)) = $191,318.74/ 103,227 SF = $1.85

Luna Sol Developers Assessment Roll

Exhibit 3

Ref No.	Tax/Parcel No.	Owner/Address	Abbreviated Legal Description	Total Lots	Total Cost
1	332605-9069	Luna Sol LLC C/O Base Capital 11415 Slater Avenue NE, Suite 100 Kirkland, WA 98033	LOT 1 KCSP #778140 AF # 7912100778 SD PLAT DAF - S 266 FT OF N 577.5 FT OF E 944.625 FT OF NE 1/4 OF NW 1/4 LY W OF CO RD #970 LESS N 115 FT LY WITHIN E 544.625 FT OF SD SUBD LESS POR LY W OF E MGN PSH NO 1; TGW WEST 8 FT OF PORTION OF SLATER AVE NE AS VACATED UNDER CITY OF KIRKLAND ORD NO 3684A	19,883	$36,850.73

CITY OF KIRKLAND
Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Dawn Nelson, AICP, Planning Supervisor
Arthur Sullivan, ARCH Program Manager

Date: June 3, 2010

Subject: ARCH CENTRALIZED CONTRACTING AND TRUST FUND, FILE MIS10-00001

RECOMMENDATION

Staff recommends that the City Council approve the enclosed resolution authorizing the Administering Agency for ARCH to execute all documents necessary to enter into agreements for the funding of affordable housing projects, utilizing funds previously awarded by the Kirkland City Council.

BACKGROUND DISCUSSION

The City Council adopted Resolution R-4804 on March 2, 2010, authorizing the City Manager to sign the Amended and Restated Interlocal Agreement for ARCH. That Agreement goes into effect on July 1st. The primary goal of amending the Interlocal was to streamline the administration of housing trust fund monies for ARCH members and local housing agencies once projects are approved by member cities. The purpose of this resolution is to implement elements of the previously approved Interlocal Agreement.

The Interlocal Agreement establishes a new Housing Trust Funds Account with the Administering Agency (currently the City of Bellevue). Within that account, each member city will have an individual account where it will deposit its affordable housing contributions and separate project sub-accounts for each affordable housing project to which the City has awarded funds. This resolution authorizes our current balance of Housing Trust Fund monies to be transferred to the City's account with the Administering Agency. All future loan repayments from previously funded projects would also be deposited into that account. No funds from the City of Kirkland's account would be dispersed without prior approval of the Kirkland City Council.

The Interlocal Agreement does not specifically address the administration of previously approved projects that have not yet gone through the contracting process, except to say that the Executive board may authorize the Administering Agency to administer housing project agreements in a manner consistent with the Agreement [see Section 12.f(v)]. The enclosed resolution will allow the streamlined contracting process to be used for four projects that were previously approved by the City of Kirkland. The Administering Agency will sign a single set of

funding documents with the housing developer on behalf of all participating cities and will disburse funds in accordance with the conditions of the agreements. This will save significant City and ARCH staff time and will not impact the conditions of approval for any of the projects.

RESOLUTION R-4819

A RESOLUTION AUTHORIZING THE DULY-APPOINTED ADMINISTERING AGENCY FOR ARCH TO EXECUTE ALL DOCUMENTS NECESSARY TO ENTER INTO AGREEMENTS FOR THE FUNDING OF AFFORDABLE HOUSING PROJECTS, AS RECOMMENDED BY THE ARCH EXECUTIVE BOARD, UTILIZING FUNDS FROM THE CITY'S HOUSING TRUST FUND.

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

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

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

WHEREAS, the City Council has approved Resolution R-4804, approving the Amended and Restated Interlocal Agreement for ARCH; and

WHEREAS, the City Council has approved the use of $672,190 from City funds as designated below to finance the projects recommended by the ARCH Executive Board; now, therefore,

THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. On the following dates the City Council approved funding for the following projects:

Project Name	Approval Date	Funding Amount
YWCA Family Village Phase 2	2/17/2009	$200,000
St. Andrew's Housing Group Totem Lake Family Apartments	2/2/2010	$382,190
Foundation for the Challenged Group Homes	2/2/2010	$60,000
ARCH House Key Plus	2/2/2010	$30,000

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

Section 2. The Agreements entered into pursuant to Section 1 of this resolution shall be funded in a combined amount not to exceed that set forth in Section 1. Such Agreements shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the project maintains its affordability over time. In determining what conditions should be included in the Agreements, the duly-appointed administering agency of ARCH shall be guided by the recommendations set forth in the ARCH Executive Board's memorandums of January 9, 2009 and December 22, 2009, copies of which are attached hereto as Exhibit A and Exhibit B.

Section 3. Pursuant to Section 12 of the Amended and Restated Interlocal Agreement, City Council approves transmitting all Affordable Housing Trust Funds approved by Council and not previously expended for projects for deposit into the City's Individual Account within the Housing Trust Fund Account, which funds may be released only upon, and in accordance with, the written direction of the City Council. Pursuant to Section 12.e of the Amended and Restated Interlocal Agreement funds shall be invested by the Administering Agency in investments permitted by state law for investment of public funds. Investment earnings shall be credited to each Individual Account and Subaccount on a pro rata basis.

Section 4. Pursuant to Section 12.f(v) of the Amended and Restated Interlocal Agreement, the Council authorizes the Administering Agency to administer housing project agreements entered into prior to the effective date of the Amended and Restated Interlocal Agreement, upon terms consistent with the Amended and Restated Interlocal Agreement, including repayments (if any) shall be applied *pro rata* to the funding Parties' Individual Accounts based on the ratio of funding contributed to the project by each Party, unless the funding Parties otherwise agree.

Passed by majority vote of the Kirkland City Council in open meeting this ___ day of _____ 2010.

Signed in authentication thereof this _____ day of _____, 2010.

_____
MAYOR

Attest:

_____
City Clerk

EXHIBIT A
R-4819

A Regional Coalition for Housing

Family Resource Center Campus
16225 NE 87th Street, Suite A-3 ♦ Redmond, Washington 98052
(425) 861-3677 ♦ Fax: (425) 861-4553 ♦ E-MAIL: arch-housing@ci.bellevue.wa.us

TO: City of Bellevue Council Members
City of Kirkland Council Members
City of Issaquah Council Members

FROM: Ava Frisinger, Chair, ARCH Executive Board

DATE: January 9, 2009

RE: Fall 2008 Housing Trust Fund (HTF) Recommendation

The ARCH Executive Board has completed its review of the three applications applicable to the Fall funding round of the 2008 Housing Trust Fund. The ARCH Executive Board recommends funding for the YWCA Family Village project, as summarized below. The actual amount will depend on final action by the City Councils.

Following is a summary of the application, the ARCH Executive Board recommendation and rationale, and proposed contract conditions for the proposal recommended for funding at this time. Also enclosed is a project summary table, an economic summary for the project, funding leveraging chart and a summary of funded projects to date.

YWCA – Family Village at Issaquah

Funding Request: $750,000 (Contingent Loan)
97 affordable rental units

ARCH Executive Board Recommendation: $750,000 (Contingent Loan
See attached Funding Chart for distribution of City Funds
$250,000 City of Issaquah
$200,000 City of Kirkland
$300,000 City of Bellevue

Project Summary:

YWCA is proposing to build 97 affordable housing units located in Issaquah on a site donated by the City of Issaquah for the purpose of providing affordable housing. This proposal is part of a larger two phase development being done by the YWCA in junction with the City that will have a total of approximately 145 residential units and a variety of community spaces. The City of Issaquah has taken significant steps to show its local support, including providing donated land and fee waivers that, combined, approximate an $8 million dollar development cost savings

The project will include 97 units of affordable housing, and one residential unit for management staff, a community meeting room, and a child care center. The project's unit mix will include approximately 6% studio, 34% 1 bedroom, 39% 2 bedroom, and 20% 3 bedroom units. The project will provide housing affordable at 30%, 50% and 60% of median income. In addition, 5 of the project's units are planned to serve the homeless.

YWCA also envisions a second phase of this project in the future. While funds are not being requested for a second phase of this project at this time, the plans for that phase include an additional 48 units of affordable housing, YWCA corporate offices, housing-related service space, community areas, and building management offices.

Services to residents will be provided by an onsite resident coordinator, YWCA regional headquarter services located on site, and agencies who refer residents.

In addition to typical public funding, the YWCA includes a campaign to raise $12 million which will be used to pay for the child care center, community spaces, a portion of the overall construction costs and to establish an endowment for operation of the regional headquarters.

Construction of the first phase is projected for late 2009, and finishing in mid 2011. Phase II would start mid 2010 and be completed in late 2011.

Funding Rationale:

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

- There would be 97 units of affordable housing serving a range of income levels, including some homeless.
- The site is centrally located and located close to transit, retail and employment.
- Is a project the City has been planning for affordable housing, and city has strongly supported by providing land at no cost, and significant reductions in building and impact fees. Creates opportunity for increasing housing diversity in this new community.
- The YWCA has a strong track record.
- The proportionately low ARCH funding versus other funders provides a good opportunity when considering the number of units provided.

Funding Conditions:

1. The funding commitment shall continue for twelve (12) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. City staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time. City staff will grant up to a 12 month extension.

If necessary a second extension of up to 6 months may be requested by following the same procedures as the first extension.

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

3. Until such time as the deferred developer fee is fully repaid, all cash flow after payment of operating expenses and debt service, shall be used to repay the deferred developer fee.

4. A covenant is recorded ensuring affordability for at least 50 years, with affordability as shown in the following table. There will be no set-aside units for particular populations other than the 5 units for homeless, and up to 26 Section 8 project-based vouchers, unless otherwise approved by City Staff. Affordability levels will be defined using the requirements for tax credits, and utility costs will be based on King County Housing Authority allowances, unless otherwise approved by City Staff.

Median Income Level	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Total
Very Low Income 30% AMI	**6**	**8**	**5**	**20***	**39***
Low Income * 31-50% AMI	**0**	**12**	**23**	**0**	**35***
Moderate Income 51-60% AMI	**0**	**13**	**11**	**0**	**24**
Total	6	33	39	**20**	**98**

- *26 of the two and three bedroom units may be Section 8 units.
- The manager's unit will not be income restricted

5. Submit documentation of the City's approval of the provision of parking for residents. If required, submit a copy of the parking management plan for City review and approval.

6. Submit evidence of the Agency's ability to access the funds necessary to complete the project, which is expected to include funds raised through the organization's capital campaign and/or a corporate guarantee prior to ARCH funding. Provide update on status of capital campaign on a quarterly basis. Additionally, submit evidence of the YWCA's endowment or

other form of commitment to provide the necessary operating support for the regional YWCA office to be located in Issaquah Highlands prior to occupancy of the affordable units.

7. The Agency shall maintain documentation of any necessary land use approvals and permits required by the City. Unless otherwise approved by the City of Issaquah, the plans shall include a minimum of 4,000 square feet of community space and administrative offices, a pedestrian bridge, and a licensed childcare center similar to what has been described in the application. Recognizing that achieving the licensed child care is contingent on receiving capital dollars in excess of housing capital, in the event that the Agency is unable to proceed with the licensed child care, the City of Issaquah shall be consulted in determining an appropriate alternative course of action, subject to mutual agreement of the Agency and the City Council. The Agency shall provide a description of the status of the energy conservation features incorporated into the final design.

8. The Agency shall submit a property management plan prior to release of funds. At a minimum, the property management plan will address: a description of the relationship of residents to the program and services; resident selection procedures including marketing and outreach process, including local targeted marketing outreach to local business and community organizations such as community centers and churches; management procedures to address resident needs, services available for residents; and a short and long term strategy for covering operating expenses. It shall also include a summary of the ARCH annual monitoring procedures, a plan for the use of community space for residents, YWCA programs, and Issaquah Highlands community-wide use; a description of the duties of the resident services coordinator; a description of services offered through the regional headquarters; and a plan for ongoing communication with the broader Issaquah Highlands community. The residential management plan must be approved by City Staff to ensure compliance with the funding conditions.

9. In addition to the five units set aside for homeless households, the Agency will give priority for an additional 5 units to be available for households transitioning out of homeless programs (transitional households) pursuant to the following:

- The unit mix of the units prioritized for transitional households will be reviewed and approved by City staff;
- Families / residents will be graduating from transitional housing facilities serving the homeless;
- Families / Residents will have their own support services, and if needed, rent buy down assistance, through the Agency's partner agencies that work with persons at risk for homelessness;
- Units will be held for up to two weeks while trying to find a qualified transitional household. If one is not found then that unit will be rented to an otherwise qualified tenant and the next available, comparable unit will be targeted to a Transitional household;
- The Agency will continue to maintain relationships with service providers who serve homeless households and will perform outreach to these service providers to try to place eligible clients in units at Issaquah Highlands.

- Working with specifically identified partner service agencies, the Agency will utilize more relaxed screening criteria on these units, similar to those used in other Agency developments serving transitional households
- Prior to completion of construction, the Agency will work with City Staff to identify specific partner service agencies for this project;
- In the event a coordinated/centralized screening and referral system is adopted by the County and ARCH, the Agency will participate in that program as a source for identifying homeless households for residency. Use of a centralized screening and referral system would be consistent with the other provisions of this condition.

10. Funds shall be used by the Agency toward project construction, appraisal, architecture and engineering design fees, construction project management, construction technical assistance, and construction monitoring, or other development costs, as approved by City Staff. Funds may not be used for any other purpose unless city staff has given written authorization for the alternate use.

11. The Agency shall submit evidence of funding commitments from all proposed public and private sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify city staff, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to city staff's review and approval. Prior to initiating construction, the Agency shall submit evidence of all public and private resources needed to complete the project.

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

13. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and Endangered Species Act (ESA) requirements. The Agency shall also provide evidence that the project is subject to Davis Bacon Residential Rates.

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

EXHIBIT B
R-4819

A Regional Coalition for Housing

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

MEMORANDUM

TO: City of Bellevue Council Members
City of Clyde Hill Council Members
City of Issaquah Council Members
City of Kenmore Council Members
City of Kirkland Council Members
City of Mercer Island Council Members
City of Newcastle Council Members
City of Redmond Council Members
City of Sammamish Council Members
City of Woodinville Council Members

FROM: Steve Anderson, Chair, and ARCH Executive Board

DATE: December 22, 2009

RE: Fall 2009 Housing Trust Fund (HTF) Recommendation

The ARCH Executive Board (EB) has completed its review of the three applications applicable to the Fall funding round of the 2009 Housing Trust Fund. The ARCH Executive Board recommends funding for all three projects. Recommendations total $2,000,000 as summarized in the attached table, Proposed Funding Sources.

Following is a summary of the applications, the ARCH Executive Board recommendation and rationale, and proposed contract conditions for the three proposals recommended for funding at this time. Also enclosed is an evaluation matrix for each proposal, an economic summary for the two projects recommended for funding, leveraging charts, project summary table, and a summary of funded projects to date.

1. St. Andrew's Housing Group (SAHG) – Totem Lake Family Apartments

Funding Request: $1,500,000 (Contingent Loan)
60 affordable rental units

EB Recommendation: $1,500,000 (Contingent Loan)
See attached Funding Chart for distribution of City Funds

Project Summary:

SAHG is proposing to build 60 affordable family rental housing units located in the Totem Lake area of Kirkland. This proposal may be part of a larger two phase development of the site being done by the SAHG that will have a total of approximately 165 residential units, the balance targeting seniors. That phase would likely not be funded for several years.

The first phase, family rental project, will have approximately 22% of its units targeting households with incomes at or below 30% AMI, 55% targeting those at or below 40% and 23% at or below 60%. The 30% and 40% units are being set aside for those coming out of homelessness. The unit mix includes 13% studio, 54% 1 bedroom and 33% 2 bedroom units. In addition there will be a non-income restricted 61st unit for an onsite manager.

Services to homeless residents will be provided by referring agencies. The operating budget does not include services delivery, however SAHG will provide certain resident services funded outside of the operating budget.

Construction of the first phase is projected for Spring 2010, and finishing in late 2011.

Funding Rationale:

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

- There would be 60 units of affordable housing serving a range of income levels, including a large set aside for homeless households.
- The site is centrally located and located close to transit, retail and employment.
- Is a project the City of Kirkland has shown support for, including grandfathering impact fees, extending the building permit, and Council action to remove the land use requirement for non-residential first floor use for affordable housing.
- The project would be a pioneer project for the rezoned Totem Lake area.
- SAHG has a strong track record.
- The amount of ARCH funding in the sources is within normal proportions.

Potential Conditions:

Special / Revised Conditions:

1. The funding commitment shall continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City Staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. City Staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time. City Staff will grant up to a 12 month extension. If necessary a second extension of up to 6 months may be requested by following the same procedures as the first extension.

2. Funds will be in the form of a deferred, contingent loan. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by City Staff. Based on the preliminary development budget, it is anticipated that loan payments will be based on a set repayment schedule, and

begin after repayment of deferred developer fee (approximately year 10), with 1% interest. The terms will also include a provision for SAHG ("the Agency") to request a deferment of a payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by City Staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.

3. Until such time as the deferred developer fee is fully repaid, all cash flow after payment of operating expenses and debt service, shall be used to repay the deferred developer fee.

4. A covenant is recorded ensuring affordability for at least 50 years, with affordability as shown in the following table. Affordability levels will be defined using the requirements for tax credits, and utility costs will be based on King County Housing Authority allowances, unless otherwise approved by City Staff.

Median Income Level	Studio	1 Bedrm	2 Bedrm	Total
Very Low Income 30% AMI	**4**	**8**	**1**	**13**
Low Income 31-40% AMI	**4**	**22**	**7**	**33**
Moderate Income 40-60% AMI	**0**	**2**	**12**	**14**
Total	**8**	**32**	**20**	**60**

- **The manager's unit will not be income restricted**

5. Based on the availability of adequate support services, up to 75% of the units will be set-aside for homeless, unless otherwise approved by City Staff. In the event a coordinated/centralized screening and referral system is adopted by the County, St Andrew's Housing Group will participate in that program as a source for identifying homeless households for residency

6. Submit documentation of the City's approval of the provision of parking for residents. Submit a copy of a parking management plan for City review and approval which will address issues such as: number of spaces (tenant and guest) likely required for proposed unit mix and affordability of development; if there will be leasing of surplus spaces, then a proposal of how parking will be managed.

7. Submit evidence of the Agency's ability to access the funds necessary to complete this project, and any other projects in their pipeline.

8. Half of the project contingency will be funded through ARCH or other public funds. Prior to any use of the contingency funds, the Agency shall obtain approval for such use from the City. If any unused funds remain in this line item, up to the amount of City funds reserved for this line item, those funds will be returned to the City.

9. The Contractor selection process shall be by RFQ process acceptable to the County.

10. In order to assure that land acquisition is not above market, the Agency shall provide a revised appraisal in a format acceptable to ARCH prior to release of funds. The appraisal should assess the value of the entitlements coming with the property; consider a "highest and best use for number of residential units that can be developed and the market range for land on a per unit basis; and selecting from good comparables.

11. As a condition for funding, Agency shall provide a final development and operating budget for review and approval by the CAB at or prior to its March 2010 meeting.

12. The project shall include the resident amenities as represented in the funding application proposal such as arts and crafts room, exercise facilities, computer lab room, communal kitchen and dining room, and roof top garden.

Standard Conditions:

13. Funds shall be used by the Agency toward project, acquisition, construction contingency, appraisal, architecture and engineering design fees, permits, fees and hookups, bridge loan interest, as approved by City Staff. Funds may not be used for any other purpose unless City Staff has given written authorization for the alternate use.

14. The Agency shall submit evidence of funding commitments from all proposed public and private sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify City Staff, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to City Staff's review and approval. Prior to initiating construction, the Agency shall submit evidence of all public and private resources needed to complete the project.

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

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

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

2. Foundation for the Challenged (FFC) – 2 Group Homes for Developmentally Disabled

Funding Request: $300,000 (Grant)

EB Recommendation: $300,000 (Grant)

See attached Funding Chart for distribution of City Funds

Project Summary:

The proposed project essentially replaces the Tessera project recommended in the Spring 2009 Round. Tessera withdrew their application in the late summer.

FFC is proposing to acquire and remodel 2 four-bedroom houses that will serve up to eight (8) low-income individuals with developmental disabilities. Specific homes will be identified once all funding is committed and will be located in the northern area of east King County within the ARCH sphere of influence. Tenants will be referred by the Division of Developmental Disabilities (DDD).

The residents will live in a shared living arrangement, and each of the tenants will have their own bedroom. All the tenants will receive 24/7 support services to ensure their health and safety. The support services are funded by and contracted through DDD. FFC will be the owner of the homes, and will use Scioto Management as property manager.

There currently is no site control but each house will be remodeled to include accessibility features necessary for the initial tenants and for future tenants. FFC will be looking to acquire rambler-style houses with a level lot and an open floor plan or a floor plan that can easily be modified for accessibility.

Funding Rationale:

The EB supported this application for the following reasons:

- Serves a special needs population, an area in which we have not been achieving our long term goals.
- Provides housing for developmentally disabled in an underserved area of the County.
- Serves neediest developmentally disabled residents by relying on referrals from the State DDD for new residents.
- Utilizes existing housing.
- Applicant has a strong track record of working with the State and County.

Special Conditions:

1. The funding commitment shall continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City Staff no later than sixty (60) days prior to the expiration date. City Staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.

2. Funds shall be used by FFC ("the Agency") toward the acquisition and closing costs, construction, architectural design, developer fee, development period utilities. Funds may not be used for any other purpose unless City Staff has given written authorization for the alternate use.

3. Unless otherwise approved by City Staff the development budget shall include:
   - The development budget will include a minimum of $12,500 of private sources provided by the applicant.

- $432,500 per home combined for acquisition and construction cost. In the event that total acquisition and rehab costs, including contingency, for either home exceeds $432,500, additional costs shall be covered by private sources from the applicant.
- Developer fee shall not exceed $90,000 for both homes combined ($45,000 per home).

4. Reserves will be funded out of operations at $1,000 per home for the first year with an annual increase of 2.5% per year for replacement reserves and $1,000 per home for the first year with an annual increase of 2.5% per year for operating reserves.

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

6. For each home, a covenant is recorded ensuring affordability for four (4) beds of special needs single family housing for at least fifty (50) years. The beds shall be affordable to tenants at the time of occupancy with incomes at or below 30% of median income, adjusted for household size, and including an appropriate utility allowance.

7. Residents referred from DDD will not receive Section 8 assistance.

8. All cash flow after payment of operating expenses, including payment of off-site management fees of up to $4,800 annually for both homes combined (adjusted for CPI) shall be placed into a project reserve account that can be used by the applicant for project related operating, maintenance or services expenses. Any other use of these reserves funds must be approved by City Staff.

9. In the event that any operating support funding levels will be reduced, the Agency shall inform City Staff about the impacts the proposed reduction will have on the budget and plan for services to the DD clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by City Staff.

10. The applicant shall conduct their search for the homes within the northern area of east King County within the ARCH sphere of influence. The Agency will notify City Staff when they enter into an option or purchase and sale agreement for any home, providing information on the location of the home and terms for acquiring the home. The Agency will indicate if the property is large enough to be subdivided into more than one lot pursuant to existing zoning. No home considered for acquisition will be within two blocks of another home owned by Agency unless otherwise approved by City Staff.

11. Prior to closing on a home, an individualized outreach plan will be submitted to City Staff for review and approval. The outreach plan will include provisions such as:
    - Provide written notification to neighbors upon mutual acceptance of the P&S Agreement to include FFC's intention to purchase the house, description of the project, and information regarding FFC and the service provider that will include the website and contact number;
    - Provide an opportunity for neighbors to individually and/or as a group to meet with FCC and the service provider regarding the project; such as having an Open House after the tenants move-in and include invitations to the neighbors.

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

13. Prior to release of funds, the Agency shall submit to City Staff for review and approval drafts of all documents related to the provision of services to residents and management of the property, including the Memorandum of Understanding with the service provider, form of lease agreement with residents, and services agreement between DDD and the Service Provider. These documents shall at a minimum address: tenant selection procedures through DDD; management procedures to address tenant needs; services provided for or required of tenants; management and operation of the premises; community and neighbor relations procedures; a summary of City's affordability requirements as well as annual monitoring procedure requirements.

<u>Standard Conditions</u>

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

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

16. For each home, and prior to acquisition, the Agency shall submit an appraisal by a qualified appraiser. The appraisal shall be equal to or greater than the purchase price.

17. The Agency shall only purchase unoccupied homes or owner occupied homes in order to not trigger local and federal relocation regulations.

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

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

Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion.

3**. A Regional Coalition for Housing (ARCH) –House Key Plus ARCH (down payment assistance)**

Funding Request: $200,000 (Grant)

EB Recommendation: $200,000 (Grant)
See attached Funding Chart for distribution of City Funds

Project Summary:

The House Key Plus ARCH/Eastside Homebuyer Assistance Program is a continuation of a program launched in late 2005, to provide a program of down-payment assistance for potential homebuyers who are up to 80% of median income in East King County. Its main components are:

Eligible Homebuyers

- First time homebuyer (has not owned a home during the past 3 yrs)
- Household Income at or below 80% of median income
- Household must have a demonstrated need for down payment assistance
- Home will be the buyers principal residence

Down Payment Assistance Terms

Downpayment assistance provides second mortgages of up to $30,000 per home. Actual amount is based on need and availability of funds. Funds are used for down payment, closing costs, and pre-paids. The second mortgages have a deferred 4% interest rate. There are no monthly payments on the second mortgage. Balance is due when the owners sells, refinances or pays off the first mortgage. When the second mortgages are repaid, the funds return to the revolving loan pool, to fund new second mortgages on homeownership units. There are no resale restrictions for homes that are purchased, unless homes already have resale restrictions.

Marketing / Education:

Marketing is targeted to households working or living in East King County through locally distributed fliers, information distributed through City web-sites and newsletters, contacting residents of affordable rental housing and manufactured housing. All homebuyers must complete a general home ownership education program and a counseling session regarding the Downpayment Assistance Program.

Administration:

The program is administered by the Washington State Housing Finance Commission. The program is mated with the Commission's House Key First Mortgage Program. In operating the program, the Commission uses its existing community of lenders and its current marketing and outreach strategies. All first mortgages will be issued under the House Key program.

In the first two rounds of funding of the Downpayment Assistance Program, included ARCH, County and State Housing Finance Commission funds, totaling $1,640,000, which funded approximately 53 loans. The proposed recapitalization by ARCH, County and State Housing Finance Commission would add another $800,000 bringing the total funds in the program to $2.4 million, plus any recycling of existing loans.

Funding Rationale:
The EB supported this application for the following reasons:

- Funds are exhausted; Housing Finance Commission is currently taking reservations.
- Would fill a housing need not currently met in East King County, but identified by the community as an important issue. An evaluation of the first two rounds of the program indicates that overall it is achieving the original objectives of the program.
- It has been one of few ways that the Trust Fund has been able to be used to address ownership housing at this income level. At the proposed level, seems like a good balance for the overall Trust Fund Program
- Makes homeownership a viable option for households who would otherwise not have the resources to purchase a home. This could be even more important at this time because of changes in the broader ownership financing market which limits low/no downpayment programs.
- Strong leverage of other public funding.

Potential Conditions:
1. Funds shall be used by A Regional Coalition for Housing for down payment assistance, made available through the existing 'House Key Plus ARCH' program, administered by the Washington State Housing Finance Commission. Funds may not be used for any other purpose unless City Staff have given written authorization for the alternate use.

2. Provide annual monitoring reports that include: the number of households receiving down-payment assistance during the year, the jurisdictions homes were purchased within, the amount of down-payment assistance issued during the year, and the amount of education funds used during the year. The annual report shall include the total of repayments to the revolving loan fund during the year.

3. Update the education program in order to respond to the issues identified in the program evaluation. The primary update to consider is to complete the one on one counseling session earlier in the buying process.

4. Revisit the marketing program. Provide written marketing plan based on evaluating and seeking input from local groups serving the targeted population.

5. The Agency shall submit evidence of funding commitments from proposed public sources. City funds shall be released upon receipt of funding commitment from the Washington State Housing Finance Commission. In the event funds are not awarded by King County from 2009 fund sources, ARCH will reapply for County funds in 2010. It must be noted that it is likely that in the current round, given available funding, the County will not be able to commit to providing additional funding at this time, but that the County has committed to the House Key Plus ARCH program being the number one contingency

project in 2010 for under-expended or recaptured HOME funds, and very high priority in the 2010 funding round if the program is not able to be funded with under-expended or recaptured funds earlier in the year.

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

CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Erin Leonhart, Intergovernmental Relations Manager

Date: June 1, 2010

Subject: King County Animal Services –Interlocal Agreement

RECOMMENDATION

It is recommended that the City Council:

1. Approve the attached Resolution authorizing the Interim City Manager to sign an Animal Services Interlocal Agreement with King County to provide regional animal services for an initial term of two and one-half years from July 1, 2010 through December 31, 2012; and
2. Provide direction to staff about continuing to work with the City of Bellevue on a Sub-Regional Animal Services Program to begin no sooner than 2013.

BACKGROUND

At the May 4 and May 18 City Council meetings, the Council received reports on the status of the animal services contract negotiation and authorized staff to submit letters of intent to King County to participate in the new Regional Animal Services system. Under the Animal Services Interlocal Agreement, King County will provide animal control, animal shelter and pet licensing services to the City of Kirkland from July 1, 2010 through December 31, 2012. The agreement will automatically extend for an additional two year term, ending on December 31, 2014 unless King County receives a Notice of Intent to Not Automatically Extend no later than May 1, 2012.

Table 1 below shows estimated cost projections for the two and one-half year contract period in 2010 dollars. The budgeted total allocable costs may be increased each service year by the rate of inflation (September CPI-U for the Seattle-Tacoma-Bremerton area) plus the rate of population growth for the preceding year for the County unincorporated area plus all contracting cities. Kirkland's estimated payments will also increase or decrease based upon changes in population and usage of Animal Services from year to year.

TABLE 1
ESTIMATED COST OF REGIONAL ANIMAL SERVICES PROGRAM

AREA	2010* (JULY 1- DEC. 31)	2011	2012
Kirkland	$2,519	$5,264	$5,264
Annexation Area	$0	$6,420	$11,006
TOTAL	**$2,519**	**$11,684**	**$16,270**

*Costs are slightly lower in 2010 while Bothell is in the regional system.

King County will provide the Final Estimated 2010 Payment schedule no later than August 1, 2010. Payments for 2010 will be due on or before January 15, 2011. Each June, beginning in 2011, King County will reconcile amounts owed under the agreement for the prior service year by comparing the estimated payments to the payment amount recalculated using actual costs, revenue, usage and population data. Reconciliation payments shall be payable by August 15th of each year starting in 2011.

SUB-REGIONAL ANIMAL SERVICES PROGRAM

The City of Bellevue City Council directed staff to continue development of a Sub-Regional Animal Services Program that could be put in place when the two and one-half year contract period ends on January 1, 2013. If the City of Kirkland is interested in continuing this study, Bellevue staff is proposing to work toward having all the sub-regional agreements and structure in place by the end of 2011. Sub-regional partner staff would evaluate the performance and potential future costs of the King County Regional System in early 2012 and be prepared to make a recommendation regarding whether to stay in the regional system by the May 1, 2012 deadline to submit a Notice of Intent to Not Automatically Extend. Staff would provide updates to Council as the Sub-Regional Program is developed.

Questions on the Regional or Sub-Regional Animal Services programs can be directed to Erin Leonhart.

RESOLUTION R-4820

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ANIMAL SERVICES INTERLOCAL AGREEMENT WITH KING COUNTY.

WHEREAS, the provision of animal control, sheltering and licensing services protects public health and safety and promotes animal welfare; and

WHEREAS, providing such services on a regional basis allows for enhanced coordination and tracking of regional public and animal health issues, consistency of regulatory approach across jurisdictional boundaries, economies of scale, and ease of system access for the public; and

WHEREAS, the City is authorized and desires to contract with King County for the performance of Animal Services in Kirkland pursuant to the Interlocal Cooperation Act (RCW Chapter 39.34); and

WHEREAS, King County is authorized and willing to render such services.

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 with King County substantially similar to that attached as Exhibit "A", which is entitled "Animal Services Interlocal Agreement."

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____, 2010.

_____
MAYOR

Attest:

_____
City Clerk

Animal Services Interlocal Agreement

This AGREEMENT is made and entered into this 1st day of July, 2010, by and between KING COUNTY, a Washington municipal corporation and legal subdivision of the State of Washington (the "County") and the City of Kirkland, a Washington municipal corporation (the "City").

WHEREAS, the provision of animal control, sheltering and licensing services protects public health and safety and promotes animal welfare; and

WHEREAS, providing such services on a regional basis allows for enhanced coordination and tracking of regional public and animal health issues, consistency of regulatory approach across jurisdictional boundaries, economies of scale, and ease of system access for the public; and

WHEREAS, the City pursuant to the Interlocal Cooperation Act (RCW Chapter 39.34) , is authorized and desires to contract with the County for the performance of Animal Services; and

WHEREAS, the County is authorized by the Interlocal Cooperation Act, Section 120 of the King County Charter and King County Code 11.02.030 to render such services and is willing to render such services on the terms and conditions hereinafter set forth; and

WHEREAS, the County is offering a similar form of Animal Services Interlocal Agreement to all cities in King County other than the City of Seattle, and has received a statement of intent to sign such agreement from all Cities listed in Exhibit C-1 to this Agreement;

NOW THEREFORE, in consideration of the promises, covenants and agreements contained in this Agreement, the parties agree as follows:

1. **Definitions.** Unless the context clearly shows another usage is intended, the following terms shall have these meanings in this Agreement:
    a. "**Agreement**" means this Animal Services Interlocal Agreement between the Parties including any and all Exhibits hereto, unless the context clearly indicates an intention to reference all such Agreements by and between the Contracting Parties.
    b. "**Animal Services**" means Control Services, Shelter Services and Licensing Services combined, as these services are described in **Exhibit A**.

c. "**Enhanced Control Services**" are additional Control Services that the City may purchase under certain terms and conditions as described in **Exhibit E (**the **"**Enhance Control Services Contract"**)**.
d. "**Contracting Cities**" means all cities that are parties to an Animal Services Interlocal Agreement that has gone into effect as of July 1, 2010, per Section 15.
e. "**Parties**" means the City and the County.
f. "**Contracting Parties**" means all Contracting Cities and the County.
g. "**Estimated Payment**" means the amount the City is estimated to owe to the County for the provision of Animal Services over a six month period per the formulas set forth in **Exhibit C**. The Estimated Payment calculation may result in a credit to the City payable by the County.
h. "**Preliminary Estimated 2010 Payment**" means the preliminary estimate of the amount that will be owed by (or payable to) each Contracting Party on January 15, 2011, as shown on **Exhibit C-1.**
i. "**Final Estimated 2010 Payment**" means the amount finally determined and owed by each Contracting Party, on January 15, 2011, based on the number of Contracting Cities with respect to which the Agreement goes into effect per Section15.
j. "**Control District**" means one of the four geographic areas delineated in **Exhibit B** for the provision of Animal Control Services.
k. "**Reconciliation Adjustment Amount**" means the amount payable each August 15 (commencing 2011) by either the City or County as determined per the reconciliation process described in **Exhibit D** in order to reconcile the Estimated Payments made for the prior Service Year as compared to actual cost, revenue, population and usage data for such Service Year, so that Cities pay for Animal Services based on actual (rather than estimated) data.
l. "**Service Year**" means the calendar year in which Animal Services are or were provided; *provided that* in 2010, the Service Year is the period from July 1, 2010 – December 31, 2010.

2. **Services Provided**. The County will provide the City with Animal Services described in **Exhibit A**. The County will perform these services consistent with governing City ordinances adopted in accordance with Section 3. In providing such Animal Services consistent with **Exhibit A**, the County shall have sole discretion as to the staffing assigned to receive and dispatch calls and shall be the sole judge as to the most expeditious, efficient and effective manner of handling and responding to calls for Animal Services. Except as set forth in Section 9 (Indemnification and Hold Harmless), 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.

a. Enhanced Control Services**.** The City may request Enhanced Control Services by completing and submitting Exhibit E to the County at any time before August 1, 2011. Enhanced Services will be provided subject to the terms and conditions described in **Exhibit E**. As further detailed in E**xhibit E,** if a request for Enhanced Control Service is made after the commencement of this Agreement, the County shall decide when and if the service begins based on the necessity for and ability of the County to hire additional staff to provide the service and the increment of service requested.

3. **City Obligations.**

a. Animal Regulatory Codes Adopted. The City shall promptly enact an ordinance or resolution that includes license, fee, penalty, enforcement, impound/ redemption and sheltering provisions that are substantially the same as those of Title 11 King County Code as now in effect or hereafter amended (hereinafter "the City Ordinance"). The City shall advise the County of any City animal care and control standards that differ from those of the County.

b. Authorization to Act on Behalf of City**.** The City authorizes the County to act on its behalf in undertaking the following:

i. Determining eligibility for and issuing licenses under the terms of the City Ordinance, subject to the conditions set forth in such laws.

ii. Enforcing the terms of the City Ordinance, including the power to issue enforcement notices and orders and to deny, suspend or revoke licenses issued thereunder.

iii. Conducting administrative appeals of those County licensing determinations made and enforcement actions taken on behalf of the City. Such appeals shall be considered by the King County Board of Appeals unless either the City or the County determines that the particular matter should be heard by the City.

iv. Nothing in this Agreement is intended to divest the City of authority to independently undertake such enforcement actions as it deems appropriate to respond to alleged violations of City ordinances.

c. Cooperation and Licensing Support. The City will assist the County in its efforts to inform City residents regarding animal codes and regulations and licensing requirements and will promote the licensing of pets by City residents through various means as the City shall reasonably determine, including but not limited to offering the sale of pet licenses at City Hall, mailing information to residents (using existing City communication

mechanisms such as utility bill inserts or community newsletters) and posting a weblink to the County's animal licensing program on the City's official website. The City will provide accurate and timely records regarding all pet license sales processed by the City to the County; all proceeds of such sales shall be remitted to the County by the City on a quarterly basis (no later than each March 31, June 30, September 30, and December 31).

4. **Term.** This Agreement will take effect on July 1, 2010 and unless extended pursuant to Subparagraph 4.a below, shall remain in effect for a term of two and one-half years ending on December 31, 2012. *Notwithstanding anything in this section to the contrary*, this Agreement shall remain in effect for only 60 days if the Minimum Contracting Requirements in Section 15 (Terms to Implement Agreement) are not met. The Agreement may not be terminated for convenience.

   a. Extension of Term**.**
      i. Automatic Extension of Agreement**.** This Agreement shall be automatically extended for an additional two year term, ending on December 31, 2014; provided that such an automatic extension shall not occur if any Contracting Party has provided a written Notice of Intent to Not Automatically Extend as provided in subsection (ii) below.
      ii. Notice of Intent to Not Automatically Extend. Any Party may chose to not automatically extend its Agreement by providing a written notice of such intent to the other Party no later than May 1, 2012. The County will include a written reminder of this May 1 deadline when providing the City notice of its 2012 Estimated Payments (notice due December 15, 2011 per Section 5).
      iii. Process for Agreed Extension. Upon receiving or issuing a Notice of Intent to Not Automatically Extend pursuant to subsection (ii), the County shall arrange for the Contracting Parties to meet no later than June 1, 2012, in order to confer on whether they wish to extend their respective Agreements given revised costs and other implications resulting from the potential reduced number of Contracting Parties. Contracting Parties wishing to extend their respective Agreements through December 31, 2014 may mutually agree in writing to do so by no later than July 1, 2012. Absent such an agreed extension, the Agreement shall terminate on December 31, 2012.

5. **Compensation.** The County will develop an Estimated Payment calculation for each Service Year using the formulas described in **Exhibit C**, and shall transmit the

payment information to the City according to the schedule described below. The County will also calculate and inform the City as to the Reconciliation Adjustment Amount on or before June 30 of each year, as described in Section 6 below and **Exhibit D**, in order to reconcile the Estimated Payments made by the City in the prior Service Year. The City (or County, if applicable) will pay the Estimated Payment, and any applicable Reconciliation Adjustment Amounts, as and when described as follows (a list of all payment-related notices and dates is included at **Exhibit C-7**):

a. Service Year 2010: Animal Services Provided from July 1 through December 31, 2010**.** On or before August 1, 2010, the County shall provide notice to each Contracting Party of the Final Estimated 2010 Payment schedule. The Final Estimated 2010 Payment will be derived from the Preliminary Estimated 2010 Payment Amount set forth in **Exhibit C-1**, adjusted based on the final Contracting Cities. The City shall pay the County the Final Estimated 2010 Payment on or before January 15, 2011; provided that, if the calculation of the Final Estimated 2010 Payment shows the City is entitled to receive a payment from the County, the County shall pay the City the amount owing on or before such date. The County will issue a notice of the City's Reconciliation Adjustment Amount for Service Year 2010 on or before June 30, 2011. The Reconciliation Adjustment Amount shall be payable on or before August 15, 2011.

b. Service Years after 2010.

   i. Initial Estimate by August 1. To assist the City with its budgeting process, the County shall provide the City with a non-binding, preliminary estimate of the Estimated Payments for the upcoming Service Year on or before each August 1.

   ii. Estimated Payment Determined by December 15. The Estimated Payment amounts for the upcoming Service Year will be determined by the County following adoption of the County's budget and applying the formulas in **Exhibit C**. The County will by December 15 provide written notice to all Contracting Parties of the schedule of Estimated Payments for the upcoming Service Year.

   iii. Estimated Payments Due Each June 15 and December 15**.** The City shall pay the County the Estimated Payment Amount on or before each June 15 and December 15. If the calculation of the Estimated Payment shows the City is entitled to receive a payment from the County, the County shall pay the City such amount on or before each June 15 and December 15.

iv. The Reconciliation Adjustment Amount for the prior Service Year shall be payable on or before August 15 of the following calendar year, as described in Section 6.

v. If a Party fails to pay an Estimated Payment or Reconciliation Adjustment Amount within 15 days of the date owed, the Party owed shall notify the owing Party which shall have ten (10) days to cure non-payment. In the event the Party fails to cure its nonpayment, the amount owed shall accrue interest thereon at the rate of 1% per month from and after the original due date and, in the event the nonpaying Party is the City, the County at its sole discretion may withhold provision of Animal Services to the City until all outstanding amounts are paid. In the event the nonpaying Party is the County, the City may withhold future Estimated Payments until all outstanding amounts are paid. Each Party may examine the other's books and records to verify charges.

vi. Unless the Parties otherwise direct, payments shall be submitted to the addresses noted at Section 14.h.

c. Payment Obligation Survives Expiration or Termination of Agreement**.** The obligation of the City (or as applicable, the County), to pay an Estimated Payment Amount or Reconciliation Adjustment Amount for a Service Year included in the term of this Agreement shall survive the Expiration or Termination of this Agreement. For example, if this Agreement terminates on December 31, 2010, the Final Estimated 2010 Payment is nevertheless due on or before January 15, 2011, and the Reconciliation Adjustment Amount shall be payable on or before August 15, 2011.

d. The Parties agree the payment and reconciliation formulas in this Agreement (including all Exhibits) are fair and reasonable.

6. **Reconciliation of Estimated Payments and Actual Costs and Revenues.** In order that the Contracting Parties share costs of the regional Animal Services system based on their actual, rather than estimated, use of Animal Services, there will be an annual reconciliation of actual costs and usage. Specifically, on or before June 30 of each year, the County will reconcile amounts owed under this Agreement for the prior Service Year by comparing each Contracting Party's Estimated Payments to the amount derived by recalculating the formulas in **Exhibit C** using actual cost, revenue, usage and population data for such Service Period as detailed in **Exhibit D**. The County shall provide the results of the reconciliation to all Contracting Parties in writing on or before June 30. The Reconciliation Adjustment Amount shall be payable on August 15 of the then current year, regardless of the prior termination of the Agreement as per Section 5.c.

7. **Transitional Licensing Revenue Support Services**. The County will provide enhanced licensing marketing services in 2010 as described in this section to the five cities with the lowest per-capita rates of licensing revenue shown on **Exhibit C-5** (the "Licensing Revenue Support Cities"), but any such city shall receive these services only if the effective term (determined per Section 15) of its specific Agreement is for two- and one half years.
    a. The marketing support services include, on a "per unit" basis, approximately $20,000 in County staff and materials support (which may include use of volunteers or other in-kind support) and is estimated to generate 1,250 new licenses (equivalent to approximately $30,000 in licensing revenue).
        i. Licensing Revenue Support Cities over 100,000 in population will each receive two units of enhanced licensing marketing support.
        ii. Licensing Revenue Support Cities less than 100,000 in population will share in one unit of enhanced licensing marketing support.
    b. Receipt of a unit of licensing revenue support is subject to the receiving City providing in-kind services, including but not limited to: assisting in communication with City residents; publicizing any canvassing efforts the Parties have agreed should be implemented; assistance in recruiting canvassing staff, if applicable; and providing information to the County to assist in targeting its canvassing activities, if applicable.

8. **Mutual Covenants/Independent Contractor.** Both Parties understand and agree that the County is acting hereunder as an independent contractor with the intended following results:
    a. Control of County personnel, standards of performance, discipline, and all other aspects of performance shall be governed entirely by the County;
    b. All County persons rendering service hereunder shall be for all purposes employees of the County, although they may from time to time act as commissioned officers of the City;
    c. The County contact person for the City regarding citizen complaints, service requests and general information on animal control services is the Manager of Regional Animal Services.

9. **Indemnification and Hold Harmless.**
    a. <u>City Held Harmless.</u> 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 any reason of or arising out of any negligent act or omission of the County, its officers, agents, and employees, or any of them

relating to or arising out of performing services pursuant to this Agreement. In the event that any such suit based upon such a claim, action, loss, or damages is brought against the City, the County shall defend the same at its sole cost and expense; provided that the City reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment in said suit be rendered against the City, and its officers, agents, and employees, or any of them, or jointly against the City and the County and their respective officers, agents, and employees, or any of them, the County shall satisfy the same.

b. County Held Harmless. 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 any reason of or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them relating to or arising out of performing services pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damages is brought against the County, the City shall defend the same at its sole cost and expense; provided that the County reserves 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, and employees, or any of them, or jointly against the County and the City and their respective officers, agents, and employees, or any of them, the City shall satisfy the same.

c. Liability Related to City Ordinances, Policies, Rules and Regulations. 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 as a result of the application of City ordinances, policies, rules or regulations that are either in place at the time this Agreement takes effect or differ from those of the County; or that arise in whole or in part based upon any failure of the City to comply with applicable adoption requirements or procedures. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such City ordinance, policy, rule or regulation is at issue, the City shall defend the same at its sole expense and, if judgment is entered or damages are awarded against the City, the County, or both, the City shall satisfy the same, including all chargeable costs and reasonable attorney's fees.

d. Waiver Under Washington Industrial Insurance Act. The foregoing indemnity is specifically intended to constitute a waiver of each party's

immunity under Washington's Industrial Insurance Act, Chapter 51 RCW, as respects the other party only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the indemnitor's employees. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

10. **Dispute Resolution.** Whenever any dispute arises between the Parties or between the Contracting Parties under this Agreement which is not resolved by routine meetings or communications, the disputing parties agree to seek resolution of such dispute in good faith by meeting, as soon as feasible. The meeting shall include the Chief Executive Officer (or his/her designee) of each party involved in the dispute and the Manager of the Regional Animal Services Program. If the parties do not come to an agreement on the dispute, any party may pursue mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties to the dispute shall share equally the costs of mediation and assume their own costs.

11. **Joint City-County Committee and Collaborative Initiatives**. A committee composed of 3 county representatives (appointed by the County) and one representative from each City that has signed a like Agreement and chooses to appoint a representative shall meet not less than twice each year. Committee members may not be elected officials. The Committee shall review service issues and make recommendations regarding efficiencies and improvements to services and shall review and make recommendations regarding the conduct and findings of the collaborative initiatives identified below. Subcommittees to focus on individual initiatives may be formed, each of which shall include membership from both county and city members of the Joint City-County Committee. Recommendations of the Joint City-County Committee are non-binding. The collaborative initiatives to be explored shall include:
    a. Proposals to update animal services codes, including fees and penalties, as a means to increase revenues and incentives for residents to license, retain, and care for pets.
    b. Exploring the practicability of engaging a private for-profit licensing system operator.
    c. Pursuing linkages between County and private non-profit shelter and rescue operations to maximize opportunities for pet adoption, reduction in homeless pet population, and other efficiencies.

d. Promoting licensing through joint marketing activities of cities and the County, including recommending where the County's marketing efforts will be deployed each year.

e. Exploring options for increasing service delivery efficiencies across the board.

f. Studying options for repair and/or replacement of the Kent Shelter.

g. Reviewing results of a compensation and classification study which the County agrees to complete by July 1, 2011, benchmarking the County's Animal Services staffing policies as compared to other publicly operated animal services systems.

h. Review the results of the County's calculation of the Reconciliation Adjustment Amounts.

i. Reviewing preliminary proposed budgets for Animal Services.

j. Providing input into the formatting, content and details of periodic system reports as per Section 12 of this Agreement.

k. Reviewing and providing input on proposed Animal Services operational initiatives.

12. **Reporting.** The County will provide the City with an electronic report not less than twice each year summarizing call response and system usage data for each of the Contracting Cities and the County and the Animal Services system. The formatting, content and details of the report will be developed in consultation with the Joint City-County Committee.

13. **Amendments.** Any amendments to this Agreement must be in writing. This Agreement may be amended upon approval of the County and at least two thirds (66%) of the legislative bodies of all other Contracting Parties to this Agreement (in both number and in the percentage of the prior total Estimated Payments owing from such Contracting Parties in the then current Service Year), evidenced by the authorized signatures of such approving Parties as of the effective date of the amendment; *provided that* any amendment to this Agreement affecting the Party contribution responsibilities, hold harmless and indemnification requirements, provisions regarding duration, termination or withdrawal, or the conditions of this Section shall require consent of the legislative authorities of all Parties.

14. **General Provisions.**

a. Other Facilities. The County reserves the right to contract with other shelter service providers for housing animals received from within the City or from City residents, whose levels of service meet or exceed those at the County

shelter for purposes of addressing shelter overcrowding or developing other means to enhance the effectiveness, efficiency or capacity of the animal care and sheltering system within King County.

b. Severability. The invalidity of any clause, sentence, paragraph, subdivision, section or portion thereof, shall not affect the validity of the remaining provisions of the Agreement.

c. Survivability. Notwithstanding any provision in this Agreement to the contrary, the provisions of Section 9 (Indemnification and Hold Harmless) shall remain operative and in full force and effect, regardless of the withdrawal or termination of this Agreement.

d. Waiver and Remedies. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Failure to insist upon full performance of any one or several occasions does not constitute consent to or waiver of any later non-performance nor does payment of a billing or continued performance after notice of a deficiency in performance constitute an acquiescence thereto. The Parties are entitled to all remedies in law or equity.

e. Grants. Both Parties shall cooperate and assist each other toward procuring grants or financial assistance from governmental agencies or private benefactors for reduction of costs of operating and maintaining Animal Services programs and the care and treatment of animals in those programs.

f. Force Majeure. In the event either Party's performance of any of the provisions of this Agreement becomes impossible due to war, civil unrest, and any natural event outside of the Party's reasonable control, including fire, storm, flood, earthquake or other act of nature, that Party will be excused from performing such obligations until such time as the Force Majeure event has ended and all facilities and operations have been repaired and/or restored.

g. Entire Agreement. This Agreement represents the entire understanding of the Parties and supersedes any oral representations that are inconsistent with or modify its terms and conditions.

h. Notices. Except as otherwise provided in this Agreement, any notice required to be provided under the terms of this Agreement shall be delivered by certified mail, return receipt requested or by personal service to the following person:
For the City:

For the County: Caroline Whalen, Director
King County Dept. of Executive Services
401 Fifth Avenue, Suite 610
Seattle WA. 98104

i. Assignment. No Party may sell, transfer or assign any of its rights or benefits under this Agreement without the approval of the other Party.
j. Venue. The Venue for any action related to this Agreement shall be in Superior Court in and for King County, Washington.
k. Records. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection and review by the County or City for such period as is required by state law (Records Retention Act, Ch. 40.14 RCW) but in any event for not less than 1 year following the expiration or termination of this Agreement.
l. No Third Party Beneficiaries. This Agreement is for the benefit of the Parties only, and no third party shall have any rights hereunder.
m. Counterparts. This Agreement and any amendments thereto, shall be executed on behalf of each Party by its duly authorized representative and pursuant to an appropriate motion, resolution or ordinance. The Agreement may be executed in any number of counterparts, each of which shall be an original, but those counterparts will constitute one and the same instrument.

15. **Terms to Implement Agreement.** Because it is unknown how many parties will ultimately approve the Agreement, and participation of each Contracting Party impacts the costs of all other Contracting Parties, the Agreement will go into effect for the full proposed two and a half year term only if certain Minimum Contracting Requirements are met or waived as described in this section; *provided further*, that if such conditions are not met, then the Agreement will go into effect for a six month term per subparagraph (c) or a 60-day emergency period as provided for below under subparagraph (d). The Minimum Contracting Requirements include:
    a. **For both the City and the County:**
        i. **2010 Payment Test:** The Final Estimated 2010 Payment, calculated including the County and all Cities that have executed the Agreement prior to July 1, 2010 (regardless of whether such Contracting Parties have opted for a 6 month or 2.5 year initial term), does not exceed the Preliminary Estimated 2010 Payment as set forth in **Exhibit C-1** by more than five percent (5%) or $3,500, whichever is greater. Either Party may waive its failure to meet this test in order to allow the Agreement to go into effect for the 6 month term.

ii. **Implied 2011 Payment Test:** In addition, if the City has agreed to an initial term of 2.5 years, the Final Estimated 2010 Payment, calculated including the County and those Cities that have similarly opted for an Initial Term of 2.5 years, does not exceed the Preliminary Estimated 2010 Payment shown for the Party in **Exhibit C-1(A)** by more than five percent (5%) or $3,500, whichever is greater. Either Party may waive its failure to meet this test in order to allow the Agreement to go into effect for the 2.5 year term.

b. **For the County**: the **Minimum Contiguity of Service Condition** must be met, such that the County is only obligated to enter into the Agreement if the County will be providing Animal Services in areas contiguous to the City, whether by reason of having an Agreement with another City or due to the fact that the City is contiguous to unincorporated areas (excluding unincorporated islands within the City limits). The Minimum Contiguity of Service Condition may be waived by the County in its sole discretion.

c. **Term of Agreement Limited to Six Months if Implied 2011 Payment Test Not Met:** If the County's Minimum Contiguity of Service Requirement is met or waived by the County and the 2010 Payment Test with respect to both Parties is met or waived, but the 2011 Test is **not** met or waived for both Parties, then the Agreement shall take effect for a term of only six months (expiring December 31, 2010).

d. **Emergency 60-day agreement**. Notwithstanding the foregoing, if the 2010 Payment Test is not met, then regardless of whether the County's Minimum Contiguity of Service Requirement is met, this Agreement shall go into effect on July 1, 2010, on an emergency basis for a period of 60-days, terminating August 31, 2010. The City shall by January 15, 2011, pay the Final Estimated 2010 Payment calculated in accordance with Section 6.a, pro-rated to reflect the 60 day (rather than 6-month) term, provided further that there will be no reconciliation of the Estimated Payment amounts so paid.

16. **<u>Administration</u>.** This Agreement shall be administered by the County Administrative Officer or his/her designee, and by_____ _____, or his/her designee.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective as of July 1, 2010.

King County	City of Kirkland
_____	_____
Dow Constantine King County Executive	City Manager
_____	_____
Date	Date
Approved as to Form:	Approved as to Form:
_____	_____
King County Deputy Prosecuting Attorney	City Attorney
_____	_____
Date	Date

List of Exhibits

Exhibit A: **Animal Services Description**

Exhibit B: **Control Services District Map Description**
Exhibit B-1: Map of Control Service District, as initially applicable
Exhibit B-2: Map of Control Service Districts beginning January 1, 2011

Exhibit C: **Calculation of Estimated Payments**

Exhibit C-1: **Preliminary Estimated 2010 Payment *(Annualized)* (***showing participation only by those jurisdictions that have expressed interest as of May 27, 2010 in contracting for either 6 months or 2.5 years))*

Exhibit C-1(A): "Implied 2011" Estimated Payments for purposes of Section 15.a.2 *(2010 Estimated Payment (Annualized) showing participation only of those jurisdictions that indicated they are seeking a 2.5 year Agreement—Actual Estimated 2011 Payments will be different, based on adjustments for 2011 Budgeted Total Allocable Costs, revised Revenue estimates, and application of Budget Inflator Cap)*

Exhibit C-2: **Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Preliminary and Final Estimated 2010 Payment**

Exhibit C-3: **Calculation of Budgeted Total Allocable Animal Services Costs, Budgeted Total Non-Licensing Revenue and Budget Net Allocable Animal Services Costs for 2010**

Exhibit C-4: **Transition Credit, Resident Usage Credit and Impact Mitigation Credit Calculation and Allocation**

Exhibit C-5: Cities receiving Transitional Licensing Revenue Support in 2010

Exhibit C-6: Summary of Calculation Periods for Use and Population Components

Exhibit C-7: Payment and Calculation Schedule

Exhibit D: **Reconciliation**

Exhibit D-1: Calculation of Support Cost Adjustment Factor Associated with Enhanced Control Service ("O")

Exhibit E: Enhanced Control Services Contract (Optional)

Exhibit A
Animal Service Description

Part I: Control Services

Control Services include the operation of a public call center, the dispatch of animal control officers in response to calls, and the handling of calls in the field by animal control officers, including the collection and delivery of animals to the Kent Shelter (or such other shelters as the County may utilize in accordance with this Agreement).

1. **Call Center**
    a. The County will operate an animal control call center Monday through Friday every week (excluding holidays and County-designated furlough days, if applicable) for a minimum of eight hours per day (normal business hours). The County may adjust the days of the week the call center operates based on the final choice of Control District service days.
    b. The animal control call center will provide callers with guidance, education, options and alternative resources as possible/appropriate.
    c. When the call center is not in operation, callers will hear a recorded message referring them to 911 in case of emergency, or if the event is not an emergency, to either leave a message or call back during regular business hours.
2. **Animal Control Officers**
    a. The County will divide the area receiving Control Services into Control Districts. Each of the geographic Control Districts, as shown on **Exhibit B** will be staffed with one Animal Control Officer (ACO) five consecutive days-per-week (such days to be selected by the County) for not less than eight hours per-day ("Regular ACO Service Hours"), subject to the limitations provided in this Section. Except as the County may in its sole discretion determine is necessary to protect officer safety, Animal Control Officers shall be available for responding to calls within their assigned Control District and will not be generally available to respond to calls in other Control Districts. **Exhibit B-1** shows the map of Control Districts for the period from July 1 through December 31, 2010; **Exhibit B-2** shows the map of Control Districts for the period after 2010. The daily eight-hour service period shall be determined by the County and shall start not earlier than 7 a.m. and end not later than 7 p.m. Countywide, the County will have a total of not less than 6 Animal Control Officers (Full-Time Equivalent employees) on staff to maximize the ability of the County to staff each Control District notwithstanding vacation, sick-leave, and other absences, and to respond to high workload areas on a day-to-day basis. While the Parties recognize that

the County may at times not be able to staff all Control Districts as proposed given unscheduled sick leave or vacancies, the County will make its best efforts to establish regular hourly schedules and vacations for Animal Control Officers in order to minimize any such gaps in coverage. In the event of extended absences among the 6 Animal Control Officers, the County will re-allocate remaining Animal Control Officers as practicable in order to balance the hours of service available in each Control District.

b. Control District boundaries have been designed to balance work load, correspond to jurisdictional boundaries and facilitate expedient transportation access across each district. The County will provide for a location for Animal Control vehicles to be stationed overnight in both north and south King County.

c. The County will use its best efforts to ensure that High Priority Calls are responded to by an Animal Control Officer during Regular ACO Service Hours on the day such call is received. The County shall retain full discretion as to the order in which High Priority calls are responded. High Priority Calls include those calls that pose an emergent danger to the community, including:
    1. Emergent animal bite,
    2. Emergent vicious dog,
    3. Emergent injured animal,
    4. Police assist calls—(police officer on scene requesting assistance from an Animal Control Officer),
    5. Emergent loose livestock or other loose or deceased animal that poses a potential danger to the community, and
    6. Emergent animal cruelty.

d. Lower priority calls include all calls that are not High Priority Calls. These calls will be responded to by the call center staff over the telephone, referral to other resources, or by dispatching of an Animal Control Officer as necessary or available, all as determined necessary and appropriate in the sole discretion of the County. Particularly in the busier seasons of the year (spring through fall), lower priority calls may only receive a telephone response from the Call Center. Lower Priority calls are non-emergent requests for service, including but not limited to:
    1. Non-emergent high priority events,
    2. Patrol request – (Animal Control Officer requested to patrol a specific area due to possible code violations),
    3. Trespass,
    4. Stray Dog/Cat/other animal confined,
    5. Barking Dog,

6. Leash Law Violation,
7. Deceased Animal,
8. Trap Request,
9. Female animal in season, and
10. Owner's Dog/Cat/other animal confined.

e. In addition to the Animal Control Officers serving specific districts, the following Control Service resources will be available on a shared basis for all Parties and shall be dispatched as deemed necessary and appropriate by the County.
    1. An animal control sergeant will provide oversight of and back-up for Animal Control Officers five days per week at least 8 hours/day (subject to vacation/sick leave/training/etc.).
    2. An Animal Cruelty Sergeant will be on staff at least 40 hours per week to respond to animal cruelty cases and prepare related reports (subject to vacation/sick leave/training/etc.).
    3. Two Animal Control Officers will be on call every day at times that are not Regular ACO Service Hours (including the two days per week that are not included within Regular ACO Service Hours), to respond to High Priority Calls posing an extreme life and safety danger, as determined by the County.

f. The Parties understand that rural areas of the County will generally receive a less rapid response time from ACOs than urban areas.

g. Cities may contract with King County for "Enhanced Control Services" through separate agreement (as set forth in **Exhibit E)**.

Part II: Shelter Services

Shelter services include the general care, cleaning and nourishment of owner-released, lost or stray dogs, cats and other animals. Such services shall be provided 7-days per week, 365 days per year at the County's animal shelter in Kent (the "Shelter") or other shelter locations utilized by the County, including related services described in this section. The County's Eastside Pet Adoption Center in the Crossroads area of Bellevue will be closed to the public.

1. **Shelter Services**
    a. Services provided to animals will include enrichment, exercise, care and feeding, and reasonable medical attention.
    b. The Public Service Counter at the Shelter will be open to the public not less than 30 hours per week and not less than 5 days per week, excluding holidays and County designated furlough days, for purposes of pet redemption, adoption, license sales services and (as may be offered from

time to time) pet surrenders. The Public Service Counter at the shelter may be open for additional hours if practicable within available resources.

c. The County will maintain a volunteer/foster care coordinator at the Shelter to encourage use of volunteers working at the shelter and use of foster families to provide fostering/transitional care between shelter and permanent homes for adoptable animals.

d. The County will maintain an animal placement specialist at the Shelter to provide for and manage adoption events and other activities leading to the placement of animals in appropriate homes.

e. One veterinarian and one veterinarian technician will be scheduled to work at the Shelter six-days per week, during normal business hours. Veterinary services provided include animal exams, treatment and minor procedures, spay/neuter and other surgeries. Limited emergency veterinary services will be available in non-business hours, through third-party contracts, and engaged if and when the County determines necessary.

f. Targeted animal operating capacity at the Shelter is 7,000 per year. The County will take steps through its operating policies, codes, public fee structures and partnerships to reduce the number of animals and their length of stay in the Shelter, and may at times limit owner-surrenders and field pick-ups, adjust fees and incentivize community-based solutions.

2. **Other Shelter services**

a. Dangerous animals will be confined as appropriate/necessary.

b. Disaster/emergency preparedness for animals will be coordinated regionally through efforts of King County staff.

3. **Shelter for Cities contracting with PAWS (Potentially including Shoreline, Bothell, Woodinville, Lake Forest Park, Kenmore ("Northern Cities")).** For so long as a Northern City has a contract in effect for sheltering dogs and cats with the Progressive Animal Welfare Society in Lynnwood (PAWS), the County will not shelter dogs and cats picked up within the boundaries of such City(s), except in emergent circumstances and when the PAWS Lynwood shelter is not available. Dogs and cats picked up by the County within such City(s) will be transferred by the County to the PAWS shelter in Lynnwood for shelter care, which will be provided and funded solely through separate contracts between each Northern City and PAWS, and the County will refer residents of that City to PAWS for sheltering services. The County will provide shelter services for animals other than dogs and cats that are picked up within the boundaries of Northern Cities contracting with PAWS on the same terms and conditions that such shelter services are provided to other Contracting Parties. Except as provided in this Section, the County is under no obligation to drop animals picked up in any Contracting City at any shelter other than the County shelter in Kent.

4. **County Contract with PAWS.** Nothing in this Agreement is intended to preclude the County from contracting with PAWS in Lynnwood to care for animals taken in by control officers in the Northern (#200) district of the County.
5. **Service to Persons who are not Residents of Contracting Cities.** The County will not provide routine shelter services for animals brought in by persons who are not residents of Contracting Cities, but may provide emergency medical care to such animals, and may seek to recover the cost of such services from the pet owner and/or the City in which the resident lives.

Part III: Licensing Services

Licensing services include the operation and maintenance of a unified system to license pets in Contracting Cities.

1. The public will be able to purchase pet licenses in person at the County Licensing Division public service counter in downtown Seattle (500 4th Avenue), King County Community Service Centers and the Kent Animal Shelter during regular business hours. The County will maintain on its website the capacity for residents to purchase pet licenses on-line.
2. The County will seek to engage and maintain a variety of private sector partners (e.g. veterinary clinics, pet stores, grocery stores, city halls, apartment complexes) as hosts for locations where licenses can be sold or promoted in addition to County facilities.
3. The County will furnish licenses and application forms and other materials to the City for its use in selling licenses to the public at City facilities and at public events.
4. The County will publicize reminders and information about pet licensing from time to time through inserts in County mailings to residents and on the County's public television channel.
5. The County will annually mail at least one renewal form, reminder and late notice (as applicable) to the last known addresses of all City residents who purchased a pet license from the County within the previous year (using a rolling 12-month calendar).
6. The County may make telephone reminder calls in an effort to encourage pet license renewals.
7. The County shall mail pet license tags or renewal notices as appropriate to individuals who purchase new or renew their pet licenses.
8. The County will maintain a database of pets owned, owners, addresses and violations.
9. The County will provide limited sales and marketing support in an effort to maintain the existing licensing base and increase future license sales. The County

reserves the right to determine the level of sales and marketing support provided from year to year in consultation with the Joint City-County Committee. The County will work with any City in which door-to-door canvassing takes place to reach agreement with the City as to the hours and locations of such canvassing.

Exhibit B: Control Service District Map

The attached map (**Exhibit B-1**) shows the boundaries of the 4 Control Service Districts as established at the commencement of this Agreement. **Exhibit B-2 s**hows the proposed boundaries for the Control Service Districts to be established effective January 1, 2011.

The cities and towns included in each Control District are as follows:

District #200 (Northern District) Shoreline Lake Forest Park Kenmore Bothell (only through December 31, 2010) Woodinville Kirkland Redmond Duvall Carnation Sammamish	District #220 (Eastern District) Bellevue Mercer Island Yarrow Point Clyde Hill Town of Beaux Arts Issaquah Snoqualmie North Bend Newcastle
District #240 (Western District) Tukwila SeaTac Kent	District #260 (Southern District) Auburn Covington Maple Valley Black Diamond Enumclaw

The Districts shall each include portions of unincorporated King County as illustrated on the **Exhibits B-1 and B-2.**

Exhibit B-1

The Control District Map, applicable through December 31, 2010

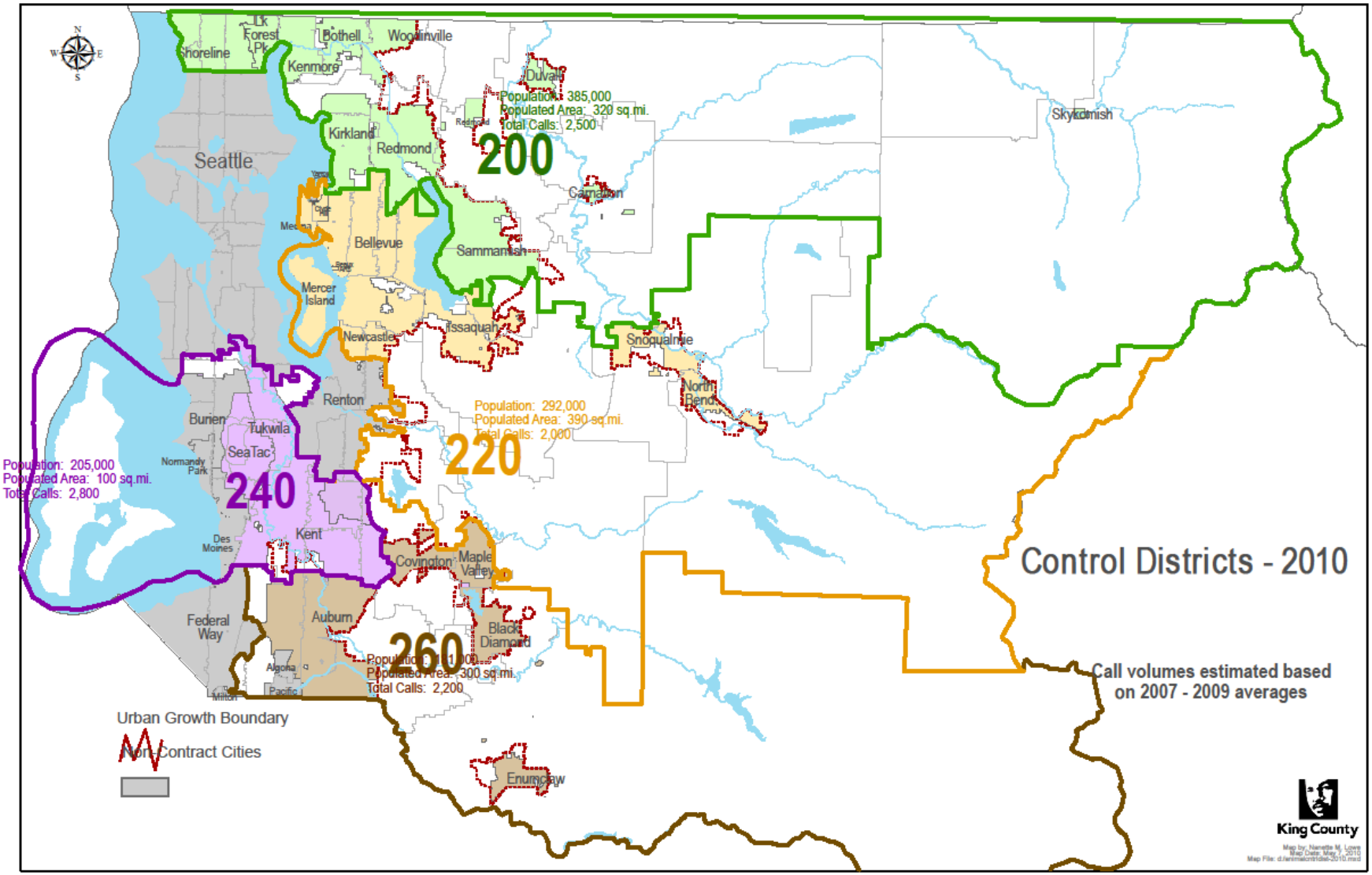

Exhibit B-2

Control District Map – applicable January 2011 and Beyond

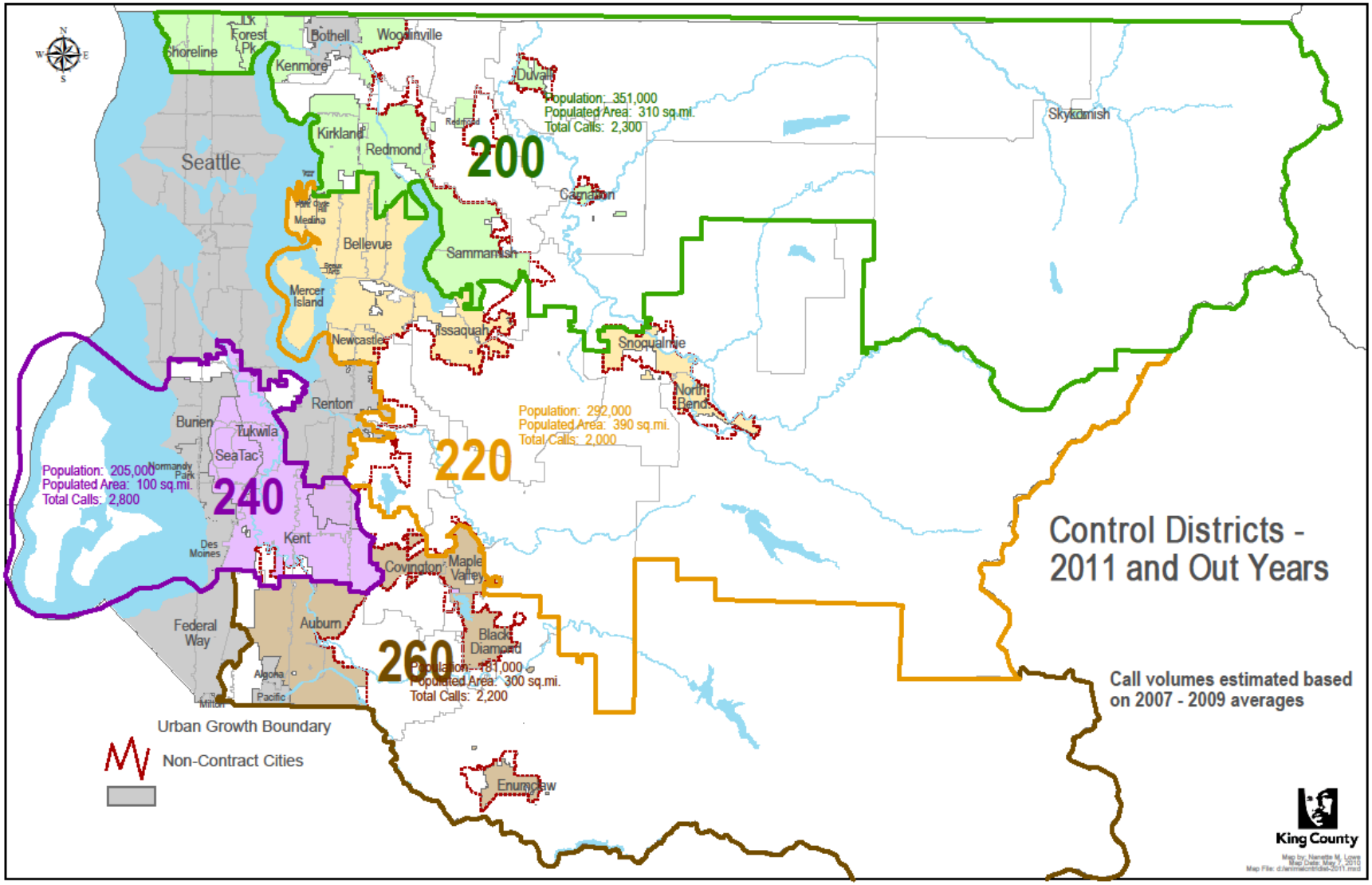

Exhibit C
Calculation of Estimated Payments

The Estimated Payment is the amount, before reconciliation, owed by the City to the County (or owed by the County to the City if the amount calculated is less than $0) for the provision of six months of Animal Services, based on the formulas below.

In summary and subject to the more detailed descriptions herein:

- Control Services costs are to be equally shared among the 4 geographic Control Districts. Each Contracting Party located within a Control District is to be allocated a share of Control District costs based 50% on the Party's relative share of total Calls for Service within the Control District and 50% on its relative share of total population within the Control District.

- Shelter Services costs are to be allocated among all Contracting Parties based 50% on their relative population and 50% on the total shelter intake of animals attributable to each Contracting Party, except that cities contracting for shelter services with PAWS will pay only a population-based charge and that charge will be one-half the regular shelter services cost population component payable by other cities; and

- Licensing Services costs are to be allocated between all Contracting Parties, based 50% on their relative population and 50% on the number of licenses issued to residents of each Contracting Party.

- Licensing revenue is to be attributed based on the residency of the individual purchasing the license.

- Each Estimated Payment covers the cost of six months of Animal Services.

- Three credits are applicable to various cities to reduce the amount of their Estimated Payments: a Transition Funding Credit (for cities with high per-capita costs); a Resident Usage Credit (for cities with low usage as compared to population); and an Impact Mitigation Credit (for cities whose projected costs were most impacted by decisions of certain cities not to participate in the regional Agreement). Application of these Credits is limited such that the Estimated Payment cannot fall below zero (before or after the annual reconciliation calculation) with respect to the Transition Funding Credit, or below $2,750 or $2,850 (both amounts are annualized) with respect to the Resident Usage Credit and

Impact Mitigation Credit (depending on whether Bothell received Animal Services in the Service Year being reconciled).

- Estimated Payments are reconciled to reflect actual revenues and actual usage as well as changes in population. The reconciliation calculation occurs in June of the following calendar year. The reconciliation calculation and payment process is described in **Exhibit D**. The receipt of Transition Funding Credits, Resident Usage Credits, or Impact Mitigation Credits can never result in the amount of the Estimated Payments as reconciled falling below the limits described in the paragraph above ($0, $2,750 or $2,875 (annualized), depending on the credit and whether Bothell received service under an Agreement during the Service Year).

Estimated Payment Formula:

EP = [EC + ES +EL - ER –T –U –M] ÷ 2

Where:

"EP" is the Estimated Payment. For Cities receiving a Transition Credit, Resident Usage Credit or Impact Mitigation Credit, the value of EP may not be less than the amounts prescribed in **Exhibit C-4**.

"EC" is the City's share of the Budgeted Net Allocable Control Services Cost for the Service Year. *See formula below for deriving "EC.*

"ES" is the City's share of the Budged Net Allocable Shelter Services Cost for the Service Year. *See formula below for deriving "ES."*

"EL" is the City's share of the Budgeted Net Allocable Licensing Services Cost for the Service Year. *See formula below for deriving "EL."*

"ER" is Estimated Licensing Revenue attributable to the City. For purposes of determining the Estimated Payment in Years 2010 and 2011, ER is derived from the number of each type of active license issued to City residents in years 2009 (the "Calculation Period") shown on **Exhibit C-2.** For Service Year 2010, that number is multiplied by the cost of those licenses in 2009[1], resulting in the estimated values for Service Year 2010 shown on

[1] 2009 licensing types and costs used for purposes of calculating Estimated Licensing Revenue per jurisdiction in Exhibit C-1 include: Cat and Dog, Altered (spayed or neutered)-- $30; Cat and Dog, Unaltered-- $90; Cat and Dog, Juvenile (less than 6 months in age) -- $5; Dog, Senior (over 65)owner -- $20; Cat, Senior

Exhibit C-1, and then adding the amount of revenue estimated to be derived as a result of the Transitional Licensing Support Services in 2010 to those five Cities identified in **Exhibit C-5** (the estimated Transitional Licensing Support Services revenue is also shown on **Exhibit C-1**). License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete address information), which generally represents a very small fraction of overall revenue, is allocated amongst the Parties based on their respective percentages of ER as compared to Total Licensing Revenue.

"T" is the **Transition Funding Credit**, if any, allocable to the City for each Service Year, calculated per **Exhibit C-4;** *provided however*, a City identified in **Exhibit C-4** is only eligible for a Transition Credit if that City agreed to enter into this Agreement for a term through December 31, 2012; *provided further,* that the amount of "**T**", if any, for Service Year 2010 shall be applied pro rata to the calculation of the Final Estimated 2010 Payment even if, despite the agreement of the City, the Agreement only goes into effect for 6 months or 60 days per Section 15.

"**U**" is the **Resident Usage Credit**, if any, allocable to the City for each Service Year, calculated per **Exhibit C-4**; *provided however*, a City identified in **Exhibit C-4** is only eligible for a Resident Usage Credit if that City agreed to enter into this Agreement for a term through December 31, 2012; *provided further,* that the amount of "**U**", if any, for Service Year 2010 shall be applied pro rata to the calculation of the Final Estimated 2010 Payment even if, despite the agreement of the City, the Agreement only goes into effect for 6 months or 60 days per Section 15.

"**M**" is the **Impact Mitigation Credit**, if any, allocable to the City for each Service Year, calculated per **Exhibit C-4**; *provided however*, a City identified in **Exhibit C-4** is only eligible for an Impact Mitigation Credit if that City agreed to enter into this Agreement for a term through December 31, 2012; *provided further*, that the amount of "M," if any, for Service Year 2010 shall be applied pro rata to the calculation of the Final Estimated 2010 Payment even if, despite the agreement of the City, the Agreement only goes into effect for 6 months or 60 days per Section 15.

And where:

"**Budgeted Net Allocable Costs**" are the estimated costs for the Service Year for the provision of Animal Services which are allocated among the Contracting Parties for the

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owner-- $12; Cat and Dog, Renewal, Service and Temporary, Senior owner renewal-- $0. License types and costs are subject to change over time.

purposes of determining the Estimated Payment. The Budgeted Net Allocable Costs are calculated as the **Budgeted Total Allocable Costs** (subject to the **Annual Budget Inflator Cap**) *less* **Budgeted Total Non-Licensing Revenue**. The Budgeted Total Allocable Costs exclude any amount expended by the County as Transition Funding Credits, Resident Use Credits, or Impact Mitigation Credits (described in **Exhibit C-4**) or to provide Transitional Licensing Revenue Support Services (described in Section 7). The calculation of Budgeted Net Allocable Costs, Budgeted Total Allocable Costs and Budgeted Total Non-Licensing Revenue for purposes of calculating the Estimated 2010 Payments is set forth in **Exhibit C-3**.

"**Total Licensing Revenue**" means all revenue received by the County's Animal Services System attributable to the sale of pet licenses excluding late fees. With respect to each Contracting Party, the amount Licensing Revenue is the revenue generated by the sale of pet licenses to residents of the jurisdiction. (With respect to the County, the jurisdiction is the unincorporated area of King County.) The value of Estimated Licensing Revenue for each Contracting Party for purposes of calculating the Estimated 2010 Payment includes amounts estimated to be generated from Transitional Licensing Revenue Support Services, and is shown on **Exhibit C-1.**

"**Total Non-Licensing Revenue**" means all revenue from fine, forfeitures, and all other fees and charges received by the County's Animal Services system, *excluding* Total Licensing Revenue.

"**Transitional Licensing Support Services"** means activities to be undertaken in specific cities in 2010 to enhance licensing revenues, per Section 7 of the Agreement.

"**Annual Budget Inflator Cap**" means the maximum amount by which the Budgeted Total Allocable Costs may be increased from one Service Year to the next Service Year, and year to year, which is calculated as the rate of inflation (based on the annual change in the September CPI-U for the Seattle-Tacoma-Bremerton area over the rate the preceding year) plus the rate of population growth for the preceding year for the County (including only the unincorporated area) plus all Contracting Cities, as identified by comparing the two most recently published July OFM city and county population reports. The cost allocations to individual services (e.g. Control Services, Shelter Services or Licensing Services) or specific items within those services may be increased or decreased from year to year in so long as the Budgeted Total Annual Allocable Costs do not exceed the Annual Budget Inflator Cap. Similarly, the Estimated Payment for any Party will increase or decrease from Service Year to Service Year based on that Party's population and usage of Animal Services from year to year

"**Service Year**" is the calendar year in which Animal Services are/were provided. (In 2010, the Service Year is the period from July 1, 2010 –December 31, 2010; the Estimated Payment calculation shown in Exhibit C is based on annualized costs).

"**Calculation Period**" is the time period from which data is used to calculate the Estimated Payment. The Calculation Period differs by formula component and Service Year. In Service Years 2010 and 2011, the Calculation Period for Calls for Service ("CFS"), Animals ("A"), or Licenses Issued ("I") (all as further defined below) is based on multiple year averages as detailed in **Exhibit C-6**. **For Service Year 2012 and beyond** (if the Agreement is extended into an additional 2-year term), the Calculation Period is the year that is two calendar years prior to the Service Year (thus, for Service Year 2012, the Calculation Period is 2010). **Exhibit C-6** summarizes in table form the Calculation Periods for the usage and population factors for Service Years 2010, 2011 and 2012.

"**Population**" with respect to any Contracting Party for any Service Year means the population number derived from the State Office of Financial Management (OFM) most recent annually published report of population to be used for purposes of allocation of state shared revenues in the subsequent calendar year (typically published by OFM each July, reflecting final population estimates *as of April of the same calendar year*). The OFM reported population will be adjusted for annexations of 2,500 or more residents. *For example*, when the final Estimated Payment calculation for 2012 is provided on December 15, 2011, the population numbers used will be from the OFM report issued in July 2011 and will be adjusted for all annexations of 2,500 or more residents that occurred (or will occur) between April 1 and December 31, 2011. *By way of further example*, the reconciliation of the 2012 payment (calculated in June 2013) will incorporate adjusted population numbers based on the OFM population report issued in July 2012 adjusted for all annexations of 2,500 or more residents that occurred between April 1, 2012 and December 31, 2012. Where annexations occur, the City and County population values will be adjusted pro rata to reflect the portion of the year in which the annexed area was in the City and the portion of the year in which the area was unincorporated. The population of an annexed area will be as determined by the Boundary Review Board, in consultation with the annexing city. The population of the unincorporated area within any District will be determined by the King County demographer. *Notwithstanding the foregoing*, the population for all potential Contracting Parties for purposes of determining the final Estimated 2010 Payment will be based on the July 2009 OFM report, adjusted for annexations occurring through the end of December 2010, as known as of April, 2010, and shown on **Exhibit C-2,** and the reconciliation of the Estimated 2010 Payments (calculated in June 2011) will incorporate changes to population as reflected in the 2010 U.S. Census (results expected to be published April 2011).

Exhibit C-1 shows the ***preliminary*** calculation of **EP** for July 1 – December 31, 2010, assuming that the County and all Cities that have expressed interest in signing this Agreement as of May 27, 2010, do in fact approve and sign the Agreement and as a result the Minimum Contract Requirements with respect to all such Cities and the County are met per Section 15.

Component Calculation Formulas:

EC is calculated as follows:

EC = {[(C x .25) x .5] x CFS} + {[(C x. 25) x .5] x D-Pop}

Where:

"C" is the **Budgeted Net Allocable Control Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Control Services in the Service Year, ***less*** the Budgeted Total Non-Licensing Revenue attributable to Control Services in the Service Year (for example, fines issued in the field). Budgeted Net Allocable Control Services Cost for Service Year 2010 is $1,698,600, calculated as shown on **Exhibit C-3,** and shall be similarly derived for Service Years after 2010.

"**CFS"** is the total annual number of Calls for Service for the Service Year for Control Services originating within the City *expressed as a percentage* of the CFS for all Contract Parties within the same Control District. A Call for Service is defined as a request from an individual, business or jurisdiction for a control service response to a location within the City, or a response initiated by an Animal Control Officer in the field, which is entered into the County's data system (at the Animal Services call center or the sheriff's dispatch center acting as back-up to the call center) as a request for service. Calls for information, hang-ups and veterinary transfers are not included in the calculation of Calls for Service. A response by an Animal Control Officer pursuant to an Enhanced Control Services Contract will not be counted as a Call for Service. For purposes of determining the Estimated Payment in 2010 and 2011, the Calculation Period for CFS is the 3-year period from 2007-2009, resulting in an annual average number of Calls for Service for the City and each Contracting Party as shown on **Exhibit C- 2**.

"D-Pop" is the **Population** of the City, *expressed as a percentage* of the Population of all jurisdictions within the applicable Control District.

ES is calculated as follows:

If, as of the effective date of this Agreement, the City has entered into a contract for shelter services with the Progressive Animal Welfare Society (PAWS) in Lynnwood, WA, then, for so long as such contract remains in effect, the City will not pay a share of shelter costs associated with shelter usage ("**A**" as defined below) and instead the Estimated Payment will include a **reduced population-based charge** reflecting the regional shelter benefits nonetheless received by such City, calculated as follows (the components of this calculation are defined as described below).

ES = (S x.5 x Pop) ÷2

If the City **does not** qualify for the reduced population-based shelter charge, ES is determined as follows:

ES = [S x .5 x Pop] + (ESP x Pop_2) + (S x .5 x A)

Where:

"S" is the Budgeted Net Allocable Shelter Services Cost for the Service Year, which equals the County's Budgeted Total Allocable Costs for Shelter Services ***less*** Budgeted Total Non-Licensing Revenue attributable to Shelter operations (i.e., adoption fees, microchip fees, impound fees, owner-surrender fees, from all Contracting Parties) in the Service Year. The Budgeted Net Allocable Shelter Services Cost for purposes of calculating Estimated 2010 Payments is $3,004,900 as shown on **Exhibit C-3**, and shall be similarly derived for Service Years after 2010.

"ESP" is the sum of all reduced shelter costs payable in the Service Year by all cities qualifying for such reduced charge.

"Pop" is the population of the City expressed as a percentage of the Population of all Contracting Parties.

"**Pop_2**" is the Population of the City expressed as a percentage of the Population of all Contracting Parties that <u>do not</u> qualify for the reduced population-based shelter charge.

"A" is the total number of animals that were: (1) picked up by County Animal Control Officers from within the City, (2) delivered by a City resident to the County shelter, or (3) delivered to the shelter that are owned by a resident of the City *expressed as a percentage* of the total number of animals in the County Shelter during the Calculation Period. For

purposes of the Estimated Payment in 2010 and 2011, the Calculation Period for "**A**" is the two year period of 2008 and 2009, resulting in an average annual shelter usage number for the City and each Contracting Party as shown in **Exhibit C-2**.

EL is calculated as follows:

EL = [(L x .5 x Pop) + (L x .5 x I)]

Where:

"L" is the Budgeted Net Licensing Services Cost for the Service Year, which equals the County's Budgeted Total Allocable Costs for License Services in the Service Year ***less*** Budgeted Total Non-Licensing Revenue attributable to License Services (for example, pet license late fees) in the Service Year. The Budgeted Net Licensing Cost for purposes of calculating Estimated 2010 Payments is $898,400, calculated as shown on **Exhibit C-3**, and shall be similarly derived for Service Years after 2010.

"Pop" is the Population of the City expressed as a percentage of the population of all Contracting Parties.

"I" is the number of active paid regular pet licenses (e.g., excluding 'buddy licenses" or temporary licenses) issued to City residents during the Calculation Period. For purposes of calculating the Estimated Payment in 2010 and 2011, the Calculation Period for **"I"** is the three year period from 2007-2009, and the resulting average annual number of licenses as so calculated for the City and each Contracting Party is shown on **Exhibit C-2**.

Exhibit C-1

Preliminary Estimated 2010 Payment (Annualized) (1)

(Showing participation only of those jurisdictions that have expressed interest as of May 27, 2010 in contracting for either 6 months or 2.5 years)

	Control	Shelter	Licensing	Total Allocated Costs	2009 Licensing Revenue	Estimated Net Cost
Budgeted Total Allocable Costs	**$1,705,000**	**$3,207,400**	**$943,400**	**$5,855,800**		
Budgeted Non-Licensing Revenue	**$6,500**	**$202,500**	**$45,000**	**$254,000**		
Budgeted Net Allocable Costs	**$1,698,500**	**$3,004,900**	**$898,400**	**$5,601,800**	**$3,069,875**	**-$2,531,925**

Animal Control District Number	Jurisdiction	Estimated Control Services Cost Allocation (2)	Estimated Shelter Services Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	2009 Licensing Revenue	Estimated Net Cost Allocation	Transition Funding (5)	Credits (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Transitional Licensing Support	Estimated Net Final Cost
200	Bothell	$34,993	$23,505	$31,134	$89,632	$102,067	$12,435	$0	$0	$12,435	$0	$12,435
	Carnation	$2,650	$8,688	$1,627	$12,965	$5,723	-$7,242	$1,674	$0	-$5,568	$0	-$5,568
	Duvall	$6,806	$13,270	$5,605	$25,681	$22,113	-$3,568	$0	$865	-$2,703	$0	-$2,703
	Estimated Unincorporated King County	$108,379	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kenmore	$26,305	$14,461	$19,926	$60,691	$73,160	$12,469	$0	$0	$12,469	$0	$12,469
	Kirkland	$51,479	$102,767	$40,559	$194,804	$159,211	-$35,593	$0	$30,557	-$5,037	$0	-$5,037
	Lake Forest Park	$14,144	$9,065	$13,251	$36,461	$71,987	$35,527	$0	$0	$35,527	$0	$35,527
	Redmond	$51,589	$102,175	$42,704	$196,468	$134,311	-$62,157	$0	$43,060	-$19,097	$0	-$19,097
	Sammamish	$39,496	$71,803	$35,939	$147,237	$135,347	-$11,890	$0	$9,140	-$2,750	$0	-$2,750
	Shoreline	$73,664	$38,411	$47,910	$159,985	$189,347	$29,362	$0	$0	$29,362	$0	$29,362
	Woodinville	$15,121	$7,545	$9,849	$32,515	$37,918	$5,403	$0	$0	$5,403	$0	$5,403
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		**$316,246**	**$391,691**	**$248,503**	**$956,440**	**$931,185**	**-$25,255**	**$1,674**	**$83,622**	**$60,040**	**$0**	**$60,040**
220	Beaux Arts	$447	$477	$313	$1,237	$900	-$337	$0	$0	-$337	$0	-$337
	Bellevue	$145,729	$245,520	$94,283	$485,532	$274,346	-$211,185	$0	$93,030	-$118,155	$60,000	-$58,155
	Clyde Hill	$3,536	$4,578	$2,566	$10,680	$8,044	-$2,636	$0	$0	-$2,636	$0	-$2,636
	Estimated Unincorporated King County	$170,844	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Hunts Point											
	Issaquah	$40,815	$61,476	$20,819	$123,110	$64,509	-$58,601	$0	$0	-$58,601	$0	-$58,601
	Mercer Island	$25,894	$39,249	$17,833	$82,976	$55,113	-$27,863	$0	$25,113	-$2,750	$0	-$2,750
	Newcastle (7)	$13,931	$19,349	$5,785	$39,065	$10,000	-$29,065	$0	$10,967	-$18,098	$0	-$18,098
	North Bend	$9,916	$15,427	$4,188	$29,531	$14,341	-$15,190	$4,172	$0	-$11,018	$0	-$11,018
	Snoqualmie	$12,448	$22,004	$7,177	$41,630	$23,667	-$17,963	$0	$3,958	-$14,005	$0	-$14,005
	Yarrow Point	$1,065	$1,461	$853	$3,379	$2,864	-$515	$0	$0	-$515	$0	-$515
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		**$253,781**	**$409,541**	**$153,816**	**$817,139**	**$453,784**	**-$363,355**	**$4,172**	**$133,068**	**-$226,114**	**$60,000**	**-$166,114**
240	Burien (includes North Highline Area X Annexation)											
	Estimated Unincorporated King County	$106,877	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kent (Includes Panther Lake Annexation)	$208,450	$694,309	$87,555	$990,314	$255,365	-$734,949	$334,834	$49,065	-$351,050	$60,000	-$291,050
	SeaTac	$62,145	$112,831	$19,605	$194,580	$53,065	-$141,516	$22,551	$7,953	-$111,012	$10,000	-$101,012
	Tukwila	$47,153	$83,996	$12,478	$143,627	$30,348	-$113,279	$15,925	$5,644	-$91,710	$10,000	-$81,710
SUBTOTAL FOR CITIES IN 240 (excludes unincorporated area)		**$317,748**	**$891,136**	**$119,637**	**$1,328,522**	**$338,777**	**-$989,744**	**$373,309**	**$62,663**	**-$553,772**	**$80,000**	**-$473,772**
260	Algona											
	Auburn	$144,841	$353,200	$49,684	$547,724	$158,415	-$389,310	$199,649	$0	-$189,661	$0	-$189,661
	Black Diamond	$10,251	$18,659	$3,625	$32,534	$13,071	-$19,463	$3,664	$0	-$15,799	$0	-$15,799
	Covington	$49,589	$68,063	$16,386	$134,038	$60,534	-$73,504	$15,364	$0	-$58,140	$0	-$58,140
	Enumclaw	$30,596	$57,502	$8,885	$96,983	$22,464	-$74,519	$33,903	$169	-$40,447	$10,000	-$30,447
	Estimated Unincorporated King County	$143,389	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Maple Valley	$45,960	$68,017	$17,749	$131,726	$62,293	-$69,433	$18,265	$0	-$51,168	$0	-$51,168
	Pacific											
SUBTOTAL FOR CITIES IN 260 (excludes unincorporated area)		**$281,236**	**$565,441**	**$96,328**	**$943,005**	**$316,777**	**-$626,228**	**$270,845**	**$169**	**-$355,214**	**$10,000**	**-$345,214**
	TOTAL FOR CITIES	**$1,169,012**	**$2,257,809**	**$618,285**	**$4,045,106**	**$2,040,523**	**-$2,004,582**	**$650,000**	**$279,521**	**-$1,075,061**	**$150,000**	**-$925,061**
	Total King County Unincorporated Area Allocation	***$529,488***	***$747,091***	***$280,115***	***$1,556,694***	***$1,029,352***	***-$527,343***					***-$527,343***

King County Transitional Costs	
• One-Time Implementation Costs (8)	***-$542,500***
• Other Operational and Reform Effort Costs (9)	***-$533,183***
• Transition Funding for Cities	***-$650,000***
• Credits	***-$279,521***
TOTAL FOR KING COUNTY	***-$2,532,547***

Source: KC Office of Management and Budget and Animal Care and Control

Date: May 31, 2010

Exhibit C-1, cont'd.

Notes:
1. Assumes the following cities do not participate: Federal Way, Seattle, Renton, Des Moines, Normandy Park, Medina, Skykomish, Milton, Hunts Point, Algona, Pacific, and Burien.
2. One quarter of control services costs are allocated to each control district, then costs are further allocated 50% by total call volume (averaged from 2007-2009) and 50% by 2009 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 50% by King County shelter volume intake (averaged for 2008-2009) and 50% by 2009 population. Values for northern cities anticipating using PAWS for sheltering include only the 50% population allocation.
4. Licensing costs are allocated 50% by population and 50% by total number of active licenses (average 2007-2009).
5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. Licensing support is allocated to the five cities with the lowest per capita licensing revenue. For additional detail, see Exhibit C-4.
6. Credits include (1) the Resident Usage Credit, which limits the cost allocation in the regional model to no more than 20% greater than the charge would be under the usage only model for all cities whose net cost is greater than $5,000 and (2) the Impact Mitigation Credit which limits overall net cost increases from cities opting out of the model to not more 10% greater than in the previous model. See Exhibit C-4 for more detail.
7. Newcastle did not license with King County in 2009. The revenue value provided here assumes the 400 licenses issued by Newcastle in 2009 being issued at King County licensing costs.
8. One-time costs associated with model implementation include contract negotiation, IT system upgrade, and transitional licensing support.
9. Other operational costs include services for the mainframe systems and crossroads facility lease, King County unincorporated area only marketing efforts, and various salary and wage contingency elements. Costs associated with enhanced services contracts are revenue backed and are not reported here. Reform effort costs include changes to the clinic reporting structure, hiring consultants to review reform progress, and adding an administrator to support reform efforts. Reform efforts also include hiring an additional vet tech, however, this position will be funded by donations and therefore the cost is not reported here.

Estimated Final Net Costs for Northern Cities Contracting with PAWS, Including PAWS Sheltering Costs

		Estimated Cost for PAWS Sheltering		Estimated Final Net Cost Including PAWS Costs		
Jurisdiction	**Estimated Final Net Cost**	**Assuming King County 2008-2009 Average Intake and $150/Animal**	**Assuming a 20% Increase in Intake and $150/Animal**	**Assuming King County 2008-2009 Average Intake and $150/Animal**	**Assuming a 20% Increase in Intake and $150/Animal**	**Potential Credit Up To**
Bothell	$12,435	$13,050	$15,660	-$615	-$3,225	$475
Kenmore	$12,469	$7,575	$9,090	$4,894	$3,379	$0
Lake Forest Park	$35,527	$3,150	$3,780	$32,377	$31,747	$0
Shoreline	$29,362	$22,575	$27,090	$6,787	$2,272	$0
Woodinville	$5,403	$6,600	$7,920	-$1,197	-$2,517	$0

Exhibit C-1(A)
Implied 2011 Payments for Purpose of Section 15.a.2 (1)

(Showing participation only of those jurisdictions that have expressed interest as of May 27, 2010 in contracting for 2.5 years - actual estimated 2011 payments will be different, based on adjustments for 2011 budgeted total allocable costs, revenues, and the application of budget inflator cap)

	Control	Shelter	Licensing	Total Allocated Costs	2009 Licensing Revenue	Estimated Net Cost
Budgeted Total Allocable Costs (excluding budget infator)	**$1,705,000**	**$3,207,400**	**$943,400**	**$5,855,800**		
Budgeted Non-Licensing Revenue	**$6,500**	**$202,500**	**$45,000**	**$254,000**		
Budgeted Net Allocable Costs	**$1,698,500**	**$3,004,900**	**$898,400**	**$5,601,800**	**$2,967,808**	**-$2,633,992**

Animal Control District Number	Jurisdiction	Estimated Animal Control Cost Allocation (2)	Estimated Sheltering Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	2009 Licensing Revenue	Estimated Net Cost Allocation	Transition Funding (5)	Credits (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Transitional Licensing Support	Estimated Net Final Cost
200	Bothell											
	Carnation	$2,885	$8,732	$1,686	$13,302	$5,723	-$7,579	$1,674	$81	-$5,825	$0	-$5,825
	Duvall	$7,417	$13,406	$5,808	$26,631	$22,113	-$4,518	$0	$1,693	-$2,826	$0	-$2,826
	Estimated Unincorporated King County	$118,143	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kenmore	$28,650	$14,928	$20,651	$64,228	$73,160	$8,932	$0	$0	$8,932	$0	$8,932
	Kirkland	$56,116	$103,886	$42,012	$202,015	$159,211	-$42,804	$0	$37,540	-$5,264	$0	-$5,264
	Lake Forest Park	$15,415	$9,358	$13,735	$38,509	$71,987	$33,479	$0	$0	$33,479	$0	$33,479
	Redmond	$56,251	$103,360	$44,234	$203,845	$134,311	-$69,533	$0	$48,637	-$20,897	$0	-$20,897
	Sammamish	$43,070	$72,732	$37,235	$153,037	$135,347	-$17,690	$0	$14,815	-$2,875	$0	-$2,875
	Shoreline	$80,215	$39,652	$49,637	$169,505	$189,347	$19,842	$0	$0	$19,842	$0	$19,842
	Woodinville	$16,463	$7,789	$10,206	$34,458	$37,918	$3,460	$0	$0	$3,460	$0	$3,460
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		**$306,482**	**$373,843**	**$225,203**	**$905,529**	**$829,117**	**-$76,412**	**$1,674**	**$102,765**	**$28,027**	**$0**	**$28,027**
220	Beaux Arts	$447	$484	$325	$1,256	$900	-$356	$0	$0	-$356	$0	-$356
	Bellevue	$145,729	$248,274	$97,641	$491,644	$274,346	-$217,298	$0	$96,500	-$120,798	$60,000	-$60,798
	Clyde Hill	$3,536	$4,643	$2,658	$10,837	$8,044	-$2,793	$0	$0	-$2,793	$0	-$2,793
	Estimated Unincorporated King County	$170,844	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Hunts Point											
	Issaquah	$40,815	$62,090	$21,560	$124,465	$64,509	-$59,956	$0	$0	-$59,956	$0	-$59,956
	Mercer Island	$25,894	$39,768	$18,468	$84,131	$55,113	-$29,018	$0	$26,143	-$2,875	$0	-$2,875
	Newcastle (7)	$13,931	$19,575	$5,983	$39,490	$10,000	-$29,490	$0	$10,569	-$18,921	$0	-$18,921
	North Bend	$9,916	$15,536	$4,339	$29,790	$14,341	-$15,449	$4,172	$0	-$11,277	$0	-$11,277
	Snoqualmie	$12,448	$22,226	$7,431	$42,106	$23,667	-$18,439	$0	$4,144	-$14,295	$0	-$14,295
	Yarrow Point	$1,065	$1,483	$884	$3,432	$2,864	-$568	$0	$35	-$532	$0	-$532
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		**$253,781**	**$414,080**	**$159,289**	**$827,150**	**$453,784**	**-$373,366**	**$4,172**	**$137,390**	**-$231,804**	**$60,000**	**-$171,804**
240	Burien (includes North Highline Area X Annexation)											
	Estimated Unincorporated King County	$106,877	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kent (Includes Panther Lake Annexation)	$208,450	$696,894	$90,670	$996,014	$255,365	-$740,649	$334,834	$41,536	-$364,280	$60,000	-$304,280
	SeaTac	$62,145	$113,419	$20,301	$195,864	$53,065	-$142,800	$22,551	$4,645	-$115,603	$10,000	-$105,603
	Tukwila	$47,153	$84,411	$12,915	$144,480	$30,348	-$114,132	$15,925	$2,783	-$95,424	$10,000	-$85,424
SUBTOTAL FOR CITIES IN 240 (excludes unincorporated area)		**$317,748**	**$894,724**	**$123,886**	**$1,336,358**	**$338,777**	**-$997,581**	**$373,309**	**$48,964**	**-$575,307**	**$80,000**	**-$495,307**
260	Algona											
	Auburn	$144,841	$354,741	$51,441	$551,023	$158,415	-$392,608	$199,649	$0	-$192,960	$0	-$192,960
	Black Diamond	$10,251	$18,754	$3,755	$32,760	$13,071	-$19,689	$3,664	$0	-$16,025	$0	-$16,025
	Covington	$49,589	$68,464	$16,980	$135,033	$60,534	-$74,498	$15,364	$0	-$59,134	$0	-$59,134
	Enumclaw	$30,596	$57,764	$9,201	$97,561	$22,464	-$75,097	$33,903	$0	-$41,193	$10,000	-$31,193
	Estimated Unincorporated King County	$143,389	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Maple Valley	$45,960	$68,493	$18,387	$132,840	$62,293	-$70,547	$18,265	$0	-$52,282	$0	-$52,282
	Pacific											
SUBTOTAL FOR CITIES IN 260 (excludes unincorporated area)		**$281,236**	**$568,216**	**$99,764**	**$949,216**	**$316,777**	**-$632,439**	**$270,845**	**$0**	**-$361,594**	**$10,000**	**-$351,594**
	TOTAL FOR CITIES	**$1,159,248**	**$2,250,863**	**$608,142**	**$4,018,253**	**$1,938,456**	**-$2,079,797**	**$650,000**	**$289,119**	**-$1,140,678**	**$150,000**	**-$990,678**
	Total King County Unincorporated Area Allocation	***$539,252***	***$754,037***	***$290,258***	***$1,583,547***	***$1,029,352***	***-$554,195***					***-$554,195***

King County Transitional Costs	
• One-Time Implementation Costs (8)	***-$542,500***
• Other Operational and Reform Effort Costs (9)	***-$533,183***
• Transition Funding for Cities	***-$650,000***
• Credits	***-$289,119***
TOTAL FOR KING COUNTY	***-$2,568,997***

Source: KC Office of Management and Budget and Animal Care and Control
Date: May 31, 2010

Exhibit C-1(A) cont'd.

Notes:
1. Assumes the following cities do not participate: Federal Way, Seattle, Renton, Des Moines, Normandy Park, Medina, Skykomish, Milton, Hunts Point, Algona, Pacific, Burien, and Bothell.
2. One quarter of control services costs are allocated to each control district, then costs are further allocated 50% by total call volume (averaged from 2007-2009) and 50% by 2009 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 50% by King County shelter volume intake (averaged for 2008-2009) and 50% by 2009 population. Values for northern cities anticipating using PAWS for sheltering include only the 50% population allocation.
4. Licensing costs are allocated 50% by population and 50% by total number of active licenses (average 2007-2009).
5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. Licensing support is allocated to the five cities with the lowest per capita licensing revenue. For additional detail, see Exhibit C-4 for more information.
6. Credits include (1) the Resident Usage Credit, which limits the cost allocation in the regional model to no more than 20% greater than the charge would be under the usage only model for all cities whose net cost is greater than $5,000 and (2) the Impact Mitigation Credit which limits overall net cost increases from cities opting out of the model to not more 10% greater than in the previous model. See Exhibit C-4 for more detail.
7. Newcastle did not license with King County in 2009. The revenue value provided here assumes the 400 licenses issued by Newcastle in 2009 being issued at King County licensing costs.
8. One-time costs associated with model implementation include contract negotiation, IT system upgrade, and transitional licensing support.
9. Other operational costs include services for the mainframe systems and crossroads facility lease, King County unincorporated area only marketing efforts, and various salary and wage contingency elements. Costs associated with enhanced services contracts are revenue backed and are not reported here. Reform effort costs include changes to the clinic reporting structure, hiring consultants to review reform progress, and adding an administrator to support reform efforts. Reform efforts also include hiring an additional vet tech, however, this position will be funded by donations and therefore the cost is not reported here.

Estimated Final Net Costs for Northern Cities Contracting with PAWS, Including PAWS Sheltering Costs

		Estimated Cost for PAWS Sheltering		Estimated Final Net Cost Including PAWS Costs		
Jurisdiction	**Estimated Final Net Cost**	**Assuming King County 2008-2009 Average Intake and $150/Animal**	**Assuming a 20% Increase in Intake and $150/Animal**	**Assuming King County 2008-2009 Average Intake and $150/Animal**	**Assuming a 20% Increase in Intake and $150/Animal**	**Potential Credit Up To:**
Bothell						
Kenmore	$8,932	$7,575	$9,090	$1,357	-$158	$0
Lake Forest Park	$33,479	$3,150	$3,780	$30,329	$29,699	$0
Shoreline	$19,842	$22,575	$27,090	-$2,733	-$7,248	$4,373
Woodinville	$3,460	$6,600	$7,920	-$3,140	-$4,460	$1,585

Exhibit C-2

Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Preliminary and Final Estimated 2010 Payment

Source: KC Office of Management and Budget and Animal Care and Control
Date: May 27, 2010

Proposed District	Jurisdiction	Population (1)	3-Year Average Control Calls	2-Year Average Shelter Intake	3-Year Average Active Licenses
200	Bothell (2)	33,240	195	NA	4,301
	Carnation	1,910	19	28	206
	Duvall	5,980	41	20	775
	Estimated Unincorporated King County	103,400	600	*(see total below)*	*(see total below)*
	Kenmore	20,450	176	NA	2,840
	Kirkland	49,010	286	136	4,995
	Lake Forest Park	12,820	83	NA	1,972
	Redmond	51,890	268	112	5,228
	Sammamish	40,670	199	49	4,719
	Shoreline	54,320	511	NA	6,280
	Woodinville	10,670	108	NA	1,344
220	Beaux Arts	315	2	0	45
	Bellevue	120,600	533	299	10,900
	Clyde Hill	2,815	14	2	346
	Estimated Unincorporated King County	92,800	950	*(see total below)*	*(see total below)*
	Hunts Point				
	Issaquah	26,890	195	99	2,379
	Mercer Island	22,720	86	23	2,071
	Newcastle	9,925	62	21	400
	North Bend	4,760	59	39	548
	Snoqualmie	9,730	49	35	771
	Yarrow Pt	965	3	0	112
240	Burien (includes North Highline Area X Annexation)				
	Estimated Unincorporated King County	48,200	750	*(see total below)*	*(see total below)*
	Kent (Includes Panther Lake Annexation)	113,180	1,202	2,481	9,996
	SeaTac	25,730	467	351	2,197
	Tukwila	18,170	373	268	1,207
260	Algona				
	Auburn	67,485	672	1,191	5,325
	Black Diamond	4,180	55	59	468
	Covington	17,530	297	197	2,260
	Enumclaw	11,460	175	191	1,017
	Estimated Unincorporated King County	59,700	750	*(see total below)*	*(see total below)*
	Maple Valley	20,840	220	173	2,250
	Pacific				
City Totals		**758,255**	**6,349**	**5,769**	**74,954**
King County Unincorporated Area Totals		304,100	3,050	1,360	38,156
TOTALS		***1,062,355***	***9,399***	***7,129***	***113,110***

1. Population and usage values have been adjusted to include 2010 annexations with effective dates of July 1, 2010 or earlier (i.e., Burien, Panther Lake).
2. Bothell is opting for a 6 month option. They will not be included in allocations for 2011 and 2012.

Exhibit C-3

Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

This Exhibit Shows the Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs to derive Estimated 2010 Payments. All values shown are based on annualized costs and revenues. The staffing levels incorporated in this calculation are for year 2010 only and except as otherwise expressly provided in the Agreement may change from year to year as the County determines may be appropriate to achieve efficiencies, etc.

Control Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of 2010 (Annualized) Control Services Costs is shown below (all costs in 2010 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$109,400
2	Direct Service Field Staff Costs	$683,300
3	Call Center Direct Service Staff Costs	$209,300
4	Overtime, Duty, Shift Differential and Temp Costs	$71,500
5	Facilities Costs	$10,200
6	Office and Other Operational Supplies and Equipment	$22,900
7	Printing, Publications, and Postage	$45,000
8	Medical Costs	$25,000
9	Other Services	$80,000
10	Transportation	$155,000
11	Communications Costs	$35,600
12	IT Costs and Services	$57,500
13	Misc Direct Costs	$25,400
14	General Fund Overhead Costs	$17,400
15	Division Overhead Costs	$111,300
16	Other Overhead Costs	$46,200
	2010 Budgeted Total Allocable Control Services Cost	$1,705,000
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Control Services	$6,500
	2010 Budgeted Net Allocable Control Services Cost	$1,698,500

NOTES:

1 Management direct service staff consists of 0.40 FTE Animal Care and Control Manager, 0.40 FTE Operations Manager, and 0.17 Information Technology Manager.

2 Direct Service Field Staff Costs consist of 1.00 FTE Animal Control Officer Sergeant, 1.00 FTE Animal Control Officer Cruelty Sergeant, 6.00 FTE Animal Control Officers.

3 Call center costs for 1.00 FTE Administrative Assistant/Lead and 2.00FTE call takers.

4 These additional salary costs support complete response to calls at the end of the day, limited response to emergency calls after hours, and extra help during peak call times.

5 Facilities costs include maintenance and utilities for a portion (5%) of the Kent Shelter (which houses the call center staff operations and records retention as well as providing a base station for field officers). Excludes all costs associated with the Crossroads facility.

6 This item includes the office supplies required for both the call center as well as a wide variety of non-computer equipment and supplies related to animal control field operations (e.g., uniforms, tranquilizer guns, boots, etc.).

7 This cost element consists of printing and publication costs for various materials used in the field for animal control.

8 Medical costs include the cost for ambulance and hospital care for animals requiring emergency services.

9 Services for animal control operations vary by year but consist primarily of consulting vets and laboratory costs associated with cruelty cases.

10 Transportation costs include the cost of the maintenance, repair, and replacement of the animal care and control vehicles and cabs, fuel, and reimbursement for occasional job-related use of a personal vehicle.

11 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.

12 Information technology direct costs include IT equipment replacement as well as direct services costs. Excludes approximately $50,000 in service costs associated with mainframe systems.

13 Miscellaneous direct costs consist of all animal control costs not listed above including but not limited to contingency, training, certification, and bad checks.

14 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.

15 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.

16 Other overhead costs include IT, telecommunications, finance, and property services.

17 Non-licensing revenue attributable to field operations include animal control violation penalties, charges for field pickup of deceased/owner relinquished animals, and fines for failure to license.

Shelter Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of 2010 (Annualized) Shelter Services Costs is shown below (all costs in 2010 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$154,900
2	Direct Service Shelter Staff Costs	$1,280,200
3	Direct Service Clinic Staff Costs	$399,100
4	Overtime, Duty, Shift Differential and Temp Costs	$205,100
5	Facilities Costs	$150,000
6	Office and Other Operational Supplies and Equipment	$130,200
7	Printing, Publications, and Postage	$5,000
8	Medical Costs	$145,000
9	Other Services	$200,000
10	Transportation	$10,000
11	Communications Costs	$13,200
12	IT Costs and Services	$35,000
13	Misc Direct Costs	$33,300
14	General Fund Overhead Costs	$203,100
15	Division Overhead Costs	$195,500
16	Other Overhead Costs	$47,700
	2010 Budgeted Total Allocable Shelter Services Cost	3,207,400
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Shelter Services	$202,500
	2010 Budgeted Net Allocable Shelter Services Cost	$3,004,900

NOTES:

1 Management direct service staff consists of 0.60 FTE Animal Care and Control Manager, 0.60 FTE Operations Manager, and 0.17 Information Technology Manager.
2 Direct Service Shelter Staff Costs consist of 2.00 FTE Animal Control Officer Sergeants, 12.00 FTE Animal Control Officers, 1.00 FTE Placement Specialist, 1.00 FTE Volunteer Coordinator.
3 Direct Service Clinic Staff Costs consist of 2.00 FTE veterinarians and 2.00 FTE veterinarian techs.

4 These additional salary costs support complete processing of animals received late in the day, extra help during kitten season, and limited backfill for vet and vet techs when on vacation.
5 Facilities costs include maintenance and utilities for the majority (95%) of the Kent Shelter (which also houses the call center staff operations and records retention as well as providing a base station for field officers). It excludes all costs associated with the Crossroads facility.
6 This item includes the office supplies as well as a wide variety of non-computer equipment and supplies related to animal care (e.g., uniforms, food, litter, etc.).
7 This cost element consists of printing and publication costs for various materials used at the shelter.
8 Medical costs include the cost for ambulance and hospital care for animals requiring emergency services as well as the cost for consulting vets, laboratory costs, medicine, and vaccines.
9 Services for animal control operations vary by year but include costs such as shipping of food provided free of charge and sheltering of large animals.
10 Transportation costs include the cost of the maintenance, repair, and replacement of and fuel for the animal care and control vehicles used by the shelter to facilitate adoptions, as well as reimbursement for occasional job-related use of a personal vehicle.
11 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.
12 Information technology direct costs include IT equipment replacement as well as direct services costs.
13 Miscellaneous direct costs consist of all animal care costs not listed above including but not limited to contingency, training, certification, and bad checks.
14 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.
15 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
16 Other overhead costs include IT, telecommunications, finance, and property services.
17 Non-licensing revenue attributable to sheltering operations include impound fees, microchip fees, adoption fees, and owner relinquished euthanasia costs.

Licensing Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of 2010 (Annualized) Licensing Services Costs is shown below (all costs in 2010 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$60,000
2	Direct Service Licensing Staff Costs	$423,900
3	Overtime, Duty, Shift Differential and Temp Costs	$30,000
4	Facilities Costs	$13,100
5	Office and Other Operational Supplies and Equipment	$3,300
6	Printing, Publications, and Postage	$166,000
7	Other Services	$15,000
8	Communications Costs	$5,000
9	IT Costs and Services	$85,000
10	Misc Direct Costs	$2,000
11	General Fund Overhead Costs	$25,300
12	Division Overhead Costs	$54,800
13	Other Overhead Costs	$60,000
	2010 Budgeted Total Allocable Licensing Services Cost	$943,400
14	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Licensing Services	$45,000
	2010 Budgeted Net Allocable Licensing Services Cost	$898,400

NOTES:

1 Management direct service staff consists of 0.17 Information Technology Manager and 0.33 Licensing Section Manager.

2 Direct Service Licensing Staff Costs consist of 0.5 FTE Pet License Supervisor, 1.00 FTE Sales and Marketing Manager, 2.80 FTE Customer Specialists, 1.00 FTE Fiscal Specialist, and 1.00 Administration Assistant.

3 These additional salary costs support overtime costs as well as a limited non-jurisdiction specific marketing effort. These costs do not include the enhanced transitional licensing support to be provided by King County to certain cities.

4 Facilities costs include maintenance and utilities for the portion of the King County Administration building occupied by the pet licensing staff and associated records.

5 This item includes the office supplies required for the licensing call center.

6 This cost element consists of printing, publication, and distribution costs for various materials used to promote licensing of pets, including services to prepare materials for mailing.

7 Services for animal licensing operations include the purchase of tags and monthly fees for online pet licensing hosting.

8 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.

9 Information technology direct costs include IT equipment replacement as well as direct services costs. Excludes approximately $120,000 in service costs associated with mainframe systems.

10 Miscellaneous direct costs consist of all pet licensing costs not listed above including but not limited to training, certification, transportation, and bad checks.

11 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.

12 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.

13 Other overhead costs include IT, telecommunications, finance, and property services.

14 Non-licensing revenue attributable to licensing operations consists of licensing late fees.

Exhibit C-4

Transition Funding Credit (”T”), Resident Usage Credit (“U”) and Impact Mitigation Credit (“M”) Calculation and Allocation

Transition Funding Credit

The Transition Funding Credit has been calculated to offset costs to certain cities on a declining basis over four years. Cities qualifying for this credit, as shown below, are those that under the basic Animal Services cost allocation formula (allocating costs generally based half on population and half on usage), would pay the highest per capita costs in 2010.

To determine the initial level of the Transition Funding Credit, $250,000 has been allocated to Cities with preliminary estimated 2010 cost allocations (before considering offsetting Licensing Revenue) exceeding $6 per capita; an additional $400,000 was allocated to the Cities with preliminary estimated 2010 cost allocations (before considering offsetting Licensing Revenue) exceeding $8 per capita. (The per capita cost allocations used to qualify for this credit may be derived from **Exhibit C-1** in column caption “Estimated Total Cost Allocation” divided by the population for the jurisdiction as shown in **Exhibit C-2**.)

The Transition Funding Credit declines over time: 50% of the annual amount (since the service year is six months, rather than a full year) is allocable to each qualifying City in calculating the Estimated 2010 Payment; 100% of the amount is allocable again in calculating the 2011 Estimated Payment; 66% of the amount is allocable in 2012. If the Agreement is extended for an additional two years, 33% of the amount is available in 2013; no Transition Funding Credit is allocable in 2014.

The credit is only available to a qualifying City if that City has agreed to a 2.5 Year Agreement. Application of the credit can never result in the Estimated Payment Amount being less than zero ($0) (i.e., cannot result in the County owing the City an Estimated Payment).

The allocation of the Transition Funding Credit is shown in **Table 1** below.

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Table 1: Transition Funding Credit – Initial Contract Period and Extension Period

	Initial 2 1/2-Year Contract Period			2-Year Extension Period	
Jurisdiction	**2010 Transition Funding (1/2 year)**	**2011 Transition Funding**	**2012 Transition Funding**	**2013 Transition Funding**	**2014 Transition Funding**
Carnation	$836	$1,674	$1,105	$552	$0
North Bend	$2,086	$4,172	$2,753	$1,376	$0
Kent	$167,417	$334,834	$220,990	$110,495	$0
SeaTac	$11,275	$22,551	$14,884	$7,442	$0
Tukwila	$7,962	$15,925	$10,510	$5,255	$0
Auburn	$99,824	$199,649	$131,768	$65,884	$0
Black Diamond	$1,832	$3,664	$2,418	$1,209	$0
Covington	$7,682	$15,364	$10,140	$5,070	$0
Enumclaw	$16,592	$33,903	$22,376	$11,188	$0
Maple Valley	$9,133	$18,265	$12,055	$6,027	$0

Notes:
1. The transitional funding credit is the same regardless of which cities sign an Agreement.

Resident Usage Credit

The Resident Usage Credit has been calculated to offset the costs of certain cities agreeing to a 2.5 year Agreement that have a low use of King County animal services relative to their population. The amount of the credit is different depending on whether the City of Bothell is receiving service during a given Service Year. The credit has been determined by comparing the estimated cost Cities would pay on an annualized basis in 2010 if the regional payment model was based solely on usage (including estimated costs payable to PAWS by cities that will be contracting for shelter services with PAWS) to the cost payable under the adopted model (which incorporates both usage and population, including estimated costs payable to PAWS by Northern Cities that will be contracting for shelter services with PAWS). The credit is set so that no City that has a Preliminary Estimated 2010 Cost Allocation after considering 2009 Licensing Revenue (as shown in **Exhibit C-1** in the column captioned "Estimated Net Cost Allocation") of over $5,000 (an annualized cost) pays more than 120% above what it would pay under a usage-based model that assumes all cities that expressed interest in participating as of May 5, 2010 sign an Agreement; *provided that,* a City must sign a 2.5 year Agreement to qualify for the credit; and *provided further*, that credits are fixed in amount as shown in **Table 2** below and will not change regardless of which Cities sign the Agreement. As annualized, the credit is carried forward each year without change through 2012. Application of the credit can never result in the Final Estimated Payments for any Service Year being less than $2,750 for receipt of Animal Services in that year if Bothell is served under an Agreement in such Service Year and not

less than $2,875 for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services). These minimum values are annualized (thus, for example, in 2010, if Bothell is served, the Final Estimated Payments cannot be less than $2750 ÷ 2 = $1,375).

Table 2: Resident Usage Credit (Annualized Values) (1)

Jurisdiction	For Service Years in which the City of Bothell Is Receiving Animal Services under an Agreement	For Service Years in Which the City of Bothell Is Not Receiving Animal Services
Kirkland	$20,084	$20,433
Kirkland PAA(2)	$16,465	$16,935
Redmond	$34,961	$35,692
Sammamish	$9,140	$14,815
Bellevue	$91,697	$93,703
Mercer Island	$25,113	$26,143
Newcastle	$8,796	$9,071
Snoqualmie	$3,958	$4,144

Notes:
1. The residential usage credit does not change with time; it only varies based on whether Bothell is receiving services. Thus, if Bothell signs a 6 month Agreement (e.g., ending December 2010), the credit payable in 2010 will be one half the value in column 2 above; the credit payable in 2011 will be the amount in column 3.
2. Kirkland will receive this credit from and after the time the Kirkland PAA is annexed, in addition to the credit noted in the row above labeled "Kirkland."

Impact Mitigation Credit

The purpose of this credit is to limit the impact to Contracting Cities signing for a 2.5 year Agreement as a result of three cities (Burien, Algona and Pacific) deciding as of May 5, 2010, that they would not participate in the model, as compared to the costs presented to all cities in April, 2010, and assuming all other Cities shown in **Exhibit C-1** sign the Agreement. The amount of the credit is sized to ensure that a City's Preliminary Estimated Payment *after* applying the Residential Use Credit and the Transition Funding Credit is not greater than 10% more than the Preliminary Estimated 2010 Cost from the April 2010 model and not greater than 15% more than such Cost if Bothell does not contract for service past December 2010; *provided* that the credit amounts are fixed as shown in **Table 3** below and will not change regardless of which Cities sign the Agreement; *provided further* that only Cities signing a 2.5 year agreement qualify for the

credit; and *provided further that* application of the credit can never result in the Estimated Payment Amount, of less than $2,750 for receipt of Animal Services in that Service Year if Bothell is served under an Agreement in such Service Year and not less than $2,875 for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services). These minimum values are annualized (thus, for example, in 2010, if Bothell is served, the Final Estimated Payments cannot be less than $2750 ÷ 2 = $1,375).

The allocation of the Impact Mitigation Credit is shown on **Table 3.**

Table 3: Impact Mitigation Credit (Annualized Values) (1, 2)

Jurisdiction	For Service Years in which the City of Bothell Is Receiving Animal Services under an Agreement	For Service Years in Which the City of Bothell Is Not Receiving Animal Services
Bothell (2)	$475	
Carnation		$81
Duvall	$865	$1,693
Kirkland	$10,473	$17,107
Redmond	$8,098	$12,945
Shoreline (2)		$4,373
Woodinville (2)		$1,585
Bellevue	$1,334	$2,797
Newcastle	$2,170	$1,498
Yarrow Point		$35
Kent	$49,065	$41,536
SeaTac	$7,953	$4,645
Tukwila	$5,644	$2,783
Enumclaw	$169	

Notes:

1. These credits do not change over the period of the Agreement.
2. These credits assume that these cities' costs to shelter animals at PAWS exceed their estimated rebate by greater than $2,750 in Column 2 situation (Bothell served) and $2,875 in the Column 3 situation (Bothell not served). At reconciliation, if a City with a PAWS shelter contract cannot demonstrate this, it will not receive the credit. Regardless of how great a PAWS shelter contract cost is, the credit cannot exceed the amount shown here.

Exhibit C-5

Transitional Licensing Revenue Support Services Provided in 2010

The Cities that will receive Transitional Licensing Revenue Support Services in 2010 are listed below. These Cities have been selected by determining which cities in 2009 had the lowest per-capita licensing revenue amongst all cities to which the County was then providing animal care and control services, and (as shown in **Exhibit C-1**).

City of Bellevue
City of Kent
City of SeaTac
City of Tukwila
City of Enumclaw

The Transitional Licensing Revenue Support Services to be provided in 2010 are detailed in Section 7 of the Agreement. The 2010 Estimated Payment for these Cities incorporates the estimated revenue expected to result from these services.

Exhibit C-6:

Summary of Calculation Periods for Use and Population Components

This Exhibit restates in summary table form the Calculation Periods used for calculating the usage and population components in the formulas to derive Estimated Payments. *See* **Exhibit C** for complete formulas and definitions of the formula components.

ER is estimated Licensing Revenue attributable to the City
CFS is total annual number of Calls for Service originating in the City
A is the number of animals in the shelter attributable to the City
I is the number of active paid regular pet licenses issued to City residents
Pop is Population of the City expressed as a percentage of all Contracting Parties; **D-Pop** is Population of the City expressed as a percentage of the population of all jurisdictions within a Control District

Calculation Periods -- Service Year 2010

Component	**Estimated 2010 Payment** (Exhibit C-1)	**Final Estimated 2010 Payment**	**Reconciliation Payment Amount** (determined June 2011)
ER	**2009**	**Same**	**Actual 2010 (July-December)**
CFS	**2007-2009**	**Same**	**Actual 2010 (July-December)**
A	**2008-2009**	**Same**	**Actual 2010 (July-December)**
I	**2007-2009**	**Same**	**Actual 2010 (July-December)**
Pop, D-Pop	**July 2009 OFM report, adjusted for annexations known approved to occur in or prior to 2010**	**Same**	**US Census (published April 2011)**

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Calculation Periods -- Service Year 2011

Component	Preliminary Estimated 2011 Payment (published August 2010)	Estimated 2011 10 Payment (published December 2010)	Reconciliation Payment Amount (determined June 2012)
ER	2007-2009	Same	Actual 2011
CFS	2007-2009	Same	Actual 2011
A	2008-2009	Same	Actual 2011
I	2007-2009	Same	Actual 2011
Pop, D-Pop	July 2010 OFM report, adjusted for annexations known approved to occur in or prior to 2011.	Same (corrected if necessary for annexations approved after August 2010 and effective during or before 2011)	July 2011 OFM report, adjusted for annexations approved after April 2011 to take effect in 2011

Calculation Periods: Service Year 2012

Component	Preliminary Estimated 2012 Payment (published August 2011)	Estimated 2012 10 Payment (published December 2011)	Reconciliation Payment Amount (determined June 2013)
ER	Actual 2010	Same	Actual 2012
CFS	Actual 2010	Same	Actual 2012
A	Actual 2010	Same	Actual 2012
I	Actual 2010	Same	Actual 2012
Pop, D-Pop	July 2011 OFM report, adjusted for annexations known approved to occur in 2012.	Same (corrected if necessary for annexations approved after August 2011 and effective during or before 2012)	July 2012 OFM report, corrected if necessary for annexations approved after April 2012 to take effect in 2012

Exhibit C-7

Payment and Calculation Schedule

Service Year 2010 (July 1, 2010 – December 31, 2010)

Item	Date
Final Estimated 2010 Payment calculation provided to City by County	August 1, 2010
2010 Estimated Payment payable by City (or County, if a credit is calculated)	January 15, 2011
Reconciliation Adjustment Amount for 2010 calculated by County; City notified	On or before June 30, 2011
Reconciliation Adjustment Amount for 2010 payable by City (or County, if a credit is calculated)	August 15, 2011

Service Year 2011

Item	Date
Preliminary estimate of 2011 Estimated Payments provided to City by County	August 1, 2010
Final Estimated 2011Payment calculation provided to City by County	December 15, 2010
First 2011 Estimated Payment due	June 15, 2011
Second 2011 Estimated Payment due	December 15, 2011
2011 Reconciliation Adjustment Amount calculated	On or before June 30, 2012
2011 Reconciliation Adjustment Amount payable	August 15, 2012

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Service Year 2012

Item	Date
Preliminary estimate of 2012 Estimated Payments provided to City by County, (together with notice of reminder of deadline for giving notice of intent not to automatically extend Agreement an additional two years.)	August 1, 2011
Final Estimated 2012 Payment calculation provided to City by County	December 15, 2011
Notice of Intent not to Automatically Extend Agreement due	May 1, 2012
First 2012 Estimated Payment due	June 15, 2012
Second 2012 Estimated Payment due	December , 2012
2012 Reconciliation Adjustment Amount calculated	On or before June 30, 2013
2012 Reconciliation Adjustment Amount payable	On or before August 15, 2013

If the Agreement is extended past December 31, 2012, the schedule is developed in the same manner as described above for years 2011 and 2012.

See Section 4 of Agreement for additional details on Extension of the Agreement Term for an additional two years.

Dates for remittal to County of pet license sales revenues processed by Cities (per section 3.c)	**Quarterly, each March 31, June 30, September 30, December 31**

Exhibit D
Reconciliation

The purpose of the reconciliation calculation is to adjust payments made each Service Year by Contracting Parties to reflect actual use, population, licensing rates and licensing and non-licensing revenue data as compared to the Estimated Payments made. To accomplish this, an **Adjusted Payment** "**AP**" calculation is made each June for each Contracting City, ***using the same formulas from Exhibit C but substituting actual values*** as described below (with one additional component calculation related to Enhanced Service Contracts).

For Service Year 2010, **AP** is calculated based on actual values from the six month period of the Agreement from July-December 2010, compared against the 2010 Final Estimated Payment for the same six month period, thus:

EP – AP = R

For Service Years 2011 and beyond, **AP** is an annualized number, and is compared to the total Estimated Payments owed by the Party for the Service Year ("**EP x 2**") to determine a **Reconciliation Adjustment Amount ("R")**, thus:

(EP x 2) – AP = R

The value of "**R**" can be positive or negative; *provided that* in no event shall a City receiving a Transition Funding Credit for the Service Year pay less than $0 for receipt of Animal Services in that year, and in no event shall a City receiving a Resident Usage Credit or Impact Mitigation Credit for the Service Year pay less than $2,750 (annualized) for receipt of Animal Services in that year if Bothell is served, nor less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is *not* served in such year (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

As described in **Exhibit C**, the amount of the Estimated Payment(s) ("**EP**") for each Service Year are derived from applying **Budgeted Net Allocable Costs** and ***historical*** (**Calculation Period**) use, population and licensing data to the formulas set forth in **Exhibit C. These formulas are restated below, substituting actual value components** (denoted by an "A" in subscript) for purposes of calculating "**AP**." **Terms not otherwise defined here have the meanings set forth elsewhere in Exhibit C or the body of the Agreement.**

AP = [AC + AS +AL - AR – T –U – M]

Where**:**

AC = {[(C_A x .25) x .5] x CFS_A} + {[(C_A x. 25) x .5] x D-Pop_A} + O

AS *(for "Northern Cities" with shelter contracts with PAWS)* **= (S_A x .5 x Pop_A) ÷ 2**

AS *(for all other cities)* **= [S_A x .5 x Pop_A)] + (ESP_A x Pop_{2A}) + (S_A x .5 x A_A)**

AL = [(L_A x .5 x Pop_A) + (L_A x .5 x I_A)]

And where:

"AC" is the City's adjusted share of the Control Services Cost for the Service Year.

"AS" is the City's adjusted share of the Shelter Services Cost for the Service Year.

"AL" is the City's adjusted share of the Licensing Services Cost for the Service Year.

"**T**" is the Transition Funding Credit, if any, for the Service Year, provided that the Transition Credit will be limited if necessary so that the value of **AP** is not less than zero.

"**U**" is the Resident Usage Credit, if any, for the Service Year, provided that the Resident Usage Credit will be limited if necessary so that the value of **AP** is not less than $2,750 (annualized) for receipt of Animal Services in that year if Bothell is served and not less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

"**M**" is the Impact Mitigation Credit, if any, for the Service Year, provided that the Impact Mitigation Credit will be limited if necessary so that the value of **AP** is not less than $2,750 (annualized) for receipt of Animal Services in that year if Bothell is served and not less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

"AR" is **Actual Licensing Revenue** attributable to the City, based on actual Licensing Revenues received from residents of the City in the Service Year. (License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete

address information), will be allocated amongst the Parties based on their respective percentages of total AR).

"C_A" is **Adjusted Budgeted Net Allocable Control Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Control Services in the Service Year, ***less*** the Actual Total Non-Licensing Revenue attributable to Control Services in the Service Year.

"CFS_A" is the actual total annual number of Calls for the Service Year for animal control services originating within the City *expressed as a percentage* of the CFS_A for all Contract Parties within the Control District. Calls responded to by an Animal Control Officer dedicated to the City per an Enhanced Service Contract are not included in the calculation of CFS_A.

"D-Pop_A" is the **Adjusted Population** of the City, *expressed as a percentage* of the Population of all jurisdictions within the applicable Control District (pro- rated if necessary to account for annexations over 2,500 occurring during the Service Year)

"Pop_A" is the Adjusted Population of the City *expressed as a percentage* of the Population of all Contracting Parties (pro-rated if necessary to account for annexations over 2,500 occurring during the Service Year)

"**O**" is the Support Cost Adjustment Factor amount associated with Enhanced Control Service, if any, as further described in **Exhibit D-1**.

"S_A" is the **Adjusted Budgeted Net Allocable Shelter Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Shelter Services ***less*** Actual Total Non-Licensing Revenue attributable to Shelter operations (i.e., adoption fees, microchip fees, impound fees, owner-surrender fees, from all Contracting Parties) in the Service Year.

"ESP_A" is the is the sum of all reduced shelter costs allocable to all cities qualifying for such reduced charge in the Service Year (thus incorporating values of **Pop_A**).

"A_A" is the sum of the actual number of animals that during the Service Year that were: (1) picked up by County Animal Control Officers from within the City, (2) delivered by a City resident to the County shelter, or (3) delivered to the shelter that are owned by a resident of the City, *expressed as a percentage* of the total number of animals in the County shelter during the Service Year.

"L_A" is the **Adjusted Budgeted Net Licensing Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for License Services in the Service Year ***less*** Actual Total Non-Licensing Revenue attributable to License Services (for example, pet license late fees) in the Service Year.

"I_A" is the actual number of active paid regular pet licenses (e.g., excluding buddy licenses or temporary licenses) issued to City residents during the Service Year.

If the resulting calculation shows that the City's **AP** for the Service Year is *less than* **EP** for Service Year 2010 (**EP x 2** for Service Years 2011 and beyond), the difference ("**R**") shall be paid to the City by the County not later than August 15; provided that **R** shall be limited such that in no event shall the City pay less than zero for Animal Services for the Service Year if the City received a Transition Credit, and not less than $2750 (annualized) in that year if Bothell is served and not less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

If the resulting calculation shows that the City's AP is *more than* the EP for the Service Year, the difference ("**R**") shall be paid by the City to the County not later than August 15.

Exhibit D-1

Calculation of Support Cost Adjustment Factor
Associated with Enhanced Control Service ("O")

The Support Cost Adjustment Factor is intended re-allocate certain indirect costs associated with Animal Control Officers (ACOs) when an Enhanced Control Service Contract is in place for any Contracting Party and the Enhanced Service is being provided during Regular ACO Service Hours as defined in Exhibit A, Part I, Section 2.a.

If a Contracting Party purchases Enhanced Control Service during any part of a Service Year, and that Enhanced Control Service is provided **during Regular ACO Service Hours**, then a Support Cost Adjustment Factor ("**O**") will be calculated for all Contracting Parties ***in the same Control District.*** This calculation will be applied as part of the reconciliation process.

If no Contracting Party within the Control District purchased Enhanced Control Service during any part of a Service Year, or if Enhanced Control Service was purchased but was **not provided during Regular ACO Service Hours**, then there is no Support Cost Adjustment Factor (that is, the value of "**O**" is zero).

If "**O**" is not zero, its value will be calculated as follows:

First, identify the *Non-Direct Service Support Costs for Control Services in a single Control District* (including the management, animal cruelty sergeant, call center and IT costs and general overhead costs; excluding salary, benefits, vehicle and equipment costs).

Second, divide this Non-Direct Service Support Cost number by 2 (since half these costs are funded through the population-based factor in calculation of "**CA**"), to derive the *Allocable Support Costs*.

Third, divide the *Allocable Support Costs* by 6 (the number of regular ACOs funded in the base service model) **plus** the number of Enhanced Animal Control Service Officers providing service in the Control District. *For example*, if a City (or Cities) in the Control District has purchased .5 FTE equivalent of Enhanced Service, the divisor is 6.5. The resulting dollar amount is then multiplied by the FTE equivalent for the Enhanced Service officer (in this example, .5) to derive the *Support Cost Adjustment Factor*.

The *Support Cost Adjustment Factor* is then applied as follows to determine the value of "**O**" for each Contracting Party in the Control District:

1. One Half the Support Cost Adjustment Factor multiplied by the Contracting Party's percentage of Calls for Service (**CFSA**) is applied as a **reduction in costs for all Contracting Parties** in the Control District.

2. One Half the Support Cost Adjustment Factor (shared pro rata if Parties are sharing an Enhanced Control Service officer within the same Control District) is applied as an **addition in costs** for the Contracting Party purchasing Enhanced Service.

A hypothetical example follows, based on 2010 *Annualized Costs*, assuming .5 FTE Enhanced Control Service purchased by 1 City in a Control District:

Total Allocable Control Service Costs in the base model (excluding costs of enhanced service officer):	$1,698,500
Allocable Control Service Costs per District ($1,698,500 ÷ 4)	$424,625
Non-Direct Service Support Costs for Control Services in a Single Control District	$196,450
Allocable Support Costs (allocable based on Use) ($196,450 ÷ 2)	$98,225
Support Cost Adjustment Factor ($98,225 ÷ 6.5) x .5FTE	$7,556
Assume 4 Parties in Control District City A % of Calls for Service, actual (CFSA) = 20% City B CFSA = 30% City C CFSA = 10% County CFSA = 40% Assume City A purchases .5 FTE Enhanced Control Service for the full Service Year. Resulting 2010 annualized costs for "O" shown for each City and County in the rows below:	
City A value of "O" is an additional cost of ($7,556÷ 2) - [20% x ($7,556 ÷ 2)] = $3,778 - $75 6 = $3,022	$3,022
City B value of "O" is a cost reduction of 30% x ($7,556 ÷ 2)	- $1,133
City C value of "O" is a cost reduction of 10% x ($7,556 ÷ 2)	- $378
County value of "O" is a cost reduction of 40% x ($7,556 ÷ 2)	- $1,511

Exhibit E

Enhanced Control Services Contract (Optional)

Between City of _____ ("City") and King County ("County")

The County is prepared to offer Enhanced Control Services to the City subject to the terms and conditions as described herein. **The provisions of this Exhibit are optional and shall not be effective unless this Exhibit is executed by both the City and the County and the City and the County have entered into the underlying Agreement.** The Parties may agree to enter into this Enhanced Control Services Contract ("Contract") at any point during the term of the Animal Services Interlocal Agreement between the City and the County dated effective July 1, 2010 ("Agreement") and prior to August 1, 2011.

A. The County shall provide enhanced Control Services to the City in the form of an animal control officer dedicated to the City ("Dedicated Officer") as described in **Attachment A (Enhanced Service Options Matrix).** Such services shall be provided for the period of time and cost described on **Attachment A** and may not be for a term of less than one year except as per subparagraph 1 below. Costs identified in **Attachment A** are for one (1) year of service, in 2010 dollars, and include the cost of the employee (salary, benefits), equipment and animal control vehicle for the employee's use. Thus, the cost for service for July 1 through December 31, 2010 will be one-half the amount shown in **Attachment A.** Annual costs are subject to adjustment each year, limited by the Annual Budget Inflator Cap (as defined in the Agreement).

1. Notwithstanding the foregoing, a City requesting enhanced control services beginning in July 2010 can require that its Contract term end on December 31, 2010, in the event the County implements (at the County's expense) an additional 2 days per week of Control Services countywide beginning in January 2011 (resulting in 7-day per week/8 hour day minimum). If such additional service is not funded by the County, the City's Contract for enhanced Control Services will remain in effect for such longer period as the City has requested (not less than one-year in total).

B. Services of the Dedicated Officer shall be in addition to the Animal Services otherwise provided to the City by the County through the Agreement. Accordingly, the calls responded to by the Dedicated Officer shall **not** be incorporated in the calculation of the City's Calls for Service (as further described in **Exhibit C and D** to the Agreement). However, if the City is requesting that the Enhanced Service occur during Regular ACO Service Hours, the City will pay a Support Cost Adjustment Factor as part of the

Reconciliation Adjustment Amount, calculated per **Exhibit D-1** of the Agreement, in addition to the costs described herein.

C. The scheduling of work by the Dedicated Officer shall be determined by mutual agreement of the contract administrators identified in Section 16 of the Agreement, and the mutual agreement of officials of other Cities named as contract administrators that have committed to sharing in the expense of the Dedicated Officer; provided in the event the parties are unable to agree, the County shall have the right to finally determine the schedule of the Dedicated Officer in order to best meet the requests of multiple cities in light of work rules applicable to the Dedicated Officer.

D. Control Services to be provided to the City pursuant to this Enhanced Services Contract include Control Services of the type and nature as described under the Agreement with respect to Animal Control Officers serving in Control Districts, and include but are not limited to, issuing written warnings, citations and other enforcement notices and orders on behalf of the City, or such other services as the Parties may reasonably agree.

E. The County shall provide the City with a general quarterly calendar of scheduled service in the City, and a monthly report of the types of services offered and performed.

F. An FTE will be scheduled to serve 40 hour weeks, however, with loss of service hours potentially attributable to vacation, sick leave, training and furlough days, a minimum of 1600 hours per year will be provided. Similarly, a half-time FTE will provide a minimum of 800 hours per year. The County shall submit to the City an invoice and billing voucher at the end of each calendar quarter, excepting that during the 4th quarter of each year during the term of this Contract, an invoice shall be submitted to the City no later than December 15th. All invoiced amounts shall be payable by the City within 30 days of the invoice date.

G. The City or County may terminate this Enhanced Services Contract with or without cause upon providing not less than 3 months written notice to the other Party; provided that, if the City is sharing the Enhanced Control Services with other Contracting Cities, this Contract may only be terminated by the City if: (1) all such other Contracting Cities similarly agree to terminate service on such date, or (2) if prior to such termination date another Contracting City or Cities enters into a contract with the County to purchase the Enhanced Control Service that the City wishes to terminate; *provided further*: except as provided in Paragraph A.1, a Contract may not be terminated if the term of service resulting is less than one year.

H. All terms of the Agreement, except as expressly stated otherwise in this Exhibit, shall apply to this Enhanced Control Services Contract. Capitalized Terms not defined herein have those meanings as set forth in the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Enhanced Services Contract to be executed effective as of this ____ day of _____, 201__.

King County	City of _____
_____	_____
Dow Constantine King County Executive	By: Mayor /City Manager
_____	_____
Date	Date
Approved as to Form:	Approved as to Form:
_____	_____
Deputy Prosecuting Attorney	City Attorney

Exhibit E: Attachment A
ENHANCED CONTROL SERVICES OPTION REQUEST
(to be completed by City requesting Enhanced Control Services; final service terms subject to adjustment by County and agreement by City and will be confirmed in writing executed and appended to Exhibit E)

City_____

Requested Enhanced Control Services Start Date: _____

Requested Enhanced Control Services End Date: _____*
***term of service must be at least one year, except as provided in Paragraph A.1 (alternate service end date must be provided in event sales tax vote is not approved).**

% of Full Time Equivalent Officer (FTE) requested: _____ (minimum request: 20%; requests must be in multiples of either 20% or 25%)

General Description of desired services (days, hours, nature of service):
_____
_____
_____.

Cities with whom the City proposes to share the Enhanced Control Services, and proposed percentages of an FTE those Cities are expected to request:
_____
_____
_____
_____.

On behalf of the City, the undersigned understands and agrees that the County will attempt to honor requests but reserves the right to propose aggregated, adjusted and variously scheduled service, *including but not limited to adjusting allocations of service from increments of 20% to 25%*, in order to develop workable employment and scheduling for the officers within then-existing workrules, and that the City will be allowed to rescind or amend its request for Enhanced Control Services as a result of such proposed changes.

Requests that cannot be combined to equal 50% of an FTE, 100% of an FTE, or some multiple thereof may not be honored. Service must be requested for a minimum term of one-year, except as permitted by Paragraph A.1. .Service may not extend beyond the term of the Agreement.

City requests that alone or in combination with requests of other Cities equal at least 50% of an FTE will be charged at the rate in Column 1 below.

City requests that alone or in combination with other requests for Enhanced Control Services equal 100% of an FTE will be charged at the rate in Column 2 below.

Cities may propose a different allocation approach for County consideration.

An FTE will be scheduled to serve 40 hour weeks, however, with loss of hours potentially attributable to vacation, sick leave, training and furlough days, a minimum of 1600 hours per year will be provided. A half-time FTE will provide a minimum of 800 hours per year. *For example*, a commitment to purchase 20% of an FTE for enhanced service will result in provision of not less than 320 hours per year.

Hours of service lost for vacation, sick leave, training and furlough days will be allocated on ***pro rata*** basis between all cities sharing the services of that FTE.

Column 1: Aggregate of 50% of an FTE Requested by all Participating Cities	**Column 2:** Aggregate of 1 FTE Requested by all Participating Cities
Cost to City: (% of Half-Time FTE requested) x $75,000/year in 2010* *Example:* if City A requests 25% of an FTE ** and City B requests 25% of an FTE**, then each city would pay $18,750 for Enhanced Control Services from July 1, 2010 through December 31, 2011. **(50% of a Half-Time FTE)	Cost to City: (% of FTE requested) x $115,000/year in 2010 * *Example:* If City A requests 25% of an FTE and City B requests 25% of an FTE and City C requests 50% of an FTE, Cities A and B would pay $14,375 and City C would pay $28,750 for Enhanced Control Services from July 1, 2010 through December 31, 2011.

*2010 annual cost; subject to annual inflator adjustment as described in Paragraph A.

Request Signed as of this ___ day of _____ , 2010.
City of _____
By:_____
Its _____

Council Meeting: 06/15/2010
Agenda: Other Business
Item #: 8. h. (1).

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Tracey Dunlap, Director of Finance and Administration
Carol Wade, Accountant

Date: June 4, 2010

Subject: 2009 Annual Transportation and Park Impact Fees Report

RECOMMENDATION:

City Council accepts the 2009 Annual Transportation and Park Impact Fee Report.

BACKGROUND DISCUSSION:

RCW 82.02.070 related to impact fees provides that: "Annually, each county, city or town imposing impact fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees." This report is presented to the City Council in response to that requirement.

The City began collecting impact fees for transportation in June 1999 and for parks in August 1999. Although impact fees are not required to be tracked and applied to projects by zones per the ordinances, impact fees are being tracked by zones for administrative purposes (see Attachment C for map). Tracking the collection and subsequent transfer of impact fees helps to analyze what area(s) of the city development is occurring in and how funding of future capacity projects is related to the amount of development.

For 2009, $382,549 in transportation impact fees and $200,850 in park impact fees were collected. Attachment A summarizes by zone all impact fees that were collected during 2009.

The East zone had the greatest amount of activity which accounted for 71% of transportation impact fees. The two largest developments were Lake Washington Technical College's three story building addition located in the East zone and Trinity at the Beach's four story mixed use building located in the Northwest zone. Multi-family/non-residential development was largely responsible for the transportation impact fees collected from all zones.

Single family development in the Northwest zone contributed about 35% of the total parks-related impact fees collected in 2009. Garden Gate Homes' twelve home single family development within the Northwest zone was the largest park impact fee contributor.

Two transportation projects were funded with transportation impact fees in 2009. In the Northeast zone, NE 120 St Roadway Extension (CST0057000) received $672,000 and in the Southwest zone, NE 68th/108th Ave Intersection Improvements (CTR0085000) received $562,000 including transfers from the accumulated impact fee balance.

Park impact fees were used for the Teen Center and McAuliffe Park debt service payments of $44,650 and $231,415 respectively.

Attachment B is a cumulative report showing total transportation and park impact fees collected per zone since inception. The development at Evergreen Hospital was largely responsible for the cumulative transportation impact fees collected in the Northeast zone. The Southwest zone includes several large multi-family developments that have contributed to the fees collected in that area. The three primarily residential areas in the East, Northwest and Southwest zones continue to be the source of collections for park impact fees.

The 2009 year end fund balance for transportation impact fees was $331,459 and for park impact fees was $111,290. These amounts include interest and are net of impact fee revenues transferred to eligible transportation and park capacity projects and debt service payments, funded in whole or part by impact fees. The City's practice is to allocate impact fee-related revenues to qualifying capital projects in the order that they are received (i.e., first-in, first-out).

The following table shows impact fee revenues expended on projects and debt service payments since 1999.

Year	Project name (Project number)	Transportation	Parks
1999	No CIP projects were funded from impact fees in 1999.		
2000	6th St/Central Way Intersection Improvements (CTR0066000)	$ 41,072 *	
	NE 68th St/State St Intersection Improvements (CTR0061000)	$ 18,000	
	NE 85th St/124th Ave Intersection Improvements (CTR0062000)	$ 21,900	
	NE 124th St/100th Ave Intersection Improvements (CTR0063000)	$ 17,700	
	NE 132nd St/100th Ave Intersection Improvements (CTR0064000)	$ 13,200	
2001	118th Ave NE Roadway Extension (CST0060000)	$ 15,989 *	
2002	No CIP projects were funded from impact fees in 2002.		
2003	NE 124th St/124th Ave Intersection Improvements (CTR0070000)	$ 50,000	
2004	NE 128th Street/I-405 Overpass (CST0069000)	$ 500,000	
	NE 124th St/124th Ave Intersection Improvements (CTR0070000)	$ 100,000	
2005	NE 128th Street/I-405 Overpass (CST0069000)	$ 267,800	
	NE 124th St/124th Ave Intersection Improvements (CTR0070000)	$ 329,600	
	Heritage Park Development (CPK0095000)		$ 40,000 *
2006	NE 124th St/124th Ave Intersection Improvements (CTR0070000)	$ 499,200	
	NE 120th Street Roadway Extension (CST0057000)	$ 200,000	
	NE 85th St/132nd Ave NE Intersection Improvement Phase I (CTR0078000)	$ 107,400	
	NE 85th St/114th Ave Intersection Improvements (CTR0079000)	$ 302,900	
	NE 85th St/124th Ave NE Intersection Improvements (CTR0062000)	$ 175,000	
	Heritage Park Development (CPK0095000)		$ 120,000
2007	124th Ave NE Roadway Improvements (CST0059000)	$ 89,919 *	
	NE 120th Street Roadway Extension (CST0057000)	$ 309,000	
	Heritage Park Development (CPK0095000)		$ 155,000

Year	Project name (Project number)	Transportation	Parks
2008	124th Ave NE Roadway Improvements (CST0059000)	$ 40,000	
	NE 85th St/132nd Ave NE Intersection Improvement Phase I (CTR0078000)	$ 279,000	
	NE 68th/108th Ave Intersection Improvements (CTR0085000)	$ 400,000	
	NE 85th St/114th Ave Intersection Improvements (CTR0079000)	$ 356,000	
	NE 85th/124th Ave Intersection Improvements (CTR0080000)	$ 179,000	
	Park Acquisition-Shelton Property (CPK0131001)		$ 81,573
	Park & Open Space Acquisition Program (CPK0131000)		$ 367,500
	Teen Center Debt Service Payment		$ 40,185
	McAuliffe Park Debt Service Payment		$ 231,365
2009	NE 120th Street Roadway Extension (CST0057000)	$ 672,000	
	NE 68th/108th Ave Intersection Improvements (CTR0085000)	$ 562,000	
	Teen Center Debt Service Payment		$ 44,650
	McAuliffe Park Debt Service Payment		$ 231,415
	Total impact fee revenues transferred to projects through 2009 **	**$ 5,546,680**	**$1,311,688**

* The amounts shown are net amounts as funding was returned to the impact fee account for three transportation projects that were completed and had funds remaining (CST0059000, CST0060000 and CTR0066000). For parks, money was reprogrammed from other park projects to the Heritage Park Development (CPK0095000) in 2005.

** Includes transfer of interest on impact fee balances.

It is noteworthy to mention that impact fees were modified following an impact fee rate study in 2007. Effective February 1, 2008, impact fee rates were increased substantially for both transportation and park impact fees. The increase in park impact fees provides for the debt service payment of McAuliffe Park and a portion of the Teen Center beginning in 2008, per the recommendation of the study. Despite the fee increases, 2009 total impact fee collections were less than 2008 due to transportation decreasing by 34% which reflects the significant decline in development activity due to the economic downturn.

Attachments (3)

cc: Dave Snider, Interim Capital Projects Manager
Rob Jammerman, Development Engineering Manager
Jennifer Schroder, Parks & Community Services Director
Michael Cogle, Parks Planning & Development Manager
Teresa Swan, Senior Planner
Sri Krishnan, Financial Planning Manager

Attachment A

City of Kirkland

2009 Impact Fee Report - Summary

Zone Collected	Amount Collected	
	Transportation	Parks
East		
Multi-Family/Non-Residential	$248,105	$0
Single Family Residential	$25,203	$26,631
Subtotal East	**$273,308**	**$26,631**
Northeast		
Multi-Family/Non-Residential	$25,902	$31,470
Subtotal Northeast	**$25,902**	**$31,470**
Northwest		
Multi-Family/Non-Residential	$56,203	$38,488
Single Family Residential	$0	$71,099
Subtotal Northwest	**$56,203**	**$109,587**
Southwest		
Multi-Family/Non-Residential	$15,661	$28,132
Single Family Residential	$11,475	$5,030
Subtotal Southwest	**$27,136**	**$33,162**
Total Collected - All Zones	**$382,549**	**$200,850**

Attachment A

City of Kirkland

Transportation Impact Fee Tracking - 2009 Revenue

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
East - Multi-Family/Non-Residential			
1/8/2009	JOHN CUEVAS	$3,501	BLD08-00270
1/20/2009	MIA Song	$13,754	LSM08-00030
7/10/2009	CORP. OF CATHOLIC ARCHBISHOP SEATTL	$38,346	BLD09-00103
8/18/2009	LAKE WASHINGTON TECHNICAL COLLEGE	$192,504	BLD09-00074
	subtotal:	**$248,105**	
East - Single Family Residential			
1/7/2009	CHARLES HAMMOND	$3,432	BLD08-00559
3/23/2009	2,4,8 CONSTRUCTION LLC	$3,432	BLD08-00718
3/23/2009	2,4,8 CONSTRUCTION LLC	$3,432	BLD08-00719
3/23/2009	2,4,8 CONSTRUCTION LLC	$3,432	BLD08-00720
6/15/2009	VICTOR RAZUMOVICH	$3,825	BLD09-00018
11/6/2009	DANIEL THONN	$3,825	BLD09-00178
12/3/2009	KEESLING MAXINE L	$3,825	BLD09-00310
	subtotal:	**$25,203**	
Northeast - Multi-Family/Non-Residential			
5/6/2009	HUNT PACIFIC MANAGEMENT CORP	$12,072	BLD08-00696
5/6/2009	HUNT PACIFIC MANAGEMENT CORP	$12,072	BLD08-00697
8/4/2009	NICK FOURNARAKIS	$1,758	BLD08-00110
	subtotal:	**$25,902**	
Northwest - Multi-Family/Non-Residential			
1/29/2009	MCANDREWS NORTHWEST LLC	($8,706)	BLD06-00919
3/18/2009	TRINITY @ THE BEACH LLC	$49,224	BLD07-00996
3/18/2009	TRINITY @ THE BEACH LLC	$2,431	BLD07-00996
3/18/2009	TRINITY @ THE BEACH LLC	$13,254	BLD07-00996
	subtotal:	**$56,203**	
Southwest - Multi-Family/Non-Residential			
1/16/2009	LINBROOK BUILDING 11 & 12 LLC	$12,243	BLD08-00710
7/30/2009	WEST WATER REAL ESTATE	$10,907	BLD09-00231
10/23/2009	NELGROUP PROPERTIES, L.L.C.	$12,472	BLD09-00257
11/16/2009	FOSTER FOUNDATION	$3,338	BLD09-00236
12/1/2009	NELGROUP PROPERTIES, L.L.C.	($12,472)	BLD09-00257

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
12/28/2009	BENJAMIN GREENE	($10,827)	BLD07-00107
	subtotal:	**$15,661**	
Southwest - Single Family Residential			
10/7/2009	CAMWEST DEVELOPMENT	$3,825	BLD09-00346
10/9/2009	CAMWEST DEVELOPMENT	$3,825	BLD09-00371
12/22/2009	CAMWEST NETTLETON COMMONS LLC	$3,825	BLD09-00434
	subtotal:	**$11,475**	
	Total Transportation Impact Fees:	**$382,549**	

Attachment A

City of Kirkland

Park Impact Fee Tracking - 2009 Revenue

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
East - Single Family Residential			
1/7/2009	CHARLES HAMMOND	$3,621	BLD08-00559
3/23/2009	2,4,8 CONSTRUCTION LLC	$3,621	BLD08-00718
3/23/2009	2,4,8 CONSTRUCTION LLC	$3,621	BLD08-00719
3/23/2009	2,4,8 CONSTRUCTION LLC	$3,621	BLD08-00720
5/6/2009	MERIT HOMES	$612	BLD07-01115
5/6/2009	MERIT HOMES	$3,845	BLD09-00028
7/28/2009	VICTOR RAZUMOVICH	$3,845	BLD09-00018
12/3/2009	KEESLING MAXINE L	$3,845	BLD09-00310
	subtotal:	**$26,631**	
Northeast - Multi-Family/Non-Residential			
5/6/2009	HUNT PACIFIC MANAGEMENT CORP	$15,090	BLD08-00696
5/6/2009	HUNT PACIFIC MANAGEMENT CORP	$15,090	BLD08-00697
8/4/2009	NICK FOURNARAKIS	$1,290	BLD08-00110
	subtotal:	**$31,470**	
Northwest - Multi-Family/Non-Residential			
3/18/2009	TRINITY @ THE BEACH LLC	$36,120	BLD07-00996
3/25/2009	THEM VUONG	$2,368	BLD07-01144
	subtotal:	**$38,488**	
Northwest - Single Family Residential			
1/5/2009	SUNDQUIST HOMES, LLC	$3,621	BLD08-00664
1/5/2009	SUNDQUIST HOMES, LLC	$3,621	BLD08-00668
1/9/2009	SUNDQUIST HOMES, LLC	$3,621	BLD08-00673
1/30/2009	SUNDQUIST HOMES, LLC	$3,621	BLD08-00674
2/4/2009	SUNDQUIST HOMES, LLC	$3,621	BLD08-00672
2/4/2009	SUNDQUIST HOMES, LLC	$3,845	BLD08-00676
3/12/2009	SUNDQUIST HOMES, LLC	$3,621	BLD08-00675
5/27/2009	BRIAN WARNER	$3,845	BLD09-00081
7/10/2009	BILL SMYTHE	($612)	BLD06-00669
8/21/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00182
8/21/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00183
8/21/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00184

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
8/21/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00185
9/9/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00276
9/9/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00278
9/9/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00280
9/9/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00282
9/11/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00279
9/11/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00281
10/28/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00334
10/28/2009	GARDEN GATE HOMES LLC	$3,845	BLD09-00335
12/21/2009	BRIAN WARNER	($3,845)	BLD 09-00081
	subtotal:	**$71,099**	
Southwest - Multi-Family/Non-Residential			
9/17/2009	RDM SRMK 101 LLC	$28,380	BLD08-00066
12/28/2009	BENJAMIN GREENE	($248)	BLD07-00107
	subtotal:	**$28,132**	
Southwest - Single Family Residential			
10/9/2009	CAMWEST DEVELOPMENT	$2,515	BLD09-00371
12/22/2009	CAMWEST NETTLETON COMMONS LLC	$2,515	BLD09-00434
	subtotal:	**$5,030**	
	Total Park Impact Fees:	**$200,850**	

Attachment B

City of Kirkland
Cumulative Impact Fee Report - Summary
1999-2009

Zone Collected	Amount Collected	
	Transportation	Parks
East		
Multi-Family/Non-Residential	$1,211,747	$65,234
Single Family Residential	$402,711	$292,577
Subtotal East	**$1,614,458**	**$357,811**
Northeast		
Multi-Family/Non-Residential	$1,441,636	$31,470
Single Family Residential	$9,660	$612
Subtotal Northeast	**$1,451,296**	**$32,082**
Northwest		
Multi-Family/Non-Residential	$626,071	$309,986
Single Family Residential	$258,462	$240,359
Subtotal Northwest	**$884,533**	**$550,345**
Southwest		
Multi-Family/Non-Residential	$1,392,771	$288,778
Single Family Residential	$150,437	$79,134
Subtotal Southwest	**$1,543,208**	**$367,912**
Total Collected - All Zones	**$5,493,495**	**$1,308,150**

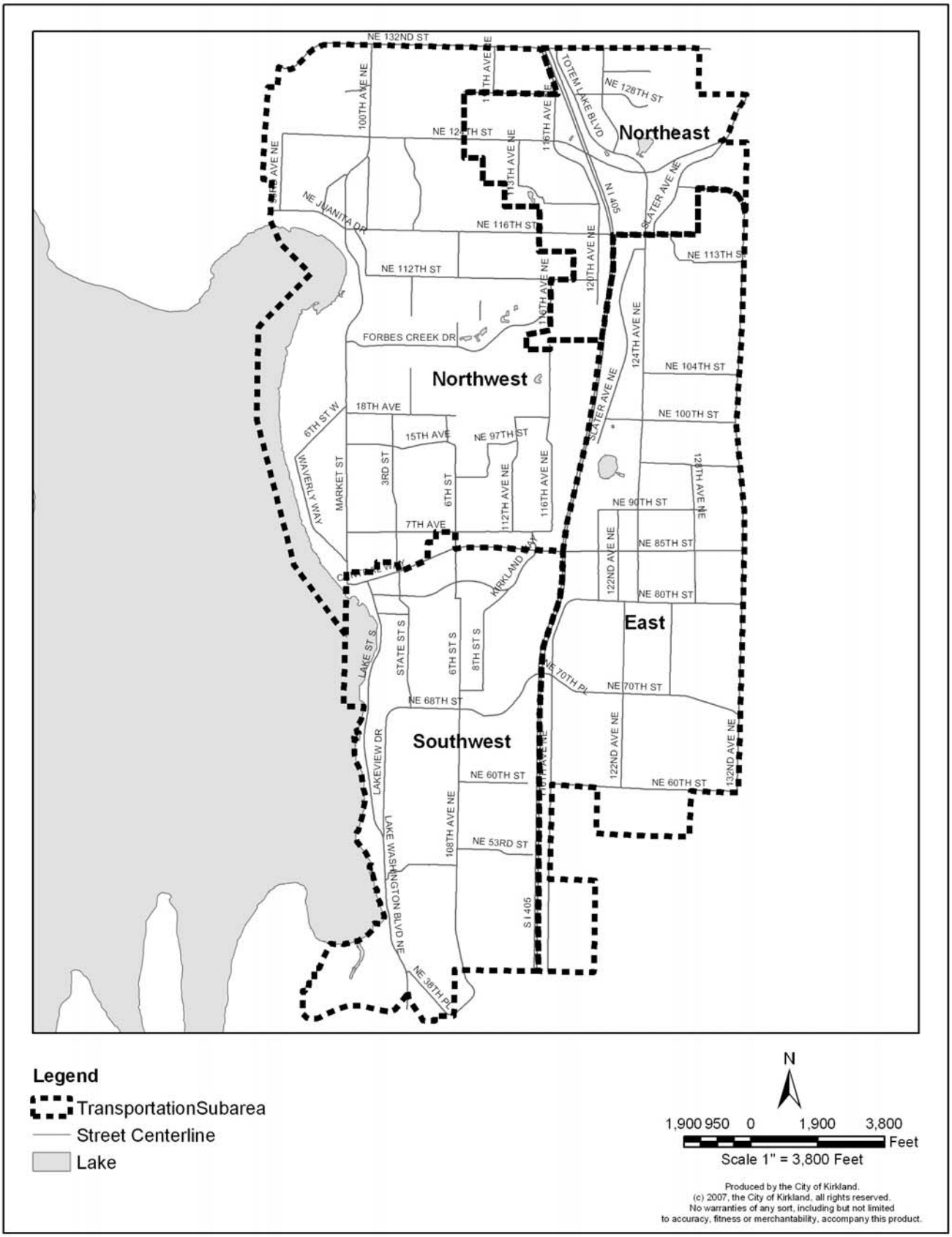

Figure T-5: Transportation Subareas

Council Meeting: 06/15/2010
Agenda: Other Business
Item #: 8. h. (2).

CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: City Council

From: Marilynne Beard, Interim City Manager

Date: June 7, 2010

Subject: CONFIRMATION OF APPOINTMENT TO THE CIVIL SERVICE COMMISSION

RECOMMENDATION:

City Council confirms the City Manager's appointment of Terry Coonan to the unexpired remainder of a six-year term on the Kirkland Civil Service Commission effective June 16, 2010 and ending on December 31, 2012.

BACKGROUND DISCUSSION:

KMC 3.54.010 provides for appointments to the Civil Service Commission by the City Manager with the confirmation of the City Council. Appointments are for six-year terms. Mr. Coonan is being appointed to replace Robert Wahl, who resigned last month.

Council Meeting: 06/15/2010
Agenda: Other Business
Item #: 8. h. (3).

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Ray Steiger, P.E., Interim Public Works Director
Rob Jammerman, Development Engineering Manager

Date: June 2, 2010

Subject: RESOLUTION TO RELINQUISH THE CITY'S INTEREST IN A PORTION OF UNOPENED RIGHT-OF-WAY

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution relinquishing the City's interest in a portion of unopened alley abutting the property of 809 16th Ave W.

BACKGROUND DISCUSSION:

The unopened portion of the alley was originally platted and dedicated in 1890 as Blewett's First Addition to Kirkland. The Five Year Non-User Statute (Vacation by Operation of Law), Laws of 1889, Chapter 19, Section 32, provides that any street or right-of-way platted, dedicated, or deeded prior to March 12, 1904, which was outside of a City jurisdiction when dedicated and which remains unopened or unimproved for five continuous years is then vacated. The subject right-of-way, further described as: *the easterly 8 feet of the unopened alley abutting the westerly boundary of the following described property: Lot 5, Block 42, Map of Kirkland, as per plat recorded in Volume 6 of Plats, page 53, and Lot 5 in Block 42 of Blewett's First Addition to Kirkland, as per plat recorded in Volume 6 of Plats, page 82, records of King County Auditor*, has not been opened or improved and thus is subject to the non-user statute.

Robert and Viera Lee, the owners of the property abutting this right-of-way, submitted information to the City claiming the right-of-way was subject to the Five Year Non-User Statute. After reviewing this information, the City Attorney believes and Public Works concurs that the approval of the enclosed resolution is permissible.

Attachments (2)

Lee Residence Non-User Vacation
809 16th Avenue West

Lee Residence

Proposed Vacation

Granted Non-User Vacations

CITY OF KIRKLAND WASHINGTON

Produced by the City of Kirkland.

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Printed June 2010 - Public Works

RESOLUTION R-4821

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS ROBERT M. AND VIERA H. LEE

WHEREAS, the City has received a request to recognize that any rights to the land originally dedicated in 1890 as right-of-way abutting a portion of the Blewett's First Addition to Kirkland have been vacated by operation of law; and

WHEREAS, the Laws of 1889, Chapter 19, Section 32, provide that any county road which remains unopened for five years after authority is granted for opening the same is vacated by operation of law at that time; and

WHEREAS, the area which is the subject of this request was annexed to the City of Kirkland, with the relevant right-of-way having been unopened; and

WHEREAS, in this context it is in the public interest to resolve this matter by agreement,

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

Section 1. As requested by the property owners Robert M. and Viera H. Lee, the City Council of the City of Kirkland hereby recognizes that the following described right-of-way has been vacated by operation of law and relinquishes all interest it may have, if any, in the portion of right-of-way described as follows:

A portion of unopened alley being identified as the easterly 8 feet of the unopened alley abutting the westerly boundary of the following described property: Lot 5, Block 42, Map of Kirkland, as per plat recorded in Volume 6 of Plats, page 53, AND Lot 5 in Block 42 of Blewett's First Addition to Kirkland, as per plat recorded in Volume 6 of Plats, page 82, records of King County Auditor; situate in the City of Kirkland, County of King, State of Washington.

Section 2. This resolution does not affect any third party rights in the property, if any.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2010

Signed in authentication thereof this _____ day of _____, 2010.

_____
MAYOR

Attest:

_____
City Clerk

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Barry Scott, Purchasing Agent

Date: June 3, 2010

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF JUNE 15, 2010

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 May 19, 2010, are as follows:

	Project	Process	Estimate/Price	Status
1.	Retrofitting Street Lights with LED Lamps (ARRA funds)	Cooperative Purchase & Request for Quotes	$128,400	LED lamps being purchased from WA State Contract ($96,400). LED fixtures being purchased using Request for Quotes (Est. $32,000).

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

Council Meeting: 06/15/2010
Agenda: Unfinished Business
Item #: 10. a.

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

MEMORANDUM

To: Marilynne Beard, Interim City Manager

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

Date: June 3, 2010

Subject: NE 85th Street Corridor Improvements – Authorize Condemnation

RECOMMENDATION:

It is recommended that the City Council approve the attached ordinance authorizing staff to proceed with acquisition of right-of-way and associated property rights through Eminent Domain (a.k.a. condemnation) for parcels in the first phase of the NE 85th Street Corridor Improvements.

BACKGROUND:

The NE 85th Street Corridor Improvements combine six CIP projects for the improvements of this vital business corridor with continuous sidewalks, traffic signal upgrades, new capacity at key locations, storm water quality improvements and undergrounding of aerial utility lines for a portion of the corridor. As envisioned in the Rose Hill Business District Plan, and developed in partnership with the 85th Street businesses, and the North and South Rose Hill Neighborhoods, the improvements seek to address key goals of importance for business vitality and neighborhood quality of life. To ensure a safer pedestrian experience and to revitalize the business environment, the work includes significant new improvements where there currently are none, such as sidewalks, landscape strips and retaining walls where needed, and requires the acquisition of new property and property rights. Staff most recently updated Council in May as to the status of the project including right-of-way negotiations and this memo includes recommendations on right-of-way issues to enable the project to continue to move forward.

Right-of-Way Acquisition

Previously, staff has reported on the significant number of parcels from which property rights are needed for the first phase of construction activity: the undergrounding of aerial utility lines along the majority of the corridor. Of the 33 parcels necessary to have property rights secured for the first phase, seven have signed and closed their negotiations with the City, one parcel the City owns (jointly with the City of Redmond), and one is having its "frontage" design modified in our design documents so as not to require a temporary construction easement. This yields 24 remaining parcels with which the City has not concluded negotiations. Attachment B includes a table summary of properties and the outreach work to each property owner to date.

Staff and the right-of-way consulting firm of Abeyta & Associates have worked extensively on all issues related to the negotiations with individual property owners as expediently as possible. As discussed in the May update to Council, the use of eminent domain is likely in order to facilitate the acquisition should negotiations reach an impasse. Staff is committed to exhausting all possible means of coordination and negotiation work prior to a decision of filing through the courts. As was in the case of the NE 68th Street / 108th Avenue NE Intersection Project, where Council approved use of eminent domain in April of this year, staff continues to coordinate with property owners on that project and has not yet filed any condemnation proceedings. With as many parcels and property owners as the 85th Street Improvements impact, it is likely that at least one and perhaps several properties will require that the condemnation process be undertaken.

RCW 8.12 authorizes and empowers cities to condemn land and property for public improvements such as those proposed for this project. Condemnation authority is not granted public entities as a coercive measure as much as it is to allow for the progress of improvements deemed in the public interest. In any action, it would be imperative that the public agency prove the necessity of the improvement. The statutes were written to prevent unreasonable demands being placed on public entities and to afford property owners a fair market value for their properties. Passing of the Ordinance by City Council at this time does not require condemnation proceedings through the courts, but will enable the City to move toward construction in the event an impasse is reached with any of the property owners. A best case scenario would be to resolve the right-of-way transaction without undertaking any condemnation action.

Schedule

Schedule information is contingent upon the successful conclusion of right-of-way negotiations, and the following are key timelines for the various 85th Street Project elements.

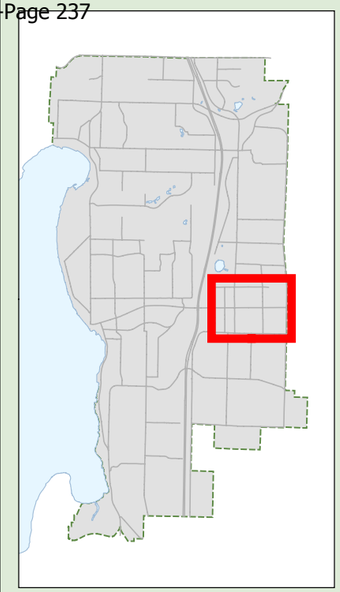
Project Contract	Design Complete	Construction Start
1. 114th / 85th Intersection	Summer 2010	Late Summer 2010
2. Underground Conversion	Summer 2010	Fall 2010
3. Roadway Improvements	Summer 2011	Fall 2011
4. Pavement Overlay	Fall 2011	Summer 2012

In order to meet the Project's key completion dates, the City must have the condemnation ordinance in place since the judicial process can take up to several months should it be required for any single parcel (Attachment C). Staff will continue to work with the property owners to address their concerns, to offer fair market value for the property, and to negotiate in good faith a just compensation package, however the mechanics of the ordinance will provide an opportunity to begin the necessary legal filings while working through negotiations.

Public Works staff has worked closely with the City Attorney's Office in preparing the attached ordinance and multiple attachments in order to fully comply with the requirements of this eminent domain process.

Attachments (6)

ATTACHMENT A
June 2010



Vicinity Map

0 3,800 7,600 11,400

Map Legend

No Property Rights Needed

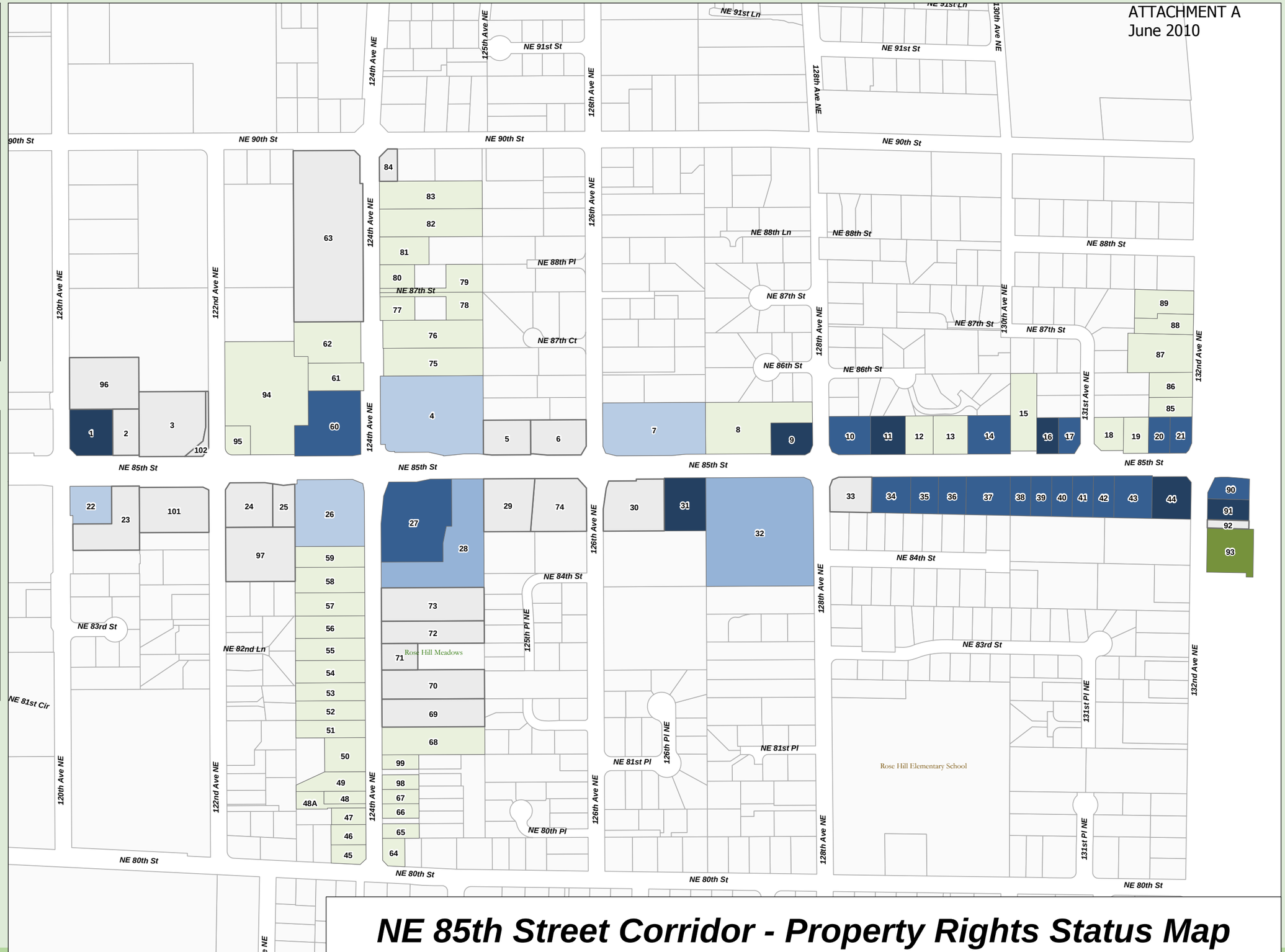
1st Contract Status

- Info Packets
- Appraisals
- Negotiations
- 2nd Offer
- Rights Secured

2nd Contract Status

- Info Packets
- Appraisals
- Negotiations
- 2nd Offer
- Rights Secured

0 150 300 450
Feet



NE 85th Street Corridor - Property Rights Status Map

Produced by the City of Kirkland.
© 2009, the City of Kirkland, all rights reserved.
No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

Map Created - May 15, 2009
Map Revised - May 18, 2009

H:\Pw\CIP group\Project Files\COMBINED\
NE 85th Street Corridor Improvements\ROW\Status Graphics\
NE_85th_Map_11x17.mxd

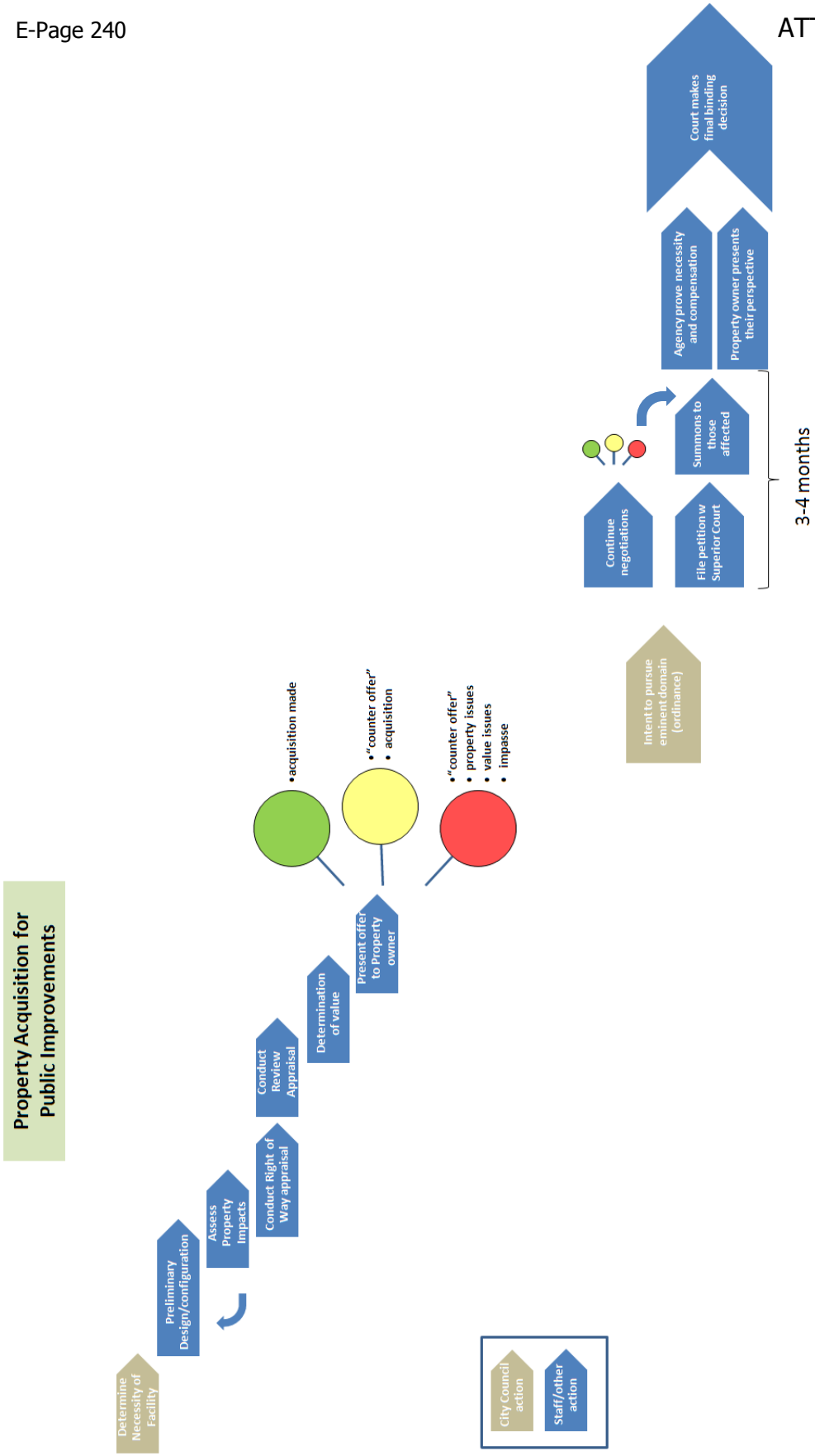
ATTACHMENT B

NE 85TH STREET CORRIDOR IMPR0VEMENTS PROJECTS

Tracking Parcel #	Tax Parcel Number	Property Owner	Property Address	Property Rights To Be Acquired	Property Rights Documentation	1st Request for Response	2nd Request for Response	3rd Request for Response	Other Notes
1	1238500132	AMERCO REAL ESTATE CO.	12000 NE 85th Street	Utility Easement (UE), Temporary Construction Easement (TCE)	Administrative Offer Summary (AOS)	3/18/2010	4/14/2010		Signed
4	1233100855	HOK ENTERPRISES LLC	12420 NE 85th Street	UE, TCE	AOS	Field meeting; extensive meetings regarding previous property rights issues			Sale & Purchase Agreement for old ROW Completed May 2010
7	1233100750	GUDAZ LLC	12620 NE 85th Street	TCE, Right-of-Way Improvement Easement (RIE)	AOS				Prior development recorded utility easement
9	1233100760	STUMPF, DAN & DENISE	12676 NE 85th Street	Right-of-Way Acquisition (ROW), TCE	AOS	3/9/2010			Signed
10	1241900016	ROSE HILL LLC NORTHSTREAM	12804 NE 85th Street	ROW, TCE	Certificate of Appraiser, Certificate of Value	3/22/2010	5/6/2010		
11	1241900014	D.S. EDISON LLC	12822 NE 85th Street	ROW, TCE	AOS	3/22/2010	4/20/2010		Signed
14	1241900015	GOODYEAR TIRE	12856 NE 85th Street	TCE	AOS	3/18/2010	5/6/2010		
16	8635700005	VALORIE E SOLEIBE	13012 NE 85th Street	ROW, Right-of-Way Improvement Easement (RIE), TCE	AOS	3/16/2010	4/2/2010; 4/29/2010 Remailed		Signed
17	8635700010	VJ PROPERTY LLC	13020 NE 85th Street	TCE	AOS	3/15/2010	5/6/2010		**Appointment to sign week of June 7, 2010**
20	8635500025	Merit Homes	13122 NE 85th Street	ROW, RIE, TCE	AOS	3/12/2010	4/19/2010		Coordinating with developers planning new building
21	8635500030	Merit Homes	8505 132nd Avenue NE	UE, ROW, RIE, TCE	AOS	3/12/2010	4/19/2010		Coordinating with developers planning new building
22	1233100216	US Bank, successor in interest to People's Bank of Washington as Trustee under Revocable Trust Agreement of Arthur Munson and Faye Etta Munson, dated December 19, 1979.	12005 NE 85th Street	UE, ROW	Appraisal				Revising Appraisal to address Business Sign impact
26	1233100400	HOK ENTERPRISES LLC	12345 NE 85th Street	UE, ROW, TCE	Appraisal	Field meeting; extensive meetings regarding previous property rights issues			Coupled with Parcel 4 also owned by Honda
27	1233100402	Kirkland WG Limited Partnership, a Washington partnership	12405 NE 85th Street	UE, ROW, TCE	Review Appraiser's Certificate #2	3/19/2010	5/7/2010		Expect signing soon. Concurred on value, negotiations between owner and lessee.

28	1233100405	SAFEWAY INC STORE (north)	12519 NE 85th Street	ROW, TCE	Appraisal	Rosa communicating with local Safeway rep			
31	1233100555	DEVERE CORPORATION	12633 NE 85th Street	ROW, TCE	AOS, Certificate of Appraiser	3/19/2010			Signed
32	1233100680	KAO FAMILY PARTNERSHIP	12637 - 12673 NE 85th Street	UE, TCE, RIE, ROW	Appraisal, Certificate of Appraiser	First offer presented			Amending first offer to address design changes; pending PSE design coordination
34	1241900036	HERIBERTO M PINA	12821 NE 85th Street	TCE, ROW, Anchor Easement (AE), Utility Overhang Easement (UOE)	Review Appraisal Certificate	3/9/2010	4/19/2010	5/10/2010	
35	1241900035	TIMOTHY J GAY	12841 NE 85th Street	RIE, UOE, ROW	Review Appraisal Certificate	4/19/2010	5/10/2010 Field meeting		
36	1241900034	ROSE HILL BLDG LLC	12845 NE 85th Street	ROW, TCE, UOE	Appraisal, Certificate of Appraiser, Review Appraiser's Certificate No. 2	3/26/2010	5/10/2010		Response to attorney mailed 4/19/2010
37	1241900037	ITO & ITO LLC	12857 - 12865 NE 85th Street	ROW, RIE, TCE, UOE	Review Appraisal Certificate	4/20/2010	5/10/2010		Response to attorney mailed 4/19/2011
38	1241900045	LENNON J MCADAMS II	13003 NE 85th Street	ROW, RIE, TCE, UOE	Review Appraisal Report	4/16/2010	5/7/2010		Received counter offer
39	1241900049	YOUTH EASTSIDE SERVICES INC	13009 NE 85th Street	ROW, RIE, TCE, UOE	AOS #1, Review Appraisal Certificate No. 3	3/19/2010	4/19/2010	5/10/2010	
40	1241900048	LAI & LIN CHEN YVAN SHOU-TSU	13015 NE 85th Street	ROW, RIE, TCE, UOE	Appraisal	3/11/2010	5/6/2010		
41	1241900051	WILLIAM JOHN WEBER	13021 NE 85th Street	ROW, RIE, TCE, UOE	Review Appraisal Certificate	4/19/2010	5/6/2010		
42	1241900052	LOOKS BY LORI, LLC	13027 NE 85th Street	ROW, RIE, TCE, UOE	Updated Appraisal, Review Appraisal Certificate No. 4, Appraisal	3/22/2010	5/7/2010		
43	1241900046	GRINBERG INVESTMENTS INC	13111 NE 85th Street	ROW, TCE, UOE	Review Appraisal Certificate, Appraisal	3/23/2010	5/7/2010		
44	1241900047	SEAWEST INVESTMENT ASSOCIATES	13131 NE 85th Street	TCE	AOS	3/26/2010			Signed
60	1238500235	MC DONALDS Corp	8515 132nd Avenue NE	TCE	AOS	3/19/2010; 3/26/2010	4/19/2010		Response to Rep mailed 5/5/2010. Counter offer being reviewed
91	0325059079	WILLIAM C MEYERS	8402 132nd Avenue NE	ROW, RIE, TCE	Certificate of Appraiser, Review Appraiser's Certificate No. 1, Appraisal	03/19/2010 & 04/01/2010			Signed
93	1237500760	Duane A. Gugeler and Kathryn L. Gugeler	8340 132nd Avenue NE	ROW, RIE, TCE	Review Appraisal Certificate No. 1	3/10/2010	5/7/2010		

ATTACHMENT C



ORDINANCE NO. 4245

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING AND PROVIDING FOR THE ACQUISITION OF INTERESTS IN LAND FOR THE PURPOSE OF CONSTRUCTION OF THE NE 85TH STREET CORRIDOR IMPROVEMENTS PROJECTS, WITHIN THE CITY OF KIRKLAND; PROVIDING FOR THE ACQUISITION OF NECESSARY LAND AND PROPERTY RIGHTS, PROVIDING FOR THE COST OF PROPERTY ACQUISITION AND AUTHORIZING THE INITIATION OF APPROPRIATE PROCEEDINGS IN THE MANNER PROVIDED BY LAW.

WHEREAS, the NE 85TH STREET CORRIDOR IMPROVEMENTS PROJECT comprises the following improvement projects contained in the Capital Improvement Program (CIP):

CNM0051 – Rose Hill Business District Sidewalks
CTR0078 – NE 85th Street / 132nd Avenue NE Intersection Improvements
CTR0079 – NE 85th Street / 114th Avenue NE Intersection Improvements
CTR0080 – NE 85th Street / 124th Avenue NE Intersection Improvements
CSD0025 – NE 85th Street Detention/Sediment Control; and
CST0075 – NE 85th Street Utility Underground Conversion

WHEREAS, the Kirkland City Council has, by Resolution R-4533 approved these projects in the six-year Transportation Improvement Program, and has, by Resolution R-4521 approved the 2006-2011 Capital Improvement Program; and

WHEREAS, the improvements are necessary to provide needed lane configurations, pedestrian facilities, and utility systems; and

WHEREAS, the City Council finds that the public health, safety, necessity, and convenience require construction of the improvements and acquisition of the property described in this Ordinance;

WHEREAS, the City has provided notice to affected property owners of this final action authorizing condemnation pursuant to RCW 8.25.290.

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

Section 1. The lands and property rights within the City of Kirkland, King County, Washington, described in Exhibit A attached to this Ordinance and which descriptions are hereby incorporated by reference, necessary for public road purposes, are hereby condemned, appropriated and taken for such public purposes, subject to the

payment of just compensation to the owners thereof in the manner provided by law.

Section 2. The projects listed above are fully-funded and the expense of acquiring said property rights shall be paid for from the appropriate funding source within the city's portion of general current revenue for each CIP project.

Section 3. The City Manager is authorized and directed to immediately begin and prosecute action and proceedings in the manner provided by the law to purchase, condemn, take, appropriate, and otherwise acquire the lands and other property rights and privileges necessary to carry out the purposes of this Ordinance.

Section 4. This Ordinance shall be in full force and effect five days from and after its passage by the Kirkland City Council and published pursuant to Section 1.08.017, Kirkland Municipal Code in the ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in regular, open meeting this _____ day of _____, 2010.

Signed in authentication thereof this _____ day of _____, 2010.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

EXHIBIT A page 1 of 2
PARCEL NO. 123310 0855
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE WEST 17.50 FEET OF THE NORTH 9.00 FEET OF LOT 11;

EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF KIRKLAND BY DEED RECORDED _____ UNDER RECORDING NO. _____.

CONTAINING 68 SQUARE FEET, MORE OR LESS.

PARCEL "A":

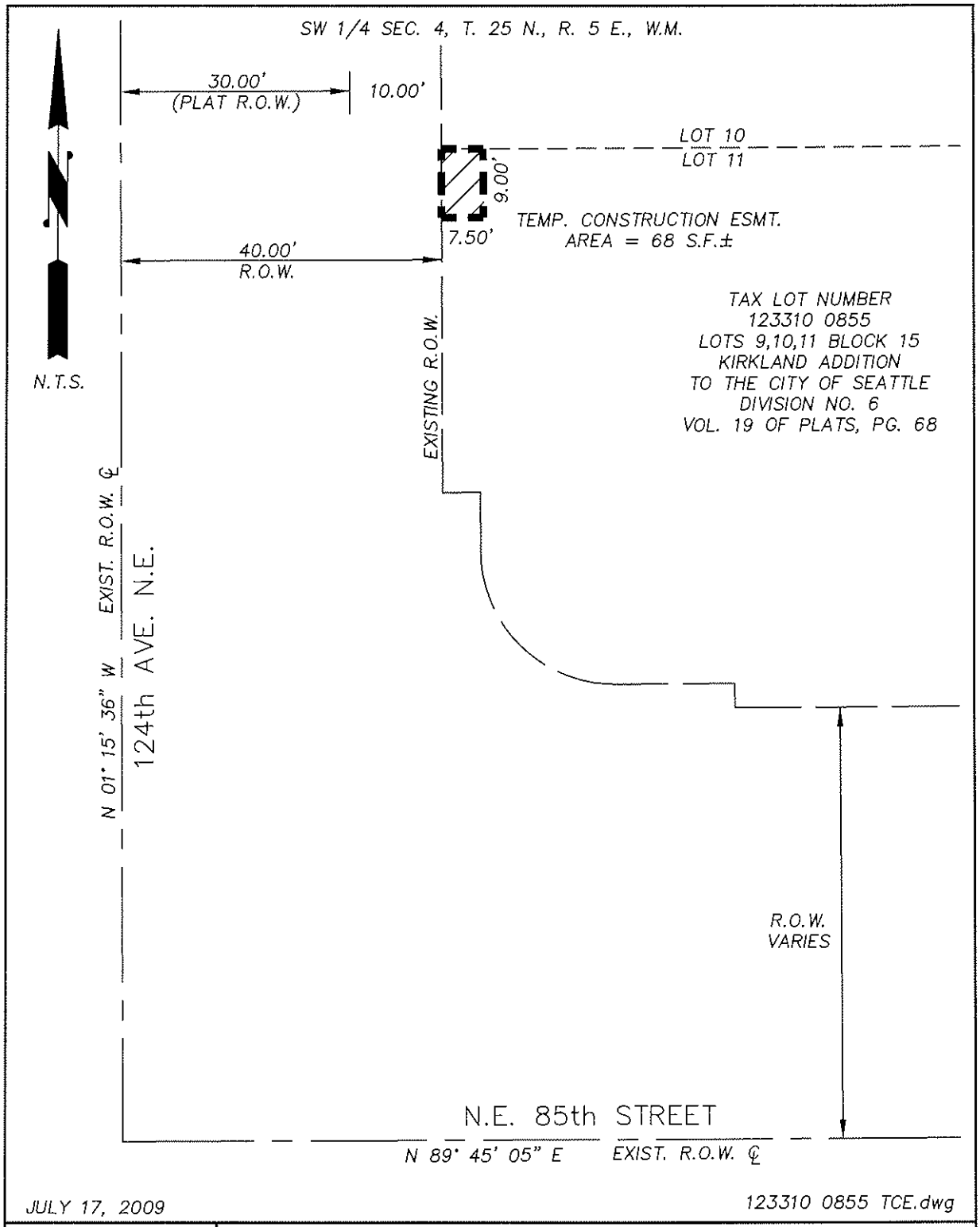
LOTS 9, 10 AND 11, BLOCK 15, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 68, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED MARCH 24, 1970 UNDER RECORDING NO. 6632539 FOR ROAD PURPOSES;

AND EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR N.E. 85TH STREET BY DEED RECORDED UNDER RECORDING NO. 6607951;

AND EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF KIRKLAND BY DEED RECORDED AUGUST 28, 2002 UNDER RECORDING NO. 20020828001723.

KPG
TACOMA · SEATTLE



JULY 17, 2009

123310 0855 TCE.dwg

KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 123310 0855
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 123310 0855
UTILITY EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE WEST 17.50 FEET OF THE NORTH 9.00 FEET OF LOT 11;

EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF KIRKLAND BY DEED RECORDED _____ UNDER RECORDING NO. _____.

CONTAINING 68 SQUARE FEET, MORE OR LESS.

PARCEL "A":

LOTS 9, 10 AND 11, BLOCK 15, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 68, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED MARCH 24, 1970 UNDER RECORDING NO. 6632539 FOR ROAD PURPOSES;

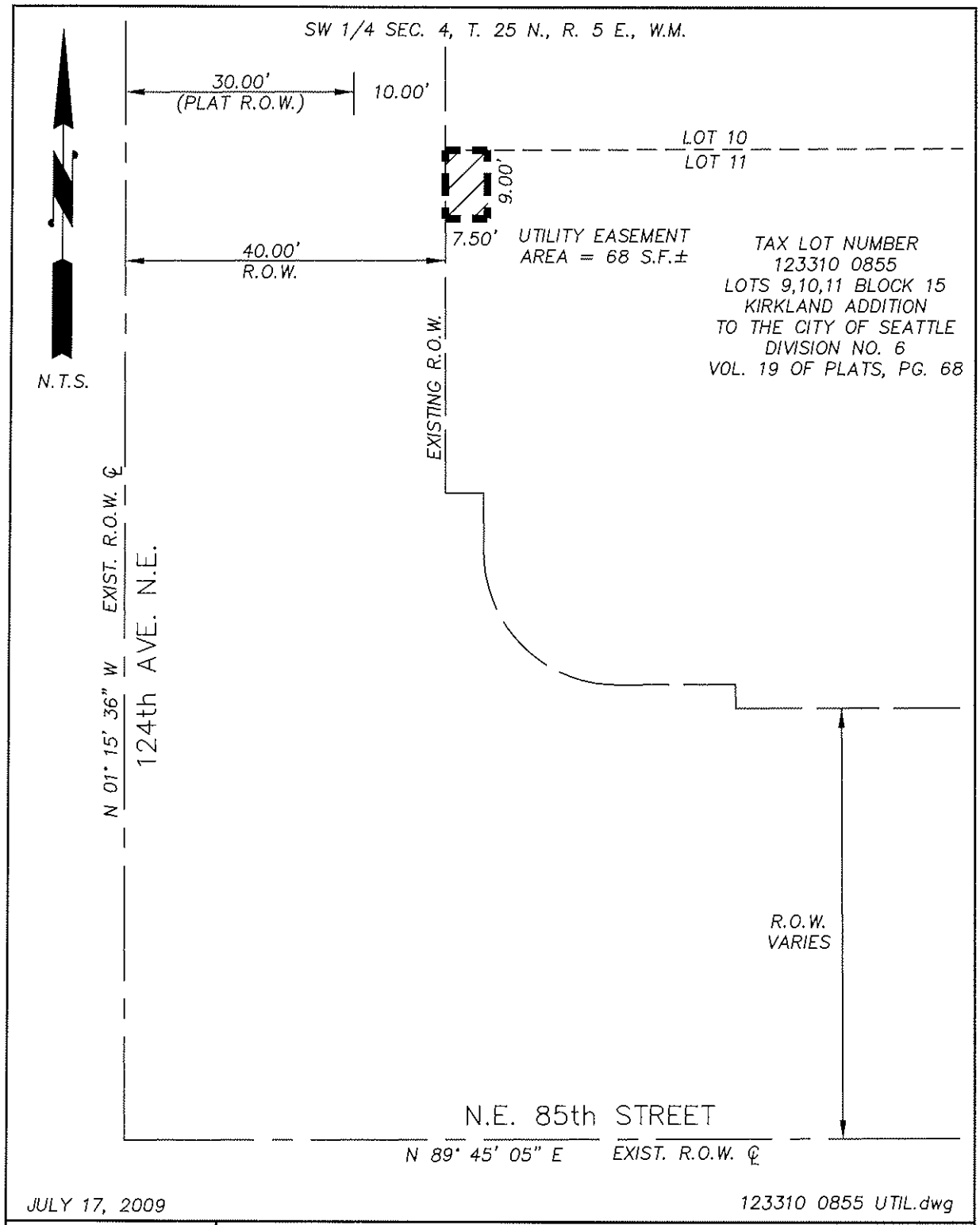
AND EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR N.E. 85TH STREET BY DEED RECORDED UNDER RECORDING NO. 6607951;

AND EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF KIRKLAND BY DEED RECORDED AUGUST 28, 2002 UNDER RECORDING NO. 20020828001723.

TIMOTHY W. WICKHAM
STATE OF WASHINGTON
21601
REGISTERED
PROFESSIONAL LAND SURVEYOR

8-20-09

KPG
TACOMA · SEATTLE



JULY 17, 2009

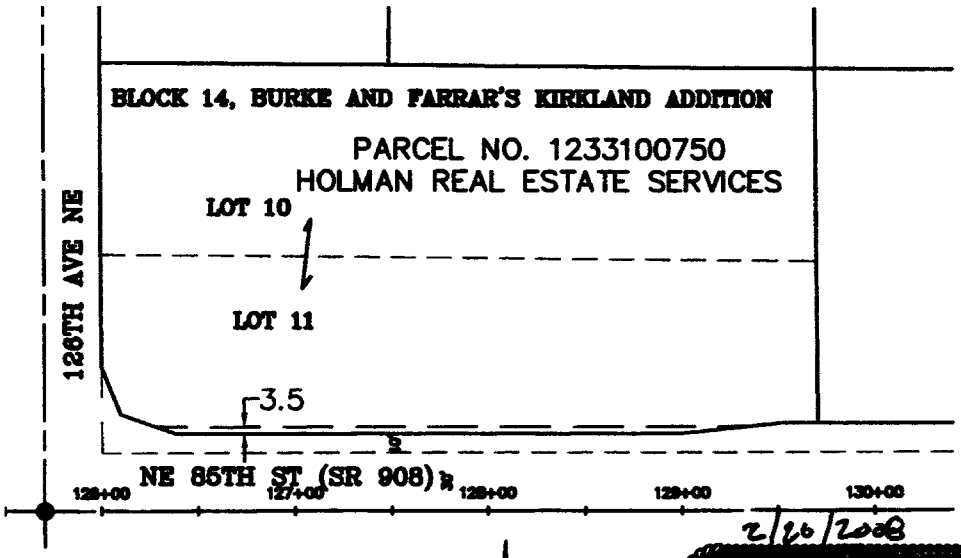
123310 0855 UTIL.dwg

KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

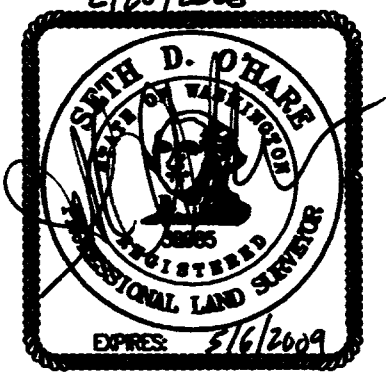
EXHIBIT A page 2 of 2
PARCEL 123310 0855
UTILITY EASEMENT

EXHIBIT A

NORTHWEST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



2/26/2008



1"=100'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH
SCALE ACCORDINGLY

RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

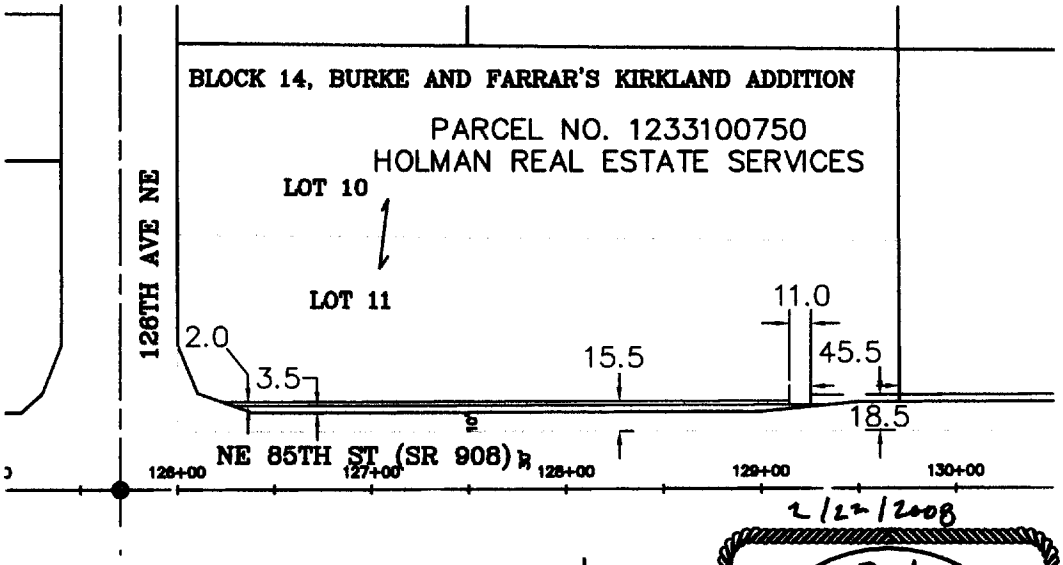
THE NORTH 3.50 FEET OF THE SOUTH 13.50 FEETOF LOT 11, BLOCK 14, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS ON PAGE 68, RECORDS OF KING COUNTY, WASHINGTON,
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 991 SQUARE FEET, MORE OR LESS.

DUANE HARTMAN & ASSOCIATES, INC.
— *Surveyors* —
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 123310-0750 DATE: 01/15/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh1.dwg PAGE ___ OF ___

EXHIBIT A

NORTHWEST QUARTER OF THE SOUTHEAST QUARTER SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M. CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



2/22/2008

1"=100'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

SETH D. OHMART
STATE OF WASHINGTON
38985
REGISTERED PROFESSIONAL LAND SURVEYOR
EXPIRES: 6/6/2009

TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THE NORTH 2.00 FEET OF THE SOUTH 15.50 FEET OF LOT 11, BLOCK 14, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS ON PAGE 68, RECORDS OF KING COUNTY, WASHINGTON;
EXCEPT THE EAST 56.50 FEET THEREOF;
TOGETHER WITH THE NORTH 6.00 FEET OF THE SOUTH 18.50 FEET OF THE EAST 45.50 FEET OF SAID LOT 11.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON. CONTAINING 633 SQUARE FEET OR 0.02 ACRES, MORE OR LESS.

DUANE HARTMAN & ASSOCIATES, INC.
— *Surveyors* —
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 123310-0750 DATE: 02/22/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh1.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 123310-0750
UTILITY EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 23.50 FEET OF THE WEST 11.00 FEET OF THE EAST 56.22 FEET OF LOT 11.

EXCEPT ANY PORTION THEREOF DEEDED FOR ROAD PURPOSES UNDER KING COUNTY RECORDING NO. 6626218.

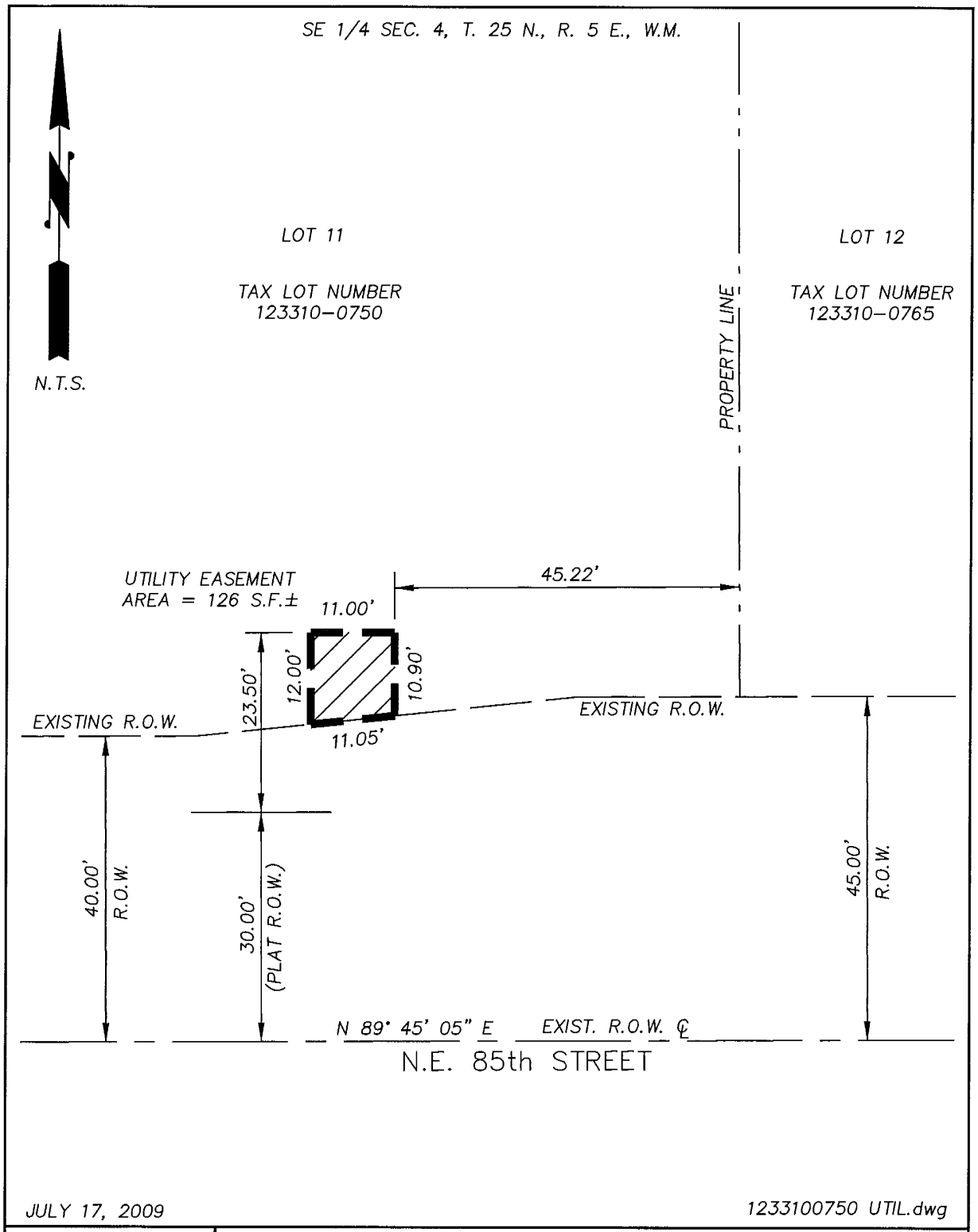
CONTAINING 126 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-210678, DATED JANUARY 25, 2006)

LOTS 10 AND 11, BLOCK 14, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 68, RECORDS OF KING COUNTY, WASHINGTON.

EXCEPT ANY PORTION THEREOF DEEDED FOR ROAD PURPOSES UNDER KING COUNTY RECORDING NO. 6626218.

KPG
TACOMA · SEATTLE

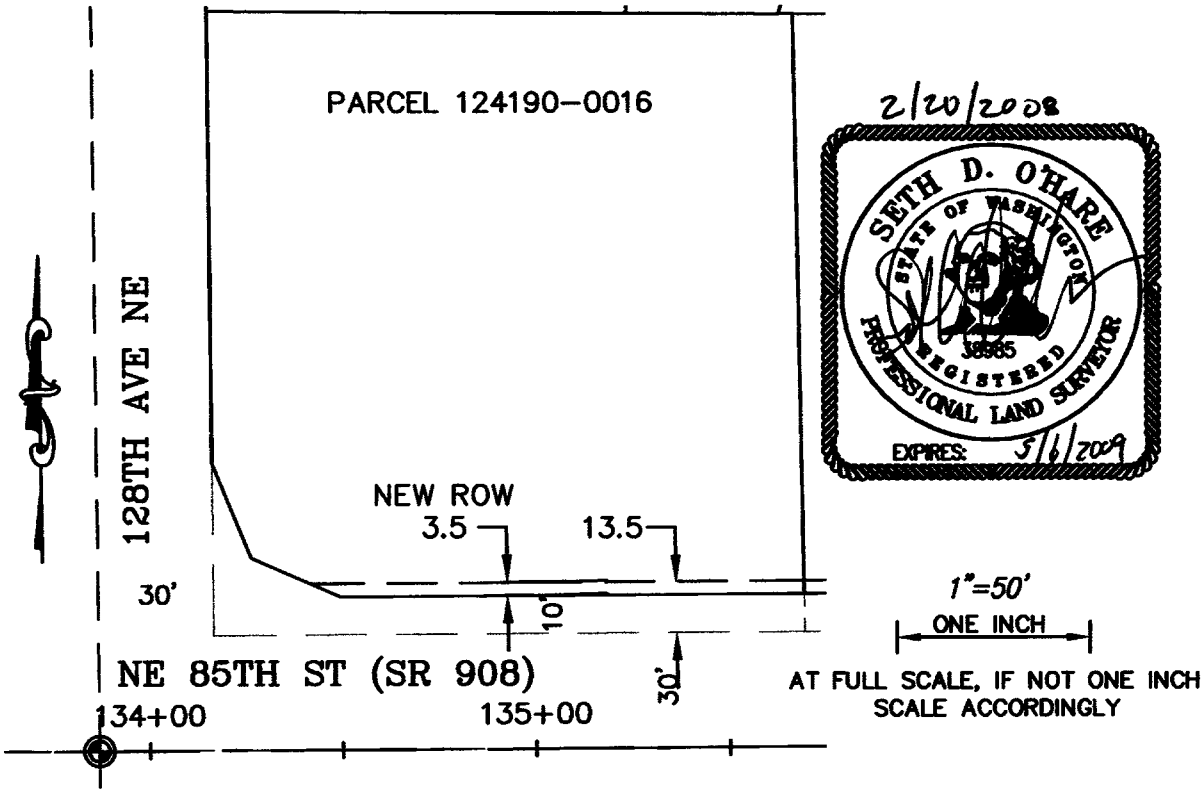


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 123310-0750
UTILITY EASEMENT

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



RIGHT OF WAY EASEMENT

THAT PORTION OF NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

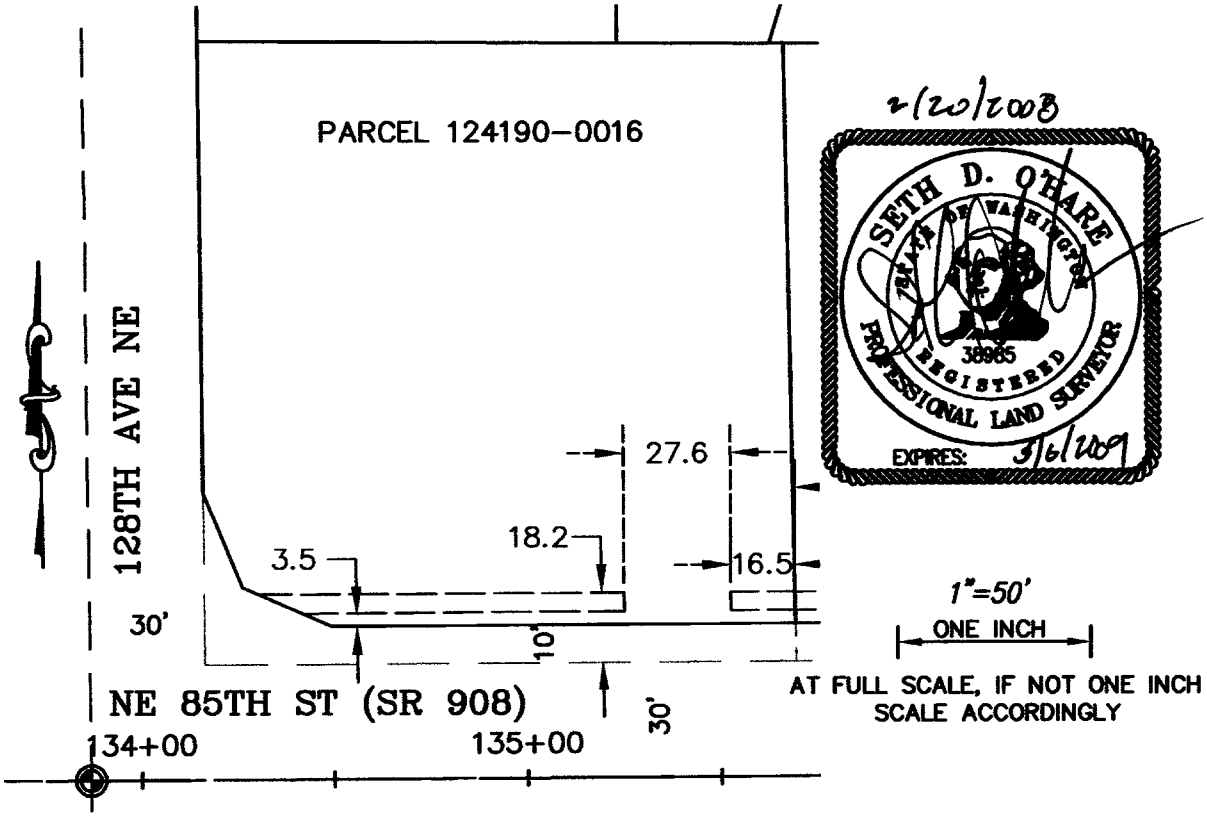
THE NORTH 3.50 FEET OF THE SOUTH 13.5 FEET OF THE WEST 150.00 FEET OF LOT 3, BLOCK 65, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON,EXCEPT ROADS.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON. CONTAINING 424 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0016 DATE: 11/26/2007
DRAWN BY: SDO
DRAWING NAME: 07-1216exh1.dwg PAGE ___ OF ___

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

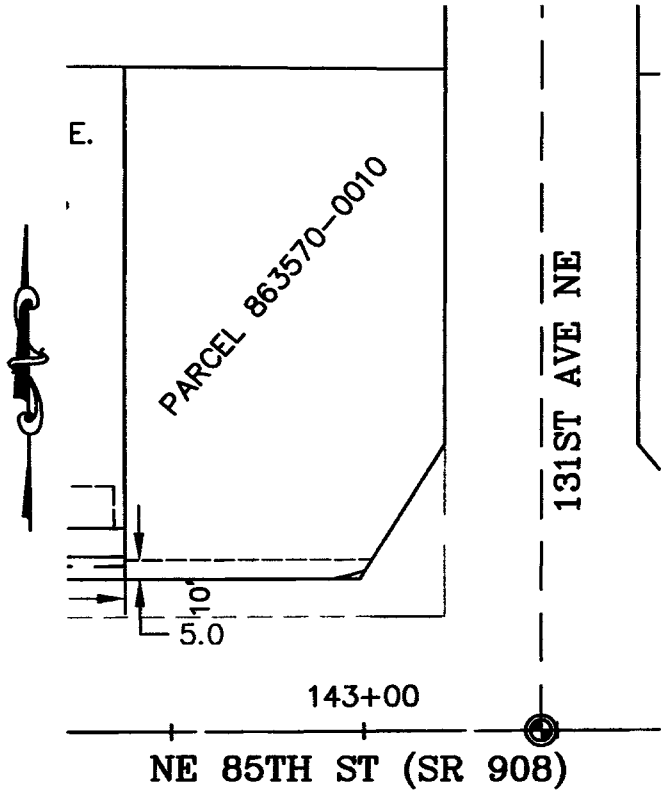
THE NORTH 4.70 FEET OF THE SOUTH 18.20 FEET OF THE WEST 150 FEET OF LOT 3, BLOCK 65, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON,
EXCEPT THE WEST 27.60 FEET OF THE EAST 44.10 FEET THEREOF.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON. CONTAINING 515 SQUARE FEET.

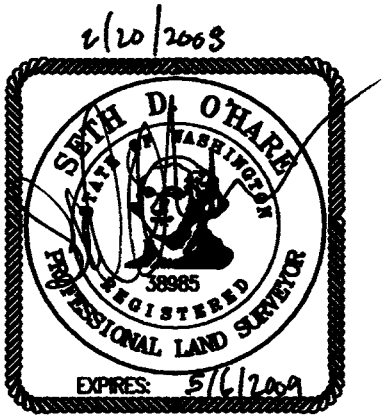
DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0016 DATE: 02/19/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh1.dwg PAGE ___ OF ___

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON





1"=50'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

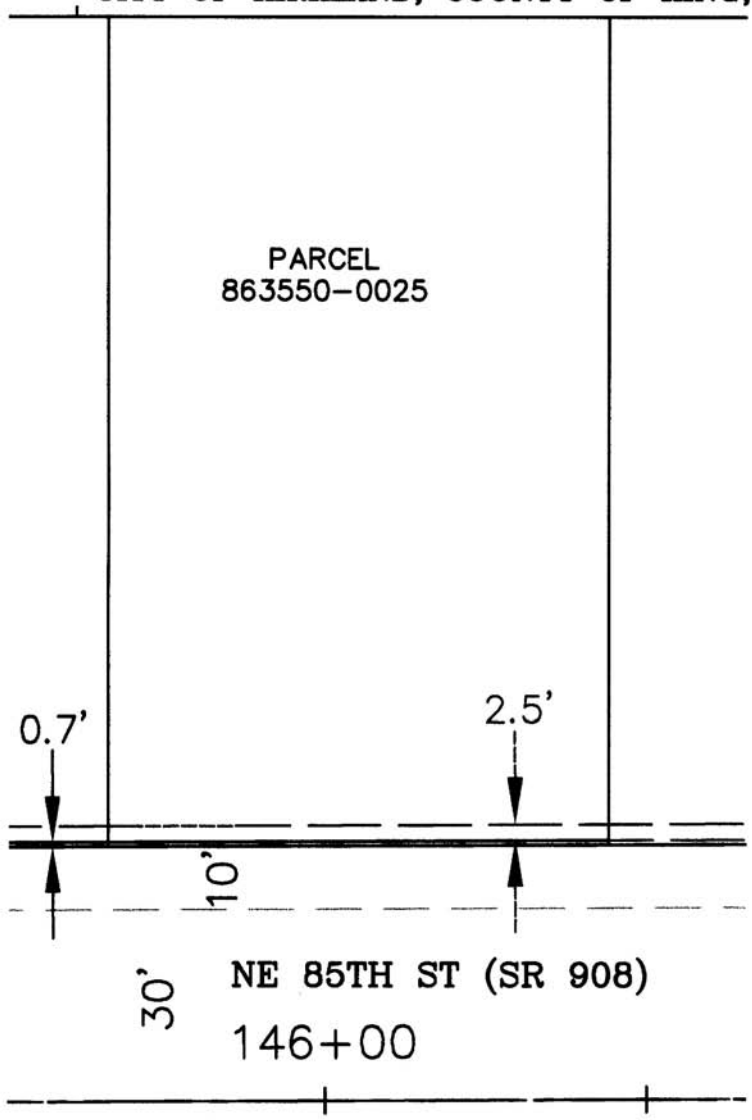
THE NORTH 5.00 FEET OF THE SOUTH 15.00 FEET OF LOT 2, THREE PINES ADDITION–DVISION NO. 2, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 56 OF PLATS ON PAGE 44, RECORDS OF KING COUNTY, WASHINGTON,
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 306 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 863570-0010 DATE: 02/06/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh2.dwg PAGE ___ OF ___

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=30'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

SETH D. O'HARE
STATE OF WASHINGTON
38985
REGISTERED
PROFESSIONAL LAND SURVEYOR

5/23/08

RIGHT OF WAY IMPROVEMENT EASEMENT

THE NORTH 2.50 FEET OF THE SOUTH 13.20 FEET OF LOT 5, OF PLAT OF THREE PINES ADDITION, DIVISION NO. 2, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 52 OF PLATS ON PAGE 31, RECORDS OF KING COUNTY, WASHINGTON;
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 195 SQUARE FEET MORE OR LESS.

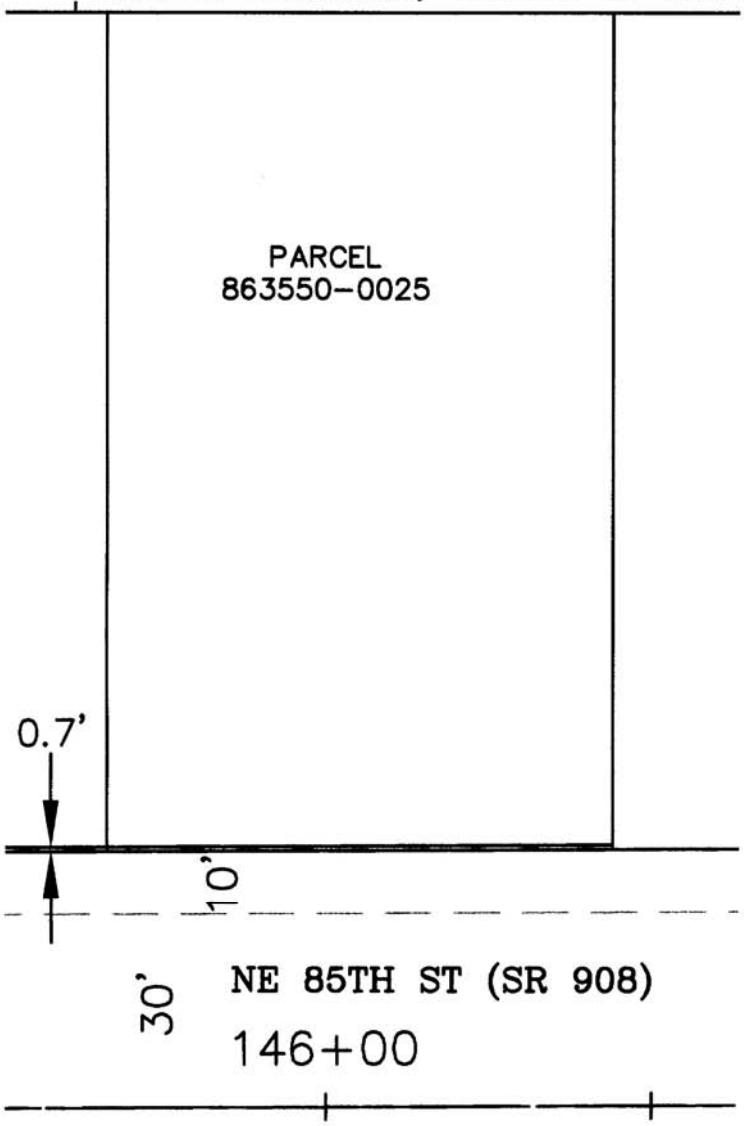
DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650

GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 863550-0025 DATE: 05/22/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh9.dwg PAGE 1 OF 1

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=30'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

5/23/08

RIGHT OF WAY

THE NORTH 0.70 FEET OF THE SOUTH 10.70 FEET OF LOT 5, OF PLAT OF THREE PINES ADDITION. DIVISION NO. 2, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 52 OF PLATS ON PAGE 31 RECORDS OF KING COUNTY, WASHINGTON;
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 55 SQUARE FEET MORE OR LESS.

DUANE HARTMAN & ASSOCIATES, INC.
— *Surveyors* —
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 863550-0025 DATE: 05/22/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh9.dwg PAGE 1 OF 1

EXHIBIT A page 1 of 2
PARCEL NO. 863550-0025
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A" DESCRIBED AS FOLLOWS:

THE NORTH 10.00 FEET OF THE SOUTH 13.20 FEET OF THE EAST 54.00 FEET;

TOGETHER WITH THE NORTH 10.00 FEET OF THE SOUTH 13.20 FEET OF THE WEST 5.00 FEET.

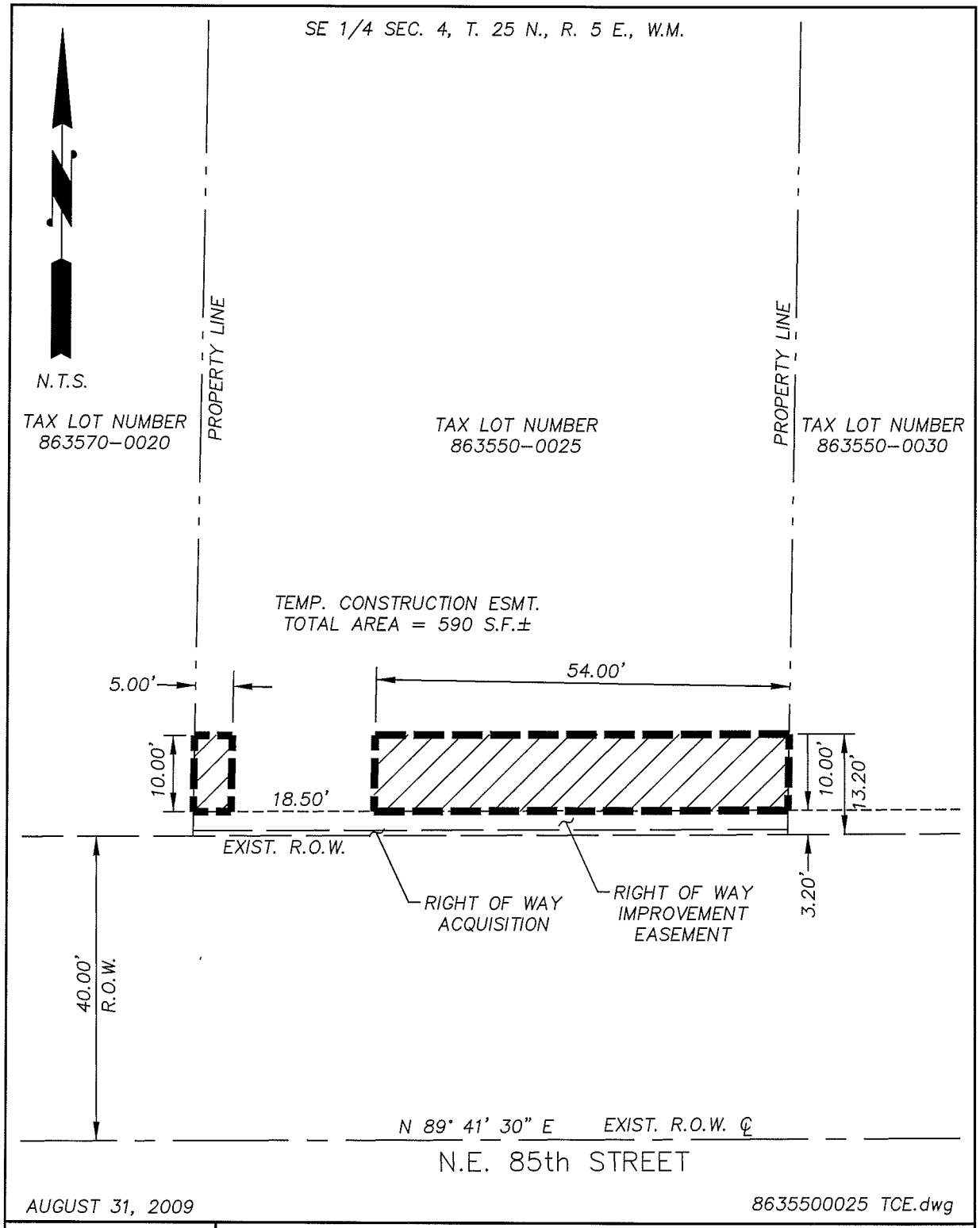
CONTAINING 590 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-279772, DATED FEBRUARY 9, 2007)

LOT 5, THREE PINES ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 52 OF PLATS, PAGE 31, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONVEYED TO THE STATE OF WASHINGTON FOR ROAD PURPOSES RECORDED FEBRUARY 2, 1970 AND FEBRUARY 10, 1970 UNDER RECORDING NOS. 6615421, 6618398 AND 6618399.

KPG
TACOMA · SEATTLE



AUGUST 31, 2009

8635500025 TCE.dwg

KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 863550-0025
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 863550-0030
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A" DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT ON THE WEST LINE OF SAID PARCEL "A" THAT IS 3.20 FEET NORTH OF THE SOUTHWEST CORNER;

THENCE NORTH 89° 41' 30" EAST ALONG A LINE THAT IS 43.20 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET, 60.41 FEET TO THE WESTERLY MARGIN OF 132ND AVENUE NORTHEAST;

THENCE SOUTH 43° 29' 09" WEST ALONG SAID MARGIN, 0.75 FEET;

THENCE SOUTHWESTERLY ALONG A CURVE TO THE RIGHT WHOSE RADIUS BEARS NORTH 19° 00' 39" WEST, 36.17 FEET, AN ARC DISTANCE OF 12.31 FEET;

THENCE SOUTH 89° 41' 30" WEST ALONG A LINE THAT IS 40.75 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET, 47.83 FEET TO THE WEST LINE OF SAID PARCEL 'A';

THENCE NORTH 00° 47' 41" EAST ALONG SAID WEST LINE, 2.45 FEET TO THE POINT OF BEGINNING.

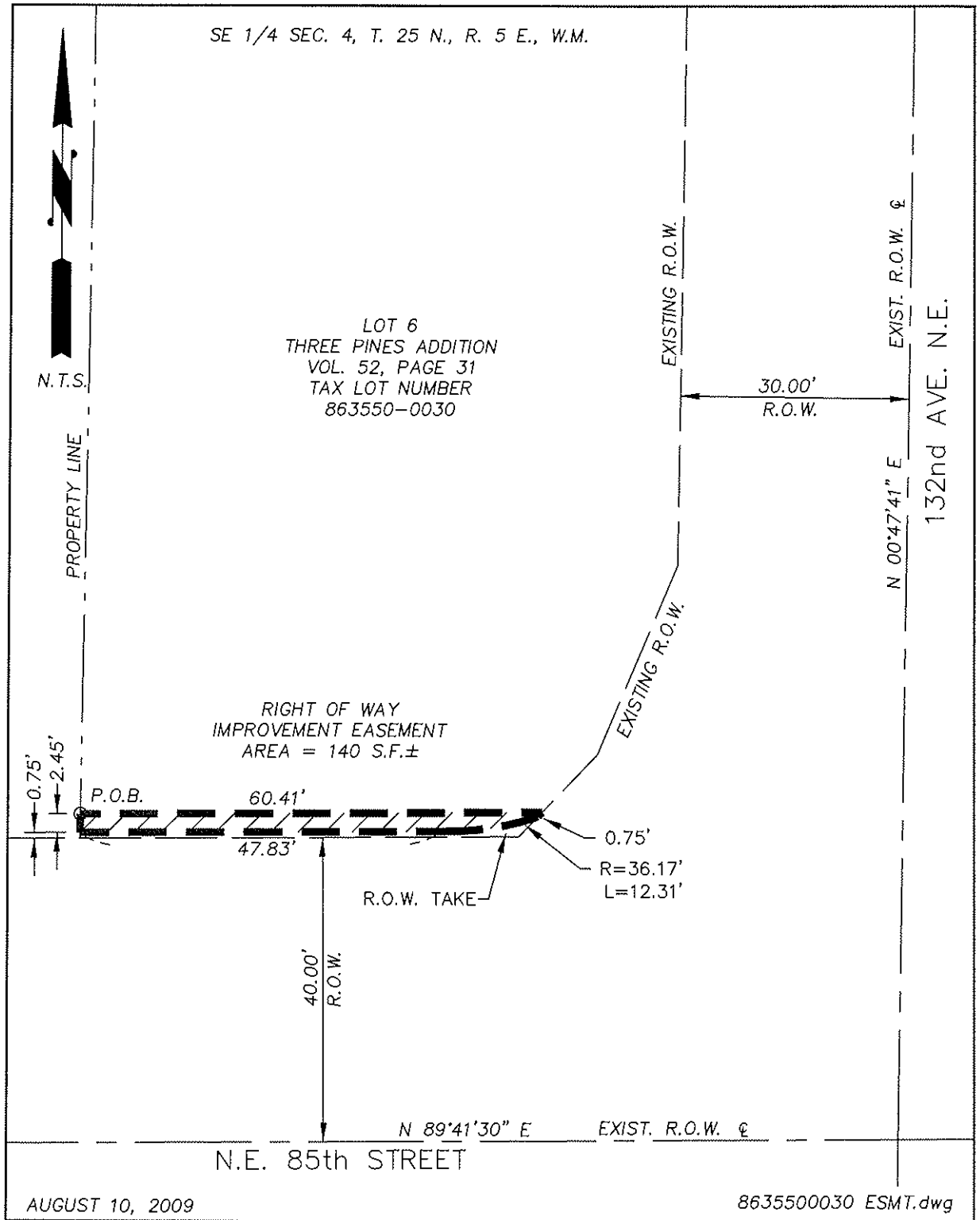
CONTAINING 140 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-279772, DATED FEBRUARY 9, 2007)

LOT 6, THREE PINES ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 52 OF PLATS, PAGE 31, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONVEYED TO THE STATE OF WASHINGTON FOR ROAD PURPOSES RECORDED FEBRUARY 2, 1970 AND FEBRUARY 10, 1970 UNDER RECORDING NOS. 6615421, 6618398 AND 6618399.

8-26-09



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 863550-0030
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT __A__ page 1 of 2
PARCEL NO. 863550-0030
RIGHT OF WAY ACQUISITION

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL "A";

THENCE NORTH 00° 47' 41" EAST ALONG WEST LINE OF SAID PARCEL "A", 0.75 FEET;

THENCE NORTH 89° 41' 30" EAST ALONG A LINE THAT IS 40.75 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF 85TH STREET NORTHEAST, 47.83 FEET;

THENCE NORTHEASTERLY ALONG A CURVE TO THE LEFT WHOSE RADIUS BEARS NORTH 00° 29' 46" EAST, 36.17 FEET, AN ARC DISTANCE OF 12.31 FEET TO THE WESTERLY MARGIN OF 132ND AVENUE NORTHEAST;

THENCE SOUTH 43° 29' 09" WEST ALONG SAID MARGIN, 3.68 FEET TO THE NORTH MARGIN OF 85TH STREET NORTHEAST;

THENCE SOUTH 89° 41' 30" WEST ALONG SAID MARGIN, 57.40 FEET TO THE POINT OF BEGINNING.

CONTAINING 49 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-279772, DATED FEBRUARY 9, 2007)

LOT 6, THREE PINES ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 52 OF PLATS, PAGE 31, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONVEYED TO THE STATE OF WASHINGTON FOR ROAD PURPOSES RECORDED FEBRUARY 2, 1970 AND FEBRUARY 10, 1970 UNDER RECORDING NOS. 6615421, 6618398 AND 6618399.

8-26-2009

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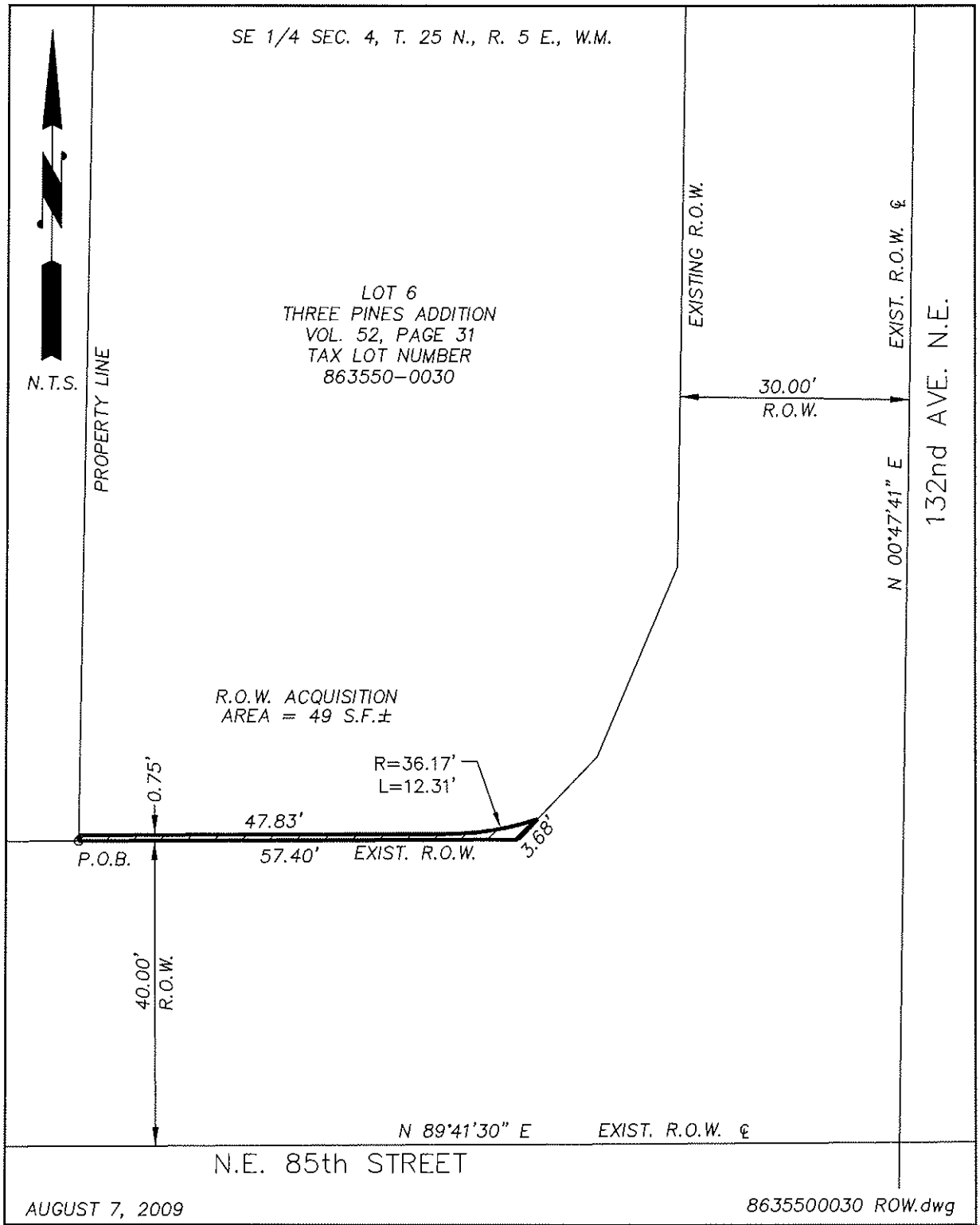
TACOMA · SEATTLE



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 863550-0030
RIGHT OF WAY ACQUISITION

EXHIBIT A page 1 of 2
PARCEL NO. 863550-0030
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", LYING SOUTHERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SAID PARCEL "A" AND A LINE THAT IS 53.20 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET;

THENCE NORTH 89° 41' 30" EAST ALONG SAID PARALLEL LINE, 47.99 FEET;

THENCE NORTHEASTERLY ON A CURVE TO THE LEFT WHOSE CENTER BEARS NORTH 00° 18' 30" WEST, 25.00 FEET, AN ARC DISTANCE OF 38.79 FEET;

THENCE 00° 47' 41" EAST, 92.32 FEET TO THE NORTH LINE OF SAID PARCEL AND TERMINUS OF SAID LINE DESCRIPTION;

EXCEPT THAT PORTION OF PARCEL "A" LYING SOUTH OF A LINE THAT IS 43.20 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET.

CONTAINING 1261 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-279772, DATED FEBRUARY 9, 2007)

LOT 6, THREE PINES ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 52 OF PLATS, PAGE 31, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONVEYED TO THE STATE OF WASHINGTON FOR ROAD PURPOSES RECORDED FEBRUARY 2, 1970 AND FEBRUARY 10, 1970 UNDER RECORDING NOS. 6615421, 6618398 AND 6618399.

8-19-09

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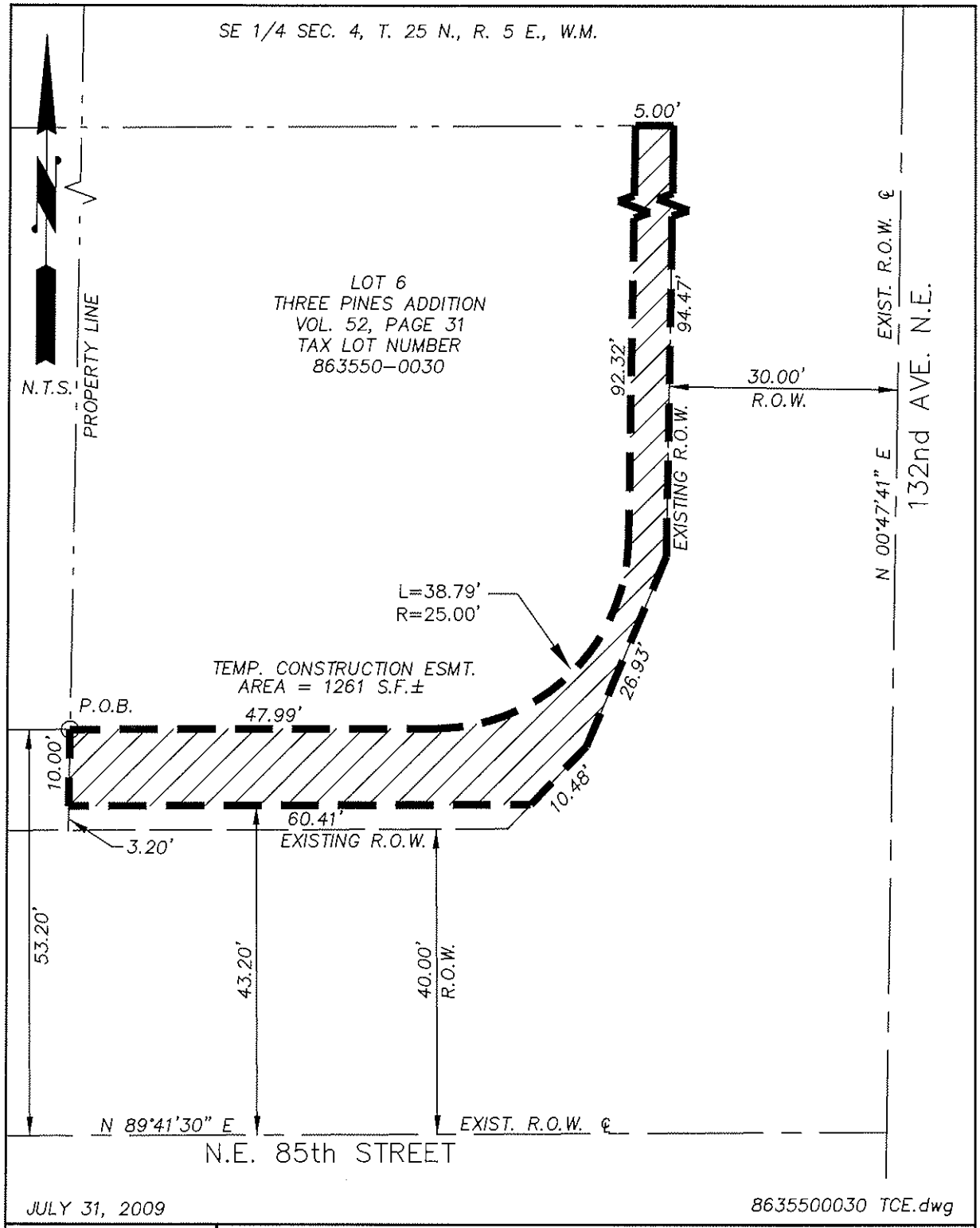


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 863550-0030
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A
PARCEL NO. 863550-0030
UTILITY EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 12.00 FEET OF THE NORTH 34.00 FEET OF THE EAST 4.00 FEET.

CONTAINING 48 SQUARE FEET, MORE OR LESS.

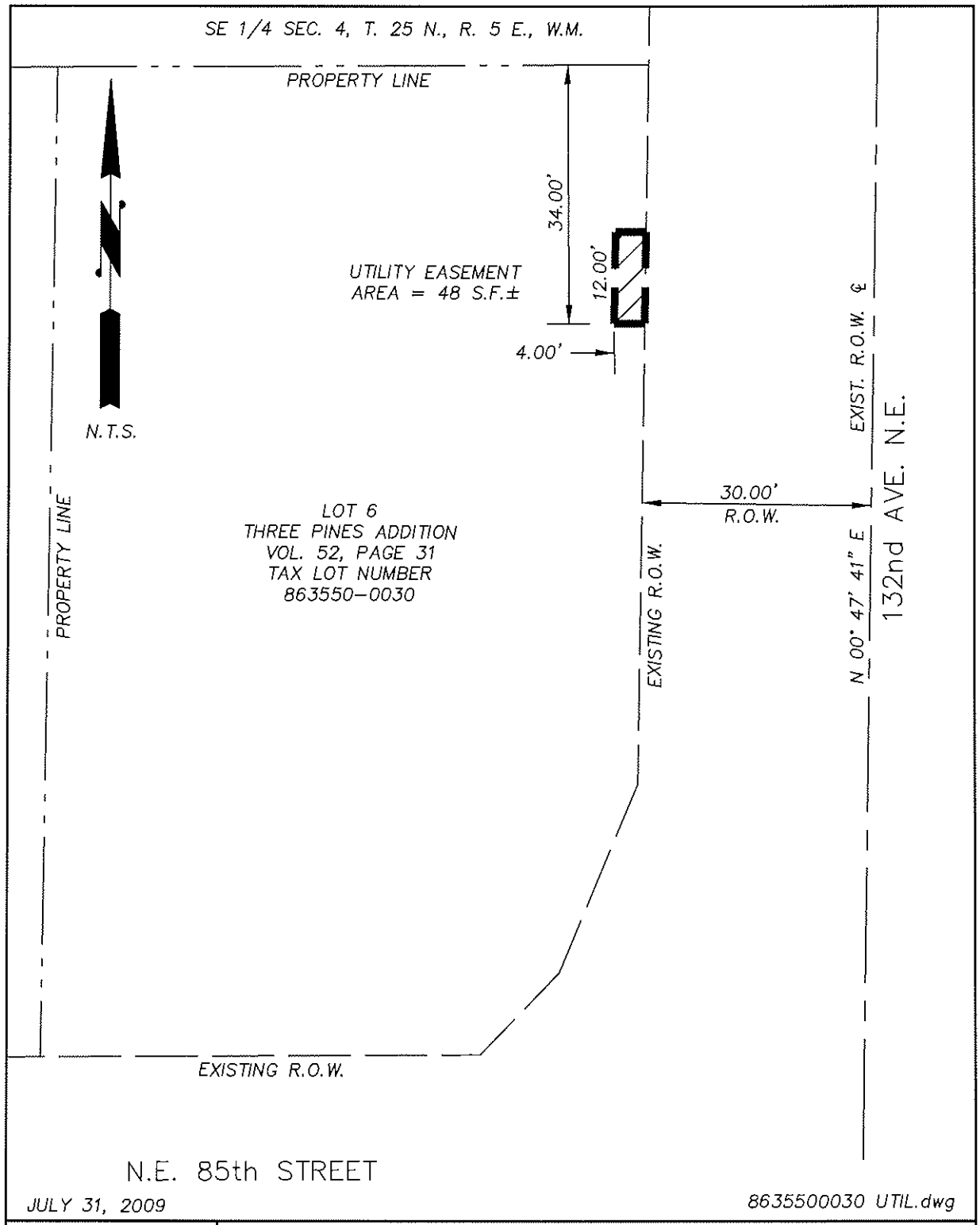
PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-279772, DATED FEBRUARY 9, 2007)

LOT 6, THREE PINES ADDITION, ACCORDING TO THE PLAT RECORDED IN VOLUME 52 OF PLATS, PAGE 31, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONVEYED TO THE STATE OF WASHINGTON FOR ROAD PURPOSES RECORDED FEBRUARY 2, 1970 AND FEBRUARY 10, 1970 UNDER RECORDING NOS. 6615421, 6618398 AND 6618399.

RONALD D. REICHEL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

8-12-2009



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT B
PARCEL 863550-0030
UTILITY EASEMENT

EXHIBIT A page 1 of 3
PARCEL NO 123310-0400
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A" DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF LOT 22;

THENCE NORTH 00° 16' 31" WEST ALONG THE WEST MARGIN OF 124TH AVENUE NORTHEAST, 64.05 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID MARGIN NORTH 00° 16' 31" WEST, 5.97 FEET TO AN ANGLE POINT IN SAID MARGIN;

THENCE CONTINUING ALONG SAID MARGIN NORTH 09° 44' 12" WEST, 20.10 FEET;

THENCE SOUTH 35 ° 05' 00" WEST, 6.11 FEET;

THENCE SOUTH 07° 09' 07" EAST, 15.37 FEET;

THENCE SOUTH 00° 16' 31" EAST, 5.55 FEET;

THENCE NORTH 89° 43' 29" EAST, 5.00 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF SAID PARCEL "A" DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF LOT 22;

THENCE NORTH 00° 16' 31" WEST ALONG THE WEST MARGIN OF 124TH AVENUE NORTHEAST, 64.05 FEET;

THENCE CONTINUING ALONG SAID MARGIN NORTH 00° 16' 31" WEST, 5.97 FEET TO AN ANGLE POINT IN SAID MARGIN;

THENCE CONTINUING ALONG SAID MARGIN NORTH 09° 44' 12" WEST, 20.10 FEET;

THENCE SOUTH 35° 05' 00" WEST, 6.11 FEET;

THENCE NORTH 54° 55' 00" WEST, 9.00 FEET;

THENCE NORTH 35° 05' 00" EAST, 6.30 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTHWESTERLY ON A NONTANGENT CURVE TO THE LEFT WHOSE CENTER BEARS SOUTH 46° 06' 16" WEST, 19.20 FEET, AN ARC DISTANCE OF 13.25 FEET TO A LINE THAT IS 54.00 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET;

THENCE SOUTH 89° 45' 05" WEST ALONG SAID PARALLEL LINE, 218.72 FEET TO THE SOUTHERLY MARGIN OF NORTHEAST 85TH STREET;

THENCE NORTH 00° 14' 55" WEST ALONG SAID SOUTHERLY MARGIN, 5.00 FEET TO A LINE THAT IS 49.00 FEET SOUTH OF AND PARALLEL WITH SAID CENTERLINE;

THENCE NORTH 89° 45' 05" EAST ALONG SAID PARALLEL LINE, 221.33 FEET TO SAID SOUTHERLY MARGIN;

THENCE SOUTH 67° 49' 21" EAST ALONG SAID SOUTHERLY MARGIN, 6.76 FEET;

THENCE SOUTHEASTERLY ON A NONTANGENT CURVE TO THE RIGHT WHOSE CENTER BEARS SOUTH 27° 09' 21" WEST, 24.20 FEET, AN ARC DISTANCE OF 7.03 FEET

THENCE SOUTH 35° 05' 00" WEST, 5.07 FEET TO THE TRUE POINT OF BEGINNING.

TOTAL CONSTRUCTION EASEMENT CONTAINING 1,279 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210670, DATED AUGUST 13, 2008)

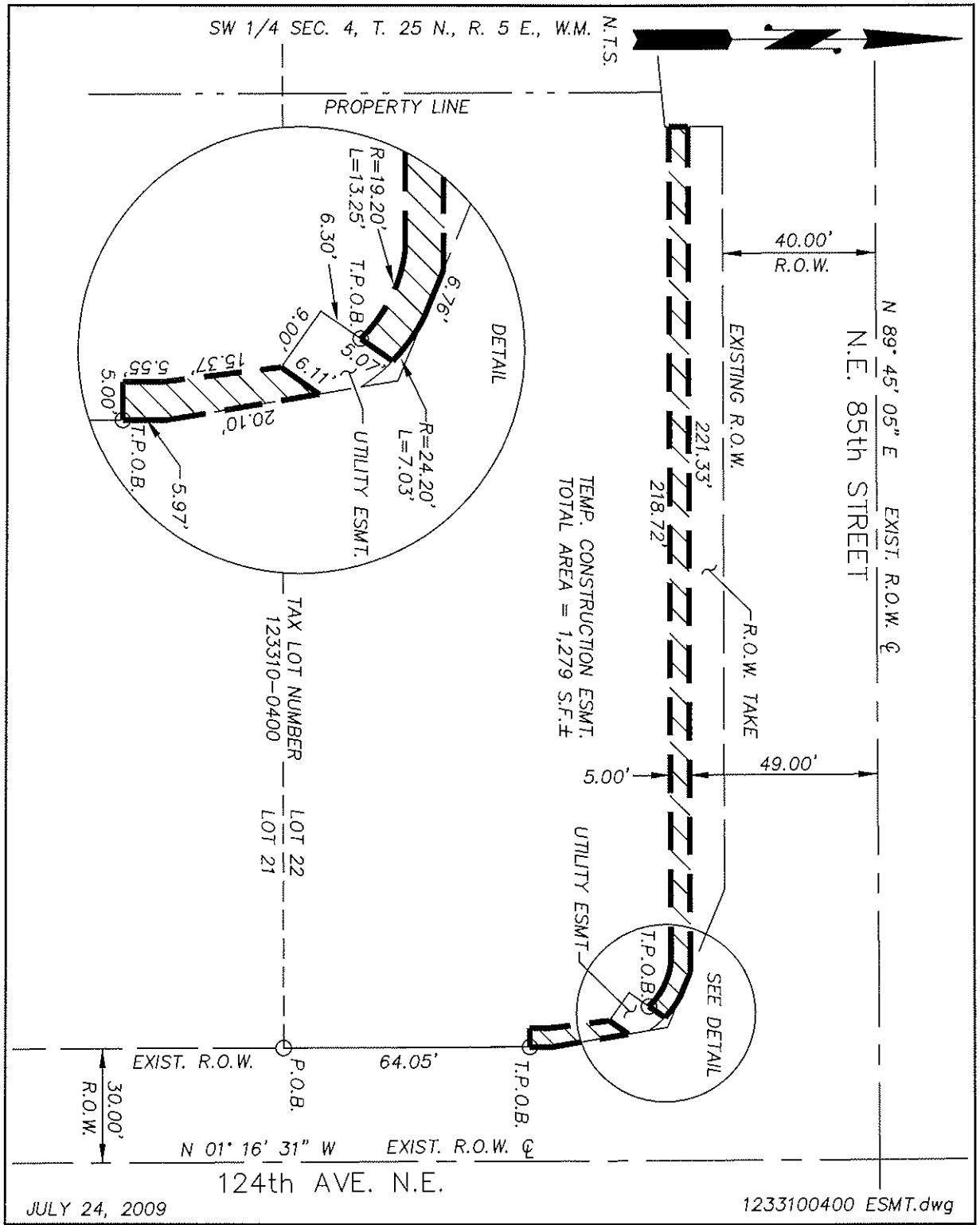
LOTS 21 AND 22, BLOCK 11, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 19 OF FLATS, PAGE 68, IN KING COUNTY WASHINGTON.

EXCEPT THAT PORTION THEREOF AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 725011 FOR NORTHEAST 85 TH STREET (ALSO KNOWN AS SR 901 AND KIRKLAND-REDMOND ROAD).

AND EXCEPT THAT PORTION OF THE REMAINDER AS CONVEYED TO KING COUNTY FOR NORTHEAST 85TH STREET BY DEED RECORDED FEBRUARY 13, 1980 UNDER RECORDING NUMBER 8002130583.

(ALSO KNOWN AS CITY OF KIRKLAND LOT LINE ADJUSTMENT NO. LL-97-54, RECORDED APRIL 8, 1999 UNDER RECORDING NO. 9904082374).

7-29-2009



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 3 of 3
PARCEL 123310-0400
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 123310-0400
UTILITY EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF LOT 22;

THENCE NORTH 00° 16' 31" WEST ALONG THE WEST MARGIN OF 124TH AVENUE NORTHEAST, A DISTANCE OF 70.01 FEET TO AN ANGLE POINT IN SAID MARGIN;

THENCE CONTINUING ALONG SAID MARGIN NORTH 09° 44' 12" WEST, A DISTANCE OF 20.10 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 35° 05' 00" WEST, 6.11 FEET;

THENCE NORTH 54° 55' 00" WEST, 9.00 FEET;

THENCE NORTH 35° 05' 00" EAST, 11.37 FEET;

THENCE SOUTHEASTERLY ALONG A NONTANGENT CURVE TO THE RIGHT WHOSE CENTER BEARS SOUTH
43 ° 48' 26" WEST, 24.20 FEET, AN ARC DISTANCE OF 5.33 FEET TO SAID MARGIN;

THENCE SOUTH 09° 44' 12" EAST, ALONG SAID MARGIN, A DISTANCE OF 5.47 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 87 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210670, DATED AUGUST 13, 2008)

LOTS 21 AND 22, BLOCK 11, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 19 OF FLATS, PAGE 68, IN KING COUNTY WASHINGTON.

EXCEPT THAT PORTION THEREOF AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 725011 FOR NORTHEAST 85 TH STREET (ALSO KNOWN AS SR 901 AND KIRKLAND-REDMOND ROAD).

AND EXCEPT THAT PORTION OF THE REMAINDER AS CONVEYED TO KING COUNTY FOR NORTHEAST 85TH STREET BY DEED RECORDED FEBRUARY 13, 1980 UNDER RECORDING NUMBER 8002130583.

(ALSO KNOWN AS CITY OF KIRKLAND LOT LINE ADJUSTMENT NO. LL-97-54, RECORDED APRIL 8, 1999 UNDER RECORDING NO. 9904082374).

RONALD D. REICHELT
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

7-29-2009

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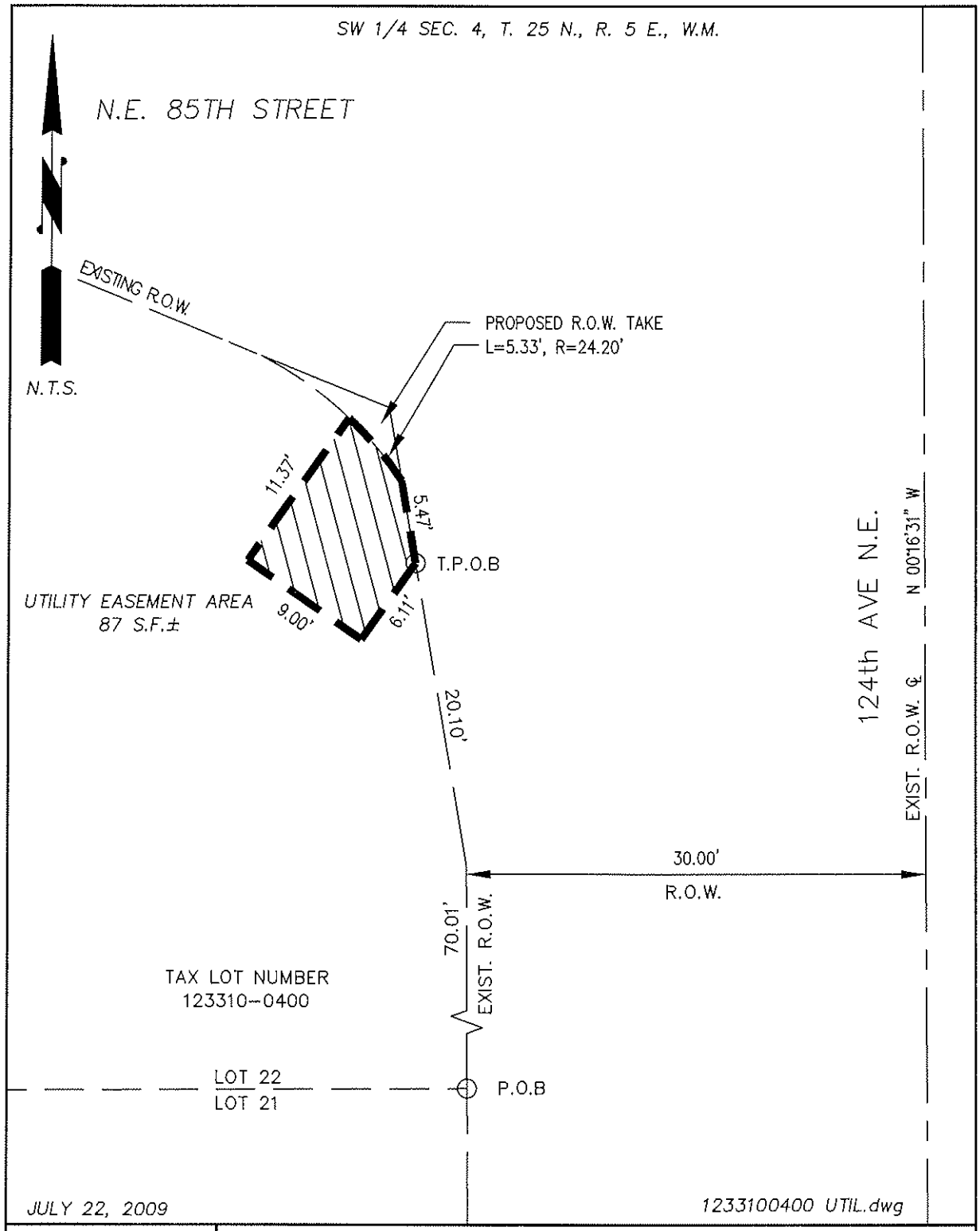
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 123310-0400
UTILITY EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 123310-0402
RIGHT OF WAY ACQUISITION

THAT PORTION OF THE HEREINAFTER DESCRIBED TRACT, LYING NORTH OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT THE NORTHEAST CORNER OF SAID TRACT;

THENCE SOUTH 00° 15' 01" EAST ALONG THE EAST LINE OF SAID TRACT, A DISTANCE OF 4.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 45' 05" WEST ALONG A LINE THAT IS 44.00 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF 85TH STREET NORTHEAST, 60.31 FEET;

THENCE SOUTH 86° 59' 13" WEST, 87.14 FEET TO THE SOUTH MARGIN OF 85TH STREET NORTHEAST AND TERMINUS OF SAID LINE DESCRIPTION.

TOGETHER WITH THE WEST 2.00 FEET OF SAID TRACT, LYING SOUTH OF THE SOUTHERLY LIMITS OF RIGHT OF WAY EASEMENT NO. 9607051010 RECORDED JULY 5, 1996, IN KING COUNTY, WASHINGTON.

TOTAL RIGHT OF WAY ACQUISITION CONTAINING 613 SQUARE FEET, MORE OR LESS.

TRACT:
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210671, DATED JULY 22, 2008)

PARCEL A

LOT B OF CITY OF KIRKLAND LOT LINE ADJUSTMENT NO. LL-96-85 RECORDED AUGUST 27, 1996 UNDER RECORDING NO. 9608271172, IN KING COUNTY, WASHINGTON.

PARCEL B:

A RECIPROCAL ACCESS AND PARKING EASEMENT AS ESTABLISHED BY RECORDED AUGUST 21, 1996 UNDER RECORDING NO. 9608210033, IN KING COUNTY, WASHINGTON.

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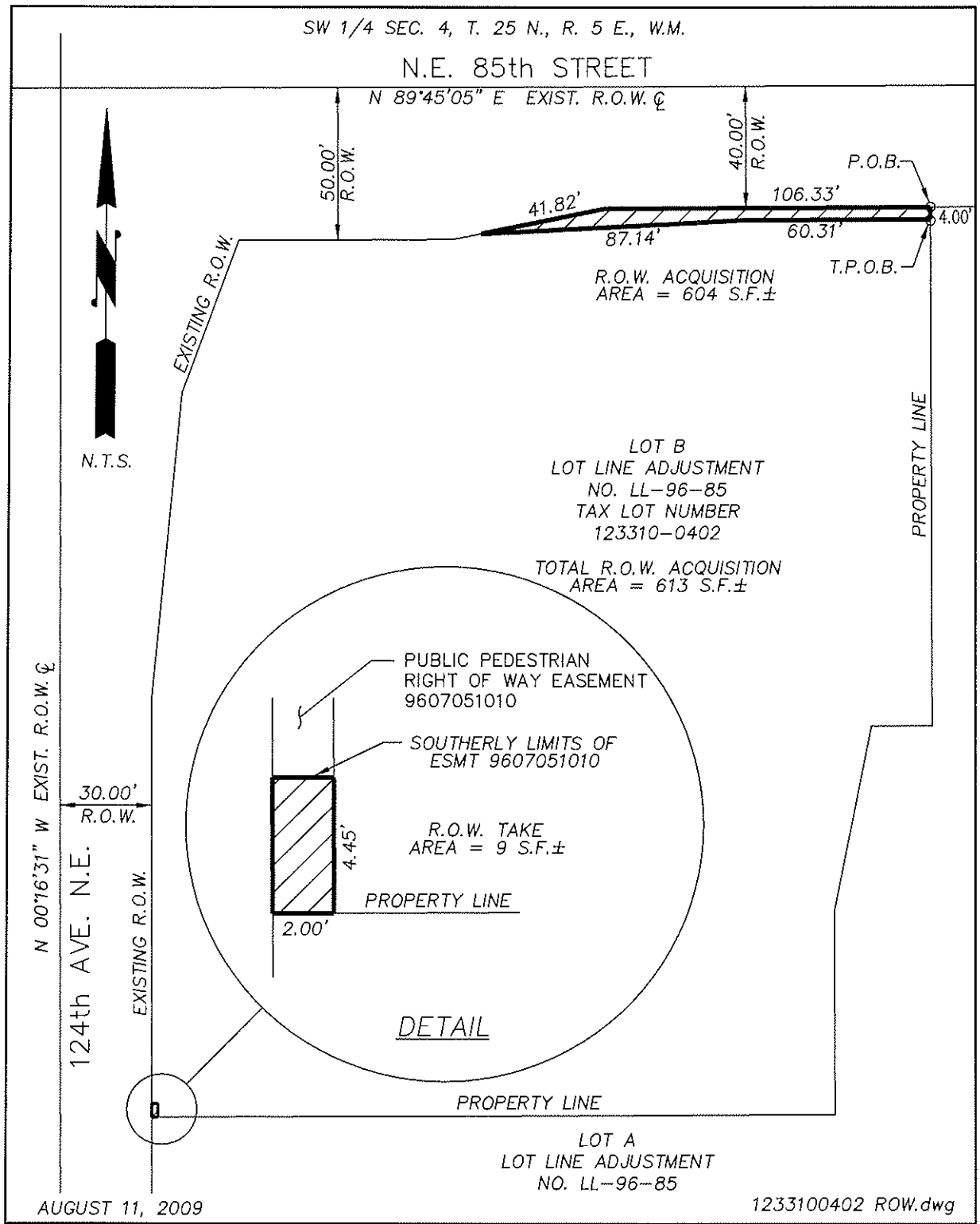
TACOMA · SEATTLE



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Landscape Architecture
Civil Engineering
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EXHIBIT A page 2 of 2
PARCEL 123310-0402
RIGHT OF WAY ACQUISITION

EXHIBIT __A page 1 of 3
PARCEL NO. 123310-0402
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED TRACT, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF SAID TRACT;

THENCE NORTH 00° 16' 31" WEST ALONG THE EAST MARGIN OF 124TH AVENUE NORTHEAST A DISTANCE OF 84.06 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00° 16' 31" WEST ALONG SAID MARGIN, 4.00 FEET;

THENCE NORTH 89° 43' 29" EAST, 5.67 FEET;

THENCE NORTH 02° 53' 06" EAST, 39.47 FEET;

THENCE NORTH 03° 41' 30" EAST, 31.08 FEET;

THENCE NORTH 00° 16' 31" WEST ALONG A LINE THAT IS 40.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST, 79.03 FEET TO THE EASTERLY MARGIN OF 124TH AVENUE NORTHEAST;

THENCE NORTH 20° 11' 51" EAST ALONG SAID MARGIN, 11.44 FEET;

THENCE SOUTH 00° 16' 31" EAST ALONG A LINE THAT IS 44.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST, 89.89 FEET;

THENCE SOUTH 03° 41' 30" WEST, 31.19 FEET;

THENCE SOUTH 02° 53' 06" WEST, 43.23 FEET;

THENCE SOUTH 89° 43' 29" WEST, 9.46 FEET TO THE EAST MARGIN OF 124TH AVENUE NORTHEAST AND THE TRUE POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE SAID TRACT, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID TRACT;

THENCE SOUTH 00° 15' 01" EAST ALONG THE EAST LINE OF SAID TRACT, A DISTANCE OF 4.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00° 15' 01" EAST ALONG SAID EAST LINE, 4.00 FEET;

THENCE SOUTH 89° 45' 05" WEST ALONG A LINE THAT IS 48.00 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET, 60.21 FEET;

THENCE SOUTH 86° 59' 13" WEST, 87.00 FEET;

THENCE NORTH 52° 33' 03" WEST, 5.25 FEET TO THE SOUTHERLY MARGIN OF NORTHEAST 85TH STREET;

THENCE NORTH 78° 26' 29" EAST ALONG SAID MARGIN, 4.00 FEET;

EXHIBIT A page 2 of 3

THENCE NORTH 86° 59' 13" EAST, 87.14 FEET;

THENCE NORTH 89° 45' 05" EAST ALONG A LINE THAT IS 48.00 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET, 60.31 FEET TO THE TRUE POINT OF BEGINNING.

TOTAL EASEMENT CONTAINING 1255 SQUARE FEET, MORE OR LESS.

TRACT:
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210671, DATED JULY 22, 2008)

PARCEL A

LOT B OF CITY OF KIRKLAND LOT LINE ADJUSTMENT NO. LL-96-85 RECORDED AUGUST 27, 1996 UNDER RECORDING NO. 9608271172, IN KING COUNTY, WASHINGTON.

PARCEL B:

A RECIPROCAL ACCESS AND PARKING EASEMENT AS ESTABLISHED BY RECORDED AUGUST 21, 1996 UNDER RECORDING NO. 9608210033, IN KING COUNTY, WASHINGTON.

8-13-2009

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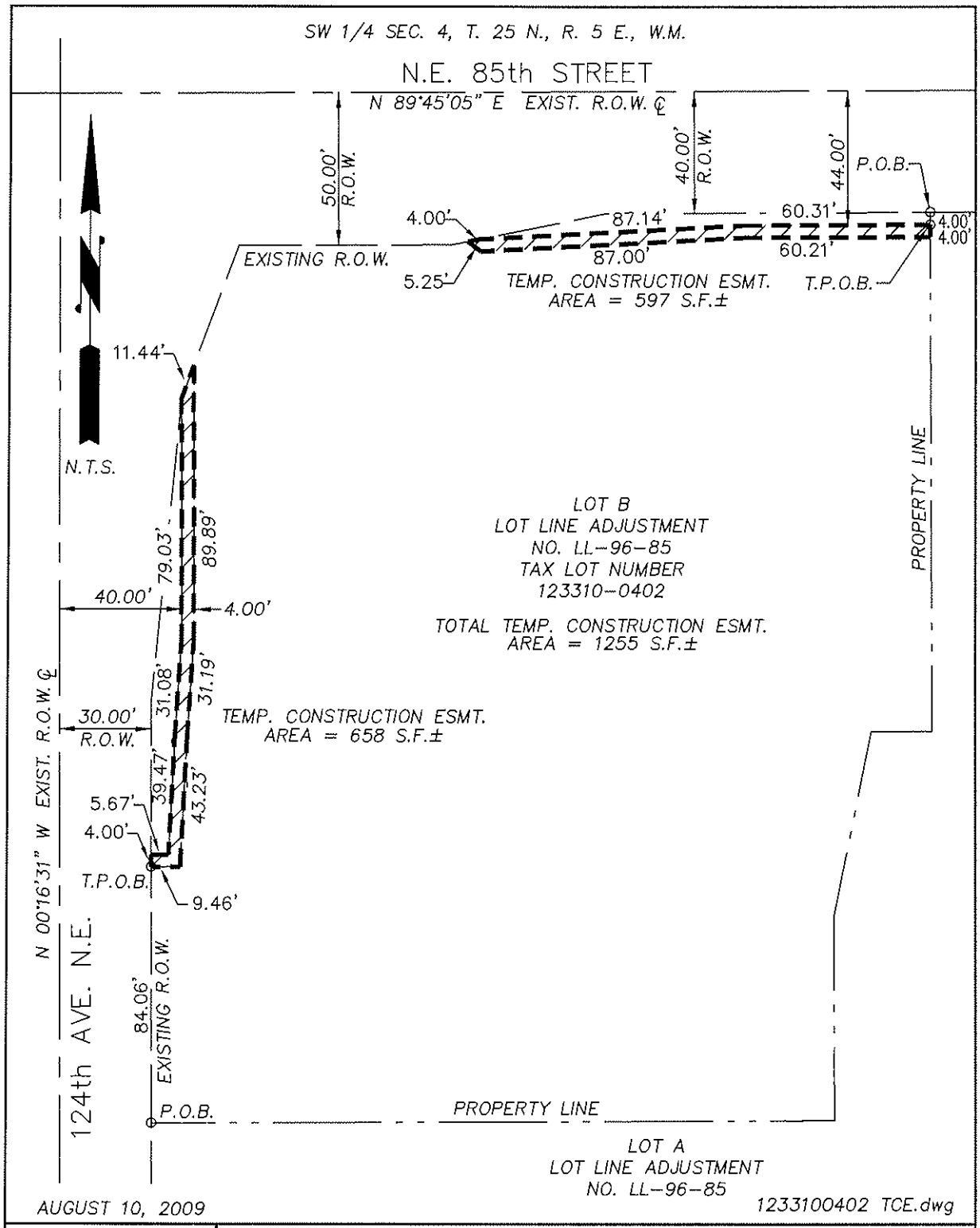

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Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 3 of 3
PARCEL 123310-0402
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A
PARCEL NO. 123310-0402
UTILITY EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED TRACT, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF SAID TRACT;

THENCE NORTH 00° 16' 31" WEST ALONG THE EAST MARGIN OF 124TH AVENUE NORTHEAST, 88.06 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89° 43' 29" EAST, 5.67 FEET;

THENCE NORTH 02° 53' 06" EAST, 39.47 FEET;

THENCE NORTH 03° 41' 30" EAST, 31.08 FEET;

THENCE NORTH 00° 16' 31" WEST ALONG A LINE THAT IS 40.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST, 79.03 FEET TO THE EASTERLY MARGIN OF 124TH AVENUE NORTHEAST;

THENCE SOUTH 05° 26' 07" WEST ALONG SAID EASTERLY MARGIN OF 124TH AVENUE NORTHEAST, 100.50 FEET;

THENCE SOUTH 00° 16' 31" EAST ALONG SAID MARGIN, 49.45 FEET TO THE TRUE POINT OF BEGINNING;

CONTAINING 834 SQUARE FEET, MORE OR LESS.

TRACT:
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210671, DATED JULY 22, 2008)

PARCEL A

LOT B OF CITY OF KIRKLAND LOT LINE ADJUSTMENT NO. LL-96-85 RECORDED AUGUST 27, 1996 UNDER RECORDING NO. 9608271172, IN KING COUNTY, WASHINGTON.

PARCEL B:

A RECIPROCAL ACCESS AND PARKING EASEMENT AS ESTABLISHED BY RECORDED AUGUST 21, 1996 UNDER RECORDING NO. 9608210033, IN KING COUNTY, WASHINGTON.

8-13-2009

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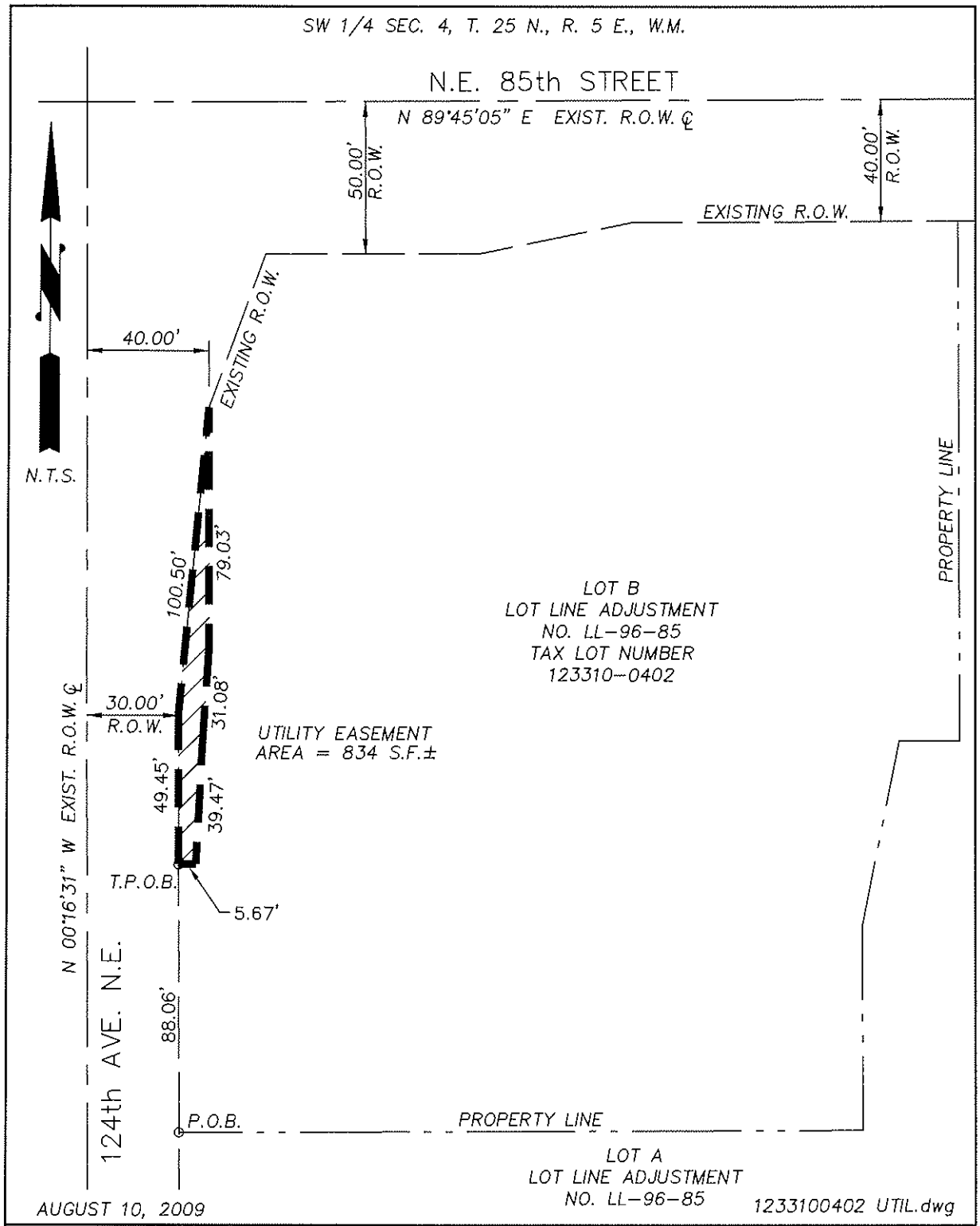


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT B
PARCEL 123310-0402
UTILITY EASEMENT

EXHIBIT A page 1 of 3
PARCEL NO. 123310-0405
RIGHT OF WAY ACQUISITION

THAT PORTION OF THE HEREINAFTER DESCRIBED TRACT, LYING NORTH OF A LINE THAT IS 44.00 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF 85TH STREET NORTHEAST;

EXCEPT THE EAST 69.00 FEET THEREFROM;

TOGETHER WITH THAT PORTION OF SAID TRACT LYING WEST OF A LINE THAT IS 31.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST;

EXCEPT THE SOUTH 55.00 FEET THEREFROM;

AND TOGETHER WITH THAT PORTION OF SAID TRACT, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF SAID TRACT;

THENCE NORTH 89° 44' 38" EAST ALONG THE SOUTH LINE OF SAID TRACT, 5.00 FEET TO A LINE THAT IS 45.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST;

THENCE NORTH 00°16' 31" WEST ALONG SAID LINE, 15.00 FEET;

THENCE NORTH 26° 50' 25" WEST, 11.18 FEET TO THE EAST MARGIN OF 124TH AVENUE NORTHEAST;

THENCE SOUTH 00° 16' 31" EAST ALONG SAID MARGIN, 25.00 FEET TO THE POINT OF BEGINNING.

TOTAL RIGHT OF WAY ACQUISITION CONTAINING 322 SQUARE FEET, MORE OR LESS.

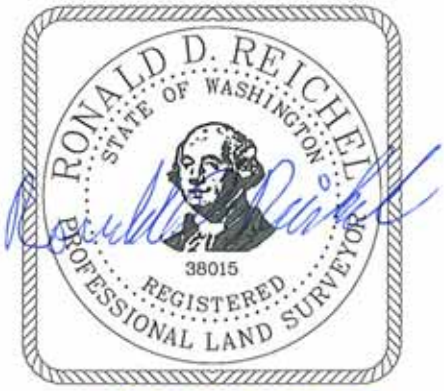
TRACT:
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210672, DATED JANUARY 23, 2006)

PARCEL A:

LOT A OF LOT LINE ADJUSTMENT NO. LL-96-85 RECORDED AUGUST 27, 1996 UNDER RECORDING NO. 9608271172, IN KING COUNTY, WASHINGTON.

PARCEL B:

LOT 2 OF LOT LINE ADJUSTMENT NO. LL-86-12, RECORDED MARCH 6,1986 UNDER RECORDING NO. 8603060814, IN KING COUNTY, WASHINGTON



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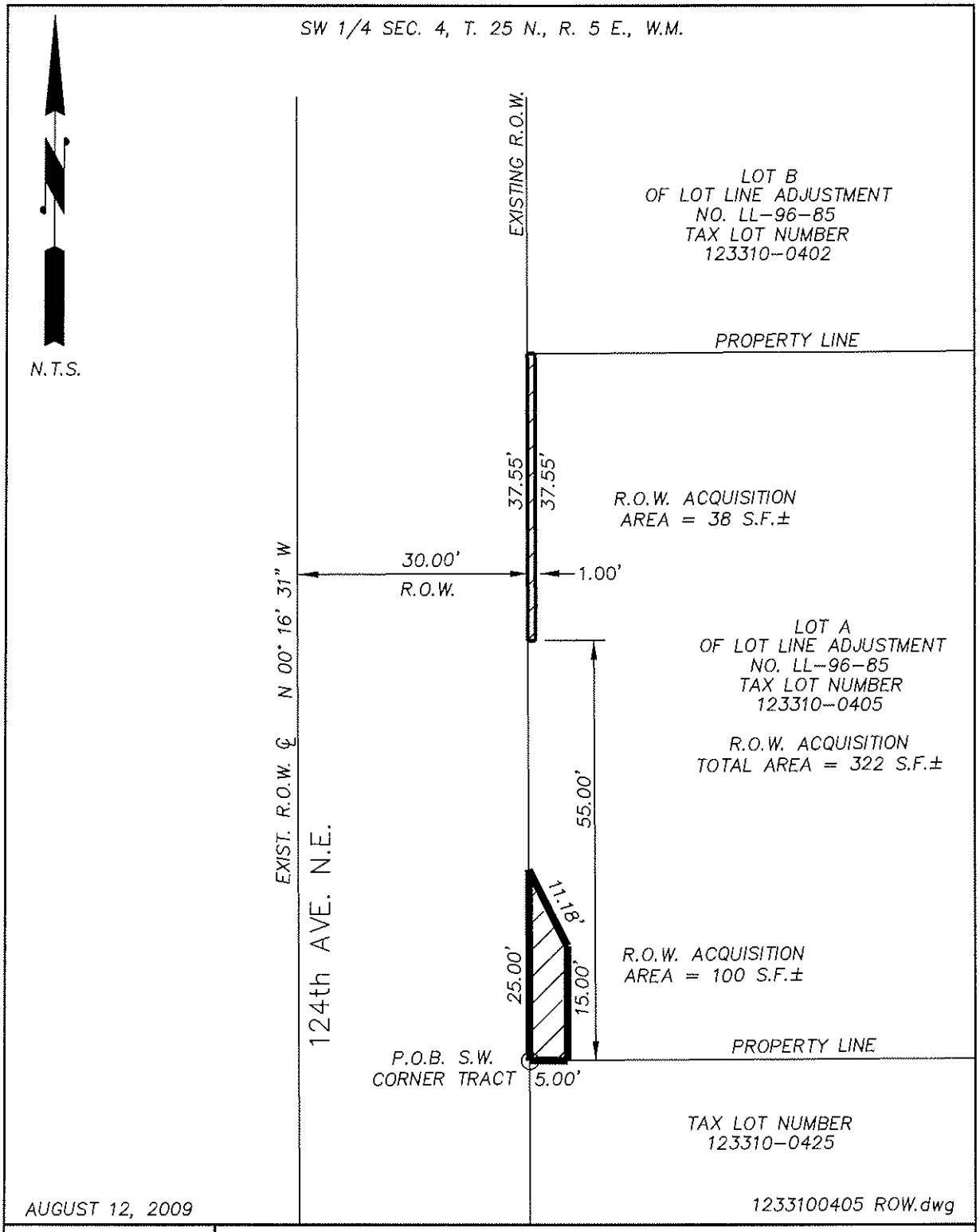

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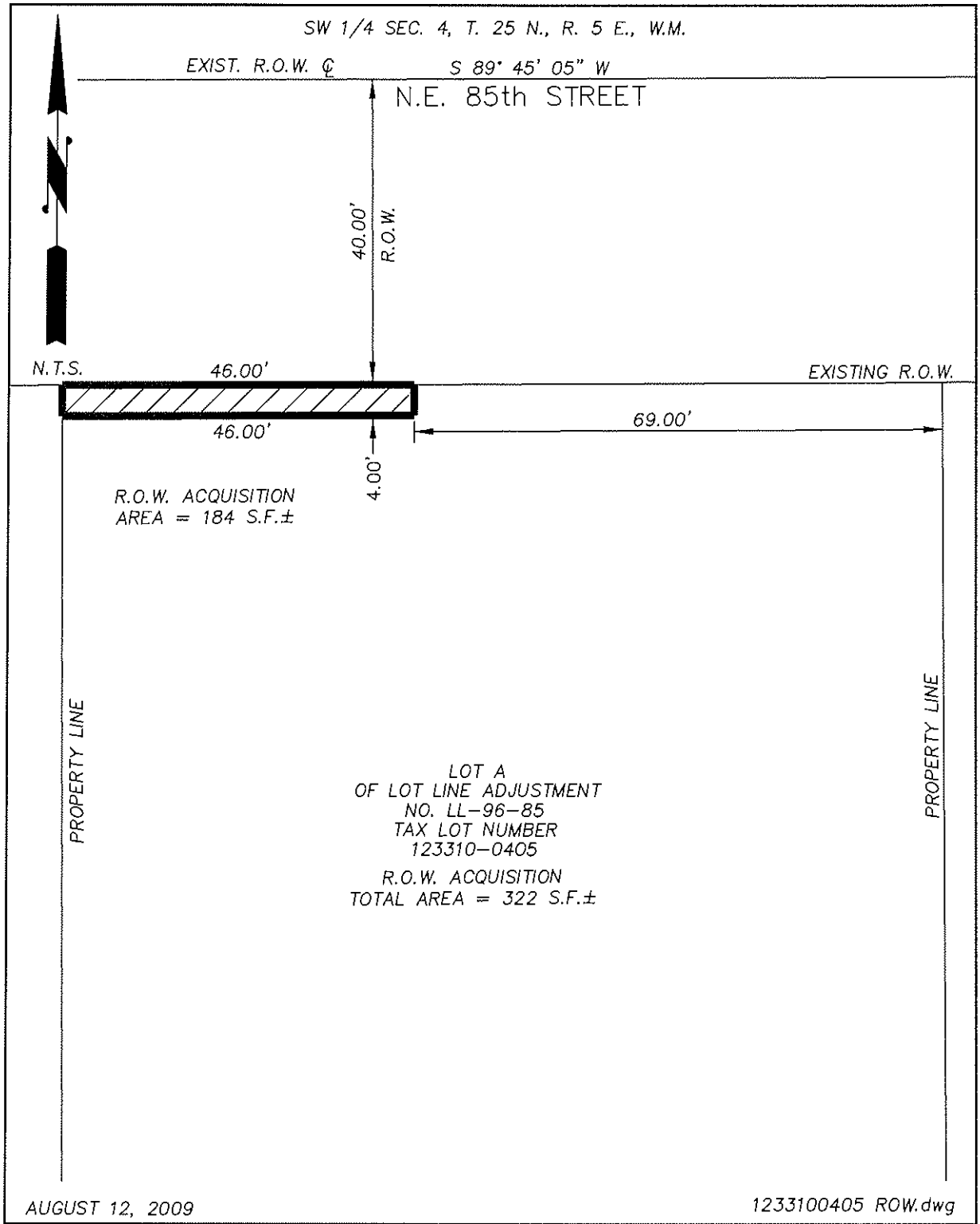
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 3
PARCEL 123310-0405
RIGHT OF WAY ACQUISITION



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 3 of 3
PARCEL 123310-0405
RIGHT OF WAY ACQUISITION

EXHIBIT __A__ page 1 of 4
PARCEL NO. 123310-0405
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED TRACT, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF SAID TRACT;

THENCE NORTH 89° 44' 38" EAST ALONG THE SOUTH LINE OF SAID TRACT A DISTANCE OF 5.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 89° 44' 38" EAST ALONG SAID SOUTH LINE, 5.00 FEET TO A LINE THAT IS 40.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST;

THENCE NORTH 00° 16' 31" WEST ALONG SAID LINE, 16.18 FEET;

THENCE NORTH 26 °50' 25" WEST, 11.18 FEET TO A LINE THAT IS 35.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST;

THENCE NORTH 00° 16' 31" WEST ALONG SAID LINE, 66.37 FEET TO THE SOUTH LINE OF LOT B OF CITY OF KIRKLAND LOT LINE ADJUSTMENT NO. LL-96-85, RECORDED AUGUST 27, 1996 UNDER RECORDING NO. 9608271172, IN KING COUNTY WASHINGTON;

THENCE SOUTH 89° 45' 11" WEST ALONG SAID SOUTH LINE, 4.00 FEET TO A LINE THAT IS 31.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST ;

THENCE SOUTH 00° 16' 31" EAST ALONG SAID LINE, 37.55 FEET;

THENCE SOUTH 89 °44' 38" WEST, 1.00 FEET TO THE EAST MARGIN OF 124TH AVENUE NORTHEAST;

THENCE SOUTH 00° 16' 31" EAST ALONG SAID EAST MARGIN 30.00 FEET;

THENCE SOUTH 26° 50' 25" EAST, 11.18 FEET TO A LINE THAT IS 35.00 FEET EAST OF AND PARALLEL WITH THE CENTERLINE OF 124TH AVENUE NORTHEAST;

THENCE SOUTH 00° 16' 31" EAST ALONG SAID LINE, 15.00 FEET TO THE TRUE POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE HEREINAFTER DESCRIBED TRACT, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID TRACT;

THENCE SOUTH 89° 45' 05" WEST ALONG THE SOUTH MARGIN OF 85TH STREET NORTHEAST A DISTANCE OF 65.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 00° 14' 55" EAST, 8.00 FEET TO A LINE THAT IS 48.00 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF 85TH STREET NORTHEAST;

THENCE SOUTH 89° 45' 05" WEST ALONG SAID LINE, 50.00 FEET TO THE EAST LINE OF LOT B OF CITY OF KIRKLAND LOT LINE ADJUSTMENT NO. LL-96-85, RECORDED AUGUST 27, 1996 UNDER RECORDING NO. 9608271172, IN KING COUNTY WASHINGTON;

THENCE NORTH 00° 15' 01" WEST ALONG THE EAST LINE OF SAID LOT B, 4.00 FEET TO A LINE THAT IS 44.00 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF 85TH STREET NORTHEAST;

THENCE NORTH 89° 45' 05" EAST ALONG SAID LINE, 46.00 FEET;

THENCE NORTH 00° 15' 01" WEST, 4.00 FEET TO THE SOUTH MARGIN OF 85TH STREET NORTHEAST;

THENCE NORTH 89° 45' 05" EAST ALONG SAID SOUTH MARGIN, 4.00 FEET TO THE TRUE POINT OF BEGINNING.

TOTAL TEMPORARY CONSTRUCTION EASEMENT CONTAINING 647 SQUARE FEET, MORE OR LESS.

TRACT:
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210672, DATED JANUARY 23, 2006)

PARCEL A:

LOT A OF LOT LINE ADJUSTMENT NO. LL-96-85 RECORDED AUGUST 27, 1996 UNDER RECORDING NO. 9608271172, IN KING COUNTY, WASHINGTON.

PARCEL B:

LOT 2 OF LOT LINE ADJUSTMENT NO. LL-86-12, RECORDED MARCH 6,1986 UNDER RECORDING NO. 8603060814, IN KING COUNTY, WASHINGTON.

8-14-2009

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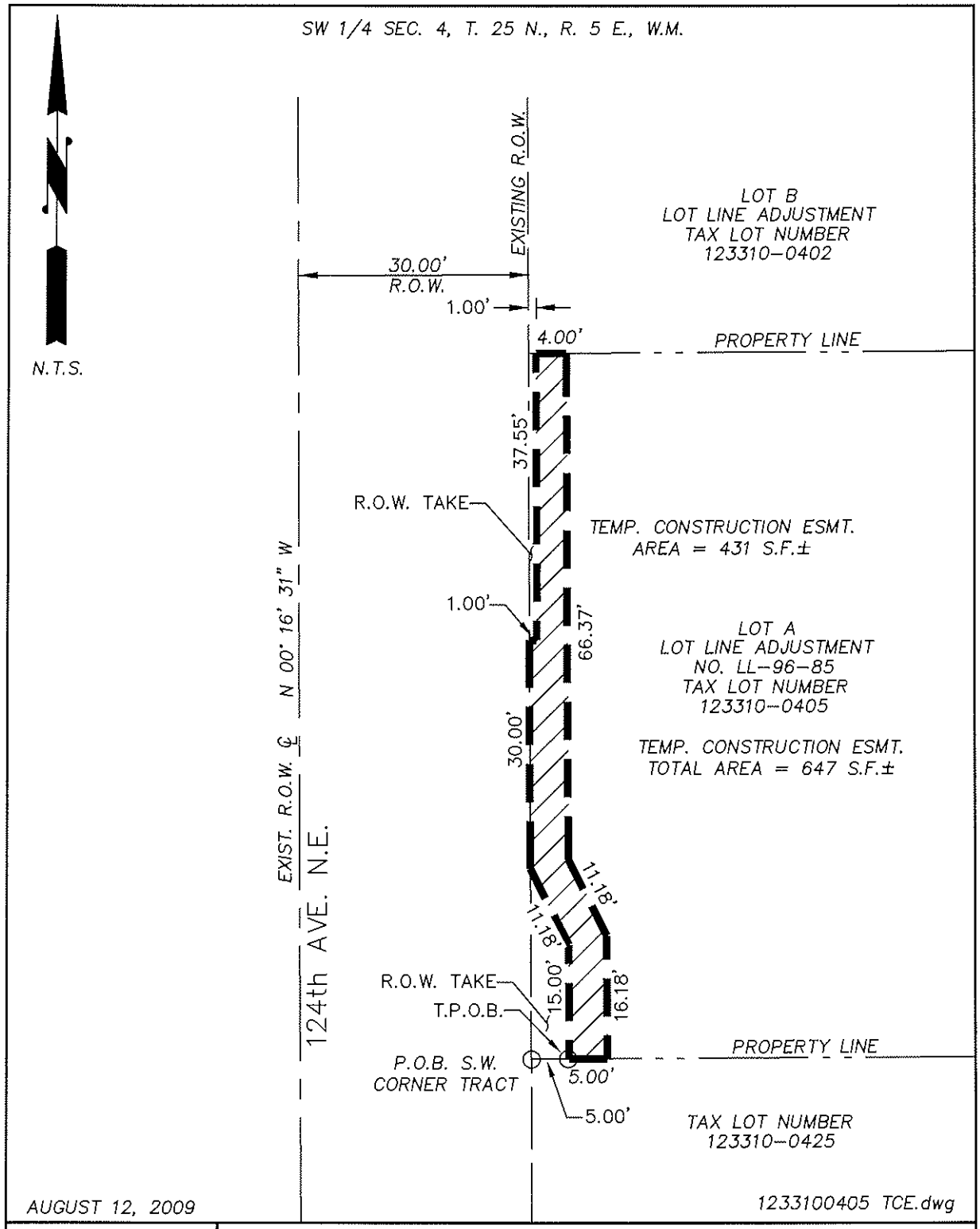

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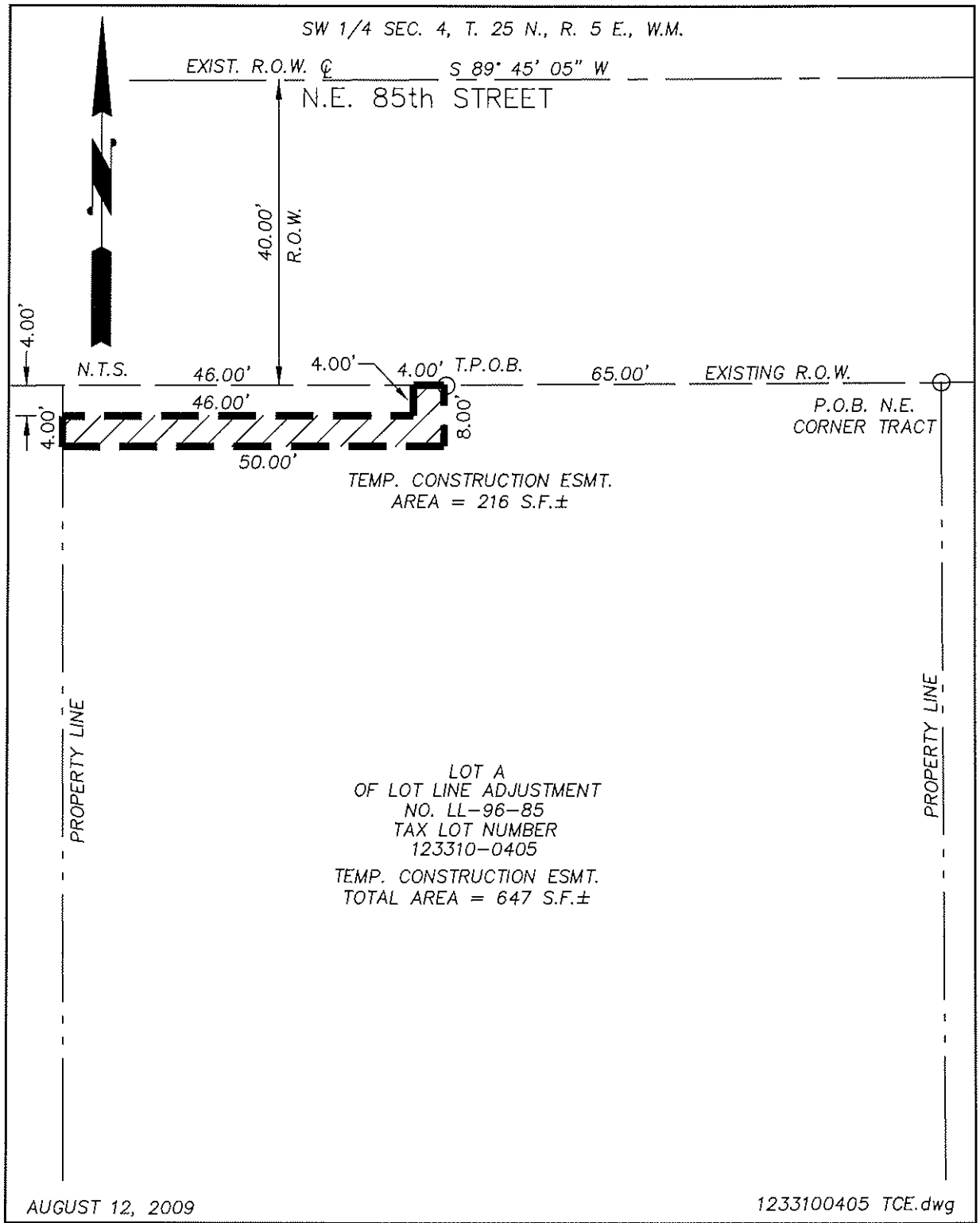
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 3 of 4
PARCEL 123310-0405
TEMPORARY CONSTRUCTION EASEMENT



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 4 of 4
PARCEL 123310-0405
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT ___
PARCEL NO. 123310-0680
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A" DESCRIBED AS FOLLOWS;

THE EAST 102.20 FEET OF THE WEST 305.80 FEET OF THE SOUTH 4.80 FEET OF THE NORTH 8.50 FEET.

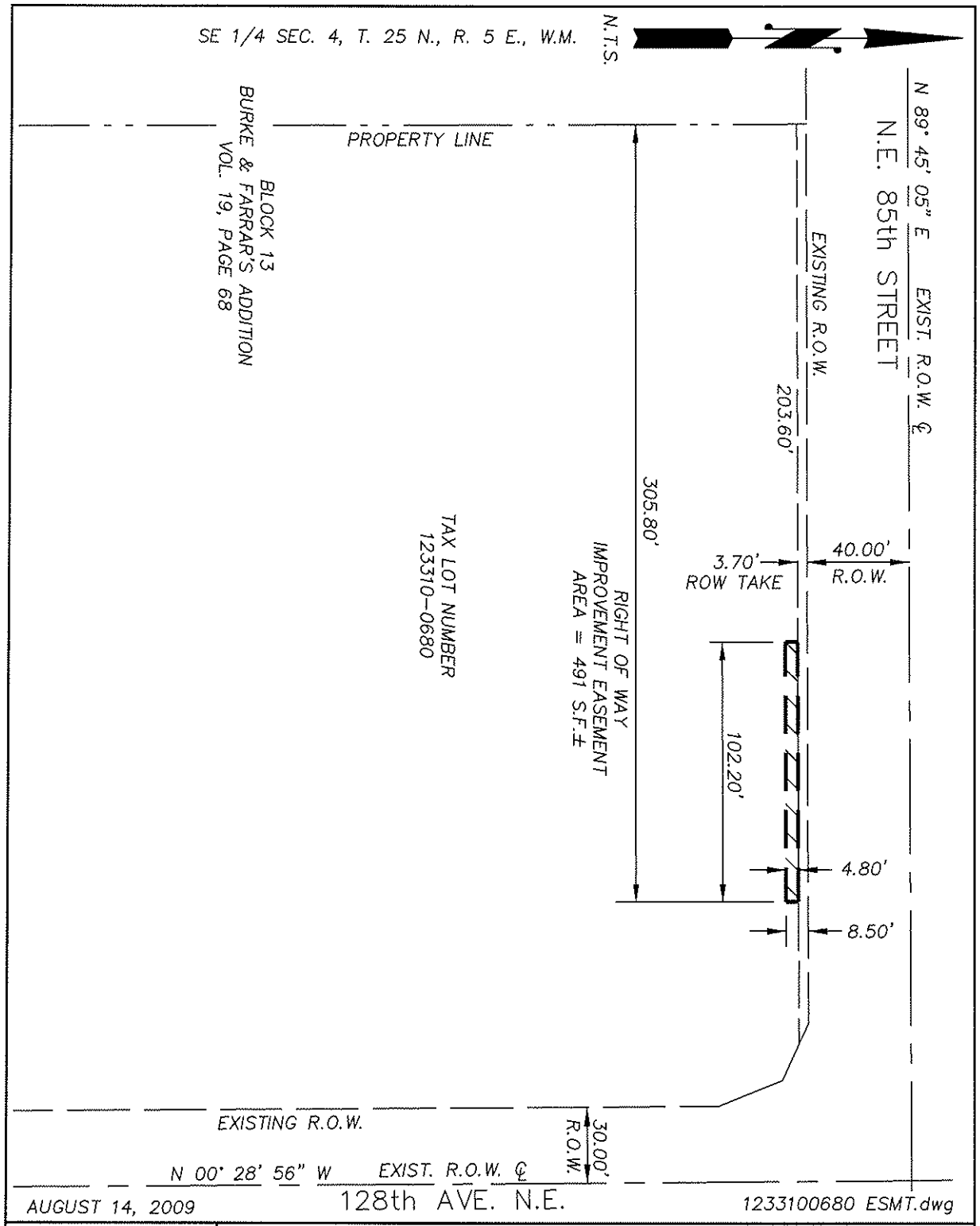
CONTAINING 491 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210677, DATED JANUARY 24, 2006)

LOTS 25, 26, 27 AND 28, BLOCK 13, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO.6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 68, IN KING COUNTY, WASHINGTON.

EXCEPT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO.725255 FOR HIGHWAY PURPOSES.

8-26-2009



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT ____
PARCEL 123310-0680
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT ___
PARCEL NO. 123310-0680
RIGHT OF WAY ACQUISITION

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A" LYING NORTH OF A LINE THAT IS 43.70 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET.

CONTAINING 1,324 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210677, DATED JANUARY 24, 2006)

LOTS 25, 26, 27 AND 28, BLOCK 13, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO.6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 68, IN KING COUNTY, WASHINGTON.

EXCEPT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO.725255 FOR HIGHWAY PURPOSES.

8-26-2009

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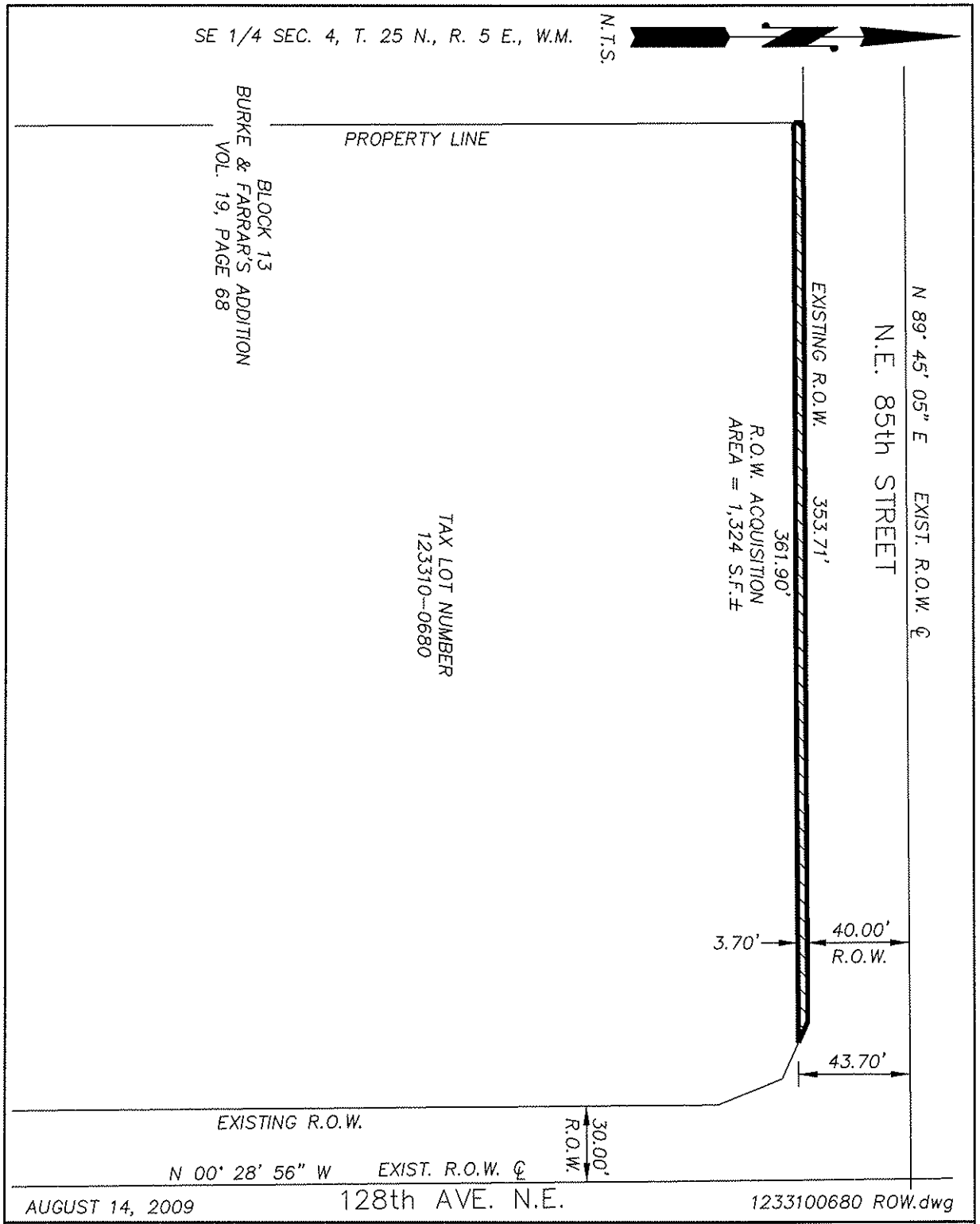
TACOMA · SEATTLE



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT ____
PARCEL 123310-0680
RIGHT OF WAY ACQUISITION

EXHIBIT ___
PARCEL NO. 123310-0680
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL "A";

THENCE SOUTH 00° 12' 40" EAST ALONG THE WEST LINE OF SAID PROPERTY, 3.70 FEET TO A LINE THAT IS 43.70 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF 85TH STREET NORTHEAST;

THENCE NORTH 89° 45' 05" EAST ALONG SAID PARALLEL LINE, 12.75 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 00° 12' 40" EAST, 5.00' FEET;

THENCE NORTH 89° 45' 05" EAST, 118.25 FEET;

THENCE NORTH 00° 12' 40" WEST, 5.00 FEET;

THENCE SOUTH 89° 45' 05" WEST, 118.25' FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL "A";

THENCE SOUTH 00° 12' 40" EAST ALONG THE WEST LINE OF SAID PROPERTY, 3.70 FEET TO A LINE THAT IS 43.70 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF 85TH STREET NORTHEAST;

THENCE NORTH 89° 45' 05" EAST ALONG SAID PARALLEL LINE, 157.50 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 00° 12' 40" EAST, 5.00 FEET;

THENCE NORTH 89° 45' 05" EAST, 42.10 FEET;

THENCE SOUTH 00° 12' 40" EAST, 2.00 FEET;

THENCE NORTH 89° 45' 05" EAST, 109.70 FEET;

THENCE NORTH 00° 12' 40" WEST, 2.00 FEET;

THENCE NORTH 89° 45' 05" EAST, 63.66 FEET TO THE WEST MARGIN OF 128TH AVENUE NORTHEAST;

THENCE NORTH 65° 55' 02" WEST ALONG SAID MARGIN, 12.14 FEET;

THENCE SOUTH 89° 45' 05" WEST, 32.40 FEET;

THENCE SOUTH 00° 12' 40" EAST, 4.30 FEET;

THENCE SOUTH 89° 45' 05" WEST, 17.00 FEET;

THENCE NORTH 00° 12' 40" WEST, 4.30 FEET;

THENCE SOUTH 89° 45' 05" WEST, 6.70 FEET;

THENCE SOUTH 00° 12' 40" EAST, 4.80;

THENCE SOUTH 89° 45' 05" WEST, 102.20 FEET;

THENCE NORTH 00° 12' 40" WEST, 4.80 FEET;

THENCE SOUTH 89° 45' 05" WEST, 46.10 FEET TO THE TRUE POINT OF BEGINNING;

TOTAL TEMPORARY CONSTRUCTION EASEMENT CONTAINING 1296 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210677, DATED JANUARY 24, 2006)

LOTS 25, 26, 27 AND 28, BLOCK 13, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO.6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 68, IN KING COUNTY, WASHINGTON.

EXCEPT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO.725255 FOR HIGHWAY PURPOSES.

8-19-09

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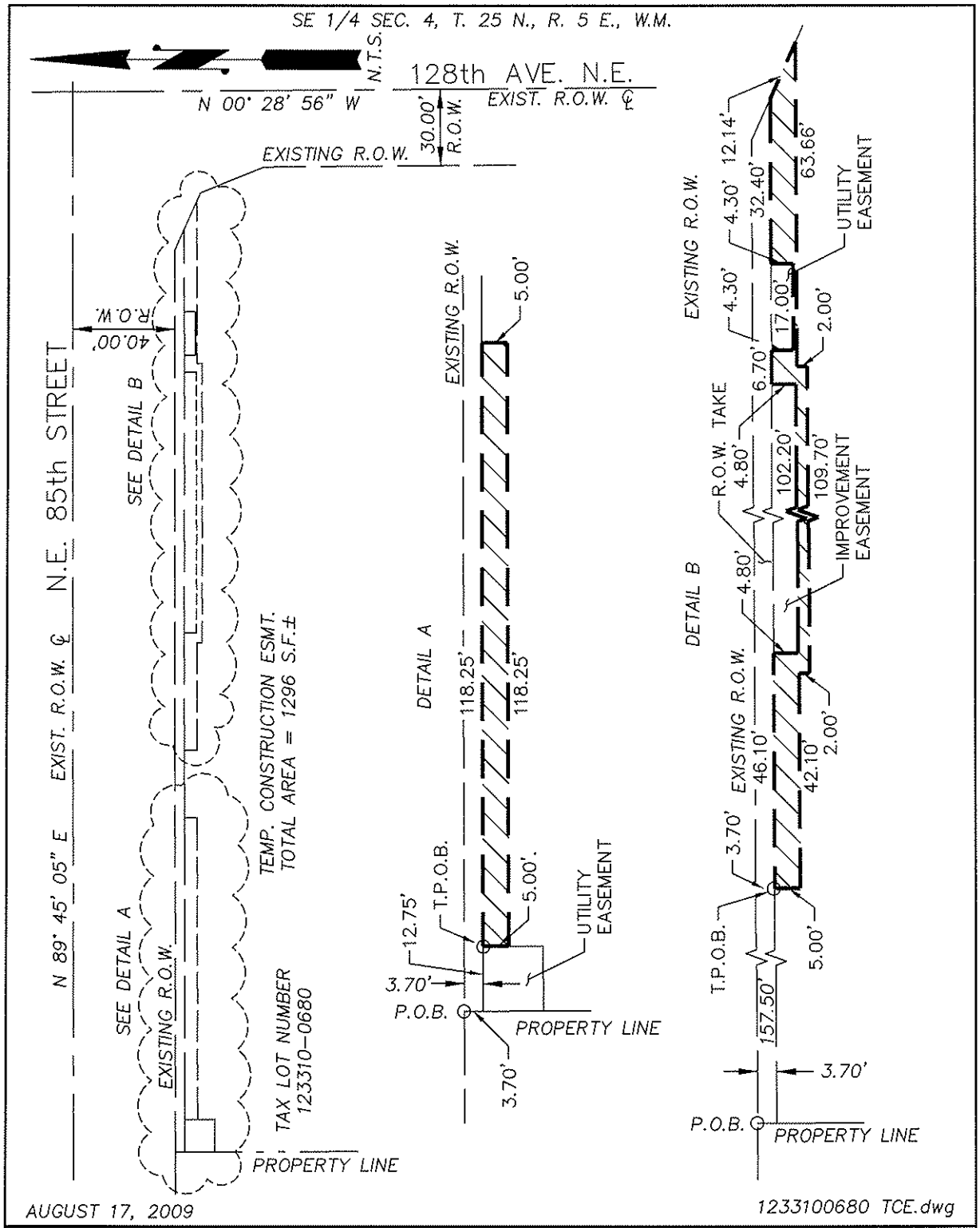

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Architecture
Landscape Architecture
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Urban Design

EXHIBIT ____
PARCEL 123310-0680
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT ___
PARCEL NO. 123310-0680
UTILITY EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE WEST 12.75 FEET OF THE SOUTH 11.80 FEET OF THE NORTH 15.50 FEET;

TOGETHER WITH THE EAST 17.00 FEET OF THE WEST 329.50 FEET OF THE SOUTH 4.30 FEET OF THE NORTH 8.00 FEET.

TOTAL EASEMENT CONTAINING 223 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-210677, DATED JANUARY 24, 2006)

LOTS 25, 26, 27 AND 28, BLOCK 13, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO.6, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 68, IN KING COUNTY, WASHINGTON.

EXCEPT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO.725255 FOR HIGHWAY PURPOSES.

RONALD D. REICHE
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

8-14-2009

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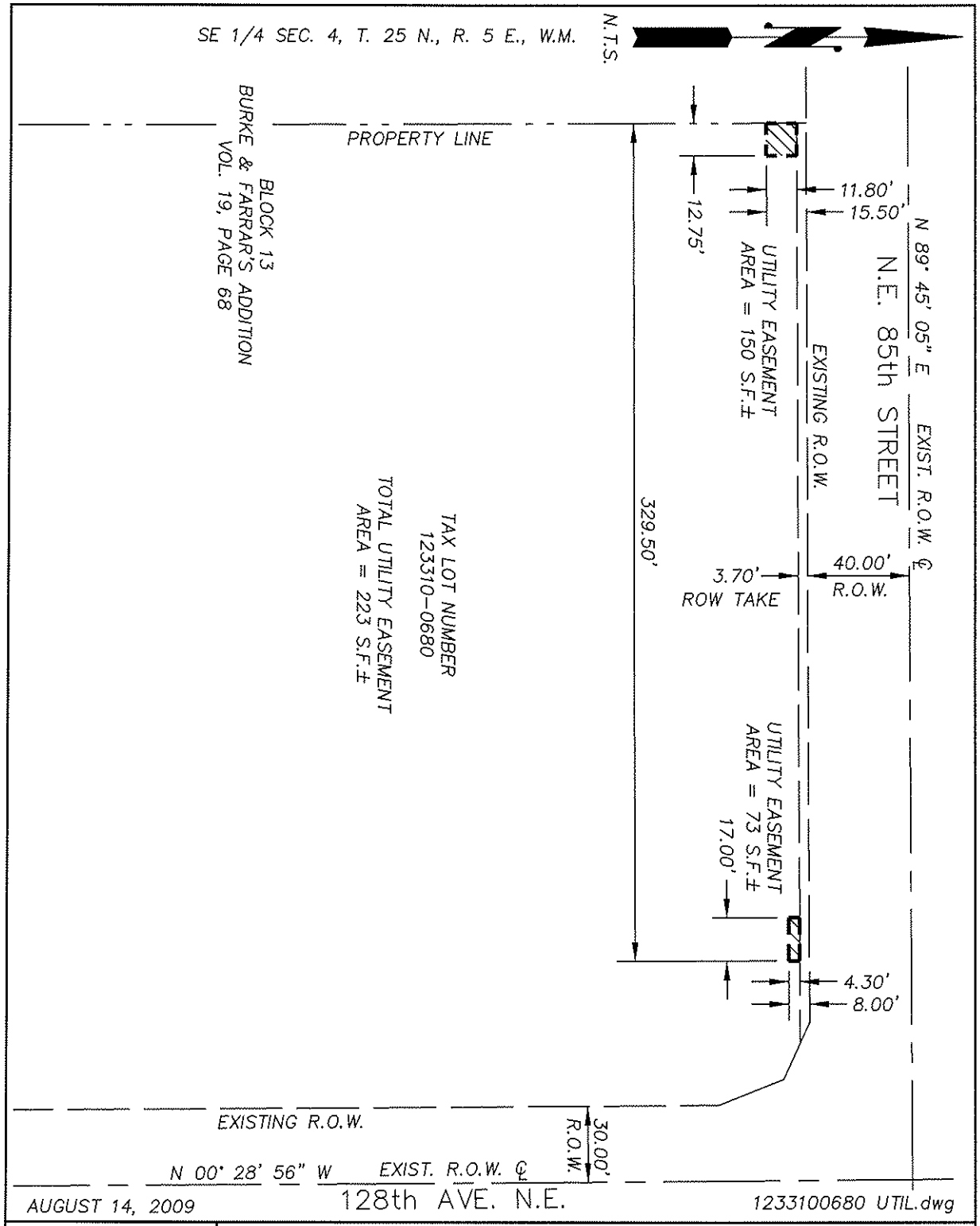

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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT ____
PARCEL 123310-0680
UTILITY EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0036
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL "A", SAID CORNER ALSO BEING ON THE SOUTH MARGIN OF NORTHEAST 85TH STREET;

THENCE SOUTH 00° 28' 56" EAST ALONG THE EAST LINE OF SAID PARCEL "A", 3.50 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00° 28' 56" EAST ALONG SAID EAST LINE, 5.00 FEET;

THENCE SOUTH 87° 39' 01" WEST, 126.32 FEET TO A LINE THAT IS 13.75 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID PARCEL "A";

THENCE NORTH 00° 28' 56" WEST ALONG SAID PARALLEL LINE, 9.50 FEET TO A LINE THAT IS 43.50 FEET SOUTH OF AND PARALLEL WITH THE CENTERLINE OF NORTHEAST 85TH STREET;

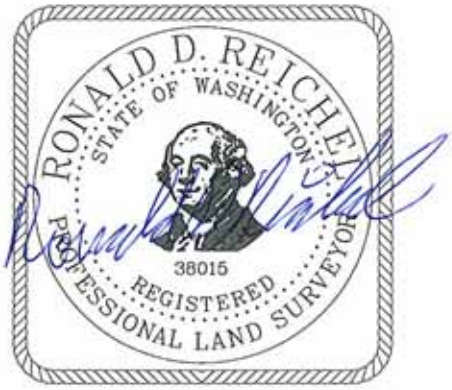
THENCE NORTH 89° 41' 30" EAST ALONG SAID PARALLEL LINE, 126.25 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 915 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279100, DATED JULY 18, 2008)

THE EAST 140 FEET OF THE WEST 290 FEET IN LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO STATE OF WASHINGTON FOR STATE HIGHWAY SR-908, BY DEED RECORDED DECEMBER 15, 1969 UNDER RECORDING NO. 6598462.



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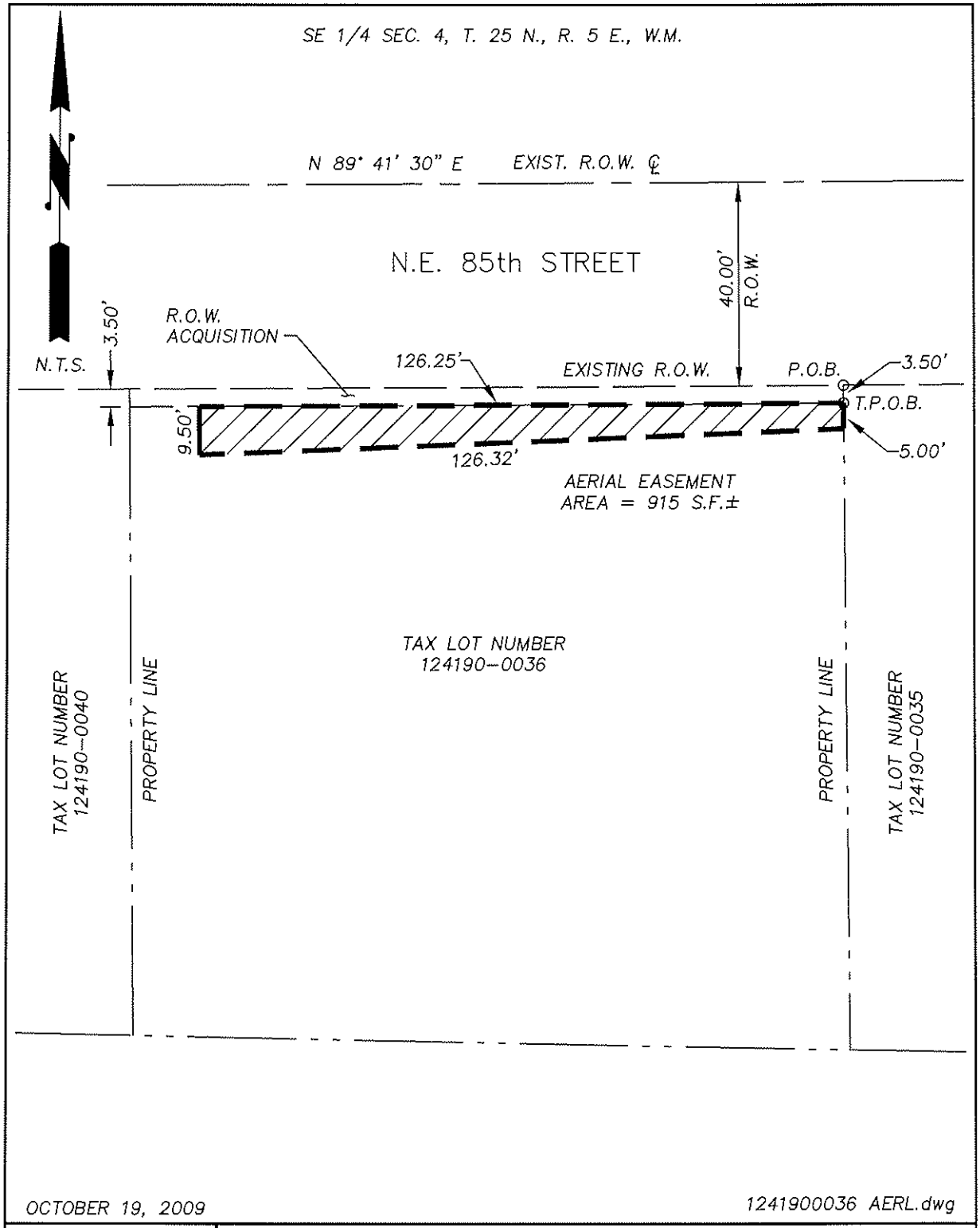
TACOMA · SEATTLE



OCTOBER 19, 2009

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Architecture
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Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0036
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0036
ANCHOR EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE WEST 13.75 FEET OF THE SOUTH 5.50 FEET OF THE NORTH 9.00 FEET.

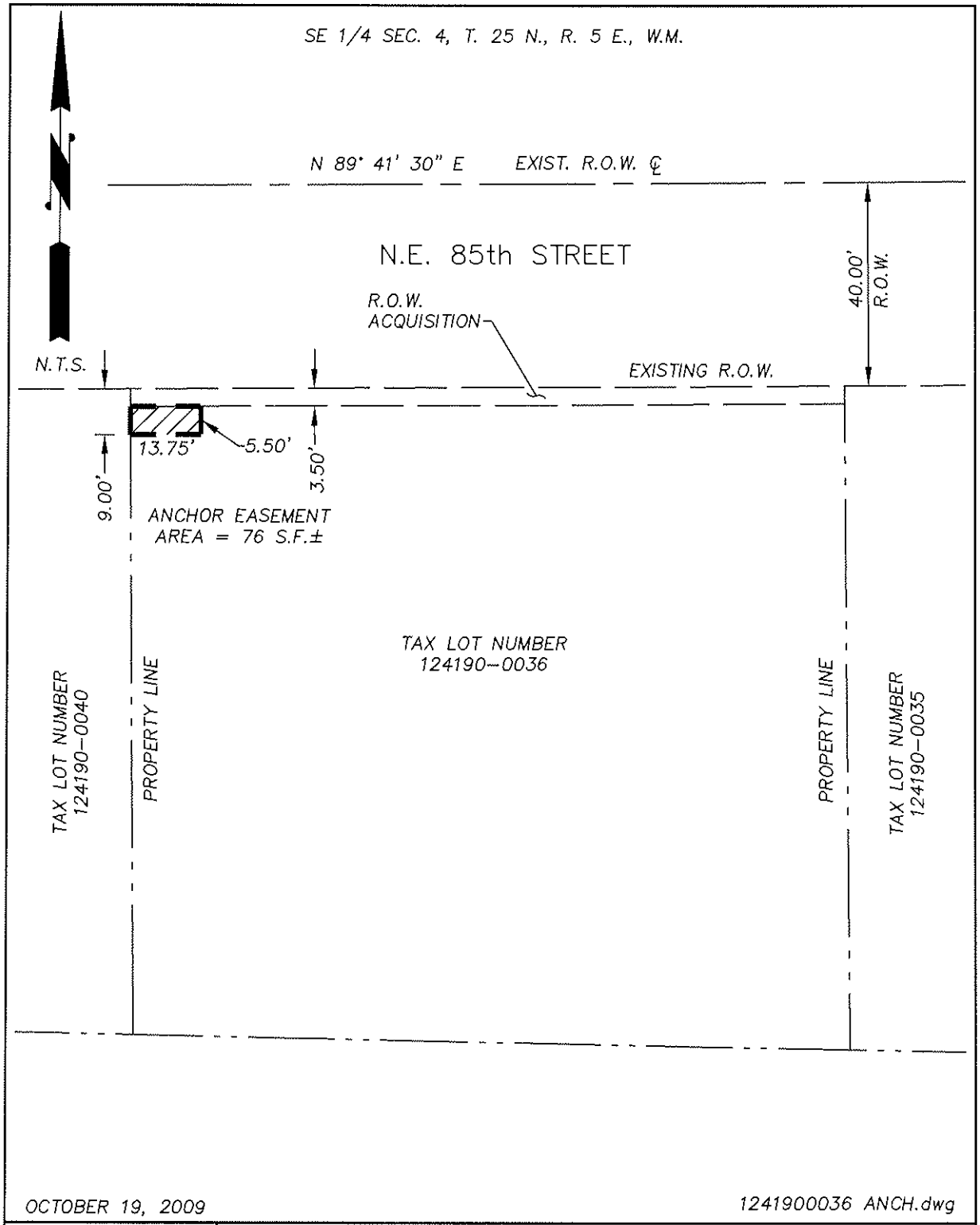
CONTAINING 76 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279100, DATED JULY 18, 2008)

THE EAST 140 FEET OF THE WEST 290 FEET IN LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO STATE OF WASHINGTON FOR STATE HIGHWAY SR-908, BY DEED RECORDED DECEMBER 15, 1969 UNDER RECORDING NO. 6598462.

10-22-09



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Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0036
ANCHOR EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0036
RIGHT OF WAY ACQUISITION

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE NORTH 3.50 FEET.

CONTAINING 490 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279100, DATED JULY 18, 2008)

THE EAST 140 FEET OF THE WEST 290 FEET IN LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO STATE OF WASHINGTON FOR STATE HIGHWAY SR-908, BY DEED RECORDED DECEMBER 15, 1969 UNDER RECORDING NO. 6598462.

9-2-2009

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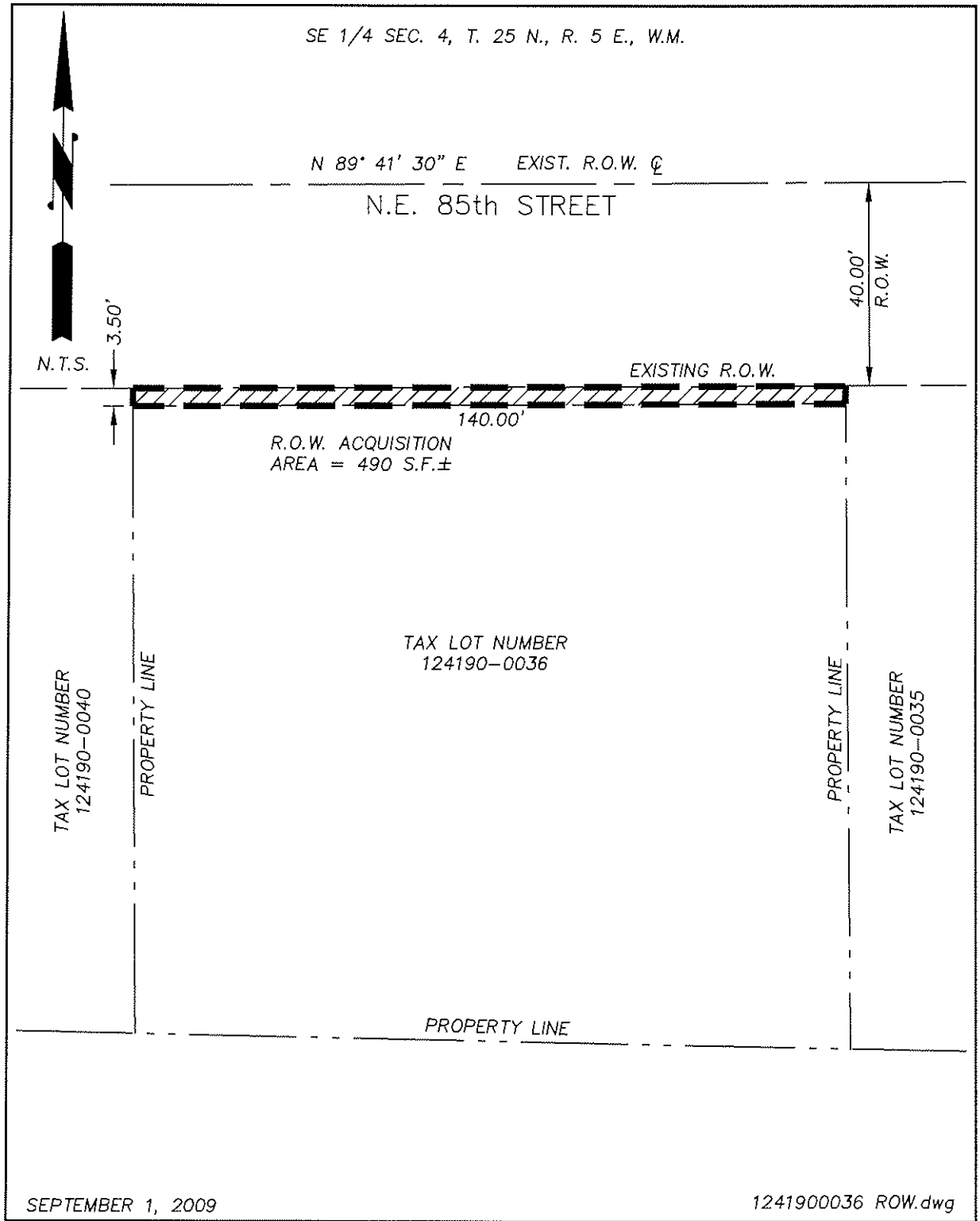

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Architecture
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Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0036
RIGHT OF WAY ACQUISITION

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0036
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.50 FEET OF THE NORTH 9.00 FEET.

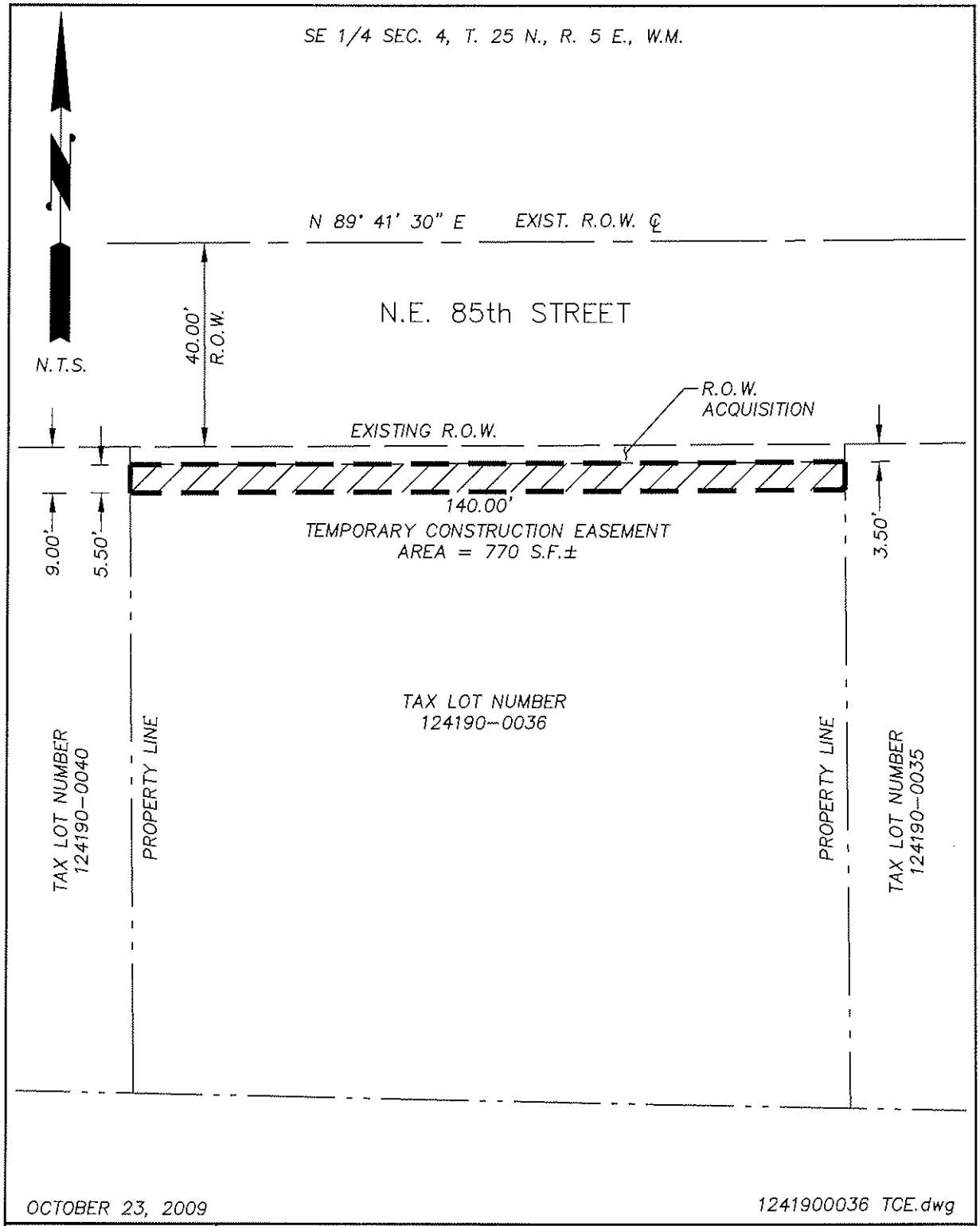
CONTAINING 770 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279100, DATED JULY 18, 2008)

THE EAST 140 FEET OF THE WEST 290 FEET IN LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO STATE OF WASHINGTON FOR STATE HIGHWAY SR-908, BY DEED RECORDED DECEMBER 15, 1969 UNDER RECORDING NO. 6598462.

10-27-09



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0036
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0035
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

CONTAINING 501 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-342032, DATED FEBRUARY 26, 2008)

LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON.

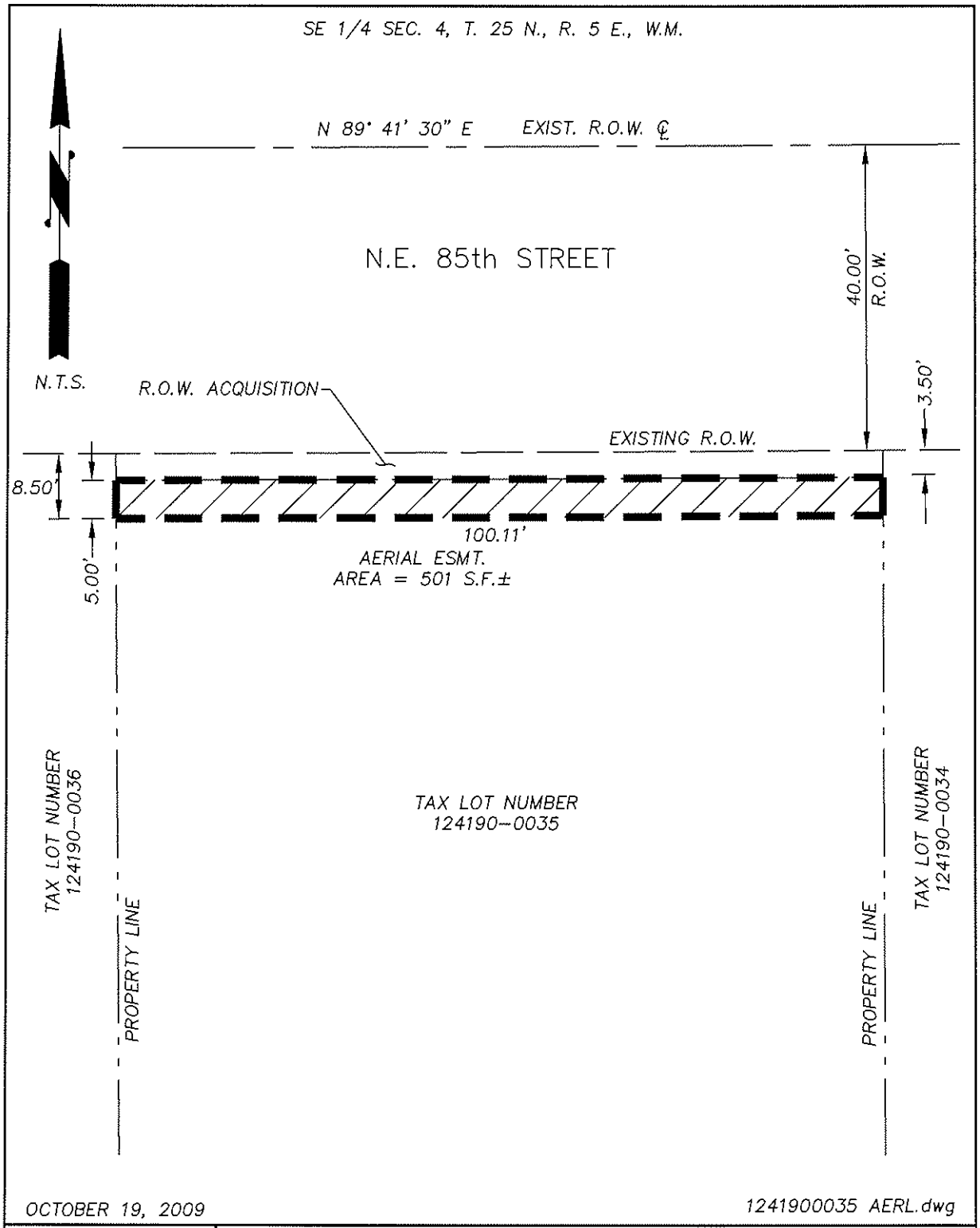
EXCEPT THE WEST 290 FEET THEREOF.

ALSO EXCEPT THE EAST 160 FEET THEREOF.

ALSO EXCEPT THE EAST HALF THEREOF.

ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED FEBRUARY 18,1970 UNDER RECORDING NO. 6621425, IN KING COUNTY, WASHINGTON.

10-22-09



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0035
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0035
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE WEST 91.00 FEET OF THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET.

CONTAINING 228 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-342032, DATED FEBRUARY 26, 2008)

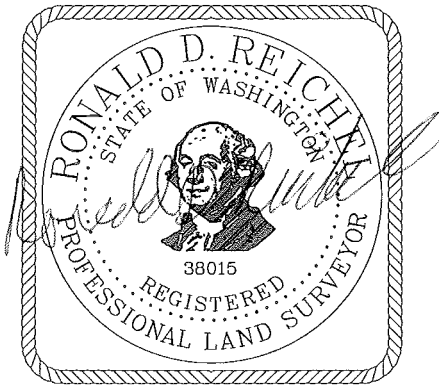
LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON.

EXCEPT THE WEST 290 FEET THEREOF.

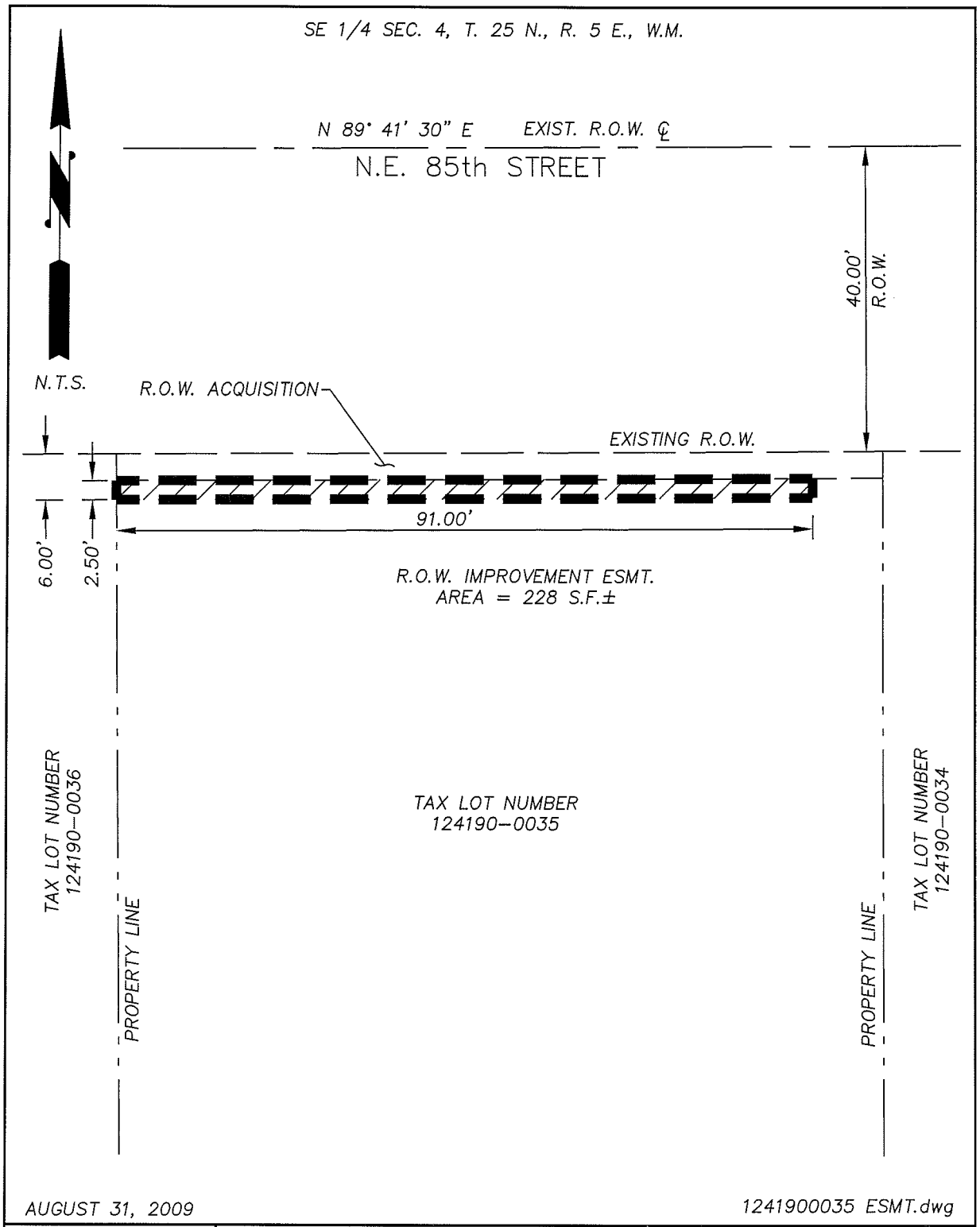
ALSO EXCEPT THE EAST 160 FEET THEREOF.

ALSO EXCEPT THE EAST HALF THEREOF.

ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED FEBRUARY 18,1970 UNDER RECORDING NO. 6621425, IN KING COUNTY, WASHINGTON.



9-1-2006

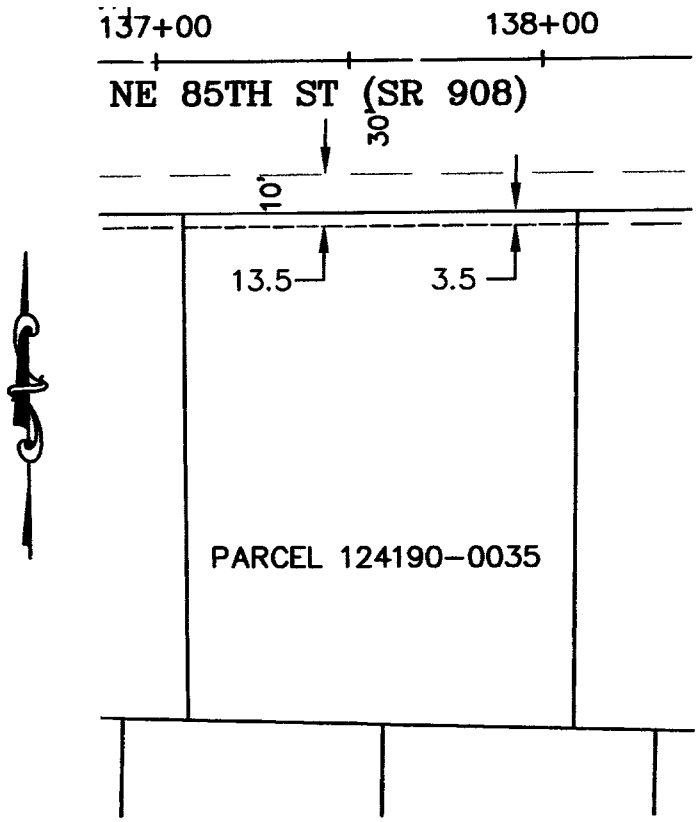


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0035
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



2/20/2009

SETH D. O'HARE
STATE OF WASHINGTON
35985
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 3/6/2009

1"=50'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH
SCALE ACCORDINGLY

RIGHT OF WAY EASEMENT

THAT PORTION OF SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

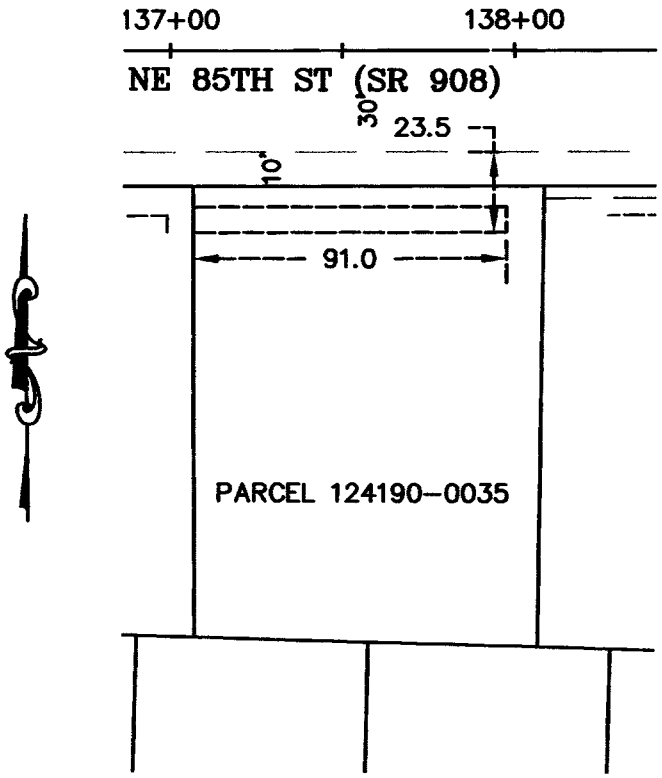
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET OF LOT 4, BLOCK 66, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON,
EXCEPT THE EAST 160.00 FEET; EXCEPT THE WEST 290.00 FEET; AND EXCEPT THE EAST HALF OF THE REMAINDER.
CONTAINING 362 SQUARE FEET.

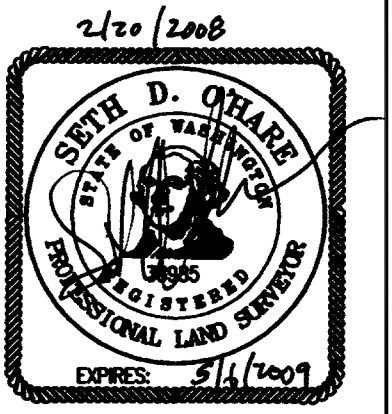
DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0035 DATE: 01/21/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh2.dwg PAGE ___ OF ___

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON





1"=50'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH
SCALE ACCORDINGLY

TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THE WEST 91.00 FEET OF THE FOLLOWING DESCRIBED PARCEL;
THE SOUTH 7.50 FEET OF THE NORTH 23.50 FEET OF LOT 4, BLOCK 66, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON,
EXCEPT THE EAST 160.00 FEET; EXCEPT THE WEST 290.00 FEET; AND EXCEPT THE EAST HALF OF THE REMAINDER.
CONTAINING 683 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0035 DATE: 02/19/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh2.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0034
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

CONTAINING 501 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-342026, DATED FEBRUARY 25, 2008)

THE EAST HALF OF THE FOLLOWING DESCRIBED PROPERTY:

LOT 4, BLOCK 66, BURKE & FARRAR'S DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON.

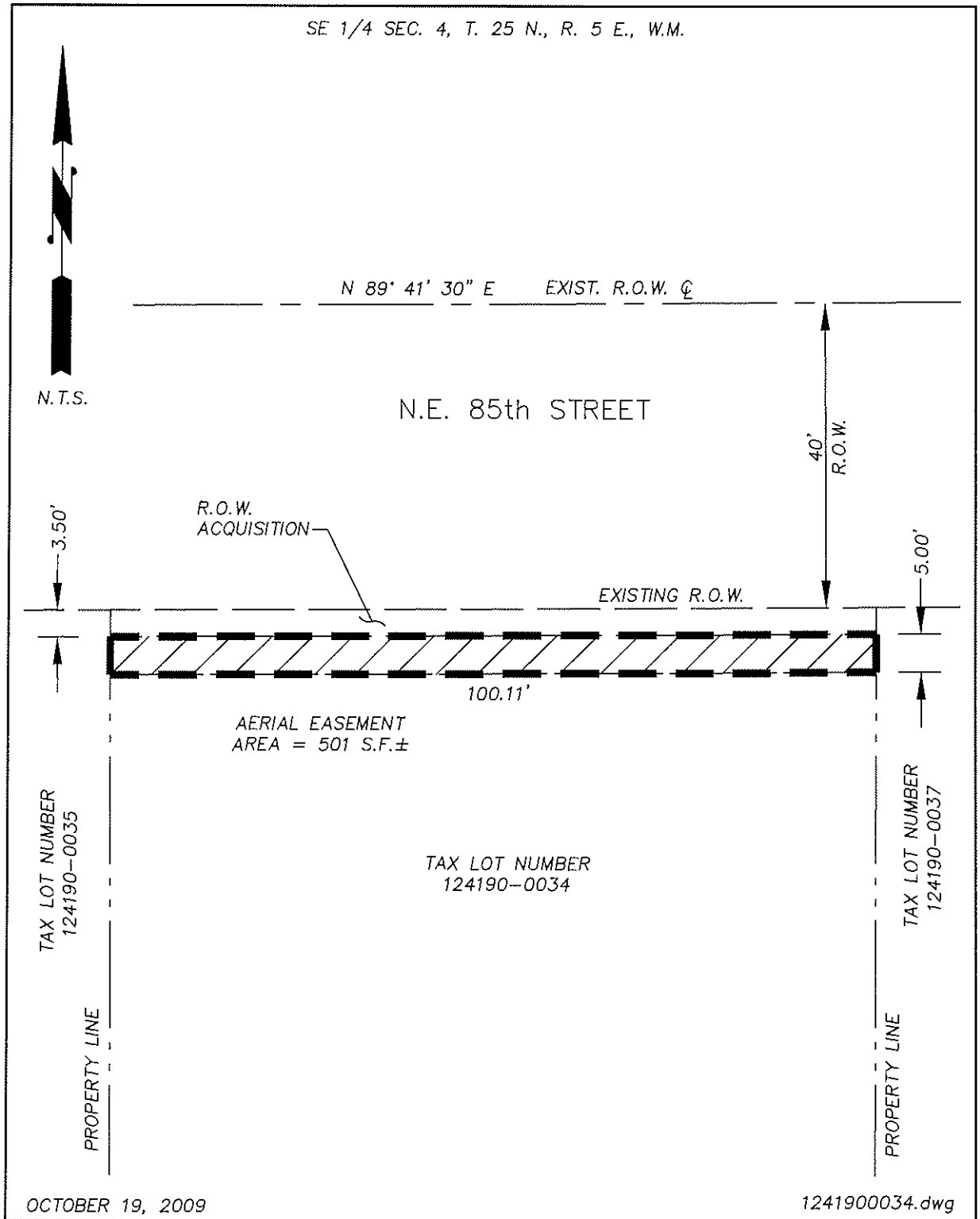
EXCEPT THE WEST 290 FEET THEREOF.

EXCEPT THE EAST 160 FEET THEREOF.

LESS THAT PORTION LYING NORTHERLY OF A LINE DRAWN PARALLEL WITH AND 40 FEET DISTANCE SOUTHERLY FROM THE CENTER LINE SURVEY OF S.R. 901 AT 120TH AVENUE N.E. TO SAMMAMISH RIVER, SAID LINE EXTENDS FROM THE WESTERLY BOUNDARY TO THE EASTERLY BOUNDARY OF SAID PARCEL OF LAND.

RONALD D. REICHEL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

10-22-09

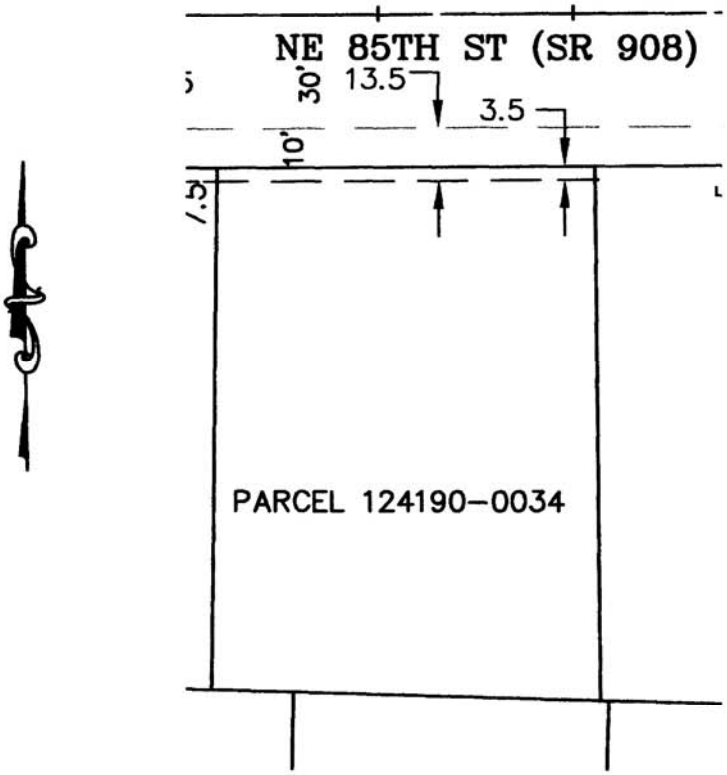


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0034
AERIAL EASEMENT

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M. CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

RIGHT OF WAY

THAT PORTION OF SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

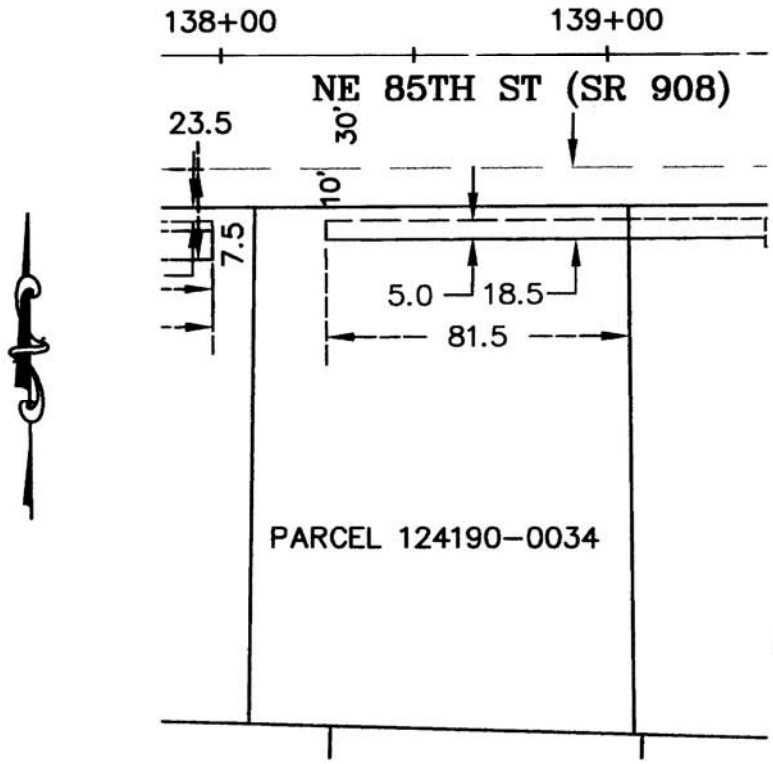
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET OF LOT 4, BLOCK 66, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON,
EXCEPT THE EAST 160.00 FEET; EXCEPT THE WEST 290.00 FEET; AND EXCEPT THE WEST HALF OF THE REMAINDER.
CONTAINING 344 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0034 DATE: 03/10/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh2.dwg PAGE ___ OF ___

EXHIBIT A

NORTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THE EAST 81.50 FEET OF THE FOLLOWING DESCRIBED PORTION;
THE SOUTH 5.00 FEET OF THE NORTH 18.50 FEET OF LOT 4, BLOCK 66, BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON,
EXCEPT THE EAST 160.00 FEET; EXCEPT THE WEST 290.00 FEET; AND EXCEPT THE WEST HALF OF THE REMAINDER.
CONTAINING 408 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0034 DATE: 01/21/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh2.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0037
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET;

CONTAINING 800 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279102, DATED FEBRUARY 07, 2007)

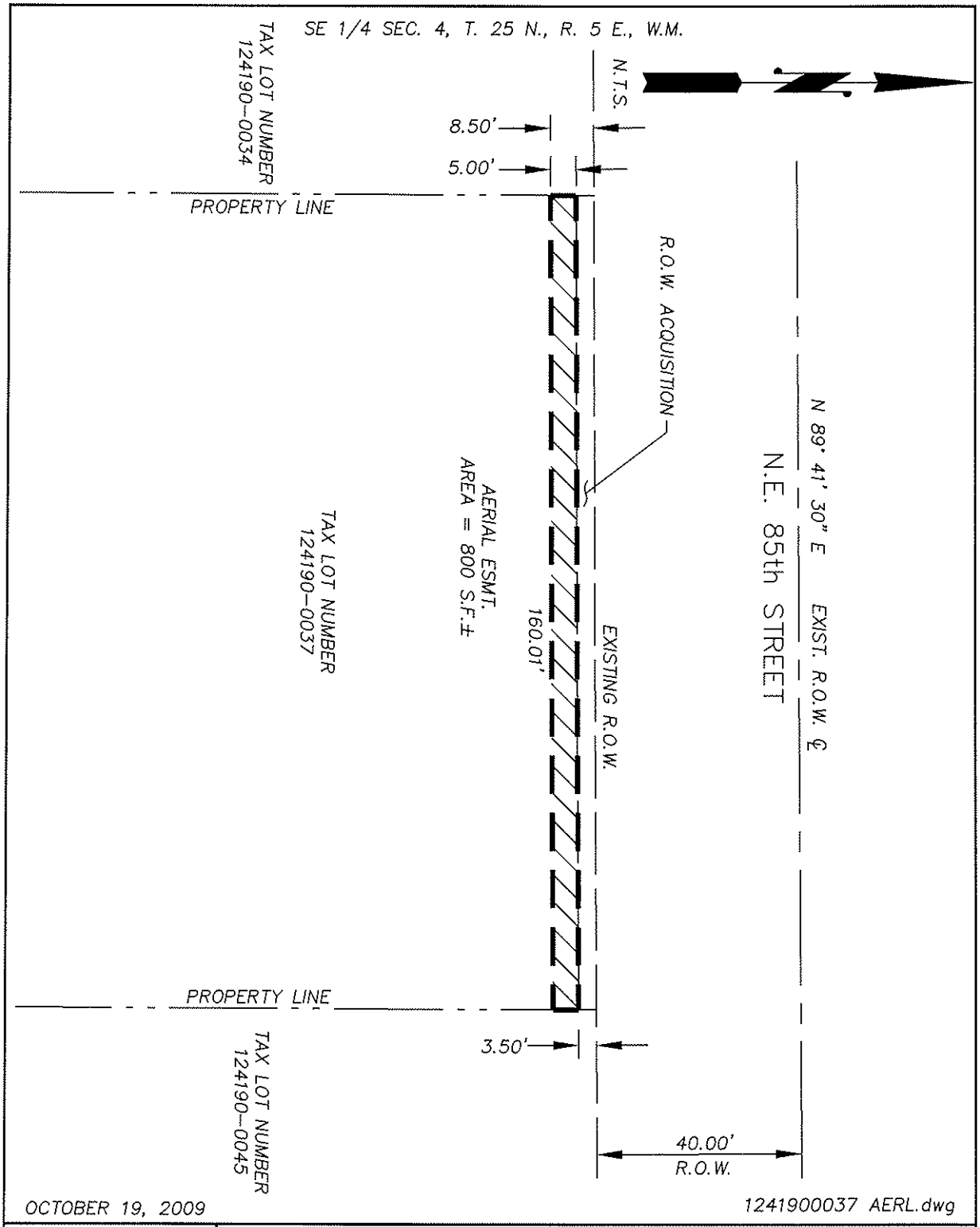
THE EAST 160 FEET OF LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO 21, ACCORDING TO THE PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, KING COUNTY, WASHINGTON;

EXCEPT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER RECORDING NO. 6579331.

RONALD D. REICHL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

10-22-09

KPG
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0037
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0037
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

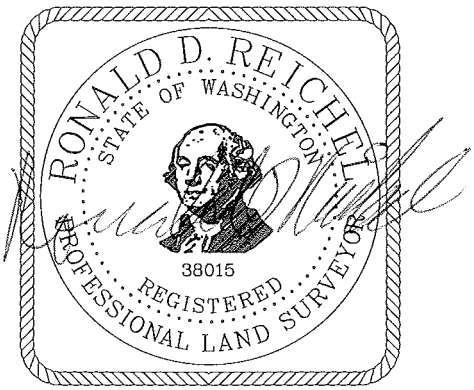
THE EAST 6.00 FEET OF THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET.

CONTAINING 15 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279102, DATED FEBRUARY 07, 2007)

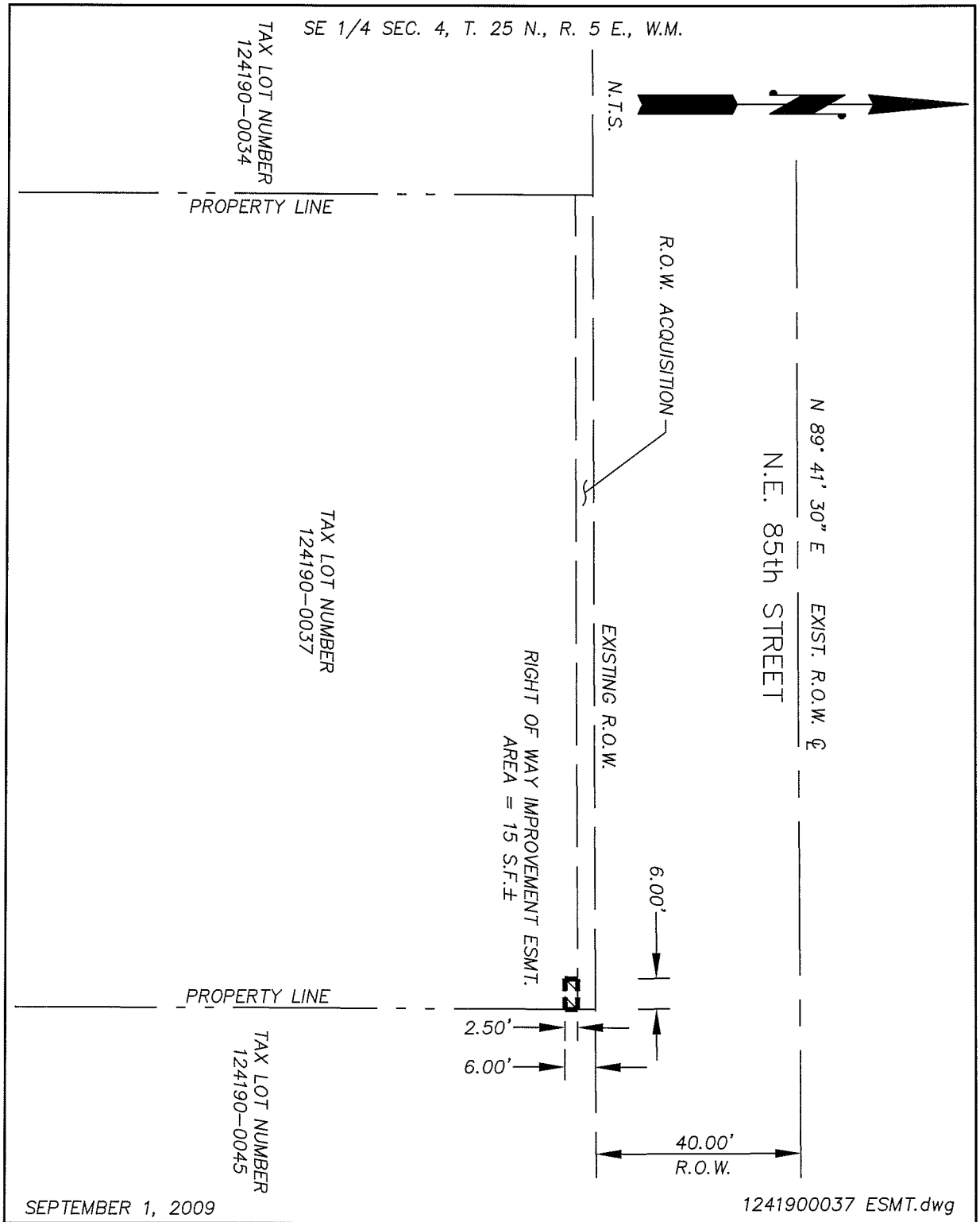
THE EAST 160 FEET OF LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO 21, ACCORDING TO THE PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, KING COUNTY, WASHINGTON;

EXCEPT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER RECORDING NO. 6579331.



9-2-2009

KPG
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0037
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0037
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 7.00 FEET OF THE NORTH 10.50 FEET;

EXCEPT THE WEST 150.00 FEET OF THE SOUTH 2.00 FEET OF THE NORTH 10.50 FEET;

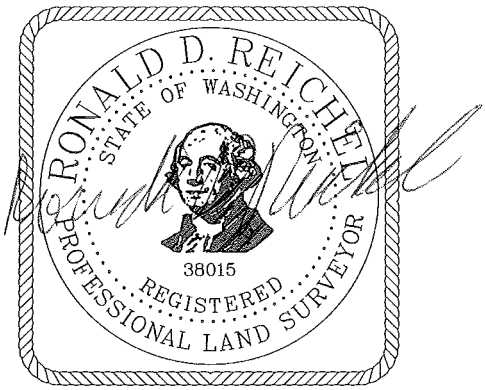
ALSO EXCEPT THE EAST 6.00 FEET OF THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET.

CONTAINING 805 SQUARE FEET, MORE OR LESS.

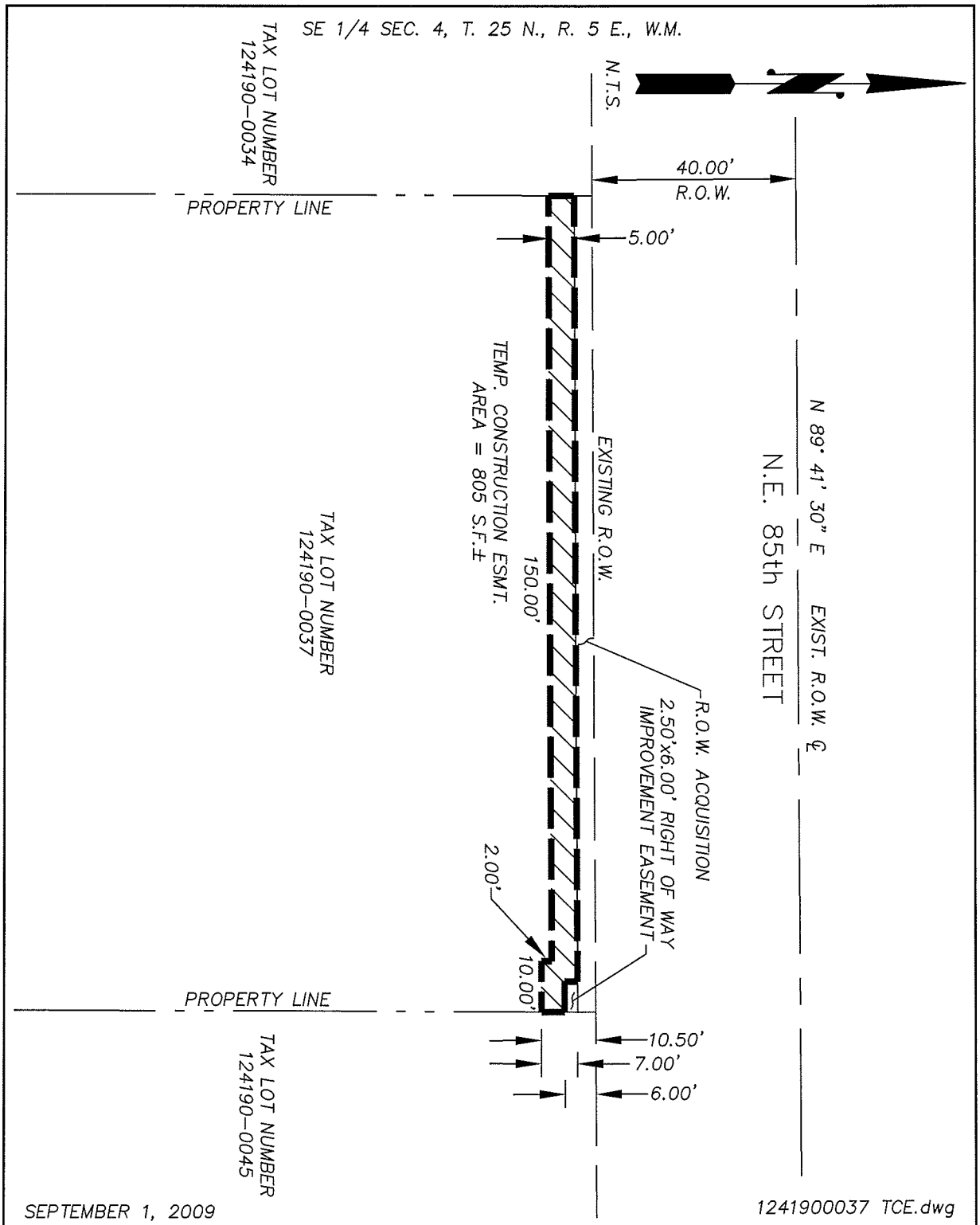
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279102, DATED FEBRUARY 07, 2007)

THE EAST 160 FEET OF LOT 4, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO 21, ACCORDING TO THE PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, KING COUNTY, WASHINGTON;

EXCEPT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER RECORDING NO. 6579331.



9-2-2009

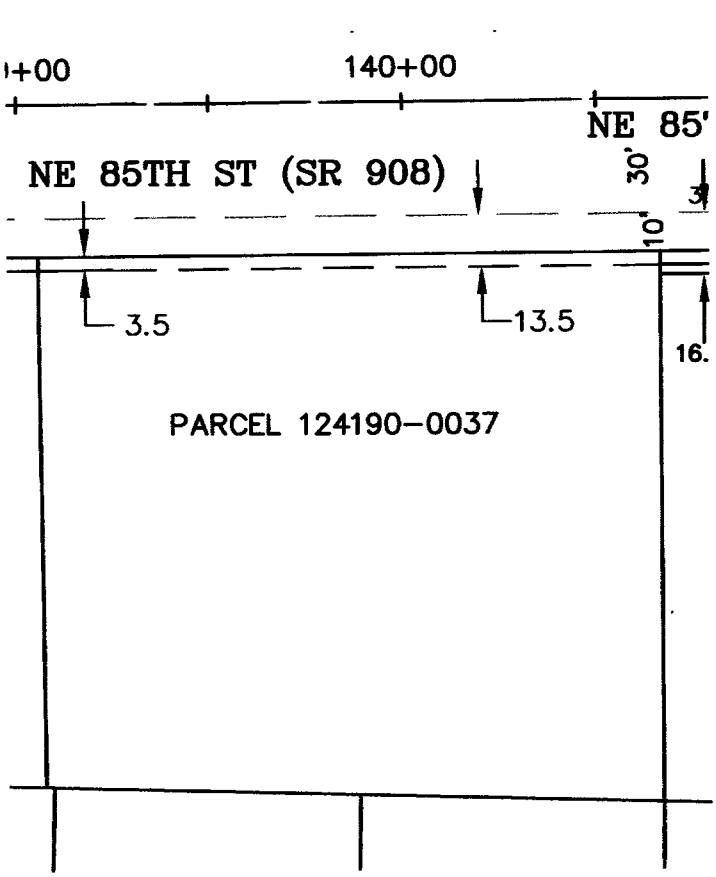


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0037
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A

NORTHWEST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

2/26/2008

SETH D. O'HARE
STATE OF WASHINGTON
38885
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 6/6/2009

RIGHT OF WAY EASEMENT

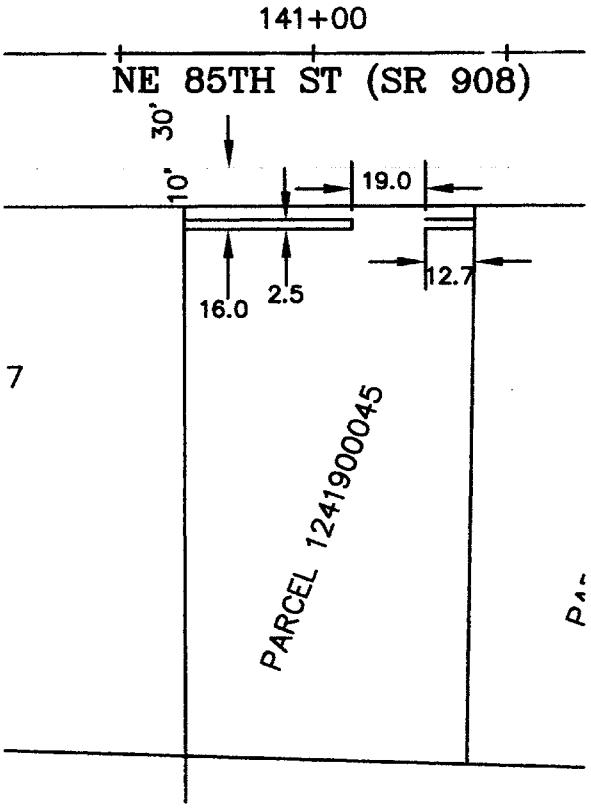
THAT PORTION OF THE EAST 160.00 FEET OF LOT 4, BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 564 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0037 DATE: 01/15/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh3.dwg PAGE ___ OF ___

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

2/28/2008

RIGHT OF WAY IMPROVEMENT EASEMENT

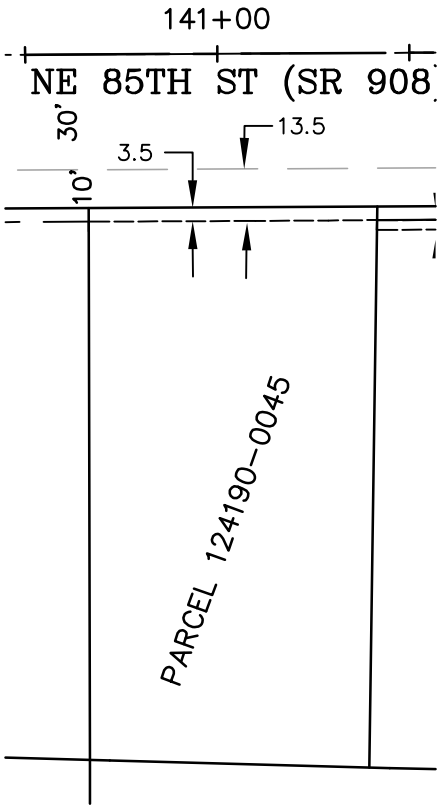
THAT PORTION OF LOT 5, BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 2.50 FEET OF THE NORTH 16.00 FEET; EXCEPT THE EAST 577 FEET THEREOF AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5;
EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 16.00 FEET OF THE WEST 19.00 FEET OF THE EAST 31.70 FEET THEREOF.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 141 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0045 DATE: 01/15/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh3.dwg PAGE ___ OF ___

EXHIBIT A

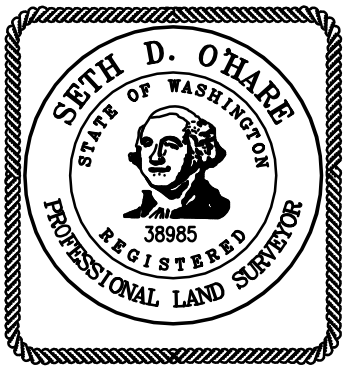
SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH
SCALE ACCORDINGLY



RIGHT OF WAY

THAT PORTION OF LOT 5, BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET; EXCEPT THE EAST 577.00 FEET THEREOF AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5;
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 263 SQUARE FEET.

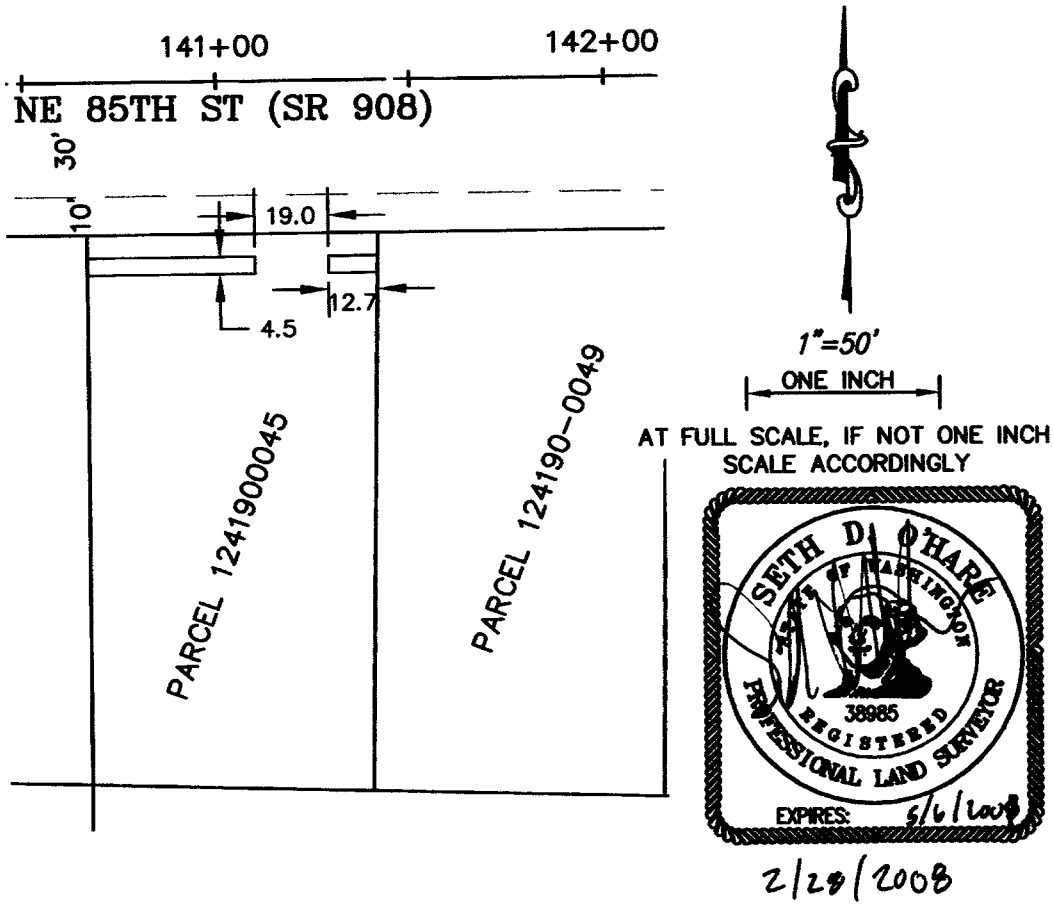
DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650

GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0045 DATE: 08/11/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh3.dwg PAGE ___ OF ___

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF LOT 5, BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 4.50 FEET OF THE NORTH 20.50 FEET; EXCEPT THE EAST 577.00 FEET THEREOF AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5;
EXCEPT THE WEST 19.00 FEET OF THE EAST 31.70 FEET THEREOF .
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 253 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0045 DATE: 02/25/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh3.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0045
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

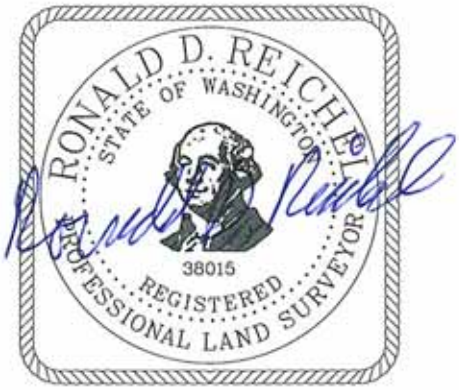
CONTAINING 368 SQUARE FEET, MORE OR LESS.

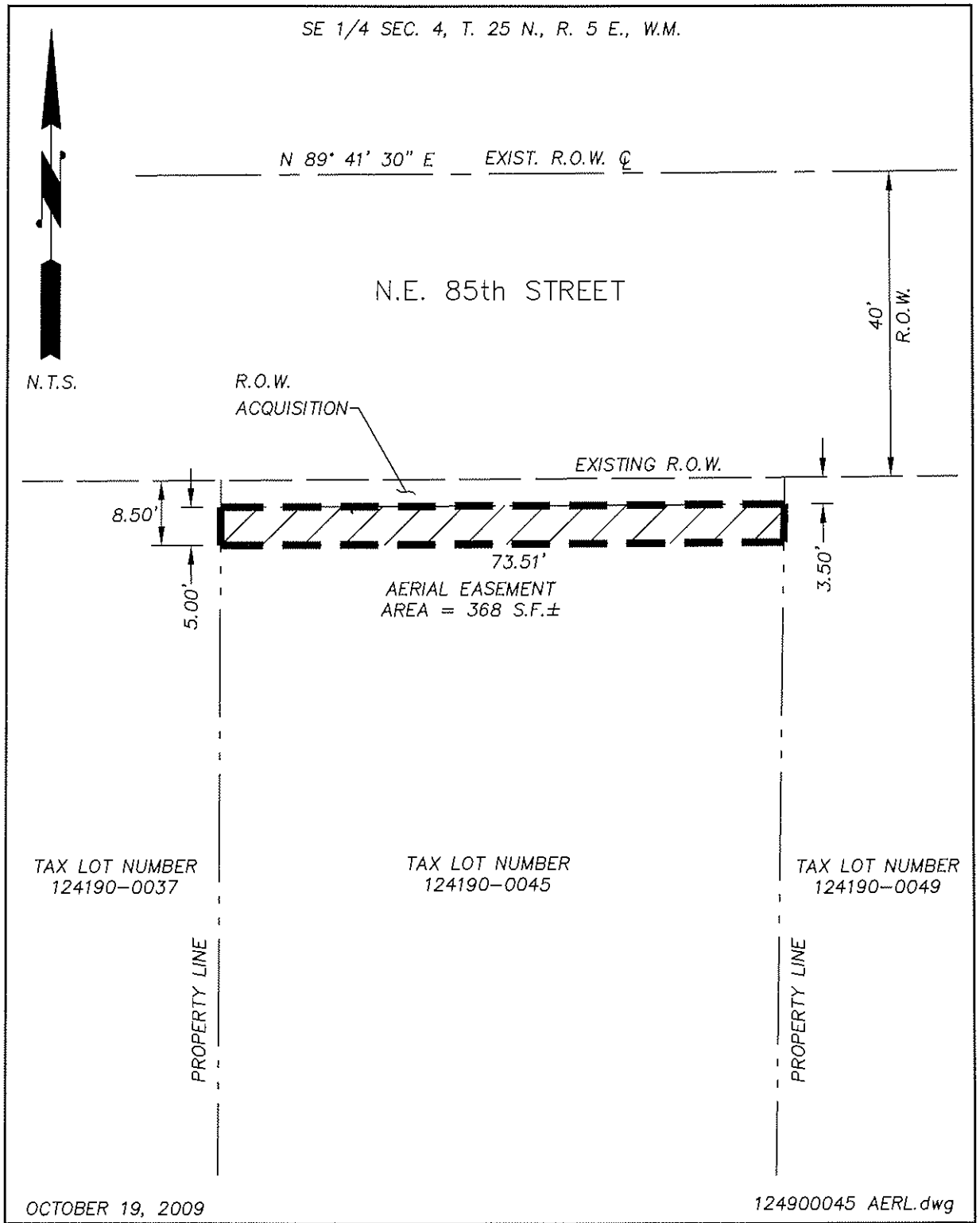
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279110, DATED FEBRUARY 08, 2007)

LOT 5, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THE EAST 577 FEET THEREOF AS MEASURED ON THE SOUTH LINE;

AND EXCEPT THAT PORTION DEEDED TO THE STATE OF WASHINGTON BY DEED RECORDED UNDER RECORDING NO. 6623499.





KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 12490-0045
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0049
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

CONTAINING 375 SQUARE FEET, MORE OR LESS.

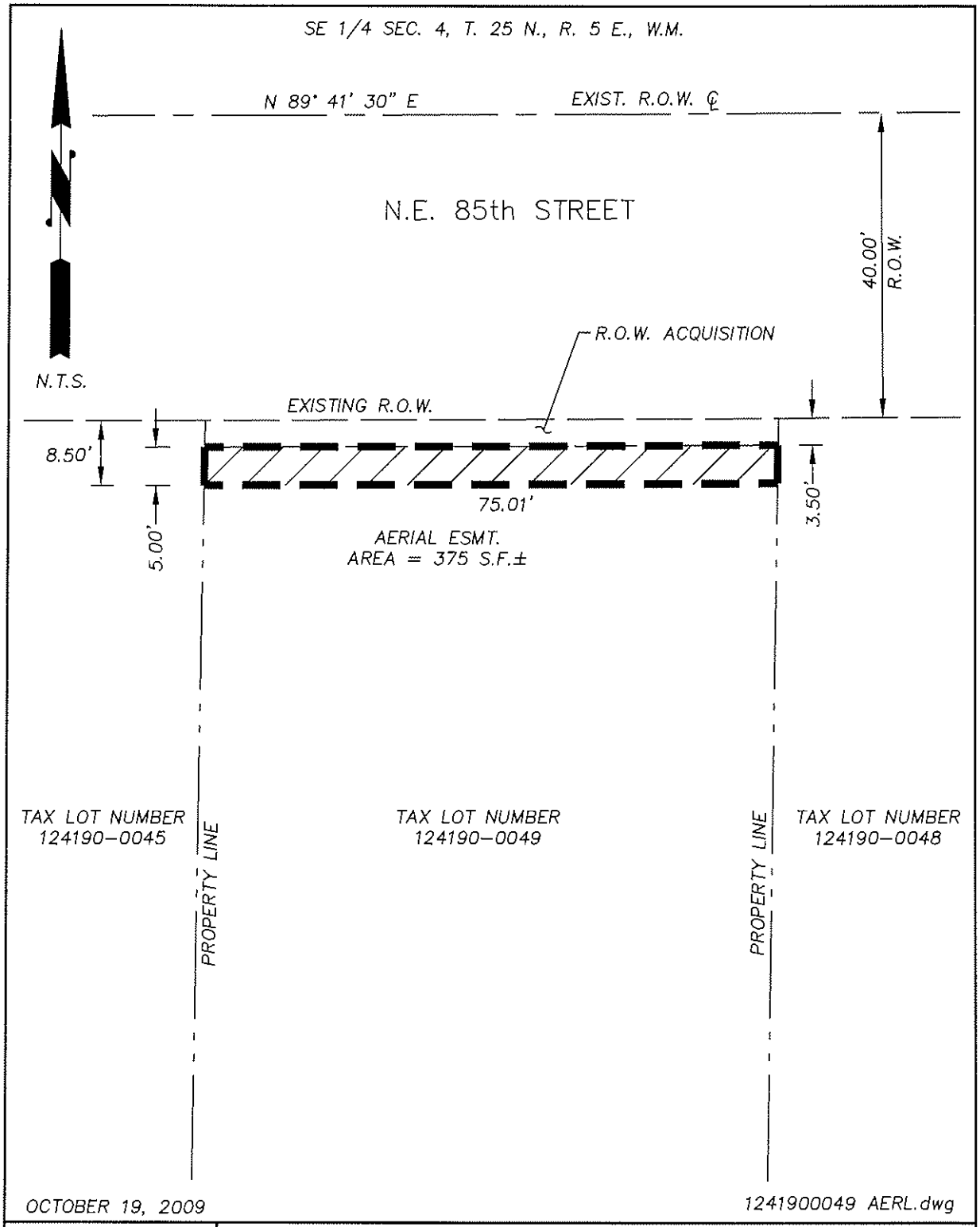
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279131, DATED JULY 22, 2008)

THE WEST 75 FEET OF THE EAST 577 FEET OF LOT 5, AS MEASURED ON THE SOUTH LINE THEREOF IN BLOCK 66 OF BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, AS PER PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THE NORTH 10 FEET FOR ROAD RECORDED JULY 12, 1970 UNDER RECORDING NO. 6660561.

RONALD D. REICHL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

10-22-09



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0049
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0049
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 47.50 FEET;

TOGETHER WITH THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE EAST 7.50 FEET.

CONTAINING 138 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279131, DATED JULY 22, 2008)

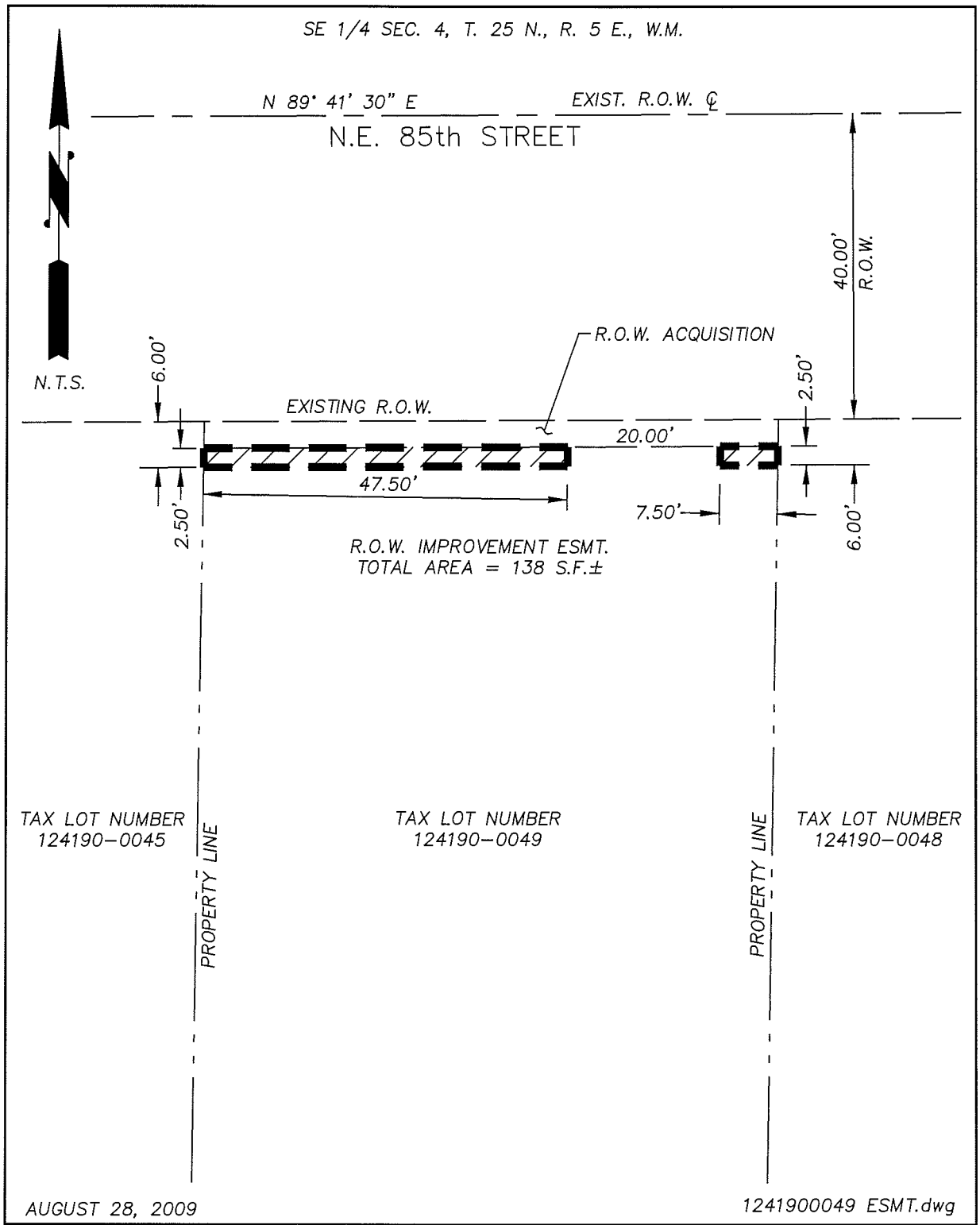
THE WEST 75 FEET OF THE EAST 577 FEET OF LOT 5, AS MEASURED ON THE SOUTH LINE THEREOF IN BLOCK 66 OF BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, AS PER PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THE NORTH 10 FEET FOR ROAD RECORDED JULY 12, 1970 UNDER RECORDING NO. 6660561.

RONALD D. REICHE
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

8-28-2009

KPG
TACOMA · SEATTLE

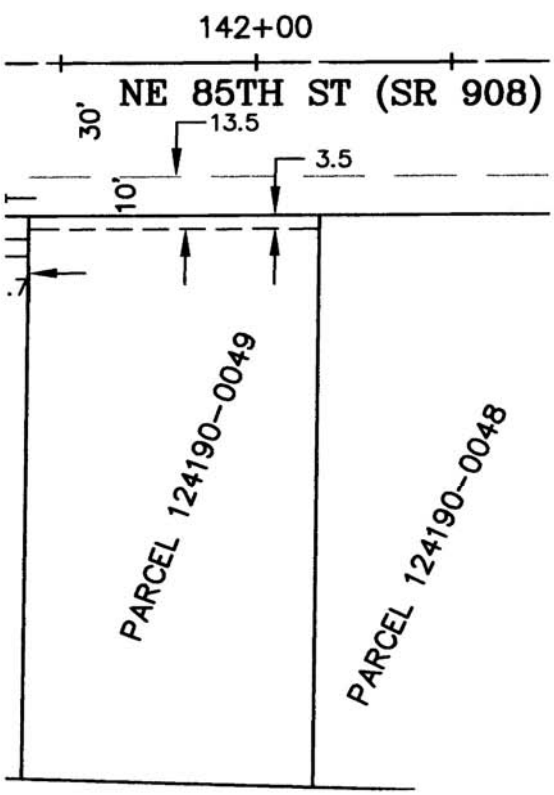


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0049
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH
SCALE ACCORDINGLY

2/28/2008

RIGHT OF WAY

THAT PORTION OF THE WEST 75.00 FEET OF THE EAST 577.00 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5, IN BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 263 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0049 DATE: 02/26/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh3.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0049
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 7.00 FEET OF THE NORTH 10.50 FEET;

EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 47.50 FEET;

ALSO EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE EAST 7.50 FEET.

CONTAINING 388 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279131, DATED JULY 22, 2008)

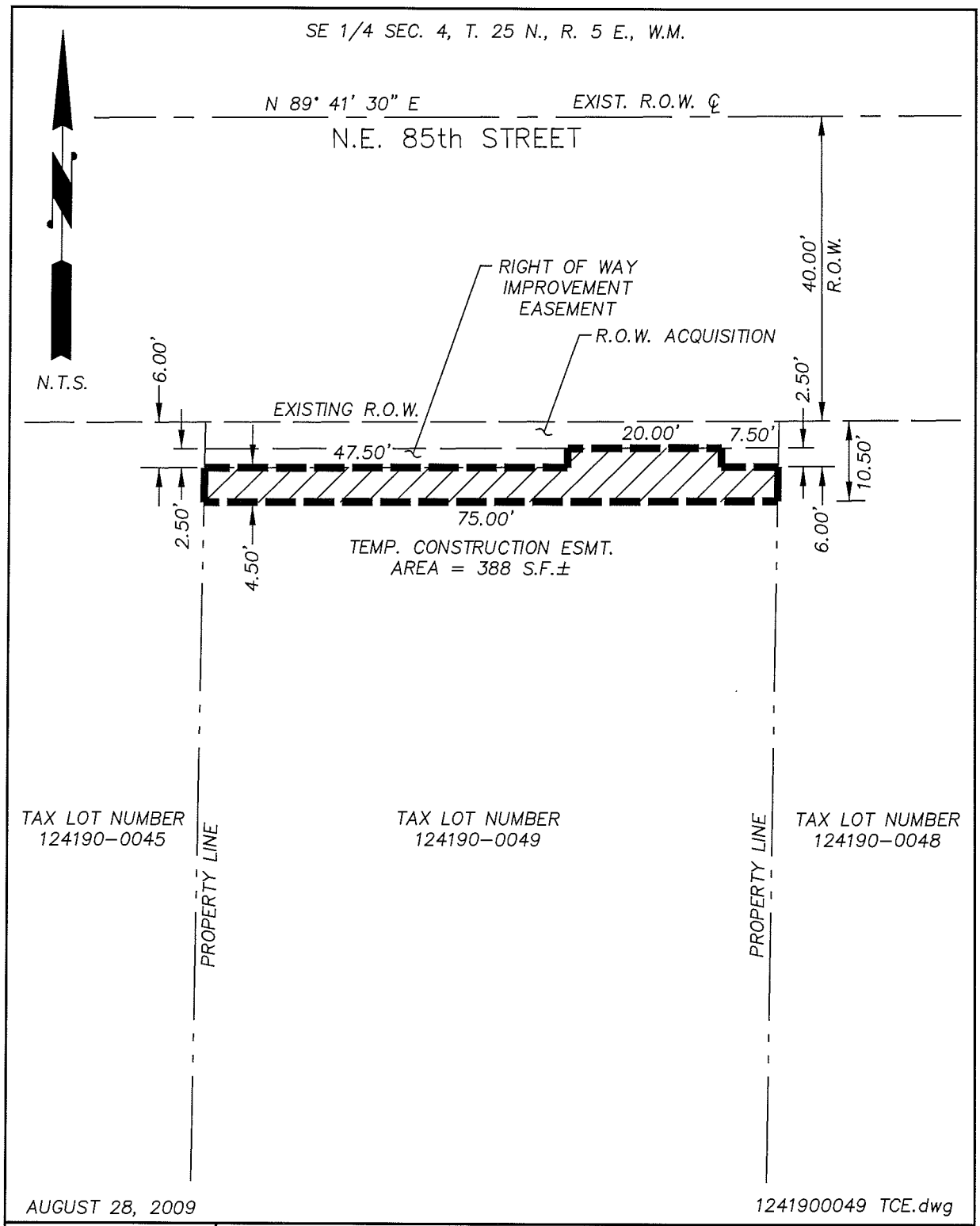
THE WEST 75 FEET OF THE EAST 577 FEET OF LOT 5, AS MEASURED ON THE SOUTH LINE THEREOF IN BLOCK 66 OF BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, AS PER PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THE NORTH 10 FEET FOR ROAD RECORDED JULY 12, 1970 UNDER RECORDING NO. 6660561.

RONALD D. REICHEL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

8-28-2009

KPG
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0049
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0048
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

CONTAINING 375 SQUARE FEET, MORE OR LESS.

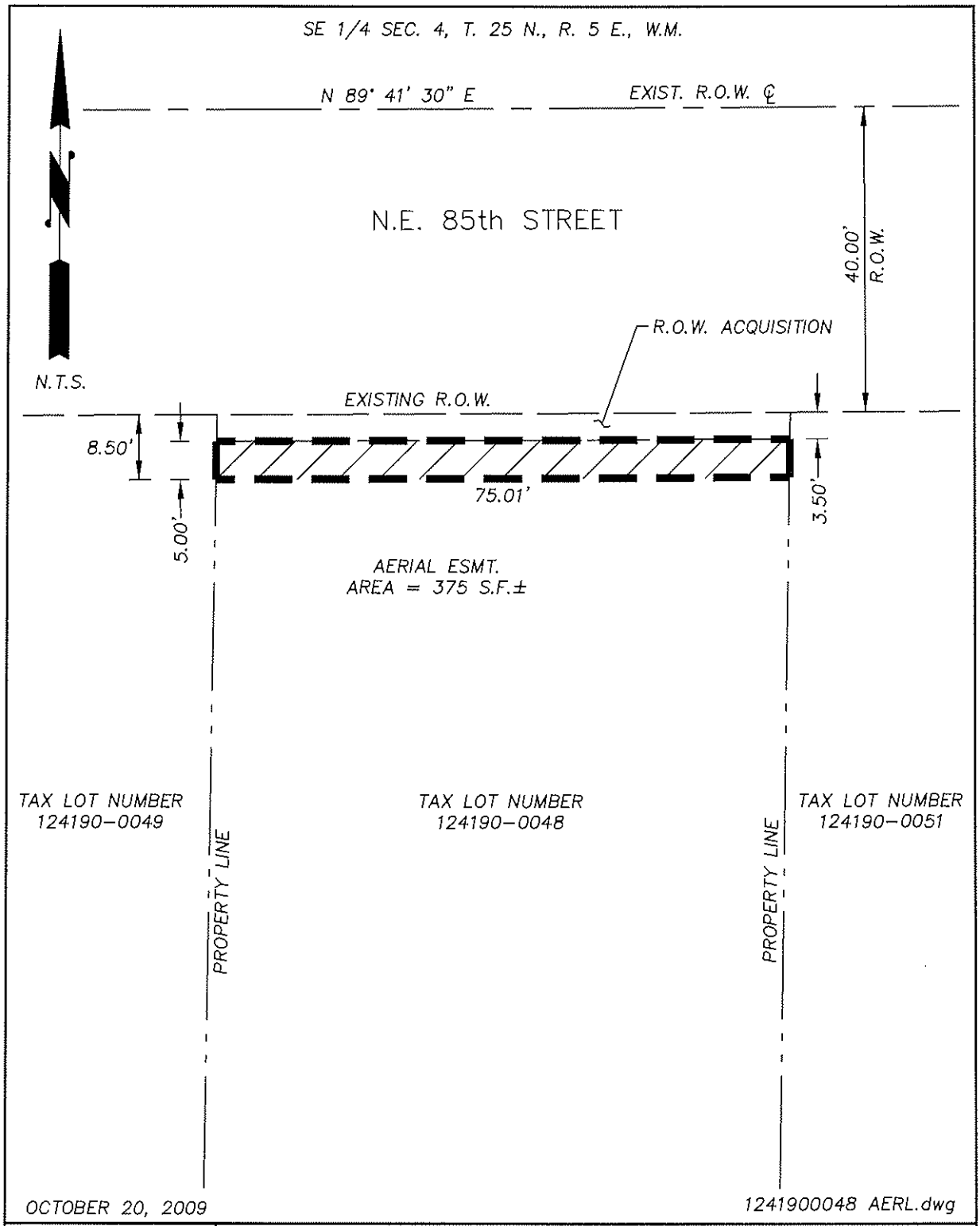
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279124, DATED FEBRUARY 5, 2007)

WEST 75 FEET OF THE EAST 502 FEET, LOT 5, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATILE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR ROAD BY DEED RECORDED AUGUST 5, 1970 UNDER RECORDING NO. 6679057.

RONALD D. REICHEL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

10-22-09



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0048
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0048
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 50.00 FEET;

TOGETHER WITH THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE EAST 5.00 FEET.

CONTAINING 138 SQUARE FEET, MORE OR LESS.

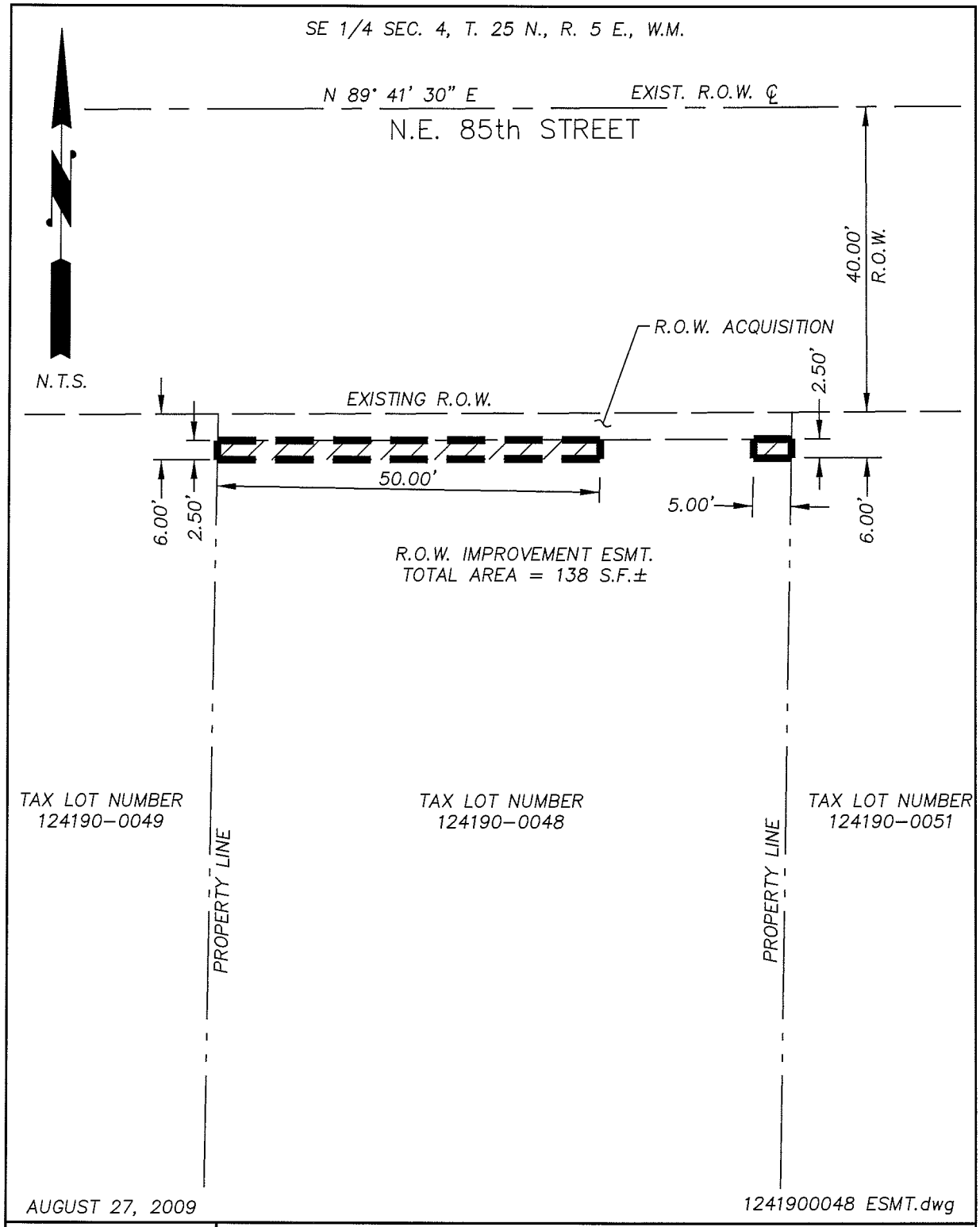
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279124, DATED FEBRUARY 5, 2007)

WEST 75 FEET OF THE EAST 502 FEET, LOT 5, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATILE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR ROAD BY DEED RECORDED AUGUST 5, 1970 UNDER RECORDING NO. 6679057.

8-28-2009

KPG
TACOMA · SEATTLE

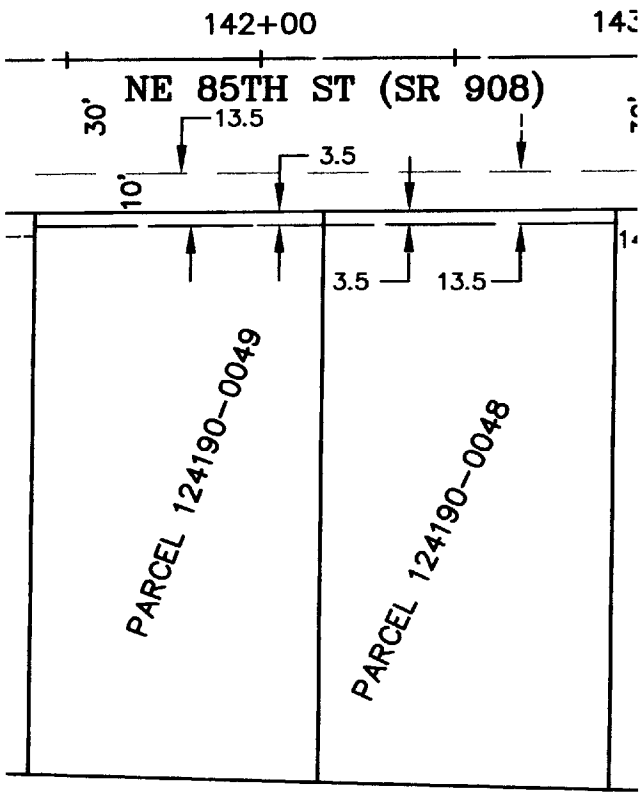


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0048
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M. CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

RIGHT OF WAY EASEMENT

THAT PORTION OF THE WEST 75.00 FEET OF THE EAST 502.00 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5, IN BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 270 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650

GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0048 DATE: 01/15/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh3.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0048
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 7.00 FEET OF THE NORTH 10.50 FEET;

EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 50.00 FEET;

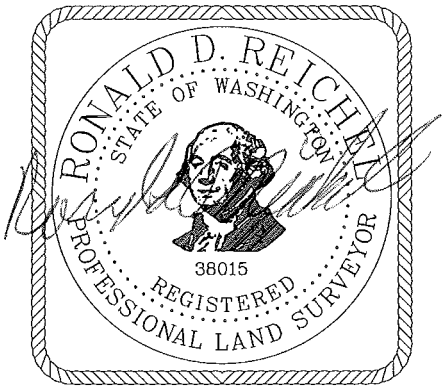
ALSO EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE EAST 5.00 FEET.

CONTAINING 388 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279124, DATED FEBRUARY 5, 2007)

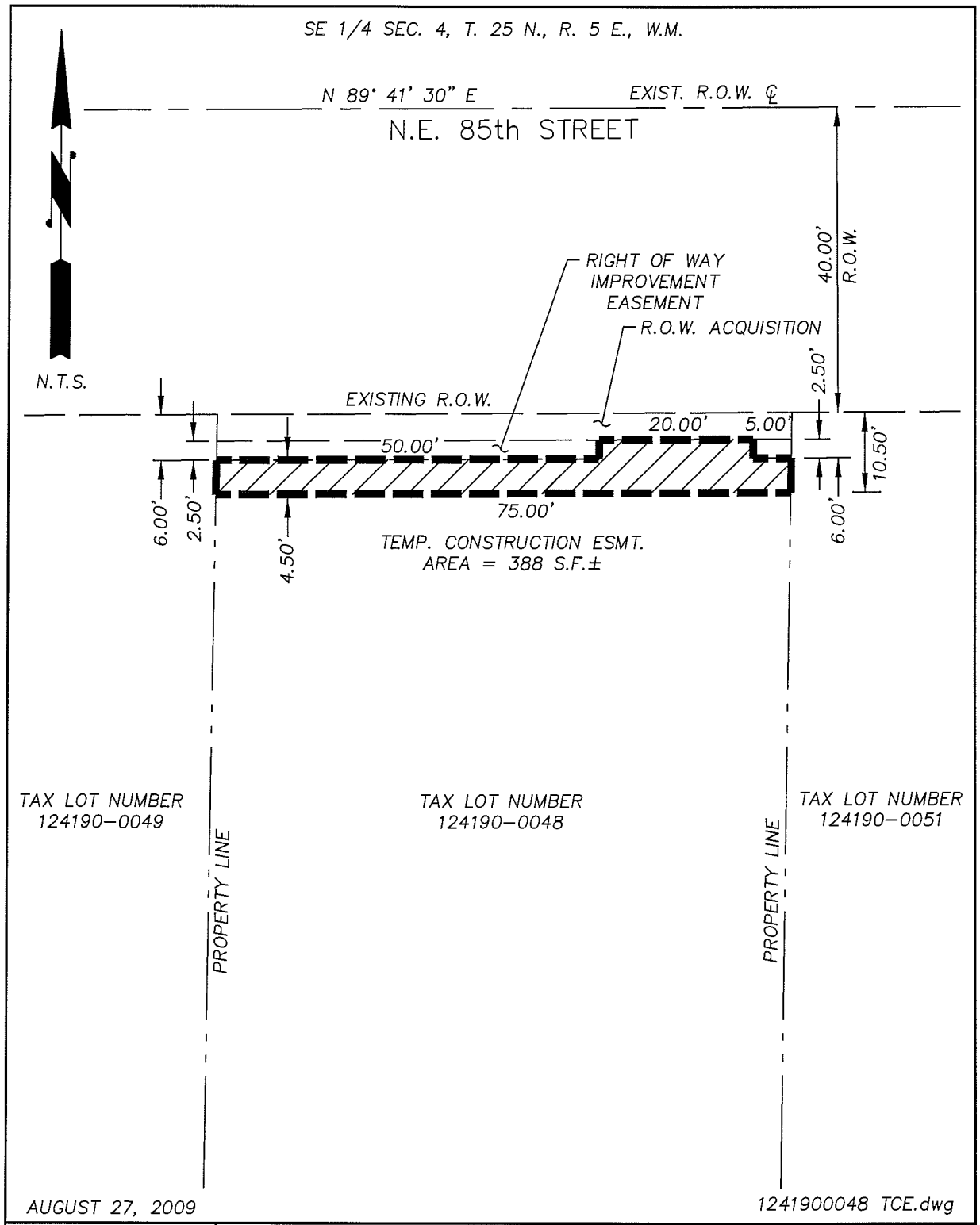
WEST 75 FEET OF THE EAST 502 FEET, LOT 5, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATILE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR ROAD BY DEED RECORDED AUGUST 5, 1970 UNDER RECORDING NO. 6679057.



8-28-2009

KPG
TACOMA · SEATTLE

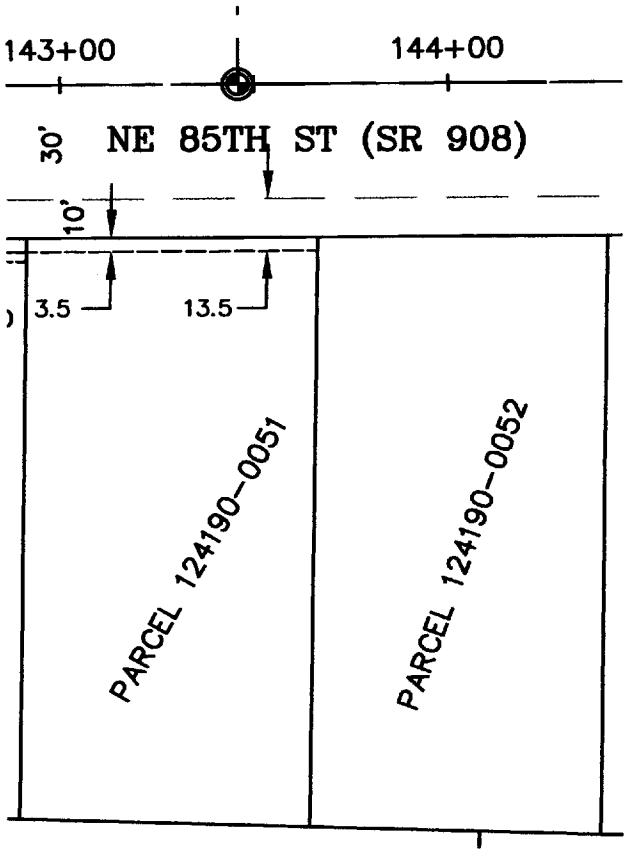


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0048
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M. CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

SETH D. O'HARE
STATE OF WASHINGTON
38985
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 3/6/2007
2/28/2008

RIGHT OF WAY EASEMENT

THAT PORTION OF THE WEST 75.00 FEET OF THE EAST 427.00 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5, IN BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 270 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0051 DATE: 02/26/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh3.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0051
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

CONTAINING 375 SQUARE FEET, MORE OR LESS.

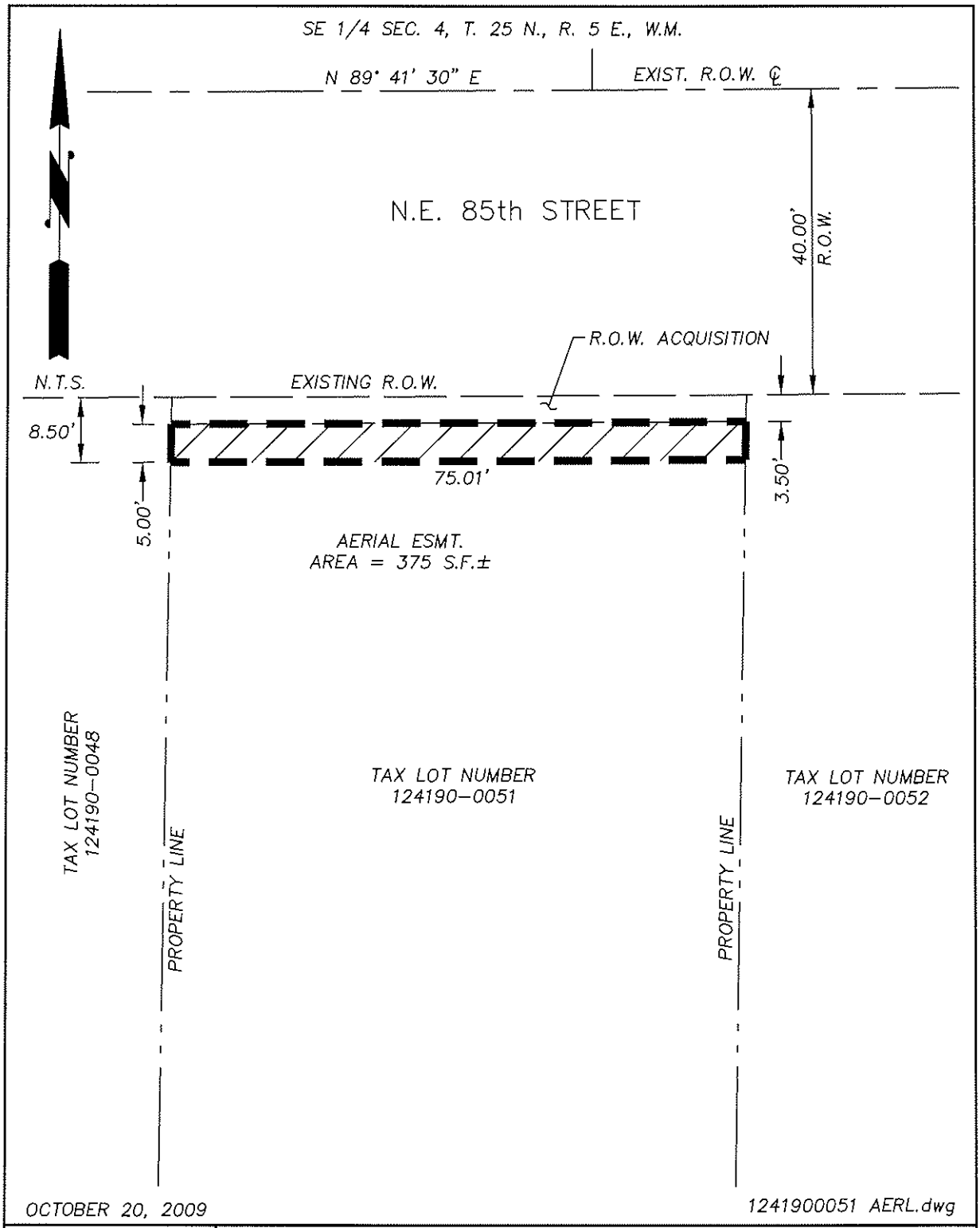
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279136, DATED FEBRUARY 2, 2007)

THE WEST 75 FEET OF THE EAST 427 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE THEREOF, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR SR 901 BY DEED RECORDED UNDER RECORDING NO.
6600494.

RONALD D. REICHEL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

10-22-09



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0051
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0051
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 42.50 FEET;

TOGETHER WITH THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE EAST 12.50 FEET.

CONTAINING 138 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279136, DATED FEBRUARY 2, 2007)

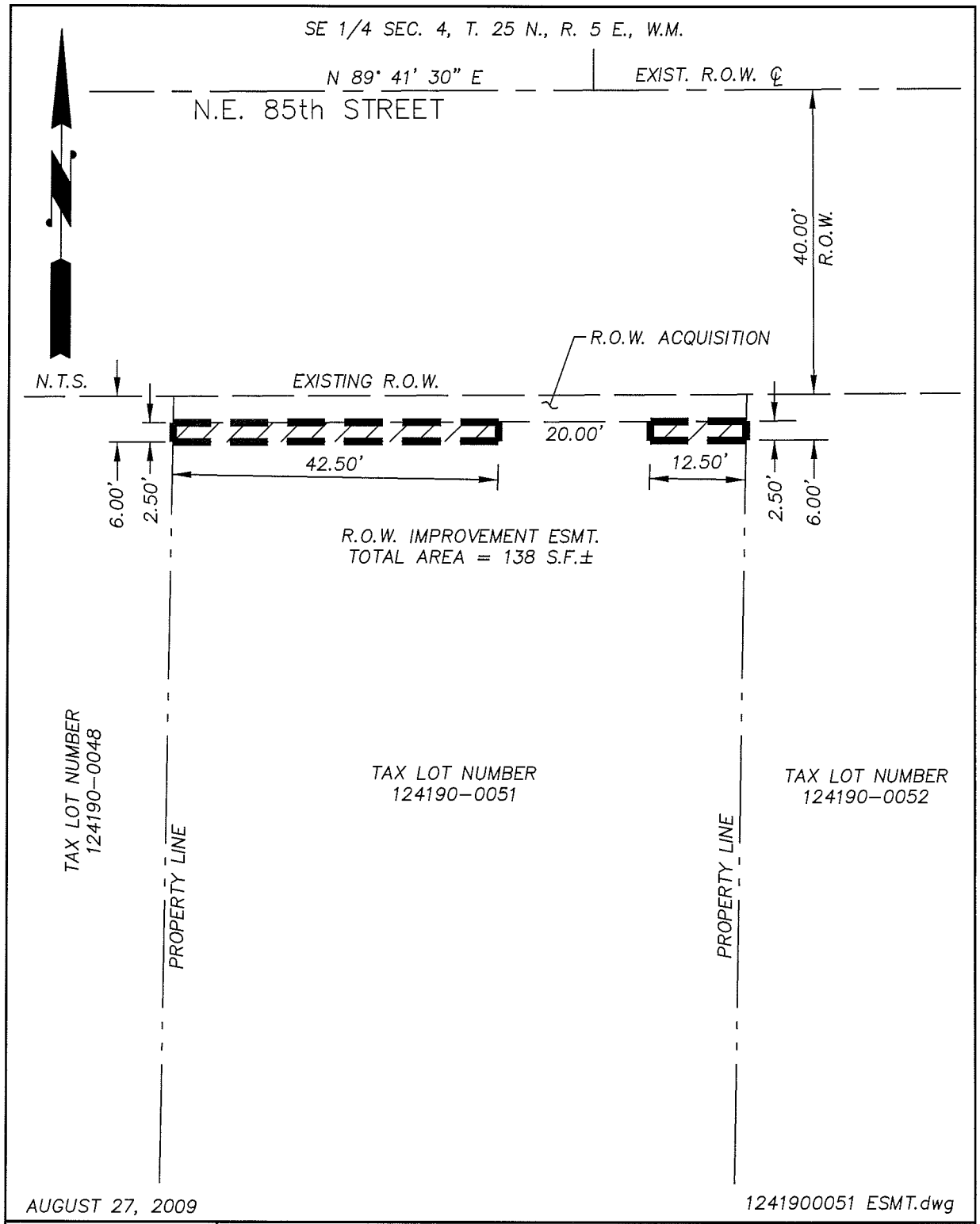
THE WEST 75 FEET OF THE EAST 427 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE THEREOF, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR SR 901 BY DEED RECORDED UNDER RECORDING NO.
6600494.

RONALD D. REICHEN
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

8-31-2009

KPG
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0051
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0051
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 7.00 FEET OF THE NORTH 10.50 FEET;

EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 42.50 FEET;

ALSO EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE EAST 12.50 FEET.

CONTAINING 388 SQUARE FEET, MORE OR LESS.

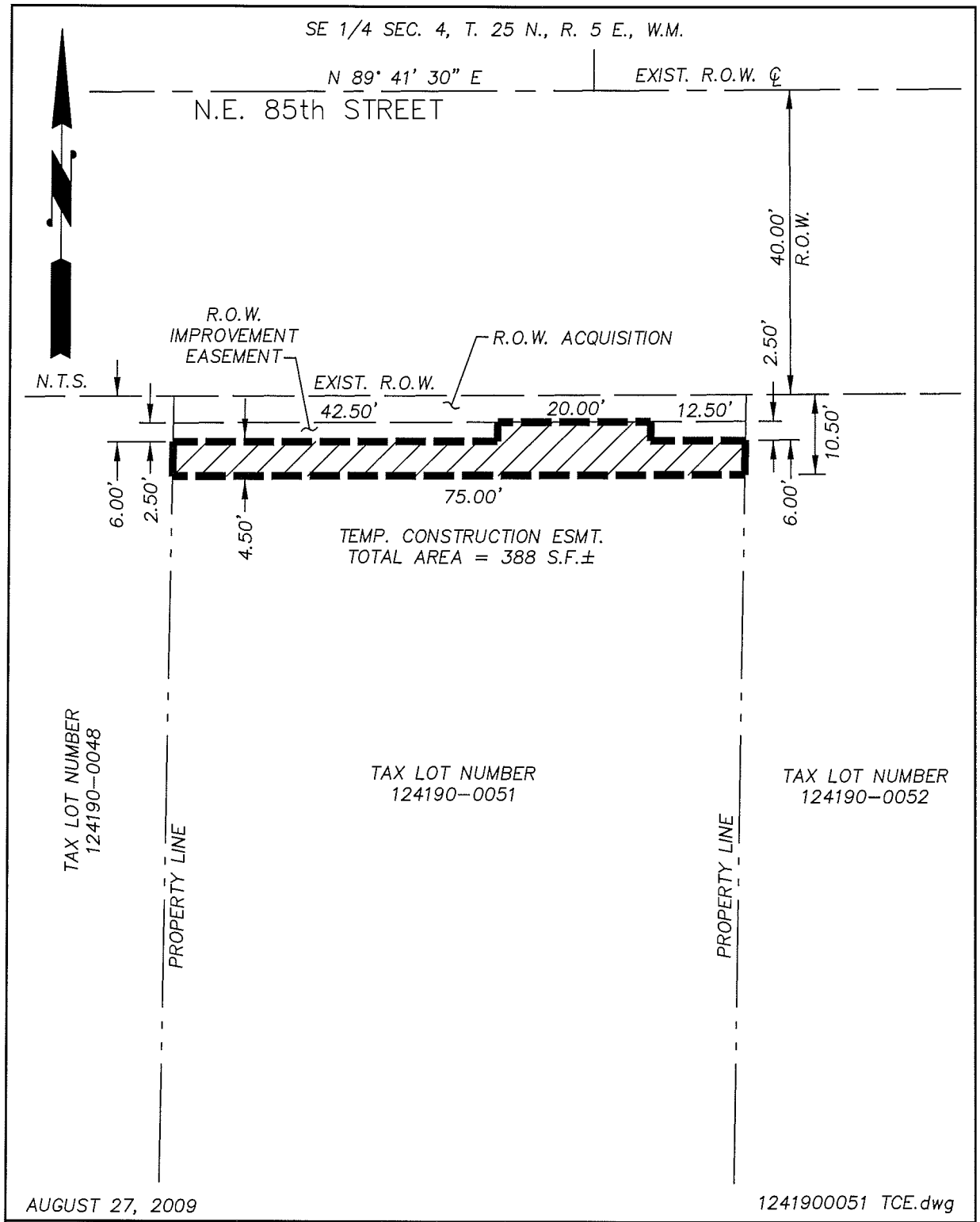
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279136, DATED FEBRUARY 2, 2007)

THE WEST 75 FEET OF THE EAST 427 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE THEREOF, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR SR 901 BY DEED RECORDED UNDER RECORDING NO.
6600494.

8-28-2009

KPG
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0051
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0052
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

CONTAINING 375 SQUARE FEET, MORE OR LESS.

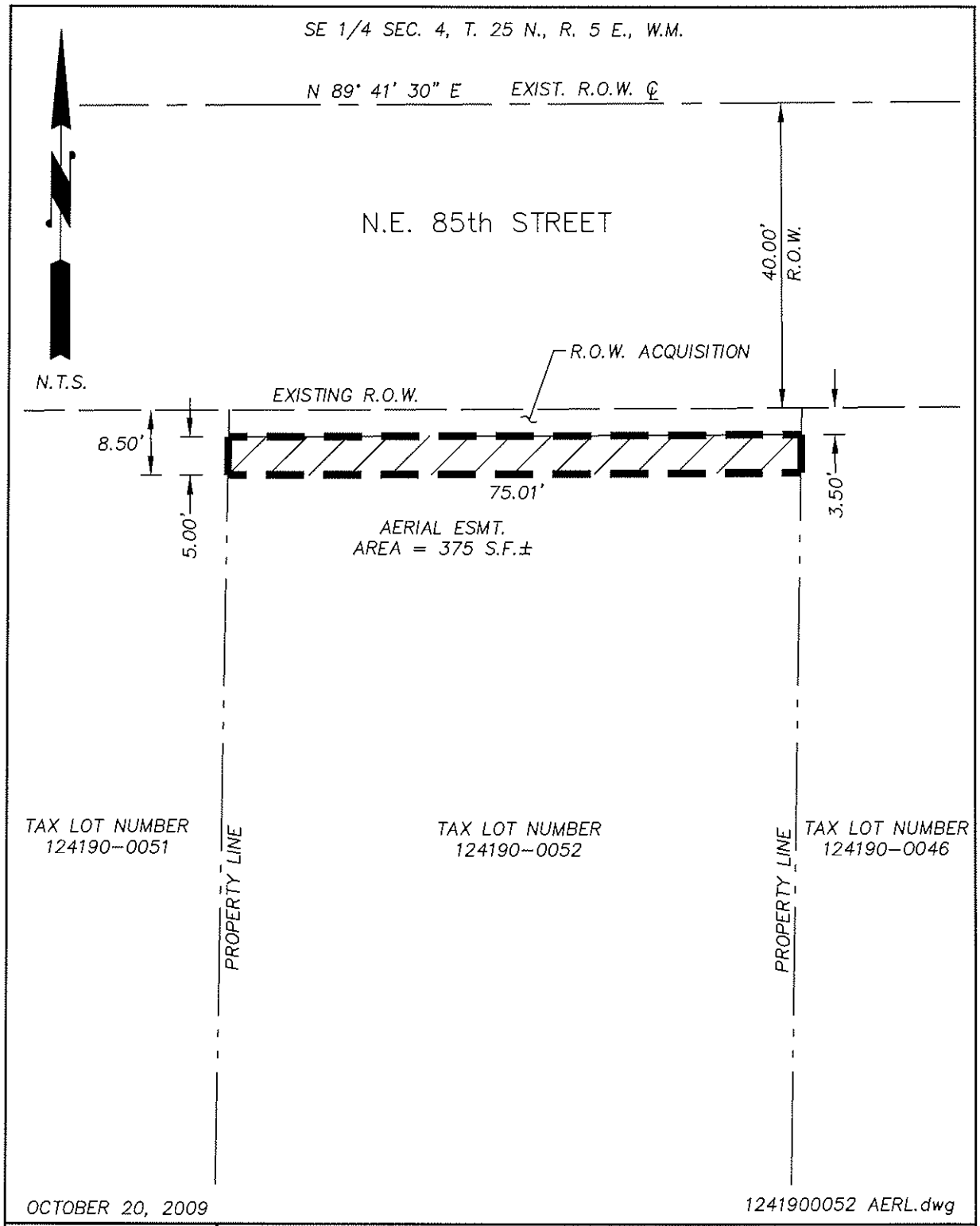
PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279138, DATED FEBRUARY 21, 2007)

THE WEST 75 FEET OF THE EAST 352 FEET, AS MEASURED ON THE SOUTH LINE OF LOT 5, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 721181 FOR SR 901 (N.E. 85TH STREET).

RONALD D. REICHEL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

10-22-09



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0052
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0052
RIGHT OF WAY IMPROVEMENT EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

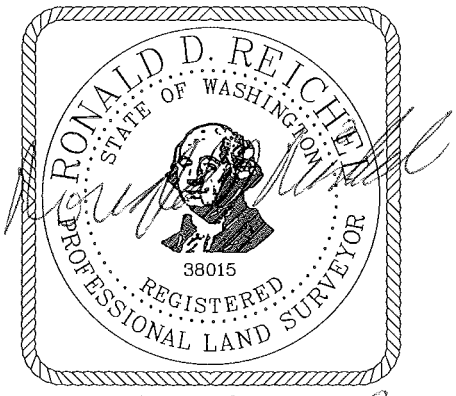
THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 54.00 FEET.

CONTAINING 135 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279138, DATED FEBRUARY 21, 2007)

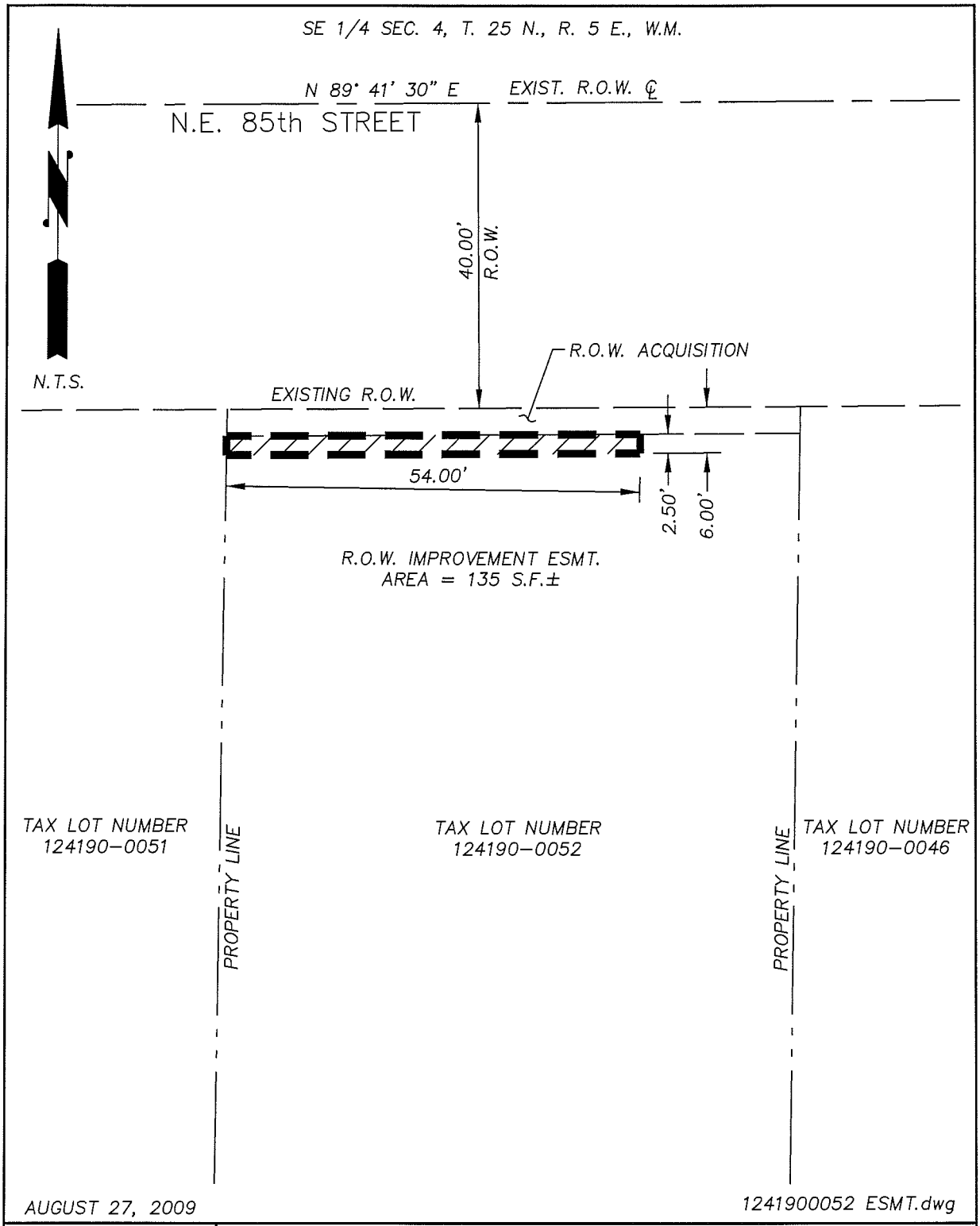
THE WEST 75 FEET OF THE EAST 352 FEET, AS MEASURED ON THE SOUTH LINE OF LOT 5, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 721181 FOR SR 901 (N.E. 85TH STREET).



8-28-2009

KPG
TACOMA · SEATTLE

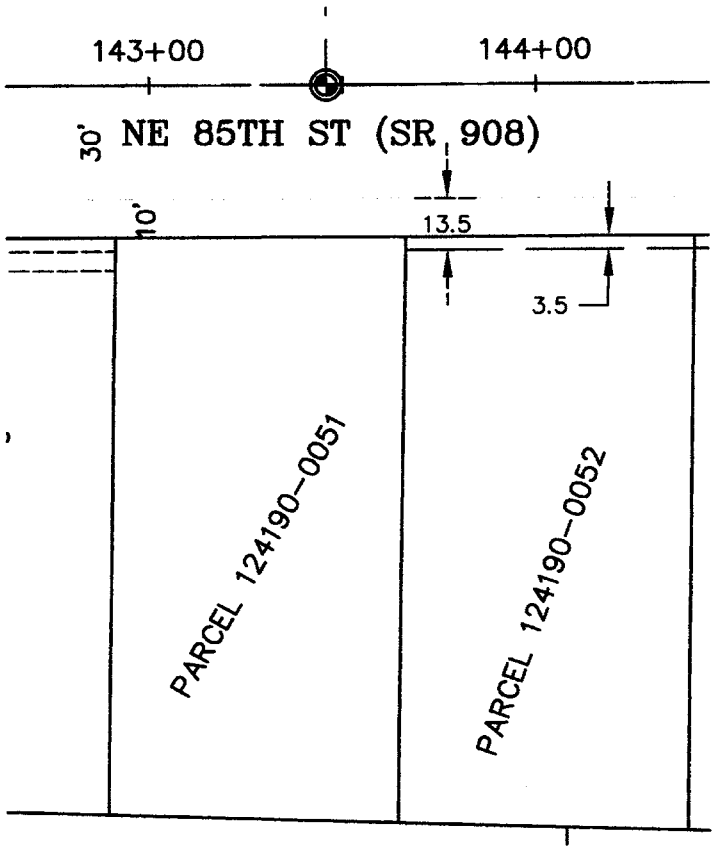


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0052
RIGHT OF WAY IMPROVEMENT EASEMENT

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

SETH D. O'HARE
STATE OF WASHINGTON
38985
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 5/6/2009
2/28/2008

RIGHT OF WAY EASEMENT

THAT PORTION OF THE WEST 75.00 FEET OF THE EAST 352.00 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5, IN BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 263 SQUARE FEET MORE OR LESS.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0052 DATE: 02/28/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh4.dwg PAGE ___ OF ___

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0052
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

THE SOUTH 7.00 FEET OF THE NORTH 10.50 FEET;

EXCEPT THE SOUTH 2.50 FEET OF THE NORTH 6.00 FEET OF THE WEST 54.00 FEET.

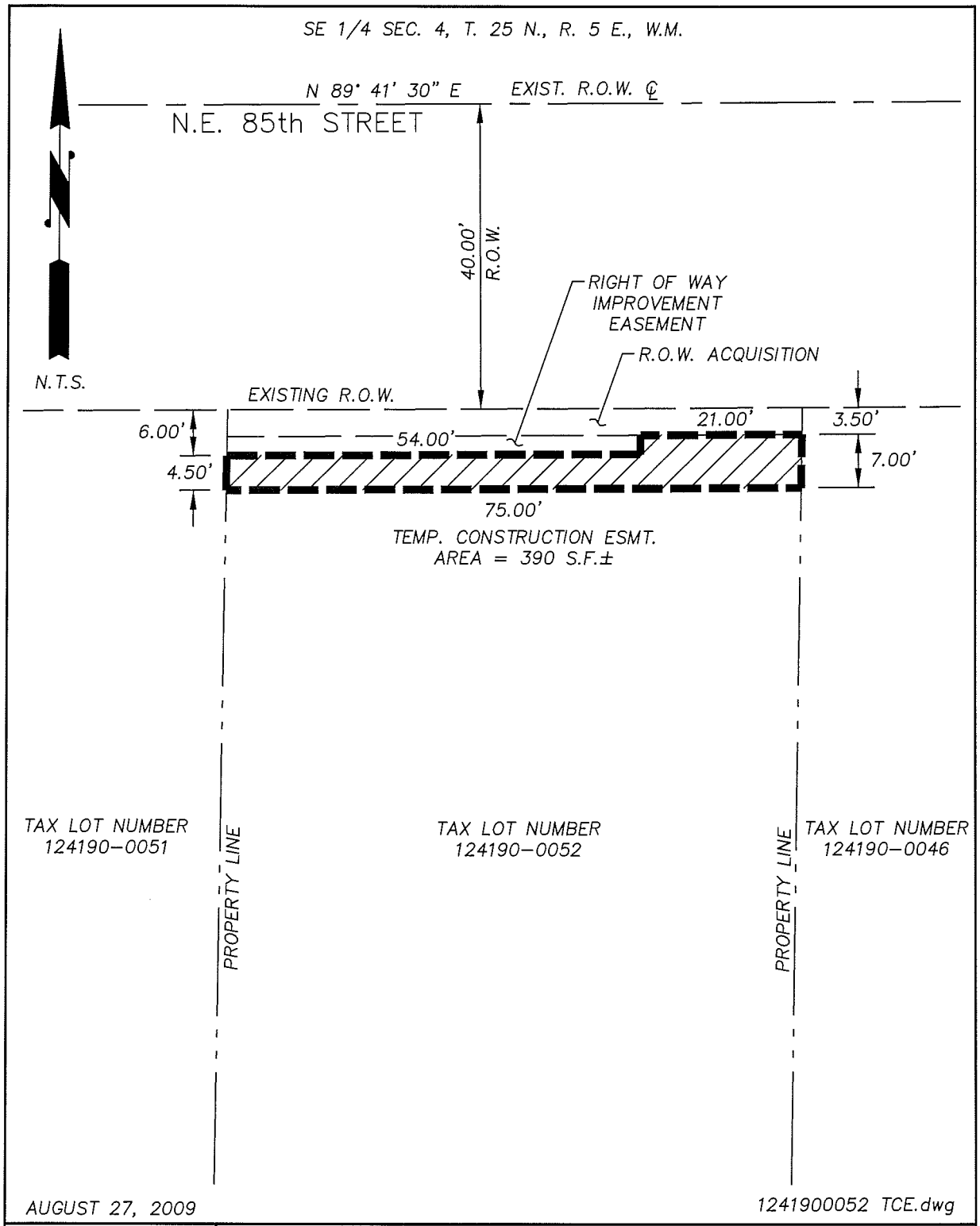
CONTAINING 390 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279138, DATED FEBRUARY 21, 2007)

THE WEST 75 FEET OF THE EAST 352 FEET, AS MEASURED ON THE SOUTH LINE OF LOT 5, BLOCK 66, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 721181 FOR SR 901 (N.E. 85TH STREET).

KPG
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0052
TEMPORARY CONSTRUCTION EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0046
AERIAL EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

EXCEPT THE EAST 20.00 FEET OF THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

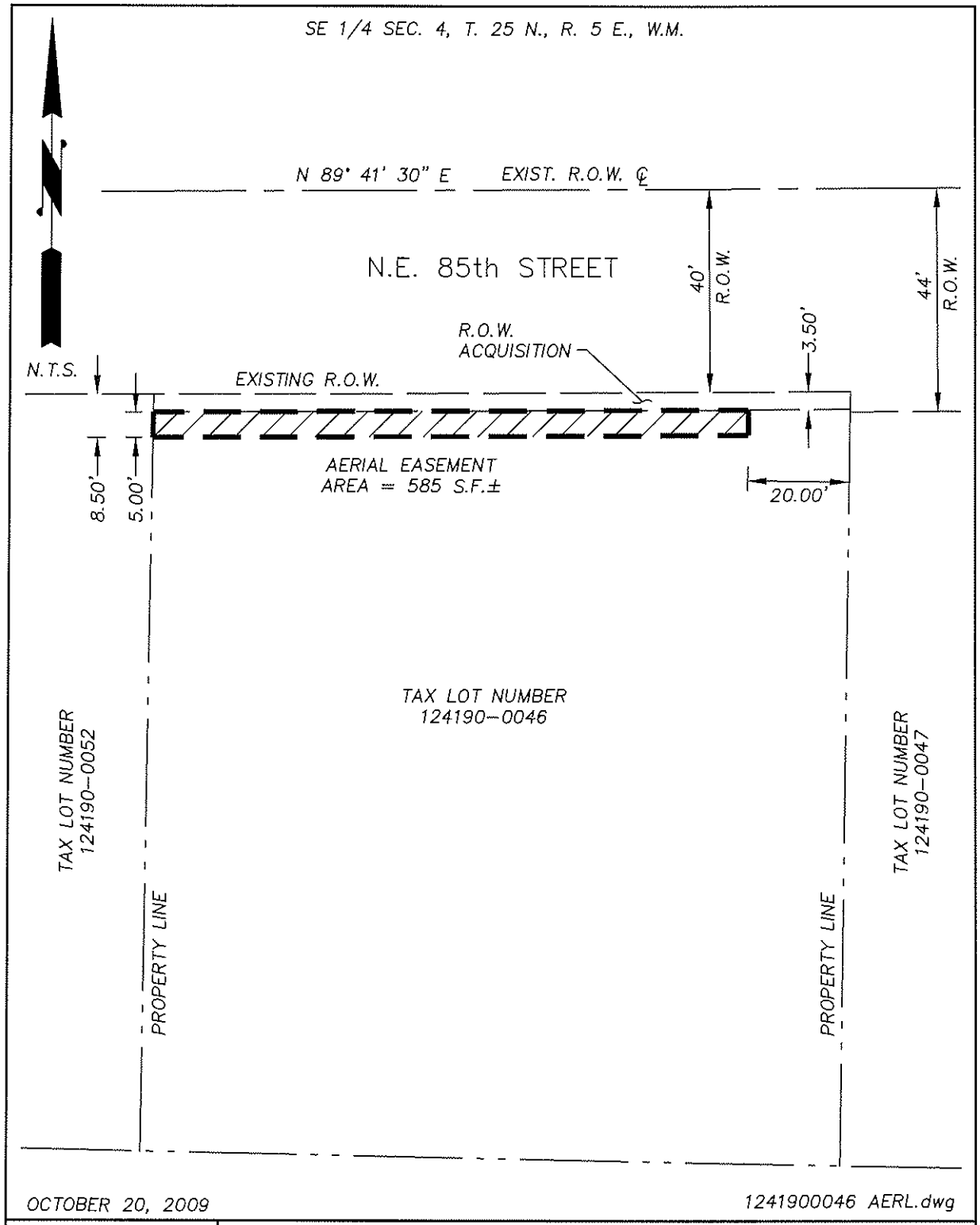
CONTAINING 585 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279114, DATED FEBRUARY 08, 2007)

THE WEST 137 FEET OF THE EAST 277 FEET AS MEASURED ALONG THE SOUTH LINE OF LOT 5 IN BLOCK 66 OF BURKE & FARRAR'S KIRKLAND ADDITION DIVISION NO. 21, AS PER PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON.

EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER KING COUNTY RECORDING NO. 6608486.

10-22-09



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0046
AERIAL EASEMENT

EXHIBIT A page 1 of 2
PARCEL NO. 124190-0046
ANCHOR EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS:

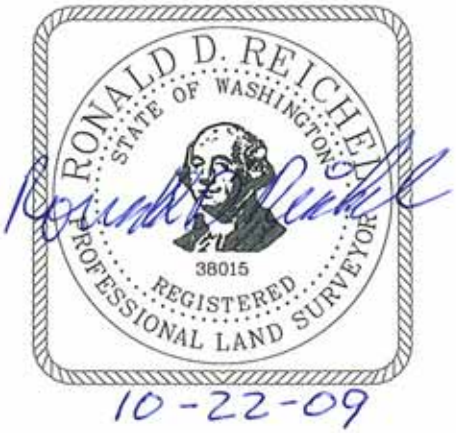
THE EAST 20.00 FEET OF THE SOUTH 5.00 FEET OF THE NORTH 8.50 FEET.

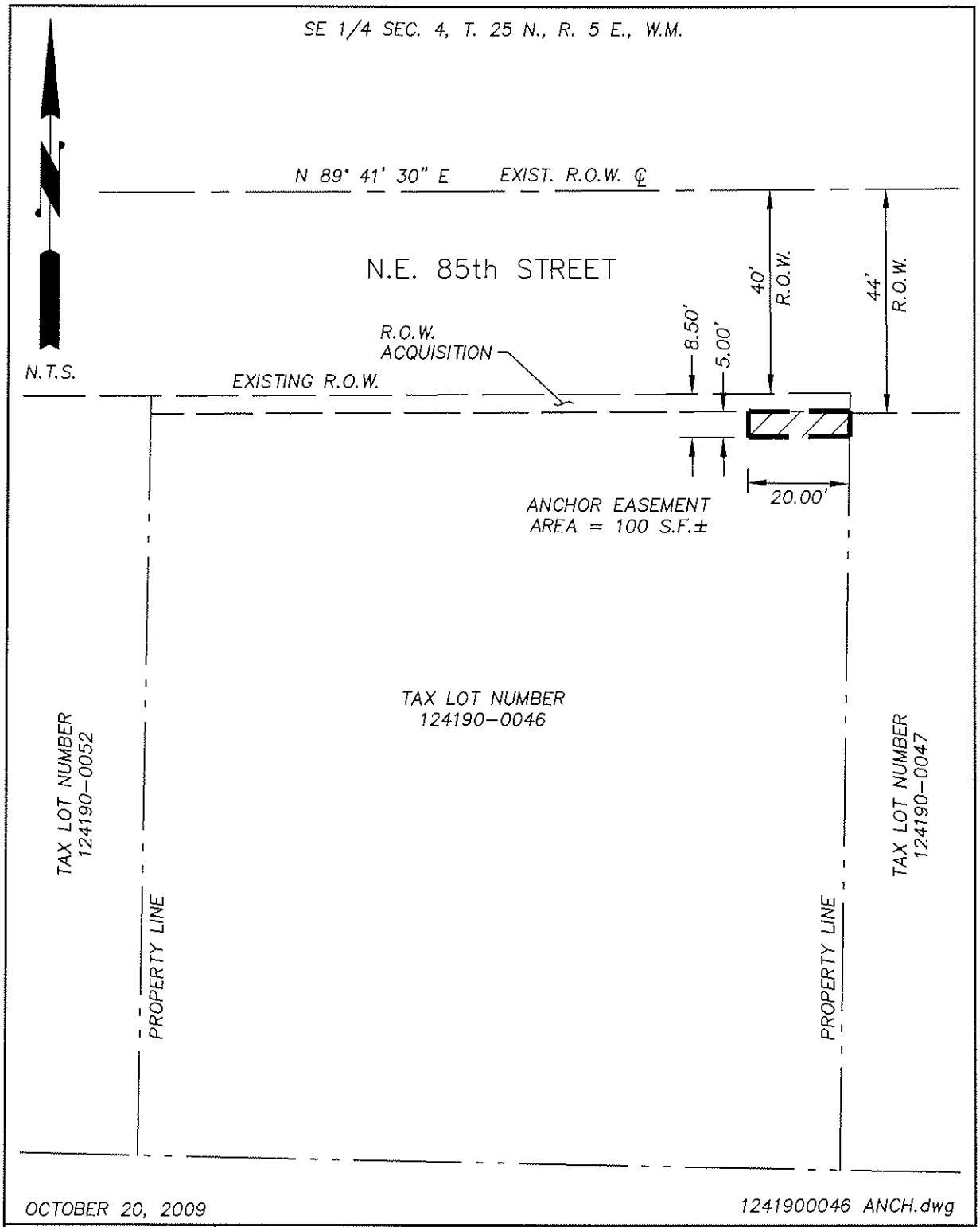
CONTAINING 100 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE COMPANY ORDER NO. NCS-279114, DATED FEBRUARY 08, 2007)

THE WEST 137 FEET OF THE EAST 277 FEET AS MEASURED ALONG THE SOUTH LINE OF LOT 5 IN BLOCK 66 OF BURKE & FARRAR'S KIRKLAND ADDITION DIVISION NO. 21, AS PER PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 57, IN KING COUNTY, WASHINGTON.

EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER KING COUNTY RECORDING NO. 6608486.



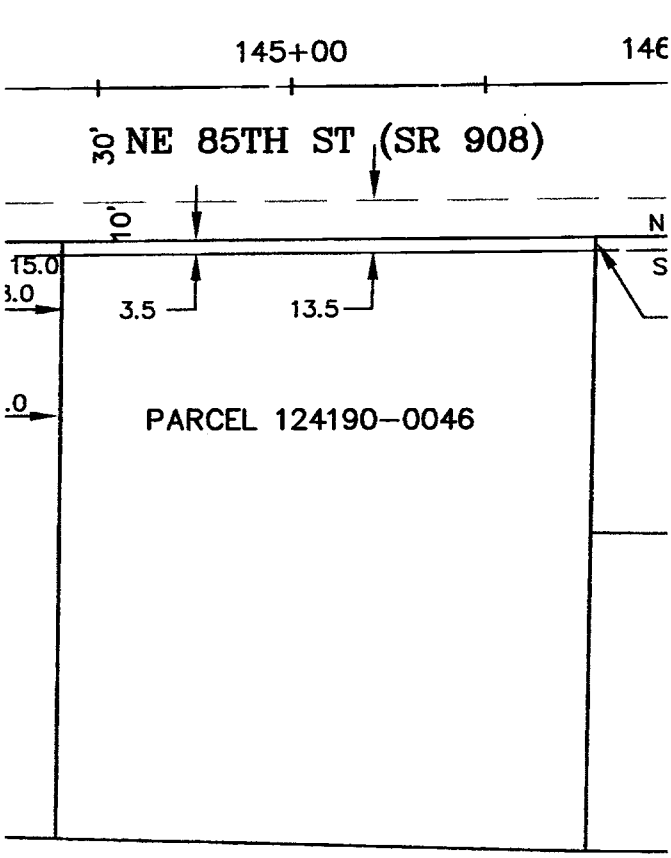


KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 124190-0046
ANCHOR EASEMENT

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M. CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

SETH D. O'HARE
STATE OF WASHINGTON
38985
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 3/6/2009
2/28/2008

RIGHT OF WAY EASEMENT

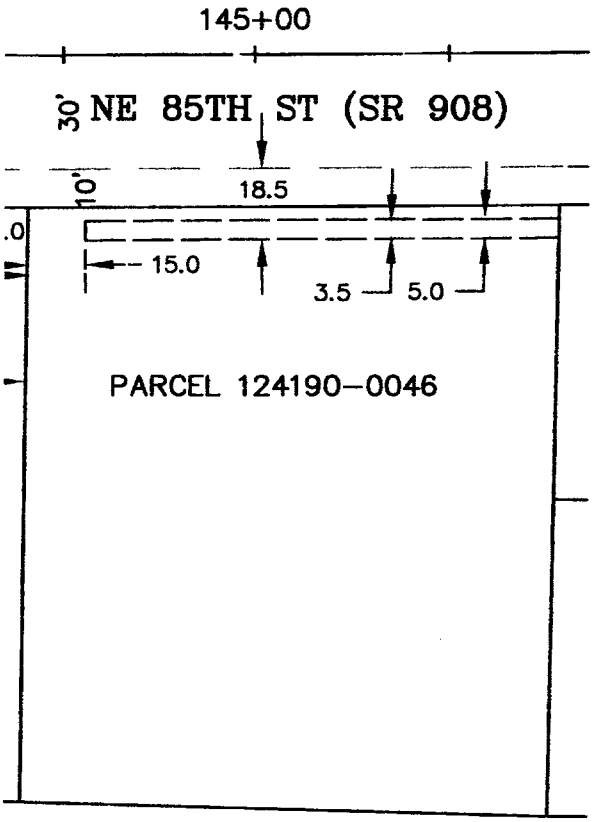
THAT PORTION OF THE WEST 137.00 FEET OF THE EAST 277.00 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5, IN BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 3.50 FEET OF THE NORTH 13.50 FEET.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 493 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0046 DATE: 02/25/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh4.dwg PAGE ___ OF ___

EXHIBIT A

SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=50'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH
SCALE ACCORDINGLY

2/28/2008

TEMPORARY CONSTRUCTION EASEMENT

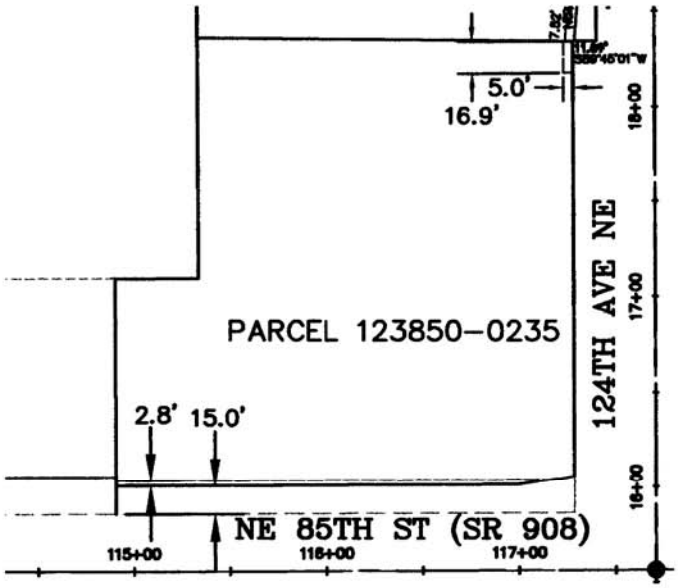
THAT PORTION OF THE WEST 137.00 FEET OF THE EAST 277.00 FEET OF LOT 5, AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 5, IN BLOCK 66, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 21, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 57, RECORDS OF KING COUNTY, WASHINGTON, AND OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE SOUTH 5.00 FEET OF THE NORTH 18.50 FEET THEREOF;
EXCEPT THE WEST 15.00 FEET THEREOF.
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 632 SQUARE FEET.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 124190-0046 DATE: 02/25/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh4.dwg PAGE ___ OF ___

EXHIBIT A

NORTHWEST QUARTER OF THE SOUTHWEST QUARTER
SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=100'

ONE INCH

AT FULL SCALE, IF NOT ONE INCH
SCALE ACCORDINGLY

4/8/2008

SETH D. O'HARE
STATE OF WASHINGTON
38985
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 5/6/2009

TEMPORARY CONSTRUCTION EASEMENT

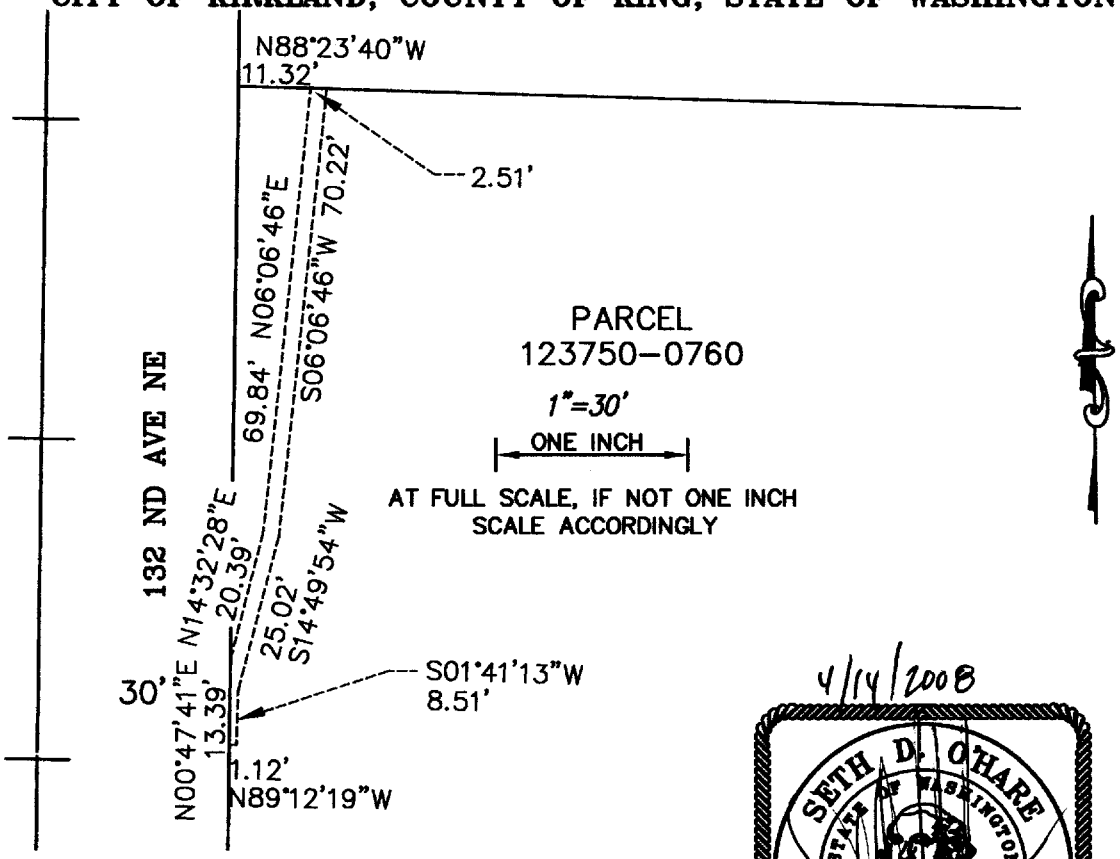
THAT PORTION OF LOTS 10 AND 11, EXCEPT THE WEST 50.00 FEET OF SAID LOT 11, ALL IN BLOCK 38, OF PLAT OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 14, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS ON PAGE 14, RECORDS OF KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS;
THE NORTH 2.80 FEET OF THE SOUTH 17.80 FEET OF LOT 10; TOGETHER WITH THE WEST 5.00 FEET OF THE EAST 17.00 FEET OF THE NORTH 16.90 FEET OF SAID LOT 11;
SITUATE IN THE CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 672 SQUARE FEET MORE OR LESS.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 123850-0235 DATE: 03/29/2008
DRAWN BY: GRM
DRAWING NAME: 07-1216exh6.dwg PAGE 1 OF 1

EXHIBIT A

NORTHWEST QUARTER OF THE SOUTHWEST QUARTER
SECTION 3, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



4/14/2008

SETH D. O'HARE
STATE OF WASHINGTON
38985
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 3/6/2009

RIGHT OF WAY IMPROVEMENT EASEMENT

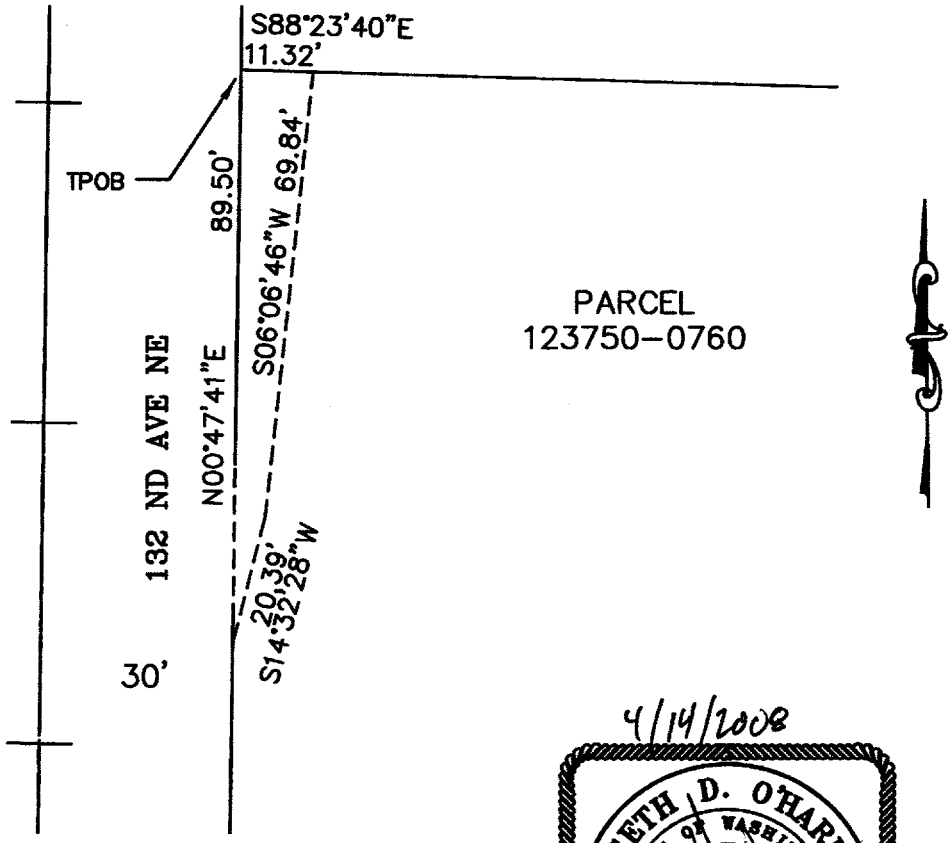
THAT PORTION OF LOT 6, BLOCK 34 OF UNRECORDED PLAT OF BURK AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION 12, MORE PARTICULARLY DESCRIBED AS FOLLOWS; COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 6; THENCE SOUTH 88°23'40" EAST, A DISTANCE OF 11.32 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE EASTERLY ALONG SAID LINE, A DISTANCE OF 2.51 FEET; THENCE SOUTH 06°06'46" WEST, A DISTANCE OF 70.22 FEET; THENCE SOUTH 14°49'54" WEST, A DISTANCE OF 25.02 FEET; THENCE SOUTH 01°41'13" WEST, A DISTANCE OF 8.51 FEET; THENCE NORTH 89°12'19" WEST, A DISTANCE OF 1.12 FEET; THENCE NORTH 00°47'41" EAST, A DISTANCE OF 13.39 FEET; THENCE NORTH 14°32'28" EAST, A DISTANCE OF 20.39 FEET; THENCE NORTH 06°06'46" EAST, A DISTANCE OF 69.84 FEET TO THE TRUE POINT OF BEGINNING.
CONTAINING 244 SQUARE FEET OR 0.01 ACRES, MORE OR LESS.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650
GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 123750-0760 DATE: 04/03/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh10.dwg PAGE 1 OF 1

EXHIBIT A

NORTHWEST QUARTER OF THE SOUTHWEST QUARTER
SECTION 3, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND, COUNTY OF KING, STATE OF WASHINGTON



1"=30'
ONE INCH
AT FULL SCALE, IF NOT ONE INCH SCALE ACCORDINGLY

4/14/2008
SETH D. O'HARE
STATE OF WASHINGTON
38085
REGISTERED
PROFESSIONAL LAND SURVEYOR
EXPIRES: 5/6/2009

RIGHT OF WAY

THAT PORTION OF LOT 6, BLOCK 34 OF UNRECORDED PLAT OF BURK AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION 12, MORE PARTICULARLY DESCRIBED AS FOLLOWS; BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 6, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 88°23'40" EAST, A DISTANCE OF 11.32 FEET; THENCE SOUTH 06°06'46" WEST, A DISTANCE OF 69.84 FEET; THENCE SOUTH 14°32'28" WEST, A DISTANCE OF 20.39 FEET; THENCE NORTH 00°47'41" EAST, A DISTANCE OF 89.50 FEET TO THE TRUE POINT OF BEGINNING.
CONTAINING 611 SQUARE FEET OR 0.01 ACRES, MORE OR LESS.

DUANE HARTMAN & ASSOCIATES, INC.
Surveyors
16928 WOODINVILLE-REDMOND ROAD, B-107 (425) 483-5355
WOODINVILLE, WASHINGTON 98072 FAX (425) 483-4650

GARRY STRUTHERS & ASSOCIATES

ASSESSOR NO.: 123750-0760 DATE: 04/03/2008
DRAWN BY: SDO
DRAWING NAME: 07-1216exh10.dwg PAGE 1 OF 1

EXHIBIT _A_ page 1 of 2
PARCEL NO. 123750-0760
TEMPORARY CONSTRUCTION EASEMENT

THAT PORTION OF THE HEREINAFTER DESCRIBED PARCEL "A", DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL A;

THENCE SOUTH 88° 23' 52" EAST ALONG THE SOUTH MARGIN OF 85TH STREET NORTHEAST, A DISTANCE OF 13.83 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 88° 23' 52" EAST ALONG SAID MARGIN, 5.02 FEET;

THENCE SOUTH 06° 06' 46" WEST, 70.98 FEET;

THENCE SOUTH 14° 32' 28" WEST, 33.21;

THENCE NORTH 89° 12' 19" WEST, 4.37 FEET TO THE EAST MARGIN OF 132ND AVENUE NORTHEAST;

THENCE ALONG SAID MARGIN NORTH 00° 47' 41" EAST, 3.18 FEET;

THENCE NORTH 14° 32' 28" EAST; 30.80 FEET;

THENCE NORTH 06° 06' 46" EAST, 70.22 FEET TO THE SOUTH MARGIN OF 85TH STREET NORTHEAST AND THE TRUE POINT OF BEGINNING.

CONTAINING 520 SQUARE FEET, MORE OR LESS.

PARCEL "A":
(PER FIRST AMERICAN TITLE INSURANCE COMPANY, ORDER NO. NCS-339287, DATED FEBRUARY 5, 2008)

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT WHICH BEARS NORTH 2°09'02" WEST 1,035 FEET ALONG THE WEST LINE OF SAID SECTION AND NORTH 88°04'04" EAST 30 FEET FROM THE SOUTHWEST CORNER OF SAID SUBDIVISION;
THENCE NORTH 88°04'04" EAST 315 FEET;
THENCE NORTH 2°09'02" WEST 255.81 FEET TO THE SOUTH LINE OF COUNTY ROAD;
THENCE ALONG SAID SOUTH LINE SOUTH 88°37'05" WEST 315.03 FEET;
THENCE SOUTH 2°09'02" EAST 258.83 FEET TO THE POINT OF BEGINNING.

EXCEPT THE SOUTH 100 FEET OF THE WEST 142.5 FEET THEREOF.

ALSO EXCEPT THE WEST 25 FEET OF THE SOUTH 85 FEET OF THE EAST 172.5 FEET THEREOF.

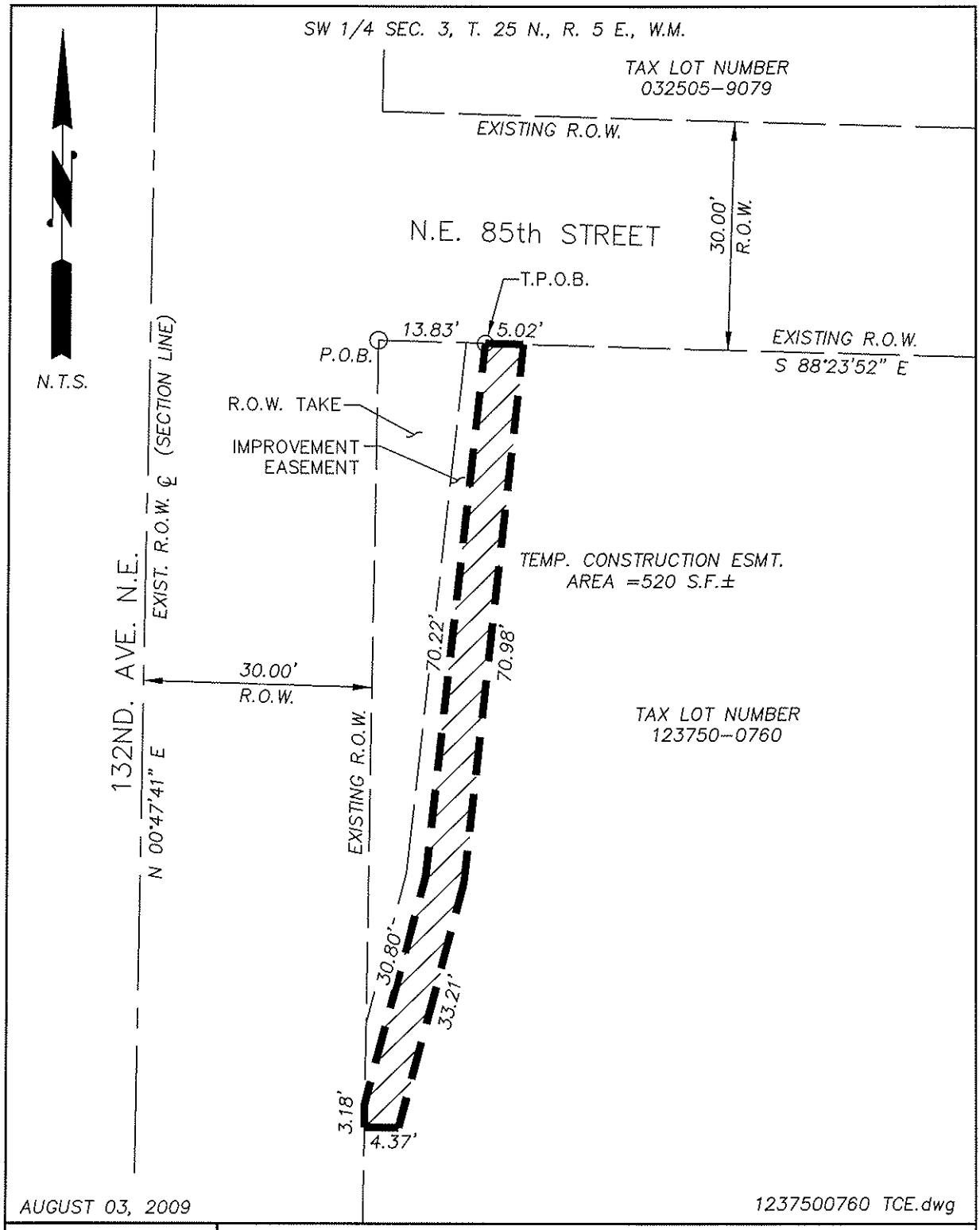
ALSO EXCEPT THE EAST 147.5 FEET THEREOF.

(ALSO BEING KNOWN AS A PORTION OF LOT 16, BLOCK 34, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION# 12, ACCORDING TO THE UNRECORDED PLAT THEREOF.)

RONALD D. REICHEL
STATE OF WASHINGTON
38015
REGISTERED
PROFESSIONAL LAND SURVEYOR

8-5-2009

KPG
TACOMA · SEATTLE



KPG
Architecture
Landscape Architecture
Civil Engineering
Urban Design

EXHIBIT A page 2 of 2
PARCEL 123750-0760
TEMPORARY CONSTRUCTION EASEMENT

PUBLICATION SUMMARY
OF ORDINANCE NO. 4245

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING AND PROVIDING FOR THE ACQUISITION OF INTERESTS IN LAND FOR THE PURPOSE OF CONSTRUCTION OF THE NE 85TH STREET CORRIDOR IMPROVEMENTS PROJECTS, WITHIN THE CITY OF KIRKLAND; PROVIDING FOR THE ACQUISITION OF NECESSARY LAND AND PROPERTY RIGHTS, PROVIDING FOR THE COST OF PROPERTY ACQUISITION AND AUTHORIZING THE INITIATION OF APPROPRIATE PROCEEDINGS IN THE MANNER PROVIDED BY LAW.

SECTION 1. Authorizes condemnation of property necessary for the NE 85th Street Corridor Improvements Projects.

SECTION 2. Provides that the Projects are fully funded and that the expense of acquiring the property shall be paid for from the appropriate funding source within the city's portion of general current revenue for each CIP project.

SECTION 3. Authorizes the City Attorney to initiate condemnation proceedings to acquire the property necessary for the Project.

SECTION 4. 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 _____, 2010.

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

_____
City Clerk

CITY OF KIRKLAND
Public Works Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3833
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Ray Steiger, P.E., Interim Public Works Director
Julie Elsom, Sr. Operations & Finance Analyst

Date: June 15, 2010

Subject: Transportation Benefit District Process

RECOMMENDATION:

City Council review and comment on staff recommendations for a public process to discuss a Transportation Benefit District (TBD) with the community.

BACKGROUND DISCUSSION:

On February 17, 2009, Public Works staff presented the 2008 State of the Streets report to the City Council outlining the funding deficiencies in the Street Preservation Program and recommending several options to provide additional funding; one option was a TBD (Attachment A); full item located at:
http://www.ci.kirkland.wa.us/Assets/City+Council/Council+Packets/2009/021709/11b_NewBusiness.pdf
After reviewing and discussing the report, Council recommended that staff develop options more fully, and bring back more information regarding the various fees and other funding options; this follow up was presented to Council on February 16, 2010 and is summarized in the following narrative.

Follow-up

Staff worked on street preservation program issues throughout 2009. In addition, we presented draft proposals at three Transportation Commission meetings during 2009 and each time were provided with useful feedback and direction. In July 2009 staff updated the Finance Committee with information on the components and requirements of a TBD. At that time, the Finance Committee asked that staff wait and present the TBD option to the full Council in context of the full array of funding options. Staff was asked to continue to work with the Transportation Commission on developing the options.

The follow-up presented to the full Council at their February 2010 meeting was a result of coordination with and feedback from the Transportation Commission. There were several recommendations the Transportation Commission noted which were incorporated in the report to Council including recommendations aligned with 'Transportation Conversation' document and consideration the Council goal of 'Dependable Infrastructure'.

Staff's follow-up is summarized in a table with a number of options and is most easily understood read alongside the information in Figure A – Street Maintenance Strategy.

1. The Annual revenue required to attain and sustain a PCI of 70, the Level of Service goal since approximately 2006, is highly dependent upon the prevailing inflation rate. In general terms, staff estimates approximately $5-7 million per year, depending on the rate of inflation. Given the long-term nature of investment in the street network, the inflation rates dramatically change the annual cost requirements.
2. Currently the City has $2.8 million available in annual preservation funds. This includes $2.0 million for the Annual Preservation Program, $400,000 for the Street Maintenance Division's pavement program, and an estimated $400,000 from other various roadway restoration projects (i.e. grant projects).
3. The gap, therefore, is between $2.2 million and $4.2 million per year.
4. We are assuming there will be no single source of revenue in the near future to close that gap.
5. Therefore, we have developed a four-tiered strategy for increasing funding levels. The details of each tier are included in the attached spreadsheet. The Tiers are:
    a. Efficiencies
    b. Regulatory and Policy Changes
    c. Partnerships
    d. New Revenue Sources
6. In addition, we have reviewed each of the strategies and placed them in four somewhat additive alternatives based on their relative ease of implementation. These are color-coded on the attached spreadsheet. The alternatives are:
    a. Base Program (existing 2009-2014 CIP in the beige column)
    b. Administrative Changes made with Council knowledge (recommended in the 2011-2016 CIP in the green column)
    c. Changes requiring Council decisions and/or financial impacts to third parties (in the yellow column)
    d. Changes requiring State Legislative Action or third party agreements (red column)
7. At the February 2010 meeting, Staff recommended and Council approved proceeding with the administrative changes identified in Alternative 1 and developing a community outreach/involvement strategy for pursuing Alternative 2, a TBD. Input gained from the community outreach could also be applicable in the event legislation is passed for the Street Utility.

Street Maintenance Strategy

Element	Annual Investment Alternatives				Annual cost or notes
	Base	1	2	3	
	2009-2014 CIP	Administrative changes (implement in 2011-2016 CIP)	Council decisions or potential impacts to other parties	State legislature or 3rd Party agreements required	
Current Budget					
Overlay	$ 1,800,000	√	√	na	CIP - Phase I
Preventative Maintenance (i.e. slurry seal)	$ 200,000	√	√	na	CIP - Phase II
Operating Fund for Street Maint crews	$ 400,000	√	√	na	117
1. Efficiencies					
a More aggressive crack sealing		$ (10,000)	√	√	deprec., materials
b Increased utilization of Paver		$ (11,500)	√	√	deprec., materials
c Acquisition of Milling machine			$ (31,667)	√	deprec., materials
2. Regulatory and Policy Changes					
a Past Improvements to paving standards	$ 57,600	√	√	√	
b Utilize more CDF in backfill			$ 20,000	√	
c Expand standard street patch width			$ 20,000	√	
d Implement Street Cut Fee (researched other cities)			$ 38,000	$ 195,000	
e Water, Sewer, Storm contribution for pavement impacts		$ 190,000	√	√	
f Modify PCI from 70 to 70 for arterials and 65 for neighborhood streets		$ 50,000	√	na	
3. Be an active partner					
a Prior grants and 3rd party contributions	$ 350,000	√	√	√	
b Additional third party contributions beyond 3.a	$ 20,000	√	√	√	
c Eliminate studded tires				$ 100,000	$5000 for lobby
d Regional partnerships - efficiencies in joint contracts with other cities					
e Gas Tax Increase - statewide			$ 50,000	$ 50,000	
4. Pursue new revenues					
a Additional $500K in 2011					Milling machine?
b Reallocate funds from Capacity to Street Maintenance and Overlay			$ 50,000	na	
c Solid Waste haulers fee - new contract discussion				$ 300,000	(Bothell's #)
d Transportation Benefit District, 2011			$ 750,000	na	$20/vehicle/yr
e Proposed Street Utility Legislation				$ 4,700,000	$5/month/SF
Total Annual Funding Level	$ 2,827,600	$ 3,067,600	$ 4,055,600	$ 6,400,600	

			2008 $'s				
by end of 2020 @ 4% inflation	PCI	Arterials	55 -	70 +	70 +	70 +	70 +
		Non-arterials	70 +	50 -	58 -	62	70 +
	Optimum one time investmen	$ million	15.5	54.8 -	48.9	43.8 -	32.8 -

			2008 $'s				
by end of 2020 @ 6% inflation	PCI	Arterials	55 -	68 +	70 +	70 +	70 +
		Non-arterials	70 +	47 -	54 -	60	70 +
	Optimum one time investmen	$ million	15.5	69.1 +	62.1 +	57.1 +	39.3 -

Notes:
- √ *Indicates that element is included in the Alternative*
- na *Indicates that element is not included in the Alternative*
- \- *value is decreasing*
- \+ *value is increasing*

Figure A – Street Maintenance Strategies and projected outcomes

Since the February 16th meeting, detailed information regarding the TBD has been developed, and a public process to develop the TBD is included in this memo.

Transportation Benefit District

In 2007, cities were granted the authority to create local TBD's and impose a vehicle registration fee (to be collected by the Washington State Department of Licensing) to fund local transportation projects. Once a TBD is established consistent with the process outlined in RCW 36.73, the District's board of directors (The City Council in Kirkland's case) may vote to charge a local vehicle licensing fee due when a vehicle owner buys new tabs. The TBD Board has the authority to impose a fee up to $20 per vehicle without voter approval, or up to $100 per vehicle (or other sources of funding) if approved by 60% or more of the voters within the TBD.

A TBD exists solely for the purpose of acquiring, constructing, improving, providing, and funding "transportation improvements" within the district. In brief the process is as follows:

- Define the boundaries of the TBD; staff is proposing that the boundary be defined as the Kirkland City Limits (at a later date this boundary can be expanded by adopting another ordinance to cover the annexation area);
- Define the transportation improvements; staff will develop language consistent with the RCW's and that used by other local Cities retaining flexibility within the City's current identified programs;
- Define the sources of revenue that will be utilized to fund the improvements;
- By resolution, establish a date for a public hearing for the adoption of a TBD;
- Prepare notification at least 15 days in advance of the hearing;
- Conduct the public hearing;
- Adopt an ordinance creating the TBD;
- File notice with the Washington State Department of Licensing (collections will start approximately six months after this notice and will then be received monthly by the City);
- Amend the Municipal Code regarding creation of the TBD.

Other requirements for establishing and maintaining a TBD include:

- Must develop a material change policy to address major plan changes
- Must issue an annual report on the progress/status of the program
- May establish a charter document for the TBD (optional)

When created by ordinance, the transportation improvements must be specified in the adopting ordinance. Other local cities that have created TBD's include Olympia, Edmonds, Lake Forest Park, Des Moines, Shoreline, University Place, and Ridgefield. The funding is used for a variety of improvements that range from operations and maintenance in Edmonds to street overlay/paving in others. Most adopt a general listing of transportation improvements consistent with the RCW's that allows for the preservation, maintenance, and operation of the transportation system which is the most flexible utilization of the revenue.

Most cities contacted and researched for this TBD memo, have elected to implement a $20 car tab assessment for their respective TBD's. The one exception was the City of Ridgefield that

utilizes a 0.2% sales tax increase for their revenue. Two other cities that considered TBD's, Burien ($25, ballot vote option) and Covington ($20, adopt car tab option) did not implement their TBDs. In Burien, the voters rejected the $25 fee, and in Covington, in consideration of the current economy, their City Council indefinitely deferred the vote to adopt a TBD by ordinance. Cities contacted regarding their outreach and feedback is included as Attachment B.

Although Kirkland's unmet needs in street preservation and non-motorized facilities alone could exceed $10 million annually for an indefinite period, it is anticipated that a $20 car tab will provide between $680,000 to $750,000 annually in additional revenue.

Public process

The Kirkland City Council has historically supported the preservation and maintenance of existing infrastructure with periodic increases in funding for the street preservation program. These values are reflected by the community in surveys (2008 and 2010 Citizen Surveys) and in various public forums. What has not yet been discussed directly with the Kirkland community however is the need for additional funding toward the preservation of the existing street system. As the decision to implement a TBD is being contemplated by the Kirkland City Council, informing the Community of this need will imperative for their understanding.

Staff is proposing the following approach consistent with the "consult" level of Public Participation (Attachment C). This level will afford opportunities for the community to engage, learn about the importance of the various street maintenance programs and the consequences of not investing in robust maintenance funding levels. It will also provide a sense of the level to which the community is financially willing to participate in maintaining that infrastructure in the event a voted TBD is in the future or in the event that state-wide legislation is approved to create a street utility.

Specific strategies recommended consistent with the consult level of public involvement include:

- Develop a community web page with information on the City's street preservation program:
    - Identify current funding strategies and history
    - Describe the nature of pavement degradation and its long term impacts to the community
    - Outline community surveys and feedback regarding street maintenance priorities
    - Describe the TBD mechanism and anticipated outcomes
- Address various stakeholders including neighborhood associations, Chamber of Commerce, others with public meetings/open house
- Assemble a public service message for the Kirkland TV channel
- Solicit additional feedback through list serve survey feedback

This outreach will be undertaken with a goal of returning to the Council in fall 2010 with recommendations on a funding level for the TBD.

Attachments (4)

Council Meeting: 02/17/2009
Agenda: New Business
Item #: 11. b.

Attachment A

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

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Ray Steiger, P.E., Capital Projects Manager

Date: February 10, 2009

Subject: STATE OF THE STREETS REPORT

RECOMMENDATION:

It is recommended that the City Council review and discuss the 2008 State of the Streets report.

BACKGROUND AND DISCUSSION:

In 2002 and 2005, City Staff presented Council with reports that summarized the City's Pavement Management System (PMS), the roadway network pavement condition, and made recommendations for funding of the City's Annual Street Preservation Program. Using information presented in the reports, and after discussions with Staff, Council established budgets for the Annual Street Preservation Program. Additionally, based on the 2005 report, Council approved the purchase of a commercial grade asphalt paving machine for use by City maintenance personnel to supplement the Annual Preservation Program, and established an annual sidewalk repair program of $200,000.

In the spring/summer of 2008 the City's pavement ratings were updated again using the same visual inspection and the standard rating process that is employed by many other agencies throughout the region. This rating process evaluates all of the same attributes that were evaluated in 2002 and 2005 thus allowing internally consistent and comparable results from year to year. This year's report, "2008 State of the Streets" (Attachment A), summarizes where the City roadway network was previously, examines the status of where the network is today, and looks forward under various funding and repair strategies to where the pavement ratings are likely to be in the future. Also included in this year's report are summary maps graphically depicting the roadway condition, the proposed preservation program, and a survey of approximately 75 individuals throughout the community regarding their opinions on the City's street maintenance program.

The overall Pavement Condition Index (PCI) for the City's street network after the 2008 assessment was 65; this compares to a PCI of 70 and 67 in the 2005 and 2002 reports respectively. As a point of reference, a newly paved roadway has a PCI of 100, and over time the PCI decreases depending on environmental and other factors (Figure A). The PCI of the overall network is a combination of all roadways (150 miles of City streets) and their respective PCI's, and is used to examine the overall "health" of the network. Other factors need to be considered such as the type of road with a low PCI (an arterial must keep a higher PCI than a local access road), however the PCI is a good benchmark to use for comparisons. An industry accepted ideal PCI is in the range of a PCI of 85.

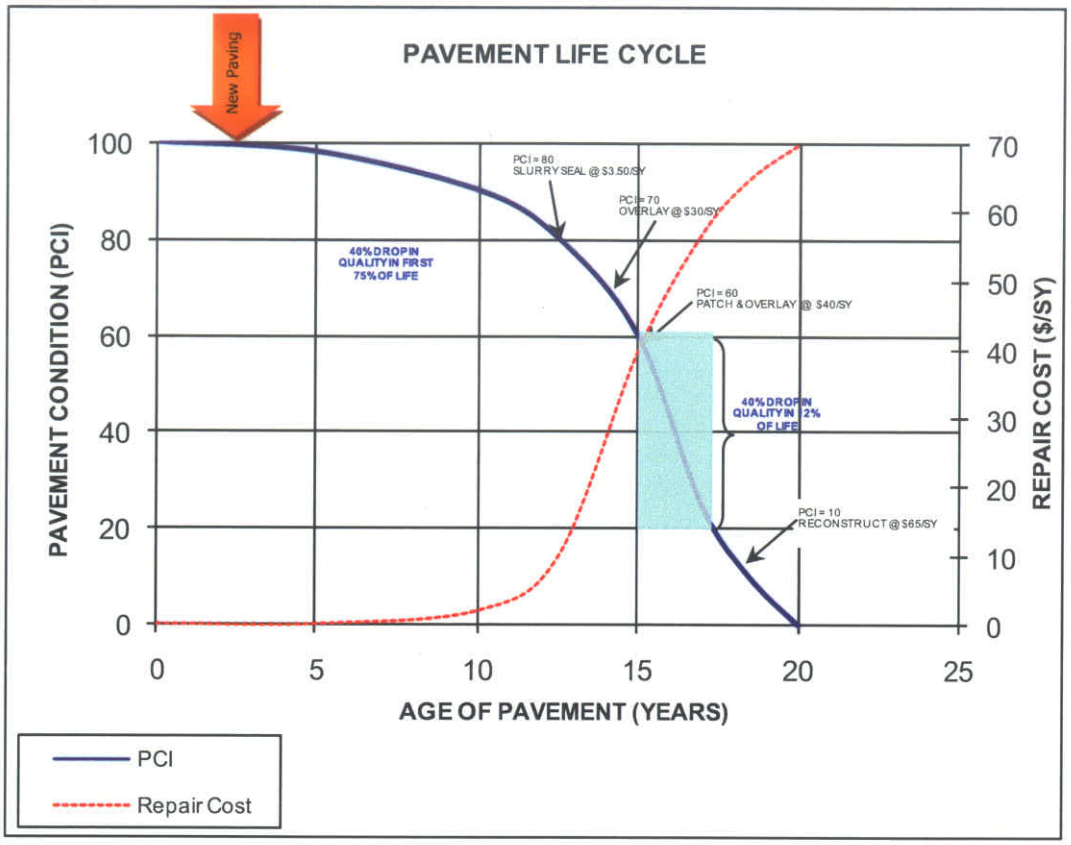


Figure A

A slight degradation of City's PCI since 2005 was anticipated based on a funding level slightly below optimum, however the degradation was accelerated by the reduced purchasing power of the established budget. Analysis done for the 2005 report anticipated an approximate 4% inflation rate, however as has been seen through the City's own experience since that time, the actual inflation rate for asphalt has been significantly above 4%; for the 2002-2007 period, a 12% inflation factor was seen (Figure B). These two factors, budget and inflation, overshadowed maintenance improvements brought about by the purchase of the paving machine.

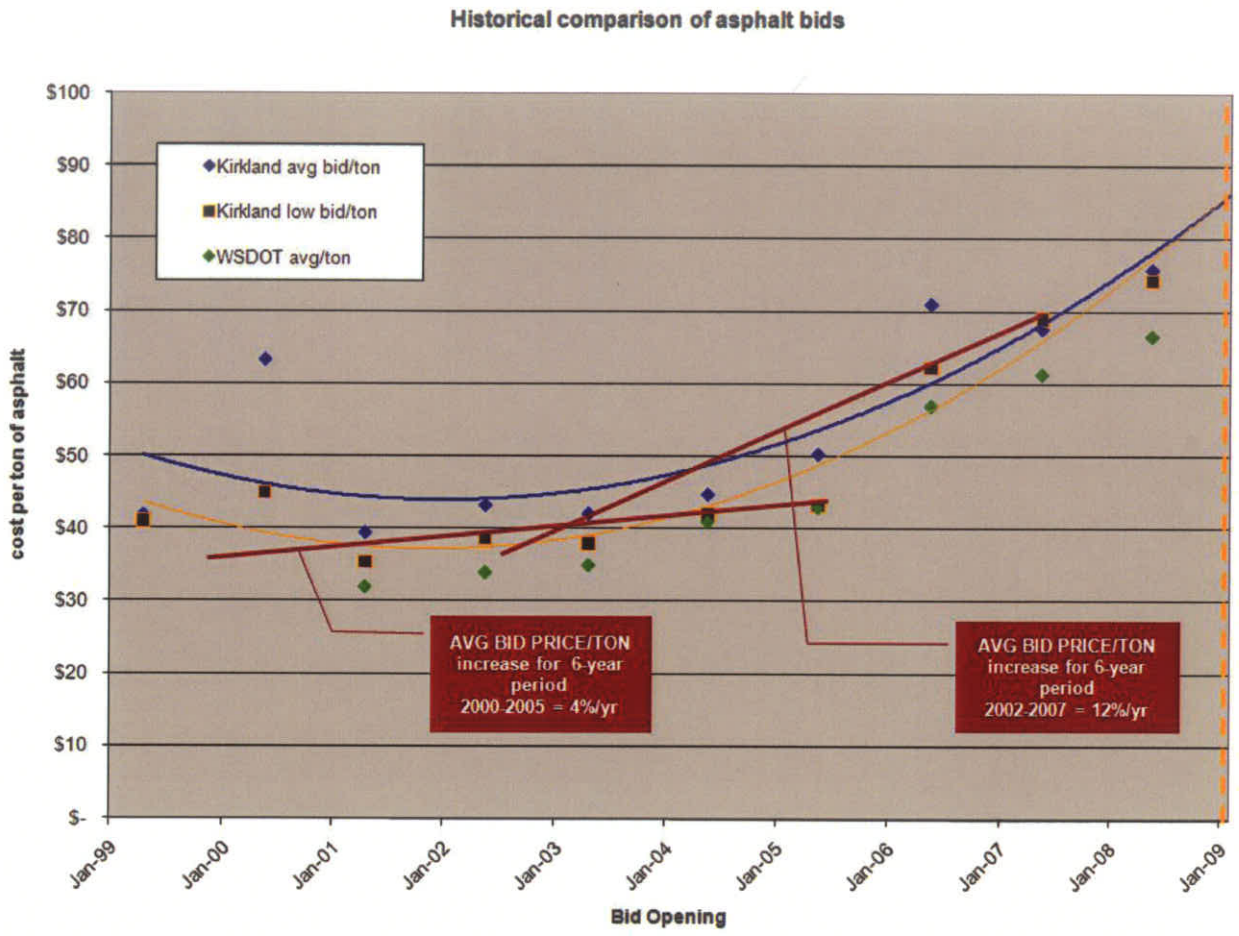


Figure B

A second attribute that is looked at through the PMS is the deferred maintenance of the network – the estimated repair cost in current dollars to bring the whole system to a PCI of 85. In 2005 the deferred maintenance of the City's street network was approximately $9,000,000, whereas today replacement of the network would cost an estimated $15,500,000. The cost per ton of asphalt has increased from approximately $42 in 2005 to $80 in 2008; this factor alone would likely double the cost of deferred maintenance calculated in 2005. The fact that deferred maintenance has not doubled indicates that this attribute of the system is being improved and the annual preservation program is moving forward to arrest the degradation of this infrastructure. However, more remains to be done.

The annual street preservation program is one category of the City's transportation program. Other categories are building the capacity network to comply with concurrence under GMA, other maintenance programs, and building the non-capacity (or non-motorized) network. Approximately $7.4 million of funding is annually available for the transportation system from a number of sources and for the 2009-2014 CIP were targeted as shown in Figure C.

Average Annual Transportation funding 2009 through 2014:				
Current revenue:	Gas Tax	$ 544,000		
	Sales Tax	$ 270,000		
	REET 1	$ 567,000		
	REET 2	$ 1,701,000		
	Impact fees	$ 2,104,000		
	Surface Water	$ 950,000		
	Subtotal		$ 6,136,000	
REET 2 (grant match reserve)			$ 480,000	
Grants (avg '93-'03)			$ 792,500	
Total annual funding			**$ 7,408,500**	

Target allocation per Category

	$	**7,408,500**
Concurrency (94% of "req'd")	$	3,860,000
Sidewalk Maintenance	$	200,000
Street Maintenance	$	2,000,000
Striping Program	$	250,000
Non-capacity (target)	$	1,098,500

Figure C

For the 2008 State of the Streets report, a number of scenarios were modeled using the PMS to examine the impact of various annual funding levels on the City's overall street network; those scenarios and their required ten year spending amounts are as follows:

- Scenario 1: 2009-1014 CIP Budget (10 yr funding $24.5M or avg spending $2.45M per yr)
- Scenario 2: Maintain Current PCI of 65 ($60M)
- Scenario 3: Increase Current PCI to 70 ($77M)
- Scenario 4: No Increase in Deferred Maintenance ($94M)
- Scenario 5: Budget Needs Analysis – Increase PCI to 85 ($240M)

All of the scenarios utilize higher funding levels than previous preservation programs. 2008's budget was $2.2M including the CIP and operations and maintenance components, and all have varying outcomes over the next ten year period. A comparison of the scenario's effects on PCI and deferred maintenance are shown below graphically in Figure D and Figure E.

Comparison of Scenarios

Pavement Condition Index (PCI)

The figure below illustrates the change in PCI over 10 years for each budget scenario. With unlimited funding ("Budget needs" scenario), the pavement network reaches an optimal PCI of 85 after 5 years. The current budget projects a decrease in the network PCI over the 10 year period.

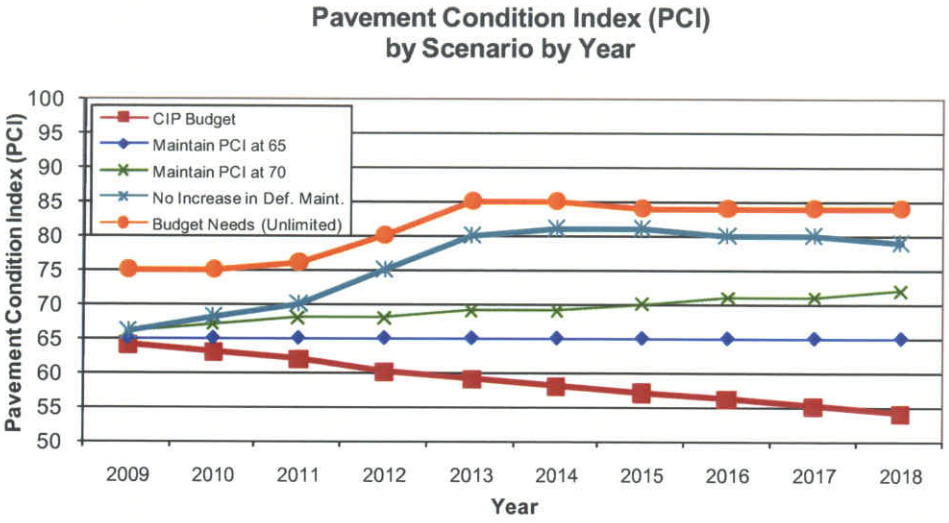


Figure D

Deferred Maintenance

The figure below illustrates the deferred maintenance accumulated over 10 years for each budget scenario. With unlimited funding, the deferred maintenance is zero. The deferred maintenance with the other scenarios increases dramatically after 2011.

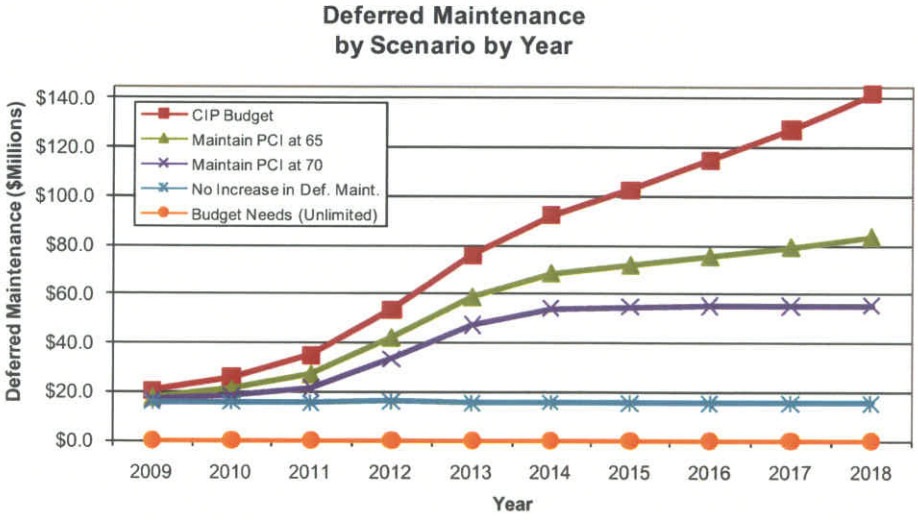


Figure E

Given the pressure on available local funding for the various categories in the City's transportation system, it seems unlikely that increases beyond the current 2009-2014 CIP (Scenario 1) are available and are not recommended at this time by Staff.

Staff is however pursuing additional street preservation funding through the PSRC as a component of the anticipated Federal Stimulus package. Kirkland has included $3,000,000 for the annual street preservation program in its 2009 request for federal funding; this request along with approximately 450 projects representing $3.5 billion worth of local agency Puget Sound region transportation needs are being submitted to Olympia this month. Although not an ongoing source of revenue and only available to be used on Federally classified routes (some collector streets and above in Kirkland), infrastructure maintenance remains a key component in the overall Federal stimulus package and identifying the Kirkland needs at a regional level is critical. Staff is also continuing to work with other local agencies in a collective effort to identify overall regional transportation needs while establishing reporting consistency; as related to asphalt preservation, which will mean that repair strategies for one jurisdiction are identified and estimated similarly in other jurisdictions.

Also included within this report are the results of a focus group survey that was undertaken in the Fall of 2008 (Attachment D) as a follow up to the February 2008 Community Survey. The 2008 Community Survey indicated that, along with a few other services, the City's "Street Maintenance" performance was less than the importance of the service provided and as such presented an opportunity for improvement.

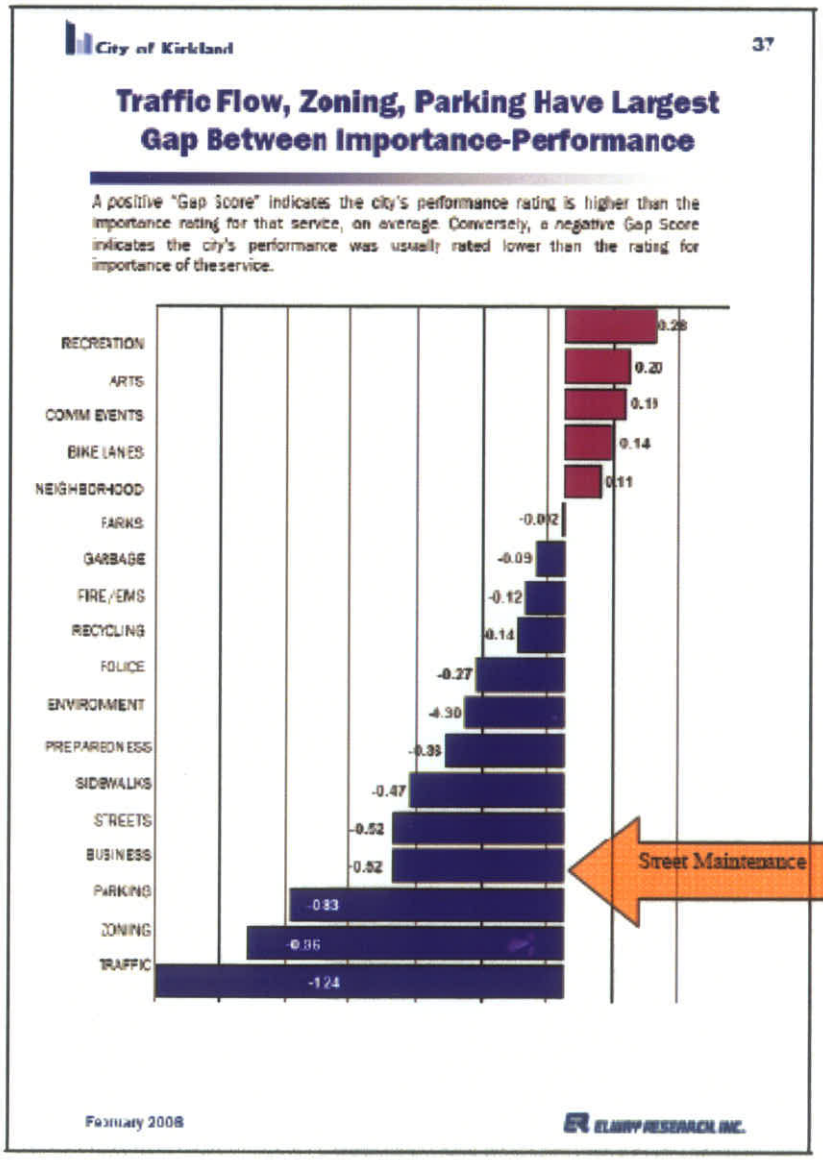


Figure F

In order to better understand the specifics of the community's concern or their "Gap Score" as identified in the 2008 Community Report, street maintenance was broken into a number of specific elements. The elements were then included in an electronic survey which was emailed to a number of community members, and they were asked to respond. Nearly 75 respondents provided feedback in the two week response period. Using the same gap analysis that was employed in the February 2008 Community Survey, staff assembled the responses and a summary is included herein.

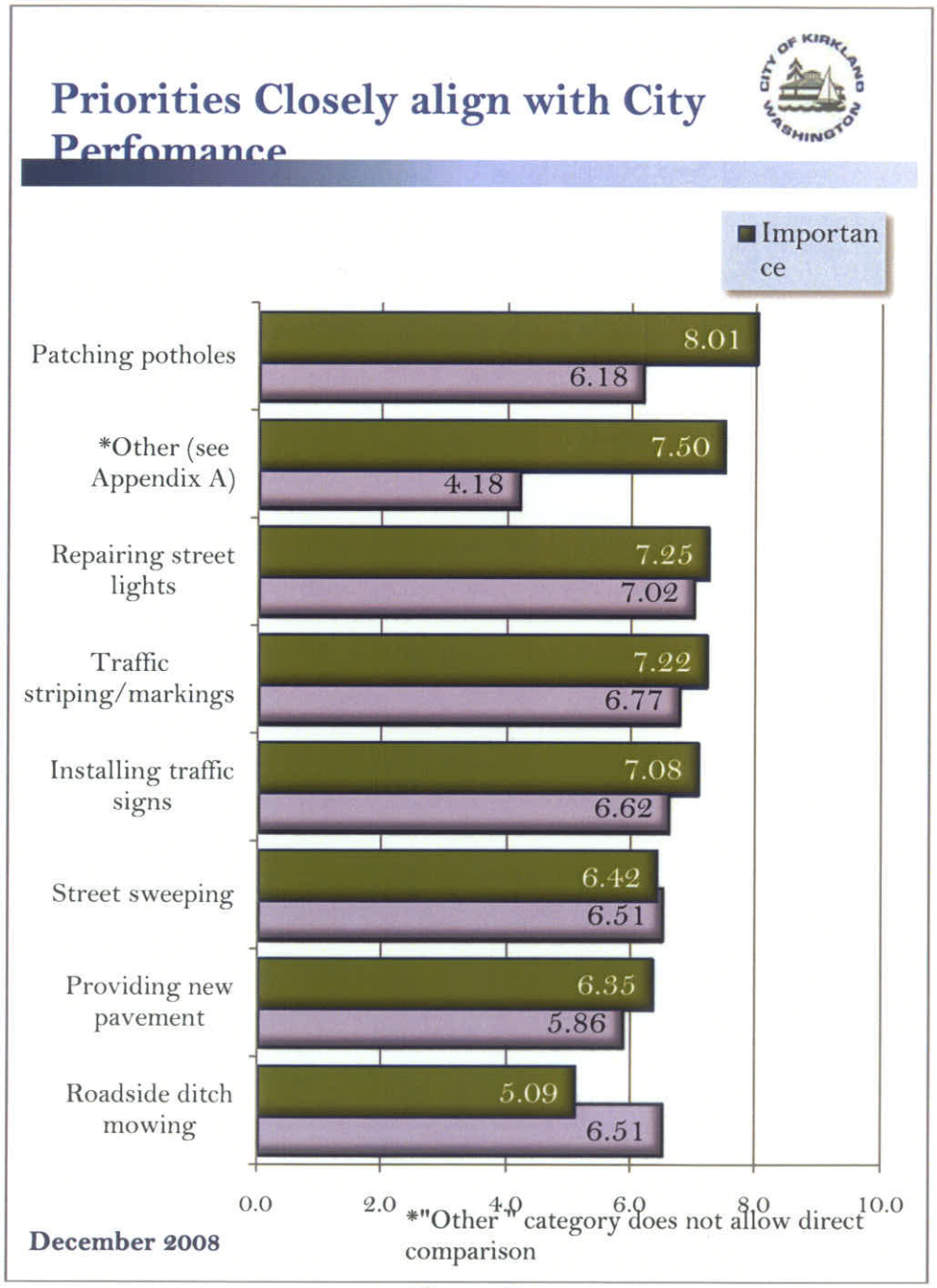


Figure G

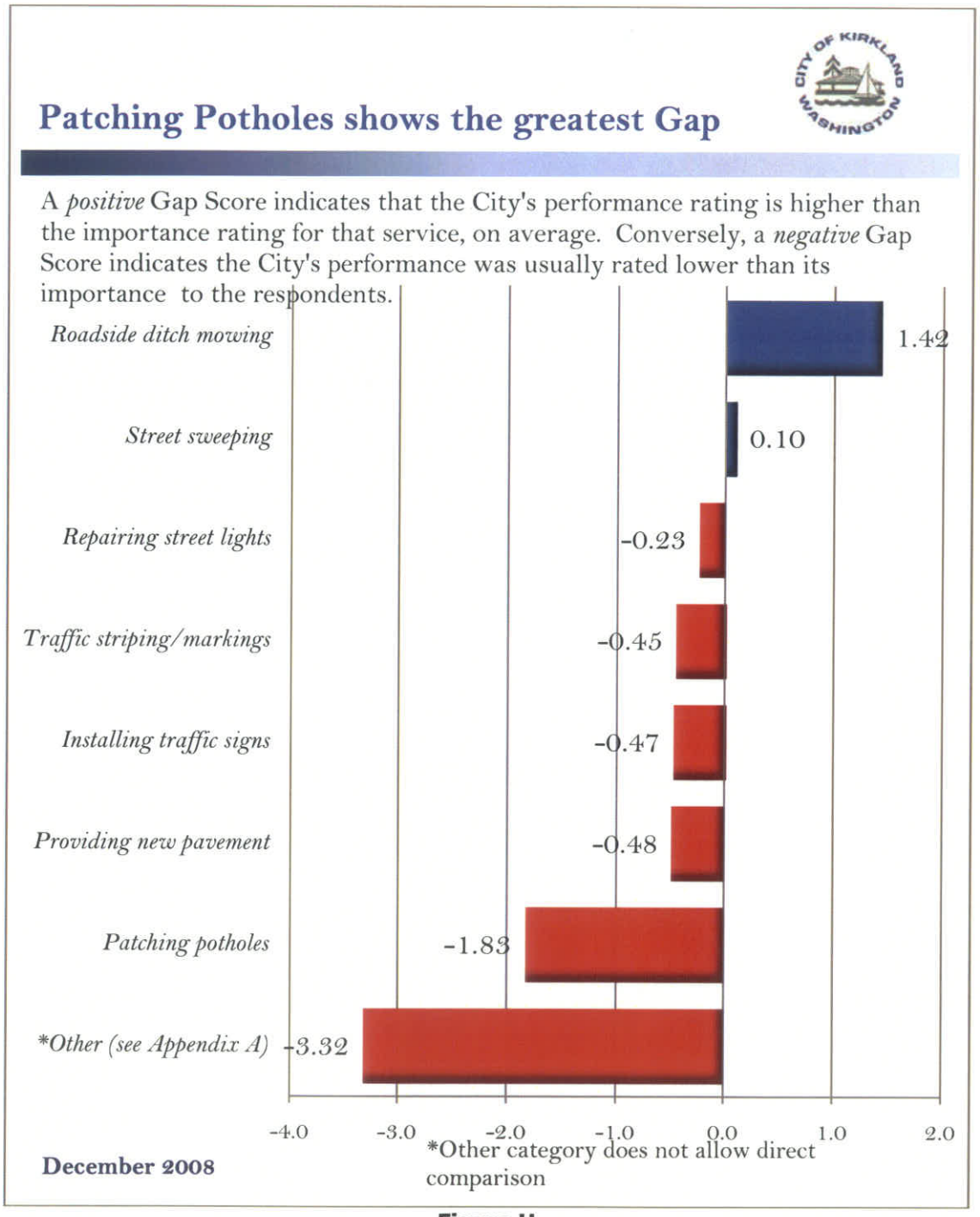


Figure H

The Community's characterization of street maintenance includes a number of areas, and this survey pointed out specific areas where City resources appear to be allocated appropriately as measured by their feedback, however patching potholes and some specific "other" situations appear to be where improvements can be made. Finally, and despite the overall PCI declining since 2005, a subjective response that was received as a part of the survey shows a continued favorable perspective of the City's street network (Figure I).

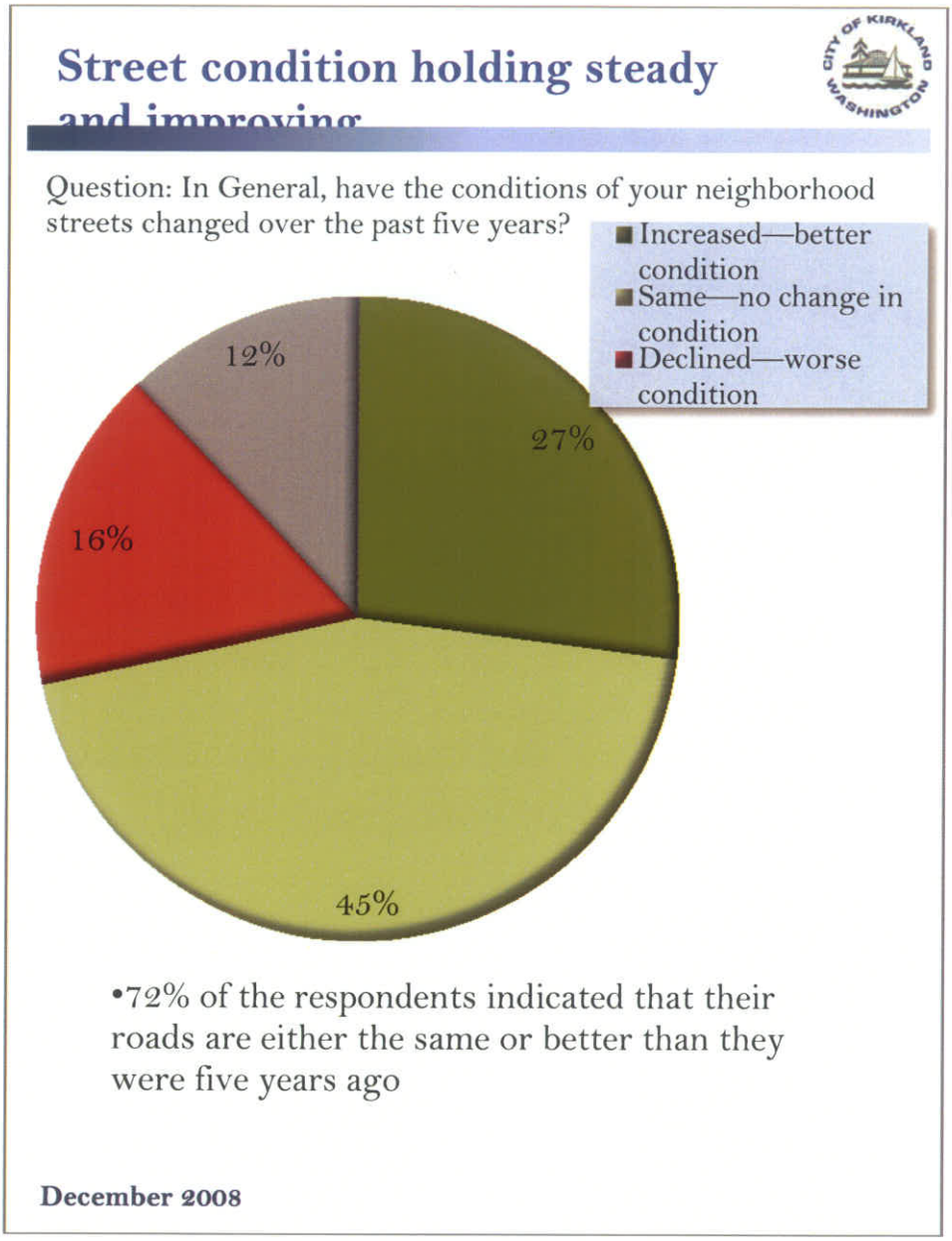


Figure I

Staff will be available to discuss the 2008 State of the Streets report and to answer questions that Council may have on February 17, 2009.

	$20/ Vehicle Fee						$25/ VLF		Sales Tax
	Bremerton	**Lake Forest Park**	**Edmonds**	**Des Moines**	**Olympia**	**Prosser**	**Burien**		**Ridgefield**
1. Ordinance Passed	Feb-09	Oct-08	Nov-08	Oct-08	Dec-08	Jan-09	Denied		Jun-08
2. Collection Begins	Aug-09	Apr-09	May-09	Apr-09	Jun-09	Jul-09	-		Dec-08
3. Responded	No	Yes	Yes	Yes	Yes	Yes	-		Yes
4. Prior Outreach	-	Discussion w/ Council, info in newsletter emails. Received very little input from residents.	Public Hearings. Chamber was aware, no opposition.	public was not engaged in discussion, public hearing conducted.	-	only required public hearings, coverage in City's newsletter and a few press releases			Stakeholder team formed. 9 months of mtgs.
5. Resistance during process	-	very little	Citizen questions about: staffing, costs, workload, boundary, admin, how funds will be spent. Only 3 citizens opposed	N/A	Tim Eiman showed up at Public Hearing. Citizens showed up saying "we want this". Overal the community is very supportive.	few comments against			little resistance in beg. Resistance began at 2nd mtg. lots of mtgs and difficulty coming to a concensus.
6. Resistance after	-	too early to tell	one phone call	none so far	The 1% fee to DOL doesn't pay for the cost of the program	none so far			Not much
7. unanticipated issues	-	no; but, it seems every new revenue source takes more admin time to implement and track	contracts with DOL & DOR	DOL is not setup to collect this fee. The solution may be to overlay DOL's addresses with the assigned tax code.	Tons of hurdles and pitfalls. Consumed a lot of time.	none so far			citizens/attorneys not voicing concerns until second reading of ordinance. Get citizens involved early to get their support
8. actual/estimated	-	don't know yet	not yet	-	-	1st collection should be in Sept			.2% increase in the retail sales tax. (1st receipt will come in June)
9. Audit	-	not yet	not yet	-	-	Not yet			Not yet
10. lessons/complications	-	so far so good.	The overall process has went well	DOL	DOL	complications with DOL & DOR in trying to implement collections.	will go to the ballot in fall '09 with a $25 proposal.		stated many
11. additional info			Intend to add a $20 fee to vehicle renewal notices on registrations that expire on or after Aug 1st.	Forming a TBD went through the 2009 budget process. DOL's programming completed 7/26/09. License renewals due on or after 9/1/09 will include the TBD's $20 fee. Per the State Treasurers office, TBD revenues will be received at month end with the normal state distribution			Fee would last 2 years and complete two high priority Bicycle & Ped. Facilities		
12. Contact		Jhawley@ci.lake-forest-park.wa.us	Clifton@ci.edmonds.wa.us	Phenderson@desmoines.wa.gov	Jkirkemo@ci.olympia.wa.us	Ckoch@Cityofprosser.com			Gaylynn.brien@ci.ridgefield.wa.us
		John Hawley	Stephen Clifton	Paula Henderson	Jane Kirkemo	Cathleen Koch			
6 out of the 8 cities responded									

CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Tom Phillips, Building Services Manager

Date: June 2, 2010

Subject: City of Kirkland Ordinance Relating to Modifications to Title 21 of the Kirkland Municipal Code Regarding Building and Construction

RECOMMENDATION
It is recommended that the City Council adopt the attached Ordinance that updates and modifies Title 21 of the Kirkland Municipal Code regarding Building and Construction.

BACKGROUND AND DISCUSSION
Generally, the State of Washington adopts and amends the building and construction codes every three years and requires all cities and counties to enforce the new codes. Cities are allowed to further amend these codes provided the amendment does not result in a code less restrictive than that adopted by the State.

Although the majority of changes are minor, some of the more significant State mandated changes are discussed below:

1. **More stringent Energy Code.** All cities and counties are required to enforce the new Energy Code. The new code should increase the efficiency of new home construction by 15%. The new code requires heat ducts to be pressure tested for air leakage. Even ducts in older homes must be tested and resealed when a new furnace is installed. Window and insulation requirements are somewhat higher and there is now an air pressure test (called a blower door test) to test all new houses for air leaks. These changes will impact the cost of home construction more than any of the other changes.

2. **Relaxed residential fire sprinkler installation requirements.** The State has adopted new rules which make it easier to install fire sprinklers in houses. Fire sprinklers in houses can now be part of the plumbing system and can be installed with the same materials allowed for plumbing systems. This eliminates the need for a separate water meter and back flow prevention device thereby making the installation of fire sprinklers more affordable.

3. **Carbon monoxide detectors are now required.** For new and remodeled homes effective January 1, 2011, carbon monoxide detectors will be required outside of bedrooms. Effective July 1, 2011 carbon monoxide detectors will also be required in existing dwelling units used as rentals. There are combination smoke/carbon monoxide detectors available that combine both functions into one.

4. **New deck requirements.** It is now easier for homeowners to design and build their own deck with new ledger attachment schedules and beam and joist span tables.

Unfortunately the code now requires that the decks be attached in two places to the inside floor framing of the existing house for lateral stability. As this will be very difficult to achieve, we are working with other MyBuildingPermit.com (MBP) cities to find an acceptable solution.

5. **New provisions for Live/Work units.** Allowances are now made for dwelling units to contain a business related space that does not exceed 50% of the dwelling unit or 3,000 square feet. This allows the two spaces to be connected without fire walls. This will be useful where mixed uses are allowed by the Zoning code.

6. **New provisions for high rise buildings.** Although this may not affect Kirkland, it is interesting because many of the lessons learned from the World Trade Towers attack are now being incorporated into the building code. These changes include:
    a. For buildings over 75 feet high - all stair and exit enclosures must be marked continuously with an approved self-luminous material or paint to ensure an illuminated exit path if all power is lost. This includes steps, handrails, landings and along floor lines to the building exit.
    b. For buildings over 120 feet high - a specially equipped elevator for fire fighters must be installed.
    c. For buildings over 420 feet high - one additional stairway must be installed, stair and elevator shafts must be constructed to meet new high impact requirements and shock proof fire insulation is required.

During this adoption cycle as in the past, most of the MBP cities worked together to update their administrative provisions and to make common amendments to the technical codes. While there was a concerted effort to minimize code amendments and promote consistency within these cities, it was recognized that there would always be some differences between the cities. Kirkland has historically made local amendments to these codes, which are reviewed every three years for consistency with the newly adopted codes, changing construction trends and general housekeeping.

Most of Kirkland's local amendments are revisions to the administrative portion of the code as follows:

1. **120 sq. ft. permit exemption increased to 200 sq. ft.** The Residential Code has gone back and forth on this permit exemption. The majority of MBP cities liked the threshold at 200 sq. ft. so for consistency this Ordinance increases the permit exemption for residential storage sheds from 120 sq. ft to 200 sq. ft.

2. **Building permit expirations deadline reduced in some cases.** Currently residential building permits are valid for two years. We have had complaints from citizens concerned about projects taking more than two years to complete. This Ordinance would reduce the expiration time for permits that are being renewed because the original permit has already expired once. Instead of having two more years when a house permit is renewed, applicants will only have 6 or 12 months to complete the project. Houses that are completely finished on the outside could be renewed for another two years since there is no longer an impact to the neighbors.

If there are any questions on the proposed Ordinance changes, please contact Tom Phillips at 425-587-3604 for clarification.

Council Meeting: 06/15/2010
Agenda: New Business
Item #: 11. a.

ORDINANCE NO. 4246

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO MODIFICATIONS TO TITLE 21 OF THE KIRKLAND MUNICIPAL CODE REGARDING BUILDING AND CONSTRUCTION.

The City Council of the City of Kirkland do ordain as follows:

Section 1. Kirkland Municipal Code Chapter 21.06 is hereby amended to read as follows:

Article I. General

21.06.010 Title.

These regulations shall be known as the construction administrative code of the city of Kirkland, hereinafter referred to as "this chapter."

21.06.015 Purpose.

The purpose of this chapter is to provide for the administration, organization and enforcement of the technical codes adopted by the city.

21.06.020 Scope.

(a) This chapter establishes the administrative, organizational and enforcement rules and regulations for the technical codes which regulate site preparation and construction, alteration, moving, demolition, repair, use and occupancy of buildings, structures and building service equipment within the corporate limits of the city. The provisions of this chapter shall apply to the administration of the following technical codes:

(1) 200~~6~~9 International Building Code—Chapter 51-50 WAC;
(2) 200~~6~~9 International Residential Code—Chapter 51-51 WAC;
(3) 200~~6~~9 International Mechanical Code—Chapter 51-52 WAC;
(4) 200~~6~~9 National Fuel Gas Code (NFPA 54)—Chapter 51-52 WAC;
(5) Kirkland Electrical Code;
(6) 200~~4~~8 Liquefied Petroleum Gas Code (NFPA 58)—Chapter 51-52 WAC;
(7) 200~~6~~9 International Fuel Gas Code—Chapter 51-52 WAC;
(8) 200~~6~~9 Uniform Plumbing Code—Chapters 51-56 and 51-57 WAC.

21.06.025 Definitions.

For the purpose of this chapter, certain terms, phrases, words and their derivatives shall have the meanings set forth in this section or in the definitions provisions of the technical codes. Where terms are not defined, they shall have their ordinary accepted meanings within the context with which they are used. Webster's Third International Dictionary of the English Language, Unabridged, latest edition, shall be considered as providing ordinary accepted meanings. Words used in the singular include the plural and the plural the singular. Words used in the masculine gender include the feminine and the feminine the masculine.

(1) "Action" means a specific response complying fully with a specific request by the jurisdiction.
(2) "Existing building" means a building erected prior to the adoption of the current building code, or one for which a legal building permit has been issued and finalized.
(3) "Building service equipment" means and refers to the plumbing, mechanical and electrical equipment including piping, wiring, fixtures, and other accessories which provide sanitation, lighting, heating, ventilation, cooling, refrigeration, firefighting, and transportation facilities essential to the occupancy of the building or structure for its designated use.
(4) "Complete response" means an adequate response to all requests from city staff in sufficient detail to allow the application to be processed.
(5) "Dangerous building code" means the 1997 Uniform Code for the Abatement of Dangerous Buildings promulgated by the International Council of Building Officials as adopted by the jurisdiction.
(6) "Energy code" means the Washington State Energy Code promulgated by the Washington State Building Code Council as adopted by the city.
(7) "Housing code" means the 1997 Uniform Housing Code promulgated by the International Council of Building Officials as adopted by the city.
(8) "IBC" means the latest edition of the International Building Code promulgated by the International Code Council as adopted by the city.
(9) "IMC" means the latest edition of the International Mechanical Code promulgated by the International Code Council as adopted by the city.
(10) "IRC" means the latest edition of the International Residential Code promulgated by the International Code Council as adopted by the city.
(11) "NEC" means the latest edition of the National Electrical Code promulgated by the National Fire Protection Association as adopted by the city.
(12) "Occupancy" means the purpose for which a building, or part thereof, is used or intended to be used.
(13) "Shall," as used in this chapter, is mandatory.
(14) "Technical codes" are the codes, appendices and referenced code standards adopted by the jurisdiction.
(15) "UPC" means the latest edition of the Uniform Plumbing Code promulgated by the International Association of Plumbing and Mechanical Officials as adopted by the jurisdiction.
(16) "Valuation" or "value," used in computing the plan review and permit (inspection) fees, means the total value of all construction work, including labor and materials, for which the permit is issued, as well as all finish work, painting, roofing, electrical, plumbing, heating, air conditioning, elevators, fire-extinguishing systems, or any other permanent work or permanent equipment.
~~(17) "VIAQ" means the Washington State Ventilation and Indoor Air Quality Code promulgated by the Washington State Building Code Council, as adopted by the jurisdiction.~~

21.06.030 Appendices.
Provisions in the appendices of the technical codes shall not apply unless specifically adopted.

21.06.035 Intent.
The purpose of this chapter and the technical codes is to establish the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of

egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to firefighters and emergency responders during emergency operations.

21.06.040 Referenced codes.

The codes listed in Sections 21.06.045 through 21.06.085 and referenced elsewhere in this chapter shall be considered part of the requirements of this chapter to the prescribed extent of each such reference.

21.06.045 International Building Code - Scope.

The provisions of the International Building Code shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal, and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

Exceptions:

(1) Detached one- and two-family dwellings and multiple single-family dwellings (townhouses) not more than three stories above grade plane in height with separate means of egress and their accessory structures shall comply with the International Residential Code.

(2) Roads, bridges, sidewalks, drainage structures, retaining walls and similar structures regulated, approved and inspected by the City's Public Works Department.

(3) Electrical transmission towers and telephone poles (not including cell towers) under the control of a utility.

21.06.050 International Residential Code - Scope.

The provisions of the International Residential Code for One- and Two-Family Dwellings shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal, and demolition of detached one- and two-family dwellings and multiple single-family dwellings (townhouses) not more than three stories in height with separate means of egress and their accessory structures.

Exception: Live/work units complying with the requirements of Section 419 of the *International Building Code* shall be permitted to be built as one- and two-family *dwellings* or townhouses. Fire suppression required by Section 419.5 of the *International Building Code* when constructed under the *International Residential Code for One- and Two-family Dwellings* shall conform to Section 903.3.1.3 of the *International Building Code.*

21.06.055 Mechanical - Scope.

These provisions of the International Mechanical Code shall apply to the installation, alterations, repairs and replacement of mechanical systems, including equipment, appliances, fixtures, fittings and/or appurtenances, including ventilating, heating, cooling, air-conditioning and refrigeration systems, incinerators and other energy-related systems.

Exceptions:

(1) The International Fuel Gas Code—for all installations utilizing natural gas and gaseous hydrogen except those regulated by the IRC and those utilizing LPG.

(2) International Residential Code—for all structures regulated by the IRC except LPG installations.
(3) NFPA 54 and 58—for all LPG installations.

21.06.060 Liquid propane gas - Scope.
The provisions of the National Fuel Gas Code and Liquid Petroleum Gas Code (NFPA 54 and 58) shall apply to the installation of all materials and equipment utilizing liquid propane gas.

21.06.065 Natural gas - Scope.
The provisions of the International Fuel Gas Code shall apply to the installation of all materials and equipment utilizing natural gas except those regulated by the International Residential Code.

21.06.070 Plumbing - Scope.
The provisions of the Uniform Plumbing Code shall apply to the erection, installation, alteration, repair, relocation, replacement, addition to, use or maintenance of plumbing and medical gas systems within the city.

21.06.075 Energy - Scope.
The provisions of the Washington State Energy Code shall apply to all matters governing the design and construction of buildings for energy efficiency.

~~**21.06.080 Ventilation and indoor air quality**~~
~~The provisions of the Washington State Ventilation and Indoor Air Quality Code shall apply to all matters governing the design and construction of buildings for ventilation and indoor air quality.~~

21.06.085 Electrical - Scope.
The provisions of the Kirkland Electrical Code applies to the installation of electric conductors, electric equipment and additions, alterations, modifications, or repairs to existing electrical installations for the following:
(A) Electric conductors, electric equipment, and electrical raceways installed within or on public and private buildings, property or other structures.
(B) Signaling and communications conductors and equipment, telecommunications conductors and equipment, fiber optic cables, and raceways installed within or on public and private buildings, property or other structures.
(C) Yards, lots, parking lots, and industrial substations.
(D) Temporary electrical installations for use during the construction of buildings.
(E) Temporary electrical installations for carnivals, conventions, festivals, fairs, traveling shows, the holding of religious services, temporary lighting of streets, or other approved uses.
(F) Installations of conductors and equipment that connect to a supply of electricity.
(G) All other outside electrical conductors on the premises.
(H) Optional standby systems derived from portable generators.

Exception: Installations under the exclusive control of electric utilities for the purpose of communication, transmission, and distribution of electric energy located in buildings used

exclusively by utilities for such purposes or located outdoors on property owned or leased by the utilities or on public highways, streets, roads, etc., or outdoors by established rights on private property.

It is the intent of this section that this code covers all premises' wiring or wiring other than utility owned metering equipment, on the load side of the service point of buildings, structures, or any other premises not owned or leased by the utility. Also, it is the intent that this code covers installations in buildings used by the utility for purposes other than listed in above, such as offices buildings, warehouses, garages, machine shops, and recreational buildings which are not an integral part of a generating plant, substation, or control center.

Article II. Applicability

21.06.090 Applicability.

(A) General. Where, in any specific case, different sections of this chapter specify different materials, methods of construction or other requirements, the most restrictive shall govern except that the hierarchy of the codes named in Chapter 19.27 RCW shall govern. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable.

(B) New Installations. This chapter applies to new installations.

Exception: If an electrical, plumbing or mechanical permit application is received after this chapter has taken effect, but is associated with a building permit application received prior to the effective date of the ordinance codified in this chapter, all applicable codes adopted and in force at the time of a complete building permit application will apply.

(C) Existing installations. Lawfully installed existing installations that do not comply with the provisions of this chapter shall be permitted to be continued without change, except as is specifically covered in this chapter, the International Fire Code or as is deemed necessary by the building official for the general safety and welfare of the occupants and the public. Where changes are required for correction of hazards, a reasonable amount of time shall be given for compliance, depending on the degree of the hazard.

(D) Maintenance. Building and structures, including their electrical, plumbing and mechanical systems, equipment, materials and appurtenances, both existing and new, and parts thereof shall be maintained in proper operating condition in accordance with the original design and in a safe, hazard-free condition. Devices or safeguards that are required by this chapter shall be maintained in compliance with the code edition under which installed. The owner or the owner's designated agent shall be responsible for the maintenance of the systems and equipment. To determine compliance with this provision, the code official shall have the authority to require that the systems and equipment be re-inspected.

(E) Additions, alterations, modifications or repairs. Additions, alterations, modifications or repairs to a building or structure or to the electrical, plumbing or mechanical system(s) of any building, structure, or premises shall conform to the requirements of this chapter without requiring those portions of the existing building or system not being altered or modified to comply with all the requirements of this chapter. Installations, additions, alterations, modifications, or repairs shall not cause an existing building to become unsafe or to adversely affect the performance of the building

as determined by the building official or designated representative. Electrical wiring added to an existing service, feeder, or branch circuit shall not result in an installation that violates the provisions of the code in force at the time the additions were made.

21.06.095 Other laws.
The provisions of this chapter shall not be deemed to nullify any provisions of local, state or federal law.

21.06.100 Application of references.
References to chapter or section numbers, or to provisions not specifically identified by number, shall be construed to refer to such chapter, section or provision of this chapter.

21.06.105 Referenced codes and standards.
The codes and standards referenced in the technical codes shall be considered part of the requirements of those codes to the prescribed extent of each such reference. Where differences occur between provisions of the technical codes and referenced codes and standards, the provisions of the technical codes shall apply.

21.06.110 Partial invalidity.
In the event that any part or provision of this chapter or a technical code is held to be illegal or void, this shall not have the effect of making void or illegal any of the other parts or provisions.

21.06.115 Existing structures.
The legal occupancy of any structure existing on the date of adoption of the technical codes shall be permitted to continue without change, except as is specifically covered in this chapter, the International Fire Code, or as is deemed necessary by the building official or fire official for the general safety and welfare of the occupants and the public. Modifications to existing structures shall be permitted to be performed in accordance with WAC 51-50-480000 (International Existing Building code).

21.06.117 Moved Buildings, Electrical
(A) Nonresidential buildings or structures moved into or within the jurisdiction must be inspected to ensure compliance with current requirements of this chapter.
(B) Residential buildings or structures wired in the U.S., to NEC requirements, and moved into the jurisdiction must be inspected to ensure compliance with the NEC requirements in effect at the time and place the original wiring was made. The building or structure must be inspected to ensure compliance with all current requirements of chapter 19.28 RCW and the rules developed by the department if:
(1) The original occupancy classification of the building or structure is changed as a result of the move; or
(2) The building or structure has been substantially remodeled or rehabilitated as a result of the move.

(D) Residential buildings or structures wired in Canada to Canadian Electrical Code (CEC) standards and moved into the jurisdiction must be inspected to ensure compliance with the following minimum safety requirements:
(1) Service, service grounding, and service bonding must comply with this Code.
(2) Canadian Standards Association (CSA) listed Type NMD cable is allowed with the following qualifications:
(a) CSA listed Type NMD cable, American Wire Gauge #10 and smaller installed after 1964 utilizing an equipment grounding conductor smaller than the phase conductors, must be:
(i) Replaced with a cable utilizing a full-size equipment grounding conductor; or
(ii) Protected by a ground fault circuit interrupter protection device.
(b) CSA listed Type NMD cable, #8 AWG and larger, must:
(i) Utilize an equipment grounding conductor sized according to the requirements of the NEC in effect at the time of the installation;
(ii) Be protected by a ground fault circuit interrupter protection device; or
(iii) Be replaced.
(3) Other types of wiring and cable must be:
(a) Replaced with wiring listed or field evaluated in accordance with U.S. standards by a laboratory approved by the department; or
(b) Protected by a ground fault circuit interrupter protection device and arc fault circuit protection device.
(4) Equipment, other than wiring or panelboards, manufactured and installed prior to 1997 must be listed and identified by laboratory labels approved by the department or CSA labels.
(5) All panelboards must be listed and identified by testing laboratory labels approved by the department with the following qualifications:
(a) CSA listed panelboards labeled "Suitable for Use as Service Equipment" will be considered to be approved as "Suitable for Use only as Service Equipment."
(b) CSA listed panelboards must be limited to a maximum of 42 circuits.
(c) CSA listed panelboards used as lighting and appliance panelboards as described in the NEC, must meet all current requirements of the NEC and this chapter.
(6) Any wiring or panelboards replaced or changed as a result of the move must meet current requirements of chapter 19.28 RCW and this chapter.
(7) The location, type, and ground fault circuit interrupter protection of receptacles and equipment in a bathroom, kitchen, basement, garage, or outdoor area must meet the Washington requirements in effect at the time the wiring was installed.
(8) 4, 15-ampere, kitchen small appliance circuits will be accepted in lieu of 2, 20-ampere, kitchen small appliance circuits. Receptacles will not be required to be added on kitchen peninsular or island counters.
(9) Spacing requirements for all other receptacles must meet the Washington requirements in effect at the time the wiring was installed.
(10) Receptacles installed above baseboard or fixed wall space heaters must be removed and the outlet box covered with a blank cover. The receptacle is required to be relocated as closely as possible to the existing location.
(11) Lighting outlet and switch locations must meet the Washington requirements in effect at the time the wiring was installed.

(12) Dedicated 20-ampere small appliance circuits are not required in dining rooms.
(13) Electric water heater branch circuits must be adequate for the load.
(14) The location, type, and circuit protection of feeders must meet the Washington State requirements in effect at the time the wiring was installed.

Article III. Building Department

21.06.120 Creation of enforcement agency.
The building department is hereby created and the official in charge thereof shall be known as the building official.

21.06.125 Appointment.
The building official shall be appointed by the chief appointing authority of the jurisdiction.

21.06.130 Deputies.
In accordance with the prescribed procedures of this jurisdiction and with the concurrence of the appointing authority, the building official shall have the authority to appoint a deputy building official, the related technical officers, inspectors, plan examiners and other employees. Such employees shall have powers as delegated by the building official.

Article IV. Duties and Powers of Building Official

21.06.135 General.
The building official is hereby authorized and directed to enforce the provisions of this chapter and the technical codes. The building official shall have the authority to render interpretations of this chapter and the technical codes and to adopt policies and procedures in order to clarify the application of their provisions. Such interpretations, policies and procedures shall be in compliance with the intent and purpose of this chapter and the technical codes. Such policies and procedures shall not have the effect of waiving requirements specifically provided.

21.06.140 Applications and permits.
The building official shall receive applications, review construction documents and issue permits for the erection, alteration, demolition and moving of buildings, structures and building service systems and equipment, inspect the premises for which such permits have been issued and enforce compliance with the provisions of this chapter and the technical codes.

21.06.145 Notices and orders.
The building official shall issue all necessary notices or orders to ensure compliance with this chapter and the technical codes.

<u>21.06.147 Tagging of Buildings.</u>
<u>Following a City of Kirkland issued formal declaration of emergency, the building official shall be authorized to evaluate and provide building safety evaluations. Evaluations shall generally follow standards from the Applied Technology Council ATC 20, ATC 20-1, or ATC 45 manuals. The</u>

procedure shall allow for the tagging of buildings as “Inspected”, “Limited Entry” or “Unsafe” along with any associated penalties per section 114.1 of this code for removal of building tags. Notice of orders pertaining to dangerous buildings and appeal procedures established under adopted building codes shall not apply under official declarations of emergency.

21.06.150 Inspections.
The building official shall make all of the required inspections, or the building official shall have the authority to accept reports of inspection by approved agencies or individuals. Reports of such inspections shall be in writing and be certified by a responsible officer of such approved agency or by the responsible individual. The building official is authorized to engage such expert opinion as deemed necessary to report upon unusual technical issues that arise at the applicant’s expense.

21.06.155 Identification.
The building official shall carry proper identification when inspecting structures or premises in the performance of duties under this chapter and the technical codes.

21.06.160 Right of entry.
Where it is necessary to make an inspection to enforce the provisions of this chapter and the technical codes, or where the building official has reasonable cause to believe that there exists in a structure or upon a premises a condition which is contrary to or in violation of this chapter and the technical codes which makes the structure or premises unsafe, dangerous or hazardous, the building official is authorized to enter the structure or premises at reasonable times to inspect or to perform the duties imposed by this chapter and the technical codes; provided, that if such structure or premises be occupied that credentials be presented to the occupant and entry requested. If such structure or premises is unoccupied, the building official shall first make a reasonable effort to locate the owner or other person having charge or control of the structure or premises and request entry. If entry is refused, the building official shall have recourse to the remedies provided by law to secure entry.

21.06.165 Department records.
The building official shall keep official records of applications received, permits and certificates issued, fees collected, reports of inspections, and notices and orders issued. Such records shall be retained in the official records for the period required for retention of public records.

21.06.170 Liability.
The building official or employee charged with the enforcement of this chapter and the technical codes, while acting for the jurisdiction in good faith and without malice in the discharge of the duties required by this chapter or other pertinent law or ordinance, shall not thereby be rendered liable personally and is hereby relieved from personal liability for any damage accruing to persons or property as a result of any act or by reason of an act or omission in the discharge of official duties. Any suit instituted against an officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this chapter shall be defended by legal representative of the jurisdiction until the final termination of the proceedings.

The building official or any subordinate shall not be liable for cost in any action, suit or proceeding that is instituted in pursuance of the provisions of this chapter and the technical codes.

21.06.175 Approved materials and equipment.
Materials, equipment and devices approved by the building official shall be constructed and installed in accordance with such approval.

21.06.180 Used materials and equipment.
The use of used materials and building service equipment which meet the requirements of this code for new materials is permitted. Used equipment and devices shall not be reused unless prior approval is obtained ~~is permitted when approved by~~ from the building official.

21.06.185 Modifications.
Wherever there are practical difficulties involved in carrying out the provisions of this chapter and the technical codes, the building official shall have the authority to grant modifications for individual cases, upon application of the owner or owner's representative, provided the building official shall first find that special individual reason makes the strict letter of the code impractical and the modification is in compliance with the intent and purpose of this chapter and the technical codes and that such modification does not lessen health, accessibility, life and fire safety, or structural requirements. The details of action granting modifications shall be recorded and entered in the files of the department. The building official is authorized to charge an additional fee to evaluate any proposed modification under the provisions of this section.

21.06.190 Alternative materials, design and methods of construction and equipment.
The provisions of this chapter and the technical codes are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this chapter and the technical codes; provided, that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the building official finds that the proposed design is satisfactory and complies with the intent of the provisions of this chapter and the technical codes, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in the technical codes in quality, strength, effectiveness, fire resistance, durability and safety. The building official is authorized to charge an additional fee to evaluate any proposed alternate under the provisions of this section.

21.06.195 Research reports.
Supporting data, where necessary to assist in the approval of materials or assemblies not specifically provided for in technical codes, shall consist of valid research reports from approved sources.

21.06.200 Tests.
Whenever there is insufficient evidence of compliance with the provisions of this chapter and the technical codes, or evidence that a material or method does not conform to the requirements of the technical codes, or in order to substantiate claims for alternative materials or methods, the building official shall have the authority to require tests as evidence of compliance to be made at

no expense to the jurisdiction. Test methods shall be as specified in technical codes or by other recognized test standards. In the absence of recognized and accepted test methods, the building official shall approve the testing procedures. Tests shall be performed by an approved agency. Reports of such tests shall be retained by the building official for the period required for retention of public records.

Article V. Permits

21.06.205 Required.

Any owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this chapter or one of the technical codes, or to cause any such work to be done, shall first make application to the building official and obtain the required permit. A separate permit is required for each building or structure.

Exception: when deemed appropriate by the building official, accessory buildings and structures may be included under the permit of the main building or structure.

21.06.210 Electrical permit required.

In accordance with Chapter 19.28 RCW, an electrical permit is required for the following installations:

(1) The installation, alteration, repair, replacement, modification or maintenance of all electrical systems, wire and electrical equipment regardless of voltage.

(2) The installation and/or alteration of low voltage systems defined as:

(A) NEC, Class 1 power limited circuits at thirty volts maximum.

(B) NEC, Class 2 circuits powered by a Class 2 power supply as defined in NEC 725.41(A).

(C) NEC, Class 3 circuits powered by a Class 3 power supply as defined in NEC 725.41(A).

(3) Telecommunications Systems.

(A) Installation of telecommunications systems on the customer side of the network demarcation point for projects greater than ten telecommunications outlets.

(B) All backbone installations, regardless of size, and all telecommunications cable or equipment installations involving penetrations of fire barriers or passing through hazardous locations.

(C) The installation of greater than ten outlets and the associated cables along any horizontal pathway from a telecommunications closet to work areas during any continuous ninety-day period requires a permit and inspection.

(D) Backbone installations in multifamily residential dwellings which require penetration of fire barriers, or installation of more than ten outlets in common areas.

(E) Definitions of telecommunications technical terms will come from Chapter 19.28 RCW, the currently adopted WAC rules, EIA/TIA standards, and the National Electrical Code.

21.06.215 Work exempt from permit.

Exemptions from permit requirements of this chapter shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of the technical codes or any

other laws or ordinances of this jurisdiction. Permit exemptions shall not apply to areas of flood hazard or city land use critical areas. Permits shall not be required for the following:

(1) Building.

(A) One-story detached accessory structures constructed under the provisions of the IRC used as tool and storage sheds, tree-supported play structures, playhouses and similar uses, but not including vehicle storage, provided the floor area does not exceed ~~one hundred and twenty~~ two hundred square feet~~.~~ and one-story detached accessory structures constructed under the provisions of the IBC used as tool and storage sheds and similar uses, provided the floor area does not exceed one hundred and twenty square feet.

(B) Fences not over six feet high.

(C) Oil derricks.

(D) Retaining walls which are not over four feet in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or III-A liquids.

(E) Water tanks supported directly on grade if the capacity does not exceed five thousand gallons and the ratio of height to diameter or width does not exceed two to one.

(F) Sidewalks, decks and driveways ~~associated with residential buildings constructed under the provisions of the IRC~~ not more than 30 inches above grade and not over any basement or story below and which are not part of an accessible route.

~~(G) Decks, associated platforms and steps accessory to residential buildings constructed under the provisions of the IRC which are not more than thirty inches above adjacent grade and not over any basement or story below.~~

(G) Replacement of nonstructural siding on IRC structures except for veneer, stucco or exterior finish and insulation systems (EFIS).

(H) In-kind re-roofing of one- and two-family dwellings, provided the roof sheathing is not removed or replaced.

(I) Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work~~.~~ provided that existing accessibility features are not altered.

(J) Temporary motion picture, television and theater stage sets and scenery.

(K) Prefabricated swimming pools accessory to a one- and two-family dwelling, which are less than twenty-four inches deep, do not exceed five thousand gallons and are installed entirely above ground.

(L) Swings, slides and other similar playground equipment.

(M) Window awnings supported by an exterior wall of one- and two-family dwellings which do not project more than fifty-four inches from the exterior wall and do not require additional support.

(N) ~~Like-for-like replacement of windows in an IRC structure.~~ In-kind window replacement for IRC structures where no alteration of structural members is required and when the window U-values meet the current prescriptive requirements of the Washington State Energy Code.

(O) Nonfixed and movable cases, counters and partitions not over five feet, nine inches in height.

(P) Satellite earth station antennas six and one-half feet or less in diameter or diagonal in zones other than residential zones.

(Q) Satellite earth station antennas three and one-quarter feet or less in diameter in residential zones.

(R) Video programming service antennas three and one-quarter feet or less in diameter or diagonal dimension, regardless of zone.

(S) ~~Removal or installation of nonstructural wood or vinyl siding on IRC structures.~~ Job shacks that are placed at a permitted job site during construction may be allowed on a temporary basis and shall be removed upon final approval of construction. A job shack is a portable structure for which the primary purpose is to house equipment and supplies, and which may serve as a temporary office during construction for the purposes of the construction activity.

(2) Electrical.

(A) Portable motors or other portable appliances energized by means of a cord or cable having an attachment plug end to be connected to an approved receptacle when that cord or cable is permitted by the National Electrical Code;

(B) Repair or replacement of fixed motors, transformers or fixed approved appliances or devices rated fifty amps or less which are like-in-kind in the same location;

(C) Temporary decorative lighting; when used for a period not to exceed ninety days and removed at the conclusion of the ninety-day period;

(D) Repair or replacement of current-carrying parts of any switch, conductor or control device which are like-in-kind in the same location;

(E) Repair or replacement of attachment plug(s) and associated receptacle(s) rated fifty amperes or less which are like-in-kind in the same location;

(F) Repair or replacement of any over current device which is like-in-kind in the same location;

(G) Repair or replacement of electrodes or transformers of the same size and capacity for signs or gas tube systems;

(H) Removal of electrical wiring;

(I) Telecommunication outlet installations within individual dwelling units;

(J) Listed wireless security systems where power is supplied by a listed Class 2 plug-in transformer installed within dwelling units;

(K) The installation, alteration or repair of electrical wiring, apparatus or equipment or the generation, transmission, distribution or metering of electrical energy or in the operation of signals or the transmission of intelligence by a public or private utility in the exercise of its function as a serving utility;

(L) Portable generators serving only cord and plug connected loads supplied through receptacles on the generator ~~rated at four thousand watts or less~~;

(M) Travel trailers;

(N) Like-in-kind replacement of a: contactor, relay, timer, starter, circuit board, or similar control component; household appliance; circuit breaker; fuse; residential luminaire; lamp; snap switch; dimmer; receptacle outlet; thermostat; heating element; luminaire ballast with an exact same ballast; component(s) of electric signs, outline lighting, skeleton neon tubing when replaced on-site by an appropriate electrical contractor and when the sign, outline lighting or skeleton neon tubing electrical system is not modified; ten horsepower or smaller motor; and induction detection loops described in WAC 296-46B-300(2) and used to control gate access devices.

(3) Mechanical.

(A) Portable heating, cooking, or clothes drying appliances.

(B) Portable ventilation equipment.

(C) Portable cooling unit.

(D) Steam, hot or chilled water piping within any heating or cooling equipment regulated by this chapter.
(E) Replacement of any part which does not alter its approval or make it unsafe.
(F) Portable evaporative cooler.
(G) Self-contained refrigeration system containing ten pounds or less of refrigerant and actuated by motors of one horsepower or less.
(H) Portable fuel cell appliances that are not connected to a fixed piping system and are not interconnected.

(4) Plumbing.

(A) The stopping and/or repairing of leaks in drains, water, soil, waste or vent pipe; provided, however, that should any concealed trap, drain pipe, water, soil, waste or vent pipe become defective and it becomes necessary to remove and replace the same with new material, the same shall be considered as new work and a permit shall be obtained ~~procured~~ and inspection made as provided in this chapter.
(B) The clearing of stoppages. or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require replacement or rearrangement of valves, pipes or fixtures.
(C) Reinstallation or replacement of prefabricated fixtures that do not involve or require the replacement or rearrangement of valves or pipes.

21.06.220 Emergency repairs.

Where equipment replacements and equipment repairs must be performed in an emergency situation, the permit application shall be submitted within the next working business day to the building official.

21.06.225 Repairs.

Application or notice to the building official is not required for ordinary repairs to structures. Such repairs shall not include the cutting away of any wall, partition or portion thereof, the removal or cutting of any structural beam or load-bearing support, or the removal or change of any required means of egress, or rearrangement of parts of a structure affecting the egress requirements; nor shall ordinary repairs include addition to, alteration of, replacement or relocation of any standpipe, water supply, sewer, drainage, drain leader, gas, soil, waste, vent or similar piping, electric wiring or mechanical or other work affecting public health or general safety.

21.06.230 Application for permit.

For other than on-line permits, to obtain a permit, the applicant shall first submit a complete application in writing on a form furnished by the building department for that purpose. Such application shall include:
(1) A description of the work to be covered by the permit for which application is made.
(2) The use and occupancy for which the proposed work is intended.
(3) A legal description of the property upon which the project is located.
(4) The street address of the property.
(5) The tax parcel number.
(6) The property owner's name, address, and phone number.

(7) The prime contractor's business name, address, phone number, current state contractor registration number.
(8) The valuation of the proposed work.
(9) Proof of a potable water supply for buildings requiring potable water.
(10) Construction documents and other information as required in Article VI.
Exception: The above information is required for building permits, but may not be required for other types of permits such as plumbing, electrical, mechanical, sign, LSM and roofing.
(11) For building projects valued at over five thousand dollars, either:
(A) The name, address and phone number of the office of the lender administering the interim construction financing, if any; or
(B) The name, address and phone number of the office of the lender administering the interim construction financing, if any; or the name and address of the firm that has issued a payment bond, if any, on behalf of the prime contractor for the protection of the owner, if the bond is for an amount not less than fifty percent of the total amount of the construction project; provided, that if any of this information is not available at the time the application is submitted, the applicant shall so state and the lack of said information shall not cause the application to be deemed incomplete for the purposes of this section. However, the applicant shall provide the remaining information prior to the permit being issued.

21.06.240 Action on application.
(a) The building official shall examine or cause to be examined applications for permits and amendments thereto within a reasonable time after filing. If the application or the construction documents do not conform to the requirements of pertinent laws, the building official shall reject such application in writing, stating the reasons therefor. If the building official is satisfied that the proposed work conforms to the requirements of this chapter and laws and ordinances applicable thereto, the building official shall issue a permit therefor as soon as practicable.
(b) Revisions to the submittal documents, not requested by the city, may be accepted by the city, however the revisions may result in additional fees being assessed. Substantial revisions may require a new permit application be submitted as determined by the building official.
(c) Before a permit is issued, the code official is authorized to inspect and approve the systems, equipment, buildings, devises, premises and spaces or areas to be used.

21.06.245 Time limitation of application.
An application for a permit for any proposed work shall expire eighteen months after the date of filing. <u>The building official may extend the life of an application if any of the following conditions exist:</u>
<u>(a) Any other city review is in progress; provided the applicant has submitted a complete, timely, response to city requests or the building official determines that unique or unusual circumstances exist that warrant additional time for such response, and the building official determines that the review is proceeding in a timely manner toward final city decision; or</u>
<u>(b) Litigation against the city or applicant is in progress, the outcome of which may affect the validity or the provisions of any permit issued pursuant to such application.</u>

21.06.250 Validity of permit.

The issuance or granting of a permit shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this chapter or of any other ordinance of the jurisdiction. Permits presuming to give authority to violate or cancel the provisions of this chapter or other ordinances of the jurisdiction shall not be valid. The issuance of a permit based on construction documents and other data shall not prevent the building official from requiring the correction of errors in the construction documents and other data. The building official is also authorized to prevent occupancy or use of a structure where in violation of this chapter or of any other ordinances of this jurisdiction.

21.06.255 Permit expiration.

(a) Every building permit and its associated ancillary permits issued for an IRC permitted structure or for a tenant space within an existing building shall expire in two years from the date of issuance.

(b) Every LSM permit and every building permit and its associated ancillary permits issued for a commercial, educational, institutional, multifamily, public, industrial or similar structure shall expire in three years from the date of issuance.

(c) Sign permits and electrical, mechanical, and plumbing permits not associated with a building permit shall expire one year from the date of issuance.

(d) The building official may grant a thirty-day extension of time for permits when only the final inspection is remaining and all other work has been approved.

(e) It is a violation of this chapter to allow a permit to expire without first obtaining an approved final inspection.

Exception1: A new building permit issued for an IRC structure to complete the work covered by a previous, expired permit, shall expire in:

1. one year if the framing inspection was not approved on the previous permit or;
2. six months if the framing inspection was approved on the previous permit and the exterior of the structure is not completed per item #3 below or,
3. Two years if the outside of the structure is complete including roofing, siding, windows, exterior doors and applicable site and right-of-way improvements.

Exception 2: For permits resulting from work without a permit or other code enforcement action(s), the expiration date will be determined by the building official.

21.06.256 Permit Renewals.

An existing building permit may be renewed one time for a fee of one-half the original permit fee, provided the permit has not been expired for more than one year and the framing inspection has been approved. Permit renewals shall expire in:

1. six months if the exterior of the structure is not completed per item #2 below or,
2. Two years if the outside of the structure is complete including roofing, siding, windows, exterior doors and applicable site and right-of-way improvements.

21.06.257 Special provisions for permit and application extensions.

Except as provided below, building and land surface modification (LSM) permits applied for between September 1, 2007, and January 1, 2011, and building and LSM permits issued between

January 1, 2006, and January 1, 2011, will be granted a one-year extension to their original expiration date upon request by the applicant. The one-year extension will start on the original expiration date. The extension may be applied to either the application prior to issuance or the permit after issuance, but not to both. All electrical, plumbing and mechanical permits associated with the building or LSM permit will also be extended for the same amount of time if requested by the applicant. This extension does not apply to any issued building or LSM permit associated with a single-family residence or accessory dwelling unit if the construction has already begun. Extensions will not be granted for demolition work.

21.06.260 Suspension or revocation.

The building official is authorized to suspend or revoke a permit issued under the provisions of this chapter wherever the permit is issued in error or on the basis of incorrect, inaccurate or incomplete information, or in violation of any ordinance or regulation or any of the provisions of this chapter.

21.06.265 Placement of permit.

The building permit or copy shall be kept on the site of the work until the completion of the project.

21.06.267 Floor and Roof Design Loads.

(a) Live Loads Posted. Where the live load for which each floor or portion thereof of a commercial or industrial building is or has been designed to exceed 50 psf (2.40kN/m^2), such design live load shall be conspicuously posted by the owner in that part of each story in which they apply, using durable signs. It shall be unlawful to remove or deface such notices.

(b) Issuance of certificate of occupancy. A certificate of occupancy required by Section 111 shall not be issued until the floor load signs, required by Section 106.1 have been installed.

(c) Restrictions on loading. It shall be unlawful to place, cause or permit to be placed, on any floor or room of a building structure or portion thereof, a load greater than is permitted by this code.

Article VI. ~~Construction~~ Submittal Documents

21.06.270 General.

Submittal documents consisting of ~~C~~construction documents, statement of special inspection and structural observation programs, and other data shall be submitted in one or more sets with each application for a permit. The construction documents shall be prepared by a registered design professional where required by the state of Washington. Where special conditions exist, the building official is authorized to require additional construction documents to be prepared by a registered design professional.

Exception: The building official is authorized to waive the submission of construction documents and other data if it is found that the nature of the work applied for is such that review of construction documents is not necessary to obtain compliance with this chapter.

21.06.275 Information on construction documents.

Construction documents shall be dimensioned and drawn upon suitable material. Electronic media documents are permitted to be submitted when approved by the building official. Construction

documents shall be of sufficient clarity to indicate the location, nature and extent of the work proposed and show in detail that it will conform to the provisions of this chapter and relevant laws, ordinances, rules and regulations. The plans must include the relevant items listed in this section and any other information or documents as deemed necessary by the building official.

(A) Building.

(1) Fire protection system shop drawings.

Shop drawings for the fire protection system(s) shall be submitted to indicate conformance with this chapter and the construction documents and shall be approved prior to the start of system installation. Shop drawings shall contain all information as required by the referenced installation standards in Chapter 9 of the IBC. Shop drawings shall be prepared by a certified individual as required by the state of Washington.

(2) Means of egress.

The construction documents shall show in sufficient detail the location, construction, size and character of all portions of the means of egress in compliance with the provisions of this chapter. In occupancies within the scope of the International Building Code, the construction documents shall designate the number of occupants to be accommodated on every floor, and in all rooms and spaces.

(3) Exterior wall envelope.

Construction documents for all buildings shall describe the exterior wall envelope in sufficient detail to determine compliance with this chapter. The construction documents shall provide details of the exterior wall envelope as required, including flashing, intersections with dissimilar materials, corners, end details, control joints, intersections at roof, eaves or parapets, means of drainage, water-resistive membrane and details around openings. The construction documents shall include manufacturer's installation instructions that provide supporting documentation that the proposed penetration and opening details described in the construction documents maintain the weather resistance of the exterior wall envelope. The supporting documentation shall fully describe the exterior wall system which was tested, where applicable, as well as the test procedure used. Exception: Subject to the approval of the building official, one- and two-family dwellings and private garages may be exempt from the detailing requirements of this section.

(4) Building enclosure design requirements of Revised Code of Washington (RCW) 64.55 (otherwise known as Engrossed House Bill (EHB) 1848).

Building enclosure design documents of new or rehabilitated multifamily buildings that are subject to regulations of Engrossed House Bill 1848 must be submitted at the time of permit application. All applications for building construction or rehabilitation shall include design documents prepared and stamped by an architect or engineer that identify the building enclosure (building enclosure documents), including but not limited to, waterproofing, weather proofing and/or otherwise protected from water or moisture intrusion, unless a recorded irrevocable sale prohibition covenant is submitted to the City.

The city is prohibited from issuing a permit for construction or rehabilitative construction unless the building enclosure documents contain a stamped statement by the person stamping the building enclosure design documents in substantially the following form, "The undersigned has provided building enclosure documents that in my professional judgment are appropriate to satisfy the requirements of sections 1 through 10 of EHB 1848". The city is not responsible for determining

whether the building enclosure design documents or the inspections performed are adequate or appropriate to satisfy the requirements of the act.

(5) Site plan.

The construction documents submitted with the application for permit shall be accompanied by a site plan showing to scale the size and location of new construction and existing structures on the site, significant trees, distances from lot lines, easements, the established street grades and the proposed finished grades and, as applicable, flood hazard areas, floodways, and design flood elevations; and it shall be drawn in accordance with an accurate boundary line survey. Where design flood elevations are not specified, they shall be established in accordance with Section 1612.3.1 of the IBC, In the case of demolition, the site plan shall show construction to be demolished and the location and size of existing structures and construction that are to remain on the site or plot. The building official is authorized to waive or modify the requirement for a site plan when the application for permit is for alteration or repair or when otherwise warranted.

(B) Electrical.

(1) Electrical Engineer. Electrical plans for the following installations shall be prepared by, or under the direction of, a consulting electrical engineer registered under Chapter 18.43 RCW, and Chapters 180-29, 246B-320, and 388-97 WAC. All electrical plans must bear the engineer's stamp and signature.

(a) All educational facilities, hospitals and nursing homes;

(b) All services or feeders rated 1,600 amperes or larger;

(c) All installations identified in the National Electrical Code requiring engineering supervision;

(d) As required by the building official for installations which by their nature are complex, hazardous or pose unique design problems.

(2) Information on construction documents.

Construction documents shall identify the name and classification of the facility and clearly show the electrical installation or alteration in floor plan view, include all switchboard and panelboard schedules and when a service or feeder is to be installed or altered, must include a riser diagram, load calculation, fault current calculation, and interrupting rating of equipment.

(3) Penetrations. Construction documents shall indicate where penetrations will be made for electrical systems and shall indicate the materials and methods for maintaining required structural safety, fire-resistance rating and fireblocking.

(4) Load calculations. Where an addition or alteration is made to an existing electrical system, an electrical load calculation shall be prepared to determine if the existing electrical service has the capacity to serve the added load.

(5) Site plan. The construction documents submitted with the application for permit shall be accompanied by a site plan showing to scale the size and location of new construction and existing structures and equipment ~~on the site,~~ and distances from lot lines.~~, the established street grades and the proposed finished grades; and it shall be drawn in accordance with an accurate boundary line surveyIn the case of demolition, the site plan shall show construction to be demolished and the location and size of existing structures and construction that are to remain on the site or plot. The code official is permitted to waive or modify the requirement for a site plan where the application for permit is for alteration or repair or where otherwise warranted.~~

(6) Plan review required. Electrical plan review is required for all new or altered electrical projects in the following occupancies and/or installations:

(a) Educational, institutional, or health care facilities/buildings as follows:
   1) Hospital
   2) Nursing home unit or long-term care unit
   3) Boarding home
   4) Assisted living facility
   5) Private alcoholism hospital
   6) Alcoholism treatment facility
   7) Private psychiatric hospital
   8) Maternity home
   9) Ambulatory surgery facility
   10) Renal hemodialysis clinic
   11) Residential treatment facility for psychiatrically impaired children and youth
   12) Adult residential rehabilitation center
   13) Educational facilities
   14) Institutional facilities

Exception: Electrical Plan review is not required for the above educational, institutional, or health care facilities buildings where:

(a) Lighting specific projects that result in an electrical load reduction on each feeder involved in the project;
(b) Low voltage systems;
(c) Modification to existing electrical installations where all of the following conditions are met:
   i. Service or distribution equipment involved is rated less than 100 amperes and does not exceed 250 volts;
   ii. Does not involve emergency systems other than listed unit equipment per NEC 700.12(F);
   iii. Does not involve branch circuits or feeders of an essential electrical system as defined in NEC 517.2; and
   iv. Service and feeder load calculations are increased by 5% or less.
(d) Stand-alone utility fed services that do not exceed 250 volts and less than 100 amperes where the project's distribution system does not include:
   i. Emergency systems other than listed unit equipment per NEC 700.12(F);
   ii. Critical branch circuits or feeders as defined in NEC 517.2, or
   iii. A required fire pump system.

(b) Alterations in non-residential occupancies 2,500 square feet and greater.
(c) Installations in occupancies, except one and two family dwellings, where a service or feeder rated 100 amperes or greater is installed or altered or if more than 100 amperes is added to the service or feeder.
(d) All work on electrical systems operating at/over 600 Volts
(e) All commercial generator installations or alterations
(f) All work in areas determined to be hazardous (classified) location by the NEC.
(g) If 60% or more of luminaires change.

(h) Installations of switches or circuit breakers rated four hundred amperes or over except for one and two family dwellings.
(i) Wind driven generators.
(j) Solar photovoltaic systems.
(k) Any proposed installation which cannot be adequately described in the application form.
(C) Plumbing.
Plans must be submitted for review and approval whenever the scope of the work is too complex for inspection alone as determined by the building official.
(D) Mechanical.
Plans must be submitted for review and approval whenever the scope of the work is too complex for inspection alone as determined by the building official.

21.06.330 Use of consultants.
Whenever review of a building permit application requires retention by the jurisdiction for professional consulting services, the applicant may be required to reimburse the jurisdiction the cost of such professional consulting services. This fee shall be in addition to the normal plan review and building permit fees. The jurisdiction may require the applicant to deposit an amount with the jurisdiction estimated in the discretion of the building official to be sufficient to cover anticipated costs to retaining professional consultant services and to ensure reimbursement for such costs.

21.06.333 Examination of Documents.
The code official shall examine or cause to be examined the accompanying ~~construction~~ submittal documents and shall ascertain by such examinations whether the construction indicated and described is n accordance with the requirements of this chapter and other pertinent laws or ordinances.

21.06.335 Approval of construction documents.
When the building official issues a permit, the construction documents shall be approved, in writing, label or by stamp, as “Reviewed By” or other similar words. One set of construction documents so reviewed shall be retained by the building official. The other set shall be returned to the applicant, shall be kept at the site of work and shall be available for inspection by the building official or a duly authorized representative.

21.06.345 Design professional in responsible charge—General.
When it is required that documents be prepared by a qualified registered design professional, the building official shall be authorized to require the owner to engage and designate on the building permit application a registered design professional who shall act as the registered design professional in responsible charge. If the circumstances require, the owner shall designate a substitute registered design professional in responsible charge who shall perform the duties required of the original registered design professional in responsible charge. The building official shall be notified in writing by the owner if the registered design professional in responsible charge is changed or is unable to continue to perform the duties. The registered design professional in responsible charge shall be responsible for reviewing and coordinating submittal documents

prepared by others, including phased and deferred submittal items, for compatibility with the design of the building. Where structural observation is required by Chapter 17 of the IBC, the inspection program shall name the individual or firms who are to perform structural observation and describe the stages of construction at which structural observation is to occur.

21.06.350 Deferred submittals.

For the purposes of this section, "deferred submittals" are defined as those portions of the design that are not submitted at the time of the application and that are to be submitted to the building official within a specified period. Deferral of any submittal items shall have the prior approval of the building official. The registered design professional in responsible charge shall list the deferred submittals on the construction documents for review by the building official. Documents for deferred submittal items shall be submitted to the registered design professional in responsible charge who shall review them and forward them to the building official with a notation indicating that the deferred submittal documents have been reviewed and been found to be in general conformance to the design of the building. The deferred submittal items shall not be installed until the design and submittal documents have been approved by the building official. The building official is authorized to charge an additional plan review fee to evaluate deferred submittals under the provisions of this section.

21.06.355 Amended construction documents.

Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents. The building official may authorize minor field changes subject to the approval of the field inspector. Substantial changes may require a new permit be applied for and obtained as determined by the building official.

21.06.360 Retention of construction documents.

One set of approved construction documents shall be retained by the building official for a period of not less than one hundred eighty days from date of completion of the permitted work, or as required by state or local laws.

Article VII. Temporary Structures and Uses

21.06.365 General.

The building official is authorized to issue a permit for temporary structures and temporary uses. Such permits shall be limited as to time of service, but shall not be permitted for more than one hundred eighty days. The building official is authorized to grant extensions for demonstrated cause

21.06.370 Electrical.

(a) If the building official finds that the safety of life and property will not be jeopardized, permits may be issued for temporary electrical installations for use during the construction of buildings or for carnivals, conventions, festivals, fairs, the holding of religious services, temporary lighting of streets, or other approved uses. Permission to use such temporary installation shall not be granted for a length of time greater than ninety days, except that a permit for a temporary installation to be

used for constructing of a building may be issued for the period of construction. Should such temporary lighting be over the street area, the proper authorization for such use of the street must first be obtained.

(b) All such temporary installations shall be made in accordance with the requirements of this chapter; provided, that the building official may permit deviations which will not permit hazards to life or property; and further provided, that whenever such hazards are deemed by the building official to exist, the building official may at once rescind or cancel the permit covering such installation and disconnect, or order the disconnection of all energy to such equipment.

21.06.375 Conformance.

Temporary structures and uses shall conform to the structural strength, fire safety, means of egress, accessibility, light, ventilation and sanitary requirements of this chapter as necessary to ensure the public health, safety and general welfare.

21.06.380 Termination of approval.

The building official is authorized to terminate such permit for a temporary structure or use and to order the temporary structure or use to be discontinued.

Article VIII. Fees

21.06.385 Payment of fees.

The fee for each permit shall be as set forth in Chapter 21.74, as now or hereafter amended. A permit shall not be valid until the fees have been paid, nor shall an amendment to a permit be released until the additional fee, if any, has been paid.

21.06.390 Schedule of permit fees.

On buildings, grading, structures, signs, electrical, gas, mechanical, and plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required, in accordance with the schedule as established by the Kirkland city council.

21.06.395 Plan review fees.

When submittal documents are required by Article VI of this chapter, a plan review fee shall be paid at the time of submitting the submittal documents for plan review. The building official may have the option to charge a deposit, in lieu of the full plan review fee, if the full amount is not known at the time. Any plan review deposit shall be applied toward the total plan review fee owed. The actual inspection fees and related plan review fee shall be determined upon completion of the plan review and the balance owing shall be paid at the time of permit issuance. The plan review fee shall be a separate fee from the permit fees specified in this section and are in addition to the permit fees. When submittal documents are incomplete or changed so as to require additional plan review or when the project involves deferred submittal items as defined in Article VI of this chapter, an additional plan review fee shall be charged at the rate shown in Chapter 21.74 established by the Kirkland city council. <u>A new plan review fee may be charged if revisions to a plan are so extensive that a new plan review is required.</u>

21.06.400 Building permit valuations.
The applicant for a permit shall provide an estimated permit value at time of application. The valuation for a permit issued to complete the work of an expired permit shall be based upon the value of all work not completed under the previous permit, with a minimum valuation of $4,000 for each required remaining inspection. The determination of value or valuation under any of the provisions of this chapter shall be made by the building official.

21.06.405 Work commencing before permit issuance.
Any person who commences any work on a building, structure, gas, mechanical, electrical or plumbing system before obtaining the necessary permits, unless installed under Section 21.06.220, shall be subject to a special investigation fee established by the building official that shall be in addition to the required permit fees.

21.06.410 Related fees.
The payment of the fee for the construction, alteration, removal or demolition for work done in connection to or concurrently with the work authorized by a building permit shall not relieve the applicant or holder of the permit from the payment of other fees that are prescribed by law.

21.06.415 Refunds.
The building official may authorize refunding of not more than eighty percent of the inspection fee paid when no work has been done under a permit issued in accordance with this chapter. The building official may authorize refunding of not more than eighty percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan reviewing is done. The building official shall not authorize a refund of any fee paid except on written application filed by the original permittee not later than one hundred eighty days after the date of payment of the fee.

Article IX. Inspections

21.06.420 General.
Construction or work for which a permit is required shall be subject to inspection by the building official and such construction or work shall remain accessible and exposed for inspection purposes until approved. Approval as a result of an inspection shall not be construed to be an approval of a violation of the provisions of this chapter or of other ordinances of the jurisdiction. Inspections presuming to give authority to violate or cancel the provisions of this chapter or of other ordinances of the jurisdiction shall not be valid. It shall be the duty of the permit applicant to cause the work to remain accessible and exposed for inspection purposes. Neither the building official nor the jurisdiction shall be liable for expense entailed in the removal or replacement of any material required to allow inspection.

21.06.425 Preliminary inspections.
Before issuing a permit, the building official is authorized to examine or cause to be examined buildings, structures and sites for which an application has been filed.

21.06.430 Manufacturer's installation instructions.
Manufacturer's installation instructions, as required by this chapter, shall be available on the job site at the time of inspection.

21.06.435 Required inspections.
The building official, upon notification, shall make the inspections set forth in Sections 21.06.440 through 21.06.515.

21.06.440 Footing and foundation inspection.
Footing and foundation inspections shall be made after poles or piers are set or trenches or basement areas are excavated and all required hold-down anchor bolts, hold down straps, any forms erected, and any required reinforcing steel is in place and supported. The foundation inspection shall include excavations for thickened slabs intended for the support of bearing walls, partitions, structural supports, or equipment and special requirements for wood foundations. ~~Footing and foundation inspections shall be made after excavations for footings are complete and any required reinforcing steel is in place. For concrete foundations, any required forms shall be in place prior to inspection.~~

21.06.445 Concrete slab and under-floor inspection.
Concrete slab and under-floor inspections shall be made after in-slab or under-floor reinforcing steel and building service equipment, conduit, slab insulation, piping accessories and other ancillary equipment items are in place, but before any concrete is placed or floor sheathing installed, including the subfloor.

21.06.450 Lowest floor elevation.
In flood hazard areas, upon placement of the lowest floor, including the basement, and prior to further vertical construction, the elevation certification required in IBC Section 1612.5 or IRC Section R324 shall be submitted to the building official. FEMA Flood elevation certificates shall contain an original stamp and signature of the Surveyor, licensed by the State of Washington and shall document the elevation of the lowest floor, including basement, and other information required by the flood elevation certificate.

21.06.455 Exterior wall sheathing inspection.
Exterior wall sheathing shall be inspected after all wall framing is complete, strapping and nailing is properly installed but prior to being covered.

21.06.460 Roof sheathing inspection.
The roof sheathing shall be inspected after all roof framing is complete. No roof coverings shall be installed until inspections are made and approved.

21.06.465 IMC/UPC/GAS/NEC rough in inspection.
Rough in mechanical, gas piping, plumbing and electrical shall be inspected when the rough in work is complete and, if required, under test. No connections to primary utilities shall be made until the rough in work is inspected and approved.

21.06.470 Frame inspection.
Framing inspections shall be made after the roof deck or sheathing, all framing, fire blocking and bracing are in place and pipes, chimneys and vents to be concealed are complete and the rough electrical, plumbing, fire suppression piping, heating wires, pipes and ducts are approved and the building is substantially dry.

21.06.475 Flashing and exterior weather barrier inspection.
Flashing and exterior weather barrier inspections shall be made after flashing and weather barrier materials have been installed, but prior to any of the work being covered. Subject to the approval of the building official, periodic inspections may be made during the course of construction.

21.06.480 Exterior Finish and Insulation Systems (EFIS), Lath inspection and gypsum board inspection.
EFIS, ~~L~~lath and gypsum board inspections shall be made after backing, lathing ~~and~~ or gypsum board, interior and exterior, is in place, but before any plastering is applied or gypsum board joints and fasteners are taped and finished.
Exception: Interior ~~G~~gypsum board that is not part of a fire-resistance-rated assembly or a shear assembly.

21.06.485 Fire and Smoke resistant penetrations.
Protection of joints and penetrations in fire-resistance-rated assemblies, smoke barriers and smoke partitions shall not be concealed from view until inspected and approved.

21.06.490 Energy efficiency inspection.
(a) Envelope. In addition to the inspections required in WAC 51-11, the following inspections are also required:
(1) Wall Insulation Inspection. To be made after all wall insulation and air vapor retarder sheet or film materials are in place, but before any wall covering is placed.
(2) Glazing Inspection. To be made after glazing materials are installed in the building.
(3) Exterior Roofing Insulation. To be made after the installation of the roof insulation, but before concealment.
(4) Slab/Floor Insulation. To be made after the installation of the slab/floor insulation, but before concealment.
(b) Mechanical.
(1) Mechanical Equipment Efficiency and Economizer. To be made after all equipment and controls required by this chapter are installed and prior to the concealment of such equipment or controls.
(2) Mechanical Pipe and Duct Insulation. To be made after all pipe, fire suppression piping and duct insulation is in place, but before concealment.
(c) Lighting and Motors.
(1) Lighting Equipment and Controls. To be made after the installation of all lighting equipment and controls required by this chapter, but before concealment of the lighting equipment.

(2) Motor Inspections. To be made after installation of all equipment covered by this chapter, but before concealment. (Ord. 4099 § 2 (part), 2007: Ord. 3946 § 1 (part), 2004)

21.06.495 Electrical Inspections.

(a) The installation, alteration or extension of any electrical system, fixtures or components for which a permit is required by this chapter shall be subject to inspection by the building official and such electrical systems, fixtures and components shall remain accessible and exposed for inspection purposes until approved by the building official. It shall be the duty of the permit applicant to cause the electrical systems to remain accessible and exposed for inspection purposes. The city shall not be liable for expense entailed in the removal or replacement of material required to permit inspection. When the installation of an electrical system is complete, an additional and final inspection shall be made. Electrical systems and equipment regulated by the National Electrical Code shall not be connected to the energy source until authorized by the building official.

(b) The building official may require special inspection of equipment or wiring methods where the installation requires special training, equipment, expertise, or knowledge. Where such special inspection is required, it shall be performed by an independent third party acceptable to the building official. The special inspection person/agency shall be designated and approved prior to beginning the installation of wiring or equipment. A written report from the designated special inspection agency indicating that the installation conforms to the appropriate codes and standards shall be received by the building official prior to that installation being approved. All costs for such testing and reporting shall be the responsibility of the permit holder.

(c) Approval as a result of an inspection shall not be construed to be an approval of a violation of the provisions of the National Electrical Code or of other ordinances of the city. Inspections presuming to give authority to violate or cancel the provisions of the National Electrical Code or other ordinances of the city shall not be valid.

(d) The ~~code~~ building official, upon notification, shall make the inspections set forth in this section:

(1) Underground. Underground inspection shall be made after trenches or ditches are excavated and bedded, piping and conductors are installed, and before backfill is put in place. Where excavated soil contains rocks, broken concrete, frozen chunks and other rubble that would damage or break the raceway, cable or conductors, or where corrosive action will occur, protection shall be provided in the form of granular or selected material, approved running boards, sleeves or other means.

(2) Rough-in. Rough-in inspection shall be made after the roof, framing, fireblocking and bracing are in place and all wiring and other components to be concealed are complete, and prior to the installation of wall or ceiling membranes. All required equipment grounding conductors installed in concealed cable or flexible conduit systems must be completely installed and made up at the time of the rough-in cover inspection.

(3) Other inspections. In addition to the inspections specified above, the code official is authorized to make or require other inspections of any construction work to ascertain compliance with the provisions of this code and other laws, which are enforced by the department of electrical inspection.

(4) Final Inspection. The final inspection shall be made after all work required by the permit is completed.

21.06.500 Reinspection.
The building official may require a structure or portions of work to be reinspected. A reinspection fee may be assessed for each inspection or reinspection when such portion of work for which the inspection was requested is not complete; or when previous corrections called for are not made; or when the approved plans and permit are not on site in a conspicuous or preapproved location; or when the building is not accessible. In instances where reinspection fees have been assessed, no additional inspection of the work shall be provided by the city until the required fees are paid.

21.06.505 Other inspections.
In addition to the inspections specified above, the building official is authorized to make or require other inspections of any construction work to ascertain compliance with the provisions of this chapter and other laws that are enforced by the building department.

21.06.510 Special inspections.
In addition to the inspections specified above, the building official is authorized to make or require special inspections for any type of work related to the technical codes by an approved agency at no cost to the jurisdiction.

21.06.512 Building enclosure special inspection requirements of RCW 64.55 (otherwise known as Engrossed House Bill (EHB) 1848.
EHB 1848 requires affected multiunit residential buildings to provide a building enclosure inspection performed by a third party, independent, and qualified inspector during the course of initial construction and during rehabilitative construction. The city does not verify the qualifications of the inspector or determine whether the building enclosure inspection is adequate or appropriate. However, the City is prohibited from issuing a certificate of occupancy for the building until the inspector prepares a report and submits to the building department a signed letter certifying that the building enclosure has been inspected during the course of construction or rehabilitative construction and that the construction is in substantial compliance with the building enclosure design documents. See Section 107.2.4.1 Building enclosure design requirements of RCW 64.55 (EHB 1848), for additional requirements.

21.06.515 Final inspection.
The final inspection shall be made after all work required by the permit(s) is completed.

21.06.520 Inspection agencies.
The building official is authorized to accept reports of approved inspection agencies, provided such agencies satisfy the requirements as to qualifications and reliability.

21.06.525 Inspection requests.

It shall be the duty of the permit holder or their duly authorized agent to notify the building official when work is ready for inspection. It shall be the duty of the permit holder to provide access to and means for inspections of such work that is required by this chapter.

21.06.530 Approval required.

Work shall not be done beyond the point indicated in each successive inspection without first obtaining the approval of the building official. The building official, upon notification, shall make the requested inspections and shall either indicate the portion of the construction that is satisfactory as completed, or notify the permit holder or his or her agent wherein the same fails to comply with this chapter. Any portions that do not comply shall be corrected and such portion shall not be covered or concealed until authorized by the building official.

21.06.533 Traffic management systems.

(1) The city will perform the electrical inspection and acceptance of traffic management systems within its jurisdiction. A traffic management system includes:
   (a) Traffic illumination systems;
   (b) Traffic signal systems;
   (c) Traffic monitoring systems;
   (d) The electrical service cabinet and all related components and equipment installed on the load side of the service cabinet supplying electrical power to the traffic management system; and
   (e) Signalization system(s) necessary for the operation of a light rail system. A traffic management system can provide signalization for controlling vehicular traffic, pedestrian traffic, or rolling stock.

(2) The city recognizes that traffic signal conductors, pole and bracket cables, signal displays, traffic signal controllers/cabinets, and associated components used in traffic management systems are acceptable for the purpose of meeting the requirements of chapter 19.28 RCW provided they conform with the following standards or are listed on the Washington state department of transportation (WSDOT) qualified products list.
   (a) WSDOT/APWA Standard Specifications and Plans;
   (b) WSDOT Design Manual;
   (c) International Municipal Signal Association (IMSA);
   (d) National Electrical Manufacturer's Association (NEMA);
   (e) Federal Standards 170/Controller Cabinets;
   (f) Manual for Uniform Road, Bridge, and Municipal Construction;
   (g) Institute of Transportation Engineers (ITE); or
   (h) Manual of Uniform Traffic Control Devices (MUTCD).

(3) *Associated induction* detection loop or similar circuits will be accepted by the department or city authorized to do electrical inspections without inspection.

(4) For the licensing requirements of chapter 19.28 RCW, jurisdictions will be considered owners of traffic management systems when doing electrical work for another jurisdiction(s) under a valid interlocal agreement, as permitted by chapter 39.34 RCW. Interlocal agreements for traffic management systems must be filed with the department

or city authorized to do electrical inspections prior to work being performed for this provision to apply.

(5) Jurisdictions, with an established electrical inspection authority, and WSDOT may perform electrical inspection on their rights of way for each other by interlocal agreement. They may not perform electrical inspection on other rights of way except as allowed in chapter 19.28 or 39.34 RCW.

(6) Underground installations.

(a) In other than open trenching, raceways will be considered "fished" according to the NEC and do not require visual inspection.

(b) The department or city authorized to do electrical inspections will conduct inspections in open trenching within its jurisdiction upon request.

(7) Identification of traffic management system components. Local government jurisdictions or WSDOT may act as the certifying authority for the safety evaluation of all components.

(a) An electrical service cabinet must contain only listed components. The electrical service cabinet enclosure is not required to be listed but will conform to the standards in subsection (h) of this section.

(b) The local government jurisdiction must identify, as acceptable, the controller cabinet or system component(s) with an identification plate. The identification plate must be located inside the cabinet and may be attached with adhesive.

(8) Conductors of different circuits in same cable, enclosure, or raceway. All traffic management system circuits will be permitted to occupy the same cable, enclosure, or raceway without regard to voltage characteristics, provided all conductors are insulated for the maximum voltage of any conductor in the cable, enclosure, or raceway.

Article X. Certificate of Occupancy

21.06.535 Use and occupancy.

No building or structure shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made until the building official has issued a certificate of occupancy therefor as provided herein. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of this chapter or of other ordinances of the jurisdiction.

Exceptions:

1. Work exempt from permits per section 21.06.215.

2. For single family dwellings and their accessory structures, the City issued building permit inspection record may serve as the certificate of occupancy when the final inspection has been approved by the building official or the building official's designee

21.06.540 Certificate issued.

After the building official inspects the building or structure and finds no violations of the provisions of this chapter or other laws that are enforced by the building department, the building official shall issue a certificate of occupancy that contains the following:

(1) The building permit number.

(2) The address of the structure.

(3) The name and address of the owner.
(4) A description of that portion of the structure for which the certificate is issued.
(5) A statement that the described portion of the structure has been inspected for compliance with the requirements of this chapter for the occupancy and division of occupancy and the use for which the proposed occupancy is classified.
(6) The name of the building official.
(7) The edition of the code under which the permit was issued.
(8) The use and occupancy.
(9) The type of construction.
(10) The design occupant load where applicable.
(11) If an automatic sprinkler system is provided, and whether the sprinkler system is required and for what reason.
(12) Any special stipulations and conditions of the building permit.
~~Exception: For single-family dwellings and type "U" occupancies, the sign off on the building permit inspection record by the city inspector shall serve as the certificate of occupancy.~~

21.06.545 Phased occupancy.
The building official is authorized to issue a phased certificate of occupancy before the completion of the entire work covered by the permit; provided, that such portion or portions shall be occupied safely. The building official is authorized to require, in addition to the completion of life safety building components, any or all accessibility components.

21.06.550 Revocation.
The building official is authorized to, in writing, suspend or revoke a certificate of occupancy issued under the provisions of this chapter wherever the certificate is issued in error, or on the basis of incorrect information supplied, or where it is determined that the building or structure or portion thereof is in violation of any ordinance or regulation or any of the provisions of this chapter.

Article XI. Service Utilities

21.06.555 Connection of service utilities.
No person shall make connections from a utility, source of energy, fuel or power to any building or system that is regulated by this chapter for which a permit is required, until approval is given by the building official.

21.06.560 Temporary connection.
The building official shall have the authority to authorize the temporary connection of the building or system to the utility source of energy, fuel or power.

21.06.565 Authority to disconnect service utilities.
The building official shall have the authority to authorize disconnection of utility service to the building, structure or system regulated by this chapter and the codes referenced in case of emergency where necessary to eliminate an immediate hazard to life or property, or when such utility connection has been made without the required approval. The building official shall notify the

serving utility, and wherever possible the owner and occupant of the building, structure or service system of the decision to disconnect prior to taking such action. If not notified prior to disconnecting, the owner or occupant of the building, structure or service system shall be notified in writing, as soon as practical thereafter.

Article XII. Appeals

21.06.570 Appeals to hearing examiner.

Appeals of orders, decisions and determinations of the building official shall be heard and decided by the city of Kirkland hearing examiner. To the extent the codes adopted by reference in this title refer to a "board of appeals" or a "building board of appeals," those references shall be deemed to refer to the city of Kirkland hearing examiner.

21.06.572 Limitations on appeals.

An appeal under this chapter shall be based on a claim that this chapter or the technical codes have been incorrectly interpreted, that the provisions of this chapter or the technical codes do not apply or that an equally good or better form of construction, method of protection or safety is proposed.

21.06.574 When to appeal and appeal fee.

An appellant shall file a written appeal of the order, decision or determination of the building official with the Kirkland fire and building department within thirty days of the date of the decision of the building official. There shall not be an appeal fee for appeals of stop work orders or code enforcement orders. For all other matters, the appeal fee shall be one hundred twenty-five dollars and shall accompany the written appeal. Failure to timely file the appeal or pay the appeal fee shall result in dismissal of the appeal.

21.06.576 Contents of notice of appeal.

The appeal shall contain a clear reference to the matter being appealed and a statement of the specific elements of the building official's order, decision or determination disputed by the appellant.

21.06.578 Notice of the appeal hearing.

(a) The building official shall prepare a notice of the appeal hearing containing the following:

(1) The file number and a brief description of the matter being appealed;

(2) A statement of the scope of the appeal including a summary of the elements of the building official's order, decision or determination that are contested in the appeal;

(3) The time and place of the hearing on appeal before the hearing examiner; and

(4) A statement of who may participate in the appeal.

(b) At least fourteen days before the hearing on the appeal, the building official shall send a copy of the notice of appeal hearing to each person who has appealed the building official's order, decision or determination.

21.06.580 Participation in the appeal.
Only those parties who have appealed the building official's order, decision or determination may participate in the appeal. Appellants may participate in either or both of the following ways:
(1) By submitting written comments or testimony to the hearing examiner prior to the commencement of the hearing; or
(2) By appearing in person, or through a representative, at the hearing. The hearing examiner may reasonably limit the extent of oral testimony or oral argument to facilitate the orderly and timely conduct of the hearing.

21.06.582 Scope of appeal.
The appeal will be an open record appeal hearing. The scope of the appeal is limited to the specific elements of the building official's order, decision or determination disputed by the appellant and the hearing examiner shall only consider comments, testimony and arguments on these specific elements.

21.06.584 Record of appeal hearing.
The city shall make an electronic sound recording of the hearing.

21.06.586 Decision on the appeal.
The hearing examiner shall consider all information and material within the scope of the appeal submitted by persons entitled to participate in the appeal. Based on the hearing examiner's findings and conclusions, the hearing examiner may affirm, reverse or modify the order, decision or determination being appealed. The hearing examiner shall issue his or her decision within fifteen days of the appeal hearing. Within four business days after it is issued, the hearing examiner's decision shall be mailed to the applicant and to each person who has requested notice of the decision. The decision by the hearing examiner is the final decision of the city.

21.06.588 Judicial review.
Any judicial appeal of the hearing examiner's decision shall be reviewed in King County superior court pursuant to Chapter 36.70C RCW, the Land Use Petition Act ("LUPA"). The land use petition must be filed within twenty-one calendar days of the issuance of the hearing examiner's decision.

Article XIII. Violations

21.06.590 Unlawful acts.
It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, repair, move, remove, demolish or occupy any building, structure or equipment regulated by this chapter, or cause same to be done, in conflict with or in violation of any of the provisions of this chapter or the technical codes.

21.06.595 Notice of violation.
The building official is authorized to serve a notice of violation or order on the person responsible for the erection, construction, alteration, extension, repair, moving, removal, demolition or occupancy of a building or structure in violation of the provisions of this chapter or the technical

codes, or in violation of a permit or certificate issued under the provisions of this chapter. Such order shall direct the discontinuance of the illegal action or condition and the abatement of the violation.

21.06.600 Prosecution of violation.
If the notice of violation is not complied with in the time prescribed by such notice, the building official is authorized to request the legal counsel of the jurisdiction to institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the building or structure in violation of the provisions of this chapter or the technical codes or of the order or direction made pursuant thereto.

21.06.605 Violation penalties.
Any person who violates a provision of this chapter or fails to comply with any of the requirements thereof or who erects, constructs, alters or repairs a building or structure in violation of the approved construction documents or directive of the building official, or of a permit or certificate issued under the provisions of this chapter or the technical codes, shall be subject to penalties as prescribed by law.

Article XIV. Stop Work Order

21.06.610 Authority.
Whenever the building official finds any work being performed in a manner either contrary to the provisions of this chapter, any of the technical codes or other pertinent laws or ordinances, the building official is authorized to issue a stop work order.

21.06.615 Issuance.
The stop work order shall be in writing and shall be given to the owner of the property involved, or to the owner's agent, or to the person doing the work. Upon issuance of a stop work order, the cited work shall immediately cease. The stop work order shall state the reason for the order, and the conditions under which the cited work will be permitted to resume.

21.06.620 Investigation fee.
The building official is authorized to assess a special investigation fee for the issuance of a stop work order.

21.06.625 Unlawful continuance.
Any person who shall continue any work in or about the structure after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be subject to penalties as prescribed by law.

Article XV. Unsafe Structures and Equipment

21.06.630 Unsafe structures and equipment.
Structures or existing equipment that are or hereafter become unsafe, unsanitary or deficient because of inadequate means of egress facilities, inadequate light and ventilation, or which constitute a fire hazard, or are otherwise dangerous to human life or the public welfare, or that involve illegal or improper occupancy or inadequate maintenance, shall be deemed an unsafe condition. Unsafe structures shall be taken down and removed or made safe, as the building official deems necessary and as provided for in the 1997 Edition of the Uniform Code for the Abatement of Dangerous Buildings or the 1997 Edition of the Uniform Housing Code. A vacant structure that is not secured against entry shall be deemed unsafe
(9) Uniform Housing Code, issued by the International Conference of Building Officials, 1997 Edition;
(10) Uniform Code for the Abatement of Dangerous Buildings, issued by the International Conference of Building Officials, 1997 Edition;
(11) National Electrical Code, issued by the National Fire Protection Association, 2005 Edition;
(12) All amendments, supplements, modifications, exclusions, exemptions and additions to the codes identified in subsections (a)(1) through (8) of this section adopted by the Washington State Building Code Council and published in WAC Title 51, including, but not by way of limitation, Chapters 51-11, 51-13, 51-50, 51-51, 51-52, 51-54, 51-56 and 51-57 WAC.
(b) The copies of codes on file may be placed by the city clerk in the custody of the office of the building official in order to make them more readily available to inspection and use by the general public.

Section 2. Kirkland Municipal Code Chapter 21.08 is hereby amended to read as follows:

Chapter 21.08
INTERNATIONAL BUILDING CODE

21.08.010 International Building Code adopted.
The 200~~6~~9 Edition of the International Building Code, as adopted by the State Building Code Council in Chapter 51-50 WAC, as published by the International Code Council, excluding Chapter 1, "Administration," is adopted, together with the following amendments. ~~Further, Appendix Chapter M (Existing Buildings) is specifically adopted as part of the Kirkland Building Code.~~

21.08.013 Copies on file.
The city shall at all times keep on file with the city clerk, for reference by the general public, not less than one copy of the International Building Code.

21.08.016 Administration.
The administrative provisions for the enforcement of the International Building Code are located in chapter 21.06.

21.08.018 Special requirements for standby power systems
Section 403.4.7.1 of the IBC is amended to read:

Special requirements for standby power systems. If the standby system is a generator set inside a building, the system shall be located *in a separate room enclosed with 2-hour fire barriers constructed in accordance with* Section 403.4.7.1.1 and Section 707 or *horizontal assemblies* constructed in accordance with Section 712, or both. System supervision with manual start and transfer features shall be provided at the fire command center.

21.08.018 Penetrations.
A new Section 403.4.7.1.1 is added to the IBC to read:

Penetrations. Penetrations into and openings through a room containing a standby power system are prohibited except for required exit doors, equipment and ductwork necessary for heating, cooling or ventilation, sprinkler branch line piping, or electrical raceway serving the standby power system or being served by the standby power system. Such penetrations shall be protected in accordance with Section 713.
Exception: Metallic piping with no joints or openings where it passes through the standby power system room.

21.08.020 IBC Section ~~403.10.2~~ 403.4.7.2 amended.
Section ~~403.10.2~~ 403.4.7.2 of the IBC is amended to read:
~~403.10.2~~ 403.4.7.2 Standby power loads. The following are classified as standby power loads:
1. Power and lighting for the fire command center required by Section ~~403.8~~ 403.4.5;
2. Electrically powered fire pumps;
3. Ventilation and automatic fire detection equipment for smokeproof enclosures;
4. Smoke control systems.
5. Standby power shall be provided for elevators in accordance with Sections 1007.4, 3003, 3007 and 3008.

Fuel-fired emergency generator sets and associated fuel storage, including optional generator sets, located more than 75 feet above the lowest level of Fire Department vehicle access requires the approval of the Fire Code Official.

21.08.025 IBC Section 403.15 amended.
~~Section 403.15~~ Chapter 4 of the IBC is amended and supplemented by the addition of a new section 403.15 to read:

403.15 Smoke control. A smoke control system meeting the requirements of Section 909 shall be provided in buildings that exceed ten stories, or contain a use requiring defend-in-place firefighting operations in which occupants of some area cannot readily evacuate that area. This includes portions of facilities housing functions essential to continuity of public safety operations, and Group I and LC Occupancies where in the judgment of the Building Official and Fire Code Official, occupants having limited capacity for self-preservation are located on floors more than 75' above

the lowest level of Fire Department vehicle access. A smoke control system for a defend-in-place use may be a performance-based design to protect that use without providing smoke control throughout the entire building, but shall otherwise comply with Section 909.
Exception: Smoke control may be omitted when approved by the Building Official and Fire Code Official.

21.08.030 IBC Section 405.~~9~~8 amended.
Section 405.~~9~~8 of the IBC is amended to read:

405.~~9~~8 Standby Power. A standby power system complying with Section 2702 shall be provided for standby power loads specified in Section 405.9.1.

Fuel-fired emergency generator sets and associated fuel storage, including optional generator sets, located more than 30 feet below the lowest level of exit discharge requires the approval of the Fire Code Official.

21.08.035 IBC Section 501.2 amended.
Section 501.2 of the International Building Code is hereby amended to read:
501.2 Premises Identification. Approved numbers or addresses shall be provided for new buildings in such a position as to be clearly visible and legible from the street or roadway fronting the property. Letters or numbers shall be a minimum 4 inches (76 mm) in height and stroke of minimum 0.5 inch (12.7 mm) of a contrasting color to the background itself.

21.08.040 IBC Section 70~~7~~8.2 Exception 2.1 amended.
Section 70~~7~~8.2 Exception 2.1 of the International Building Code is hereby amended to read:
2.1. Where the area of the floor opening between stories does not exceed twice the horizontal projected area of the escalator or stairway and the opening is protected by a draft curtain and closely spaced sprinklers in accordance with NFPA 13. This application is limited to openings that do not connect more than four stories in buildings not required to have smoke control systems. In buildings that are required to have smoke control systems, escalators are limited to openings that do not connect more than four stories and non-egress stairs are limited to openings that do not atmospherically connect more than two stories.

21.08.055 IBC Section 1608.1 amended.
Section 1608.1 of the International Building Code is hereby amended to read:
1608.1 General. Design snow loads shall not be less than 25 psf, but the design roof loads shall not be less than that determined by Section 1607.

~~**21.08.060 IBC Section 1704.12 amended.**~~
~~Section 1704.12 of the International Building Code is hereby amended to read:~~
~~1704.12 Exterior insulation and finish system (EIFS). All exterior insulation finish systems (EIFS) shall be certified by the manufacturer as having been installed per the manufacturer's installation recommendations or other agency approved by the building official.~~

~~Exception: Special inspections shall not be required for EIFS application installed over masonry or concrete walls.~~

21.08.070 Penetrations into Fire Command Centers.

Chapter 9 of the IBC is amended and supplemented with the addition of a new Section 911.2 to read as follows:

911.2 Penetrations. Penetrations into and openings through a fire command center are prohibited except for required exit doors, equipment and ductwork necessary for heating, cooling or ventilation, sprinkler branch line piping, electrical raceway for fire department communication and control and electrical raceway serving the fire command center or being controlled from the fire command center. Such penetrations shall be protected in accordance with Section 713.

Exception: Metallic piping with no joints or openings

21.08.075 IBC Chapter 31 amended.

Chapter 31 of the IBC is amended and supplemented with the addition of a new Section 311~~0~~5 to read as follows:

Section 311~~0~~5 OVERWATER STRUCTURES, PIERS, WHARVES, AND BUILDINGS

IBC 311~~0~~5.1—General. Overwater structures, piers, wharves and buildings shall comply with the requirements of this section and other applicable sections of this code.

IBC 311~~0~~5.2—Definitions.

OVERWATER STRUCTURES. For the purpose of this Chapter, overwater structures shall include all structures which have twenty percent (20%) or more of their area over water, or a structure which has 8,000 square feet over water.

DOCK. A dock is a natural open or artificially closed basin in which vessels may remain afloat when berthed at a wharf or pier.

PIER. A pier is a structure, usually of greater length than width, of timber, stone, concrete or other material having a deck, and projecting from the shore into navigable waters so that vessels may be moored alongside for loading and unloading or for storage or repairs.

SUBSTRUCTURE. The substructure is that portion of the construction below and including the deck.

SUPERSTRUCTURE. The superstructure is that portion of the construction above the deck.

WHARF OR QUAY. A wharf or quay is a structure of timber, stone, concrete or other material having a platform built along and parallel to navigable waters so that vessels may be moored alongside for loading and unloading, or for storage or repair.

IBC Section 3110~~5~~.3—Structures over water.

No portion of any building or other structure supported by piers or piling and extending over water shall be more than two hundred fifty feet from an improved public street or alley giving access thereto for fire engines and other firefighting equipment; provided, however, that the foregoing limitation shall not apply to any one-story structure used solely for the moorage of boats and:

(1) Of type 1 construction; or

(2) Of type 2 construction; or

(3) Having installed throughout the structure an approved automatic sprinkler system.

IBC Section 311~~0~~5.4—Substructure.
1. Draft Stops. Draft stops shall be installed in all substructures constructed of combustible materials, exclusive of piling and pile bracing. They shall be placed not over one hundred feet (100') apart measured along the main axis of the pier or wharf. They shall fit tightly around all joists, beams, etc., and extend from the underside of the deck to low water with a maximum required depth of 6 feet.
EXCEPTION: Private docks which serve a single family dwelling unit.
Substructure draft stops shall be constructed of not less than two (2) thicknesses of 2" nominal thickness lumber laid with broken joints or materials of equal fire resistance.
2. Automatic Sprinklers. Automatic sprinklers shall be installed under the substructure of every overwater structure in accordance with the requirements of Chapter 9.
EXCEPTIONS: Automatic sprinklers are not required under the following categories of substructure:
a. Combustible substructures having superstructures of 120 square feet or less in area.
b. Noncombustible substructures with or without superstructures.
c. Substructures resulting from walkways or finger piers when width does not exceed 10 feet.
3. Dry Standpipes. When a distance of travel to fire apparatus access exceeds two hundred fifty (250) feet, an approved minimum four (4) inch dry standpipe with two and one-half (2-1/2) inch outlets at a maximum of one hundred (100) feet on center shall be provided. There shall be a Siamese connection at the shore end and direct access for Fire Department pumping apparatus shall be provided. Standards for installation to be set by the Director of Fire Services.
Exception: Piers serving no more than one single-family dwelling.

21.08.105 IBC Section J102 amended.
Repealed by Ord. 4151.

21.08.110 IBC Section J103 amended.
Repealed by Ord. 4151

21.08.115 IBC Appendix Section J103.3 added.
Repealed by Ord. 4151.

Section 3. Kirkland Municipal Code Chapter 21.10 is hereby amended to read as follows:

Chapter 21.10
INTERNATIONAL RESIDENTIAL CODE

21.10.010 International Residential Code adopted.
The 200~~6~~9 Edition of the International Residential Code, as adopted by the State Building Code Council in Chapter 51-51 WAC, as published by the International Code Council, excluding Chapter 1, "Administration," is adopted ~~together with Appendix Chapter G "Swimming Pools, Spas and Hot Tubs"~~.

21.10.013 Copies on file.

The city shall at all times keep on file with the city clerk, for reference by the general public, not less than one copy of the International Residential Code.

21.10.016 Administration.

The administrative provisions for the enforcement of the International Residential Code are located in chapter 21.06.

21.10.020 IRC Table R301.2(1) amended.

IRC Table R301.2(1) is amended to read:

~~Climatic and Geographic Design Criteria—IRC Table R301.2(1)~~

~~Roof and Ground Snow Load~~	~~Wind Speed[d] (mph)~~	~~Seismic Design Category~~	~~Subject To Damage From~~			~~Winter Design Temp[e]~~	~~Ice Barrier Underlayment Required~~	~~Flood Hazards~~	~~Air Freezing Index~~	~~Mean Annual Temp~~
			~~Weathering[a]~~	~~Frost Line Depth[b]~~	~~Termite~~					
~~25~~	~~85~~	~~D2~~	~~Moderate~~	~~12"~~	~~Slight to Moderate~~	~~27~~	~~No~~	~~Per Kirkland Municipal Code 21.56~~	~~113~~	~~52.8~~

~~a. Weathering may require a higher strength concrete or grade of masonry than necessary to satisfy the structural requirements of this code. The weathering column shall be filled in with the weathering index (i.e., "negligible," "moderate" or "severe") for concrete as determined from the Weathering Probability Map [Figure R301.2(3)]. The grade of masonry units shall be determined from ASTM C 34, C 55, C 62, C 73, C 90, C 129, C 145, C 216 or C 652.~~

~~b. The frost line depth may require deeper footings than indicated in Figure R403.1(1). The jurisdiction shall fill in the frost line depth column with the minimum depth of footing below finish grade.~~

~~c. The jurisdiction shall fill in this part of the table to indicate the need for protection depending on whether there has been a history of local subterranean termite damage.~~

~~d. The jurisdiction shall fill in this part of the table with the wind speed from the basic wind speed map [Figure R301.2(4)]. Wind exposure category shall be determined on a site-specific basis in accordance with Section R301.2.1.4.~~

~~e. The outdoor design dry-bulb temperature shall be selected from the columns of 97 1/2-percent values for winter from Appendix D of the International Plumbing Code. Deviations from the Appendix D temperatures shall be permitted to reflect local climates or local weather experience as determined by the building official.~~

~~f. The jurisdiction shall fill in this part of the table with the seismic design category determined from Section R301.2.2.1.~~

~~g. The jurisdiction shall fill in this part of the table with (a) the date of the jurisdiction's entry into the National Flood Insurance Program (date of adoption of the first code or ordinance for management of flood hazard areas), (b) the date(s) of the currently effective FIRM and FBFM, or other flood hazard map adopted by the community, as may be amended.~~

~~h. In accordance with Sections R905.2.7.1, R905.4.3.1, R905.5.3.1, R905.6.3.1, R905.7.3.1 and R905.8.3.1, where there has been a history of local damage from the effects of ice damming, the jurisdiction shall fill in this part of the table with "YES." Otherwise, the jurisdiction shall fill in this part of the table with "NO."~~

~~i. The jurisdiction shall fill in this part of the table with the 100-year return period air freezing index (BF-days) from Figure R403.3(2) or from the 100-year (99%) value on the National Climatic Data Center data table "Air Freezing Index-USA Method (Base 32° Fahrenheit)" at www.ncdc.noaa.gov/fpsf.html.~~

~~j. The jurisdiction shall fill in this part of the table with the mean annual temperature from the National Climatic Data Center data table "Air Freezing Index-USA Method (Base 32° Fahrenheit)" at www.ncdc.noaa.gov/fpsf.html.~~

IRC Table R301.2(1)
Climatic and Geographic Design Criteria

Roof Snow Load[a]	Wind Speed[b]	Seismic Design Category[c]	Subject to Damage From:			Outside Design Temp – Heat / Cool	Ice Barrier Under Layment Required	Flood Hazards[e]	Air Freezing Index	Mean Annual Temp
			Weathering[d]	Frost Line Depth	Termite Decay					
25 psf	85 mph	D2	Moderate	12"	Slight to Moderate	17°F / 83°F	No	Per Kirkland Municipal Code 21.56	144	49°F

[a] When using this roof snow load it will be left to the engineer's judgment whether to consider drift or sliding snow. However, rain on snow surcharge of 5 psf must be considered for roof slopes less than 5 degrees.

[b] Wind exposure category and Wind Speed-up (Kzt) factor shall be determined on a site-specific basis by the Engineer of Record.

[c] From IRC Table 301.2 (1).

[d] Weathering may require a higher strength concrete or grade of masonry than necessary to satisfy the structural requirements of this code. The grade of masonry units shall be determined from ASTM C 34, C 55, C 62, C 73, C 90, C 129, C 145, C 216 or C 652.

[e] The City of Kirkland participates in the National Flood Insurance Program (NFIP); Regular Program (No Special Flood Hazard Area). Further NFIP participation information: CID 530083, Initial FHBM Identified 06/28/74, Initial FIRM Identified 05/16/95, Current Effective Map Date (NSFHA), Reg-Emer Date 06/30/97.

Section 4. Kirkland Municipal Code Section 21.16.10 is hereby amended to read as follows:

21.16.010 International Mechanical Code adopted.
The 200~~6~~9 Edition of the International Mechanical Code, as adopted by the State Building Code Council in Chapter 51-52 WAC, as published by the International Code Council, excluding Chapter 1, "Administration," is adopted.

Section 5. Kirkland Municipal Code Chapter 21.20 is hereby amended to read as follows:

Chapter 21.20
INTERNATIONAL FIRE CODE

21.20.010 International Fire Code adopted.
The ~~2006~~ 2009 Edition of the International Fire Code, as adopted by the State Building Code Council in Chapter 51-54 WAC as published by the International Code Council, is adopted together with the following amendments. Further, the following Appendix chapters are specifically adopted as part of the Kirkland Fire Code: Appendix Chapter B (Fire Flow Requirements for Buildings) and Appendix Chapter C (Fire Hydrant Locations and Distribution).
FPN: WAC 51-44-0500 identifies that fire apparatus access roads shall be provided and maintained in accordance with locally adopted street, road, and access standards and further Sections 501.1.1 through 503.4 are not adopted. The city of Kirkland has established criteria for fire apparatus access roads in Operating Policy #6 which is available on the Internet and at City Hall.

21.20.015 IFC Section 102.~~6~~7 amended.
Section 102.~~6~~7 of the International Fire Code is amended to read as follows:
102.~~6~~7 Referenced codes and standards. The codes and standards referenced in this code shall be those that are listed in Chapter 45. Such codes and standards shall be considered part of the requirements of this code to the prescribed extent of each such reference as determined or modified by the fire code official. Where differences occur between the pro-visions of this code and the referenced standards, the provisions of this code shall apply.

21.20.020 IFC Section 104.10.1 amended.
Section 104.10.1 of the International Fire Code is amended to read as follows:
104.10.1 Assistance from other agencies. Police and other enforcement agencies shall have authority to render necessary assistance in the investigation of fires or the enforcement of this code as requested by the fire code official.

21.20.025 IFC Section 104.11.2 amended.
Section 104.11.2 of the International Fire Code is amended to read as follows:
104.11.2 Obstructing operations. No person shall obstruct the operations of the fire department in connection with extinguishment, investigation, or control of any fire, or actions relative to other emergencies, or disobey any lawful command of the fire chief or officer of the fire department in charge of the emergency, or any part thereof, or any lawful order of a police officer assisting the fire department.

21.20.030 IFC Section 105.7.~~6~~7 amended.

Section 105.7.5.~~6~~7 of the International Fire Code is amended to read as follows:

Section 105.7.5.~~6~~7Flammable and combustible liquids.

A construction permit is required:

1. To repair or modify a pipeline for the transportation of flammable or combustible liquids.
2. To install, construct or alter tank vehicles, equipment, tanks, plants, terminals, wells, fuel-dispensing stations, refineries, distilleries and similar facilities where flammable and combustible liquids are produced, processed, transported, stored, dispensed or used.
3. To install, alter, remove, abandon or otherwise dispose of a flammable or combustible liquid tank.

Exception: A permit is not required for the abandonment or removal of underground storage tanks previously used to store fuel oil for residential heating. It is the property owner's responsibility to make the decision on how to proceed with abatement.

21.20.32 IFC Section 105.7.15 added

Chapter 1 of the International Fire Code is amended and supplemented with the addition of a new Section 105.7.15 to read as follows:

105.7.15 Emergency Responder Radio Coverage System. A construction permit is required for installation of or modification to Emergency Responder Radio Coverage Systems and related equipment as prescribed in Section 510.

21.20.035 IFC Section 108 amended.

Section 108 of the International Fire Code is amended to read as follows:

Section 108. Appeals. Whenever the Fire Chief disapproves an application or refuses to grant a permit, or when it is claimed that the provisions of the International Fire Code do not apply or that the true intent and meaning of the Code have been misconstrued or wrongly interpreted, the applicant may appeal the decision of the Fire Chief to the City of Kirkland Hearing Examiner, within thirty days from the date of the decision appealed.

21.20.037 IFC Section 109.3 amended.

Section 109.3 of the International Fire Code is amended to read as follows:

Section 109.3. Violation penalties. Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of a misdemeanor, punishable by a fine of not more than $1,000 dollars or by imprisonment not exceeding 90 days, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

21.20.040 IFC Section 202 amended.

Section 202 of the International Fire Code is amended by the addition of a definition to read as follows:

ICC Electrical Code. Means the most recent edition of the National Electrical Code as adopted and amended by the City of Kirkland.

21.20.050 IFC Section 308.3~~.7~~ amended.

Section 308.3~~.7~~ of the International Fire Code is amended to read as follows:

Section 308.3~~.7~~ Group A occupancies. Open-flame devices shall not be used in a Group A occupancy.

Exceptions:

1. Open-flame devices are allowed to be used in the following situations, provided approved precautions are taken to prevent ignition of a combustible material or injury to occupants:

1.1. Where necessary for ceremonial or religious purposes in accordance with Section 308.~~3.5~~1.7

1.2. On stages and platforms as a necessary part of a performance in accordance with Section 308.3.~~6~~2

1.3. Where candles on tables are securely supported on substantial noncombustible bases and the candle flames are protected.

2. Heat-producing equipment complying with Chapter 6 and the International Mechanical Code.

3. Gas lights are allowed to be used provided adequate precautions satisfactory to the fire code official are taken to prevent ignition of combustible materials.

4. Except where approved by the fire code official ~~(see also 308.3.1.2)~~

21.20.055 IFC Section 314.4 amended.

Section 314.4 of the International Fire Code is amended to read as follows:

Section 314.4. Vehicles. Liquid- or gas-fueled vehicles, fueled equipment, boats or other motorcraft shall not be located indoors except as follows:

1. Batteries are disconnected.

2. Fuel in fuel tanks does not exceed one-quarter tank or 5 gallons (19 L) (whichever is least).

3. Fuel tanks and fill openings are closed and sealed to prevent tampering.

4. Vehicles, boats or other motorcraft equipment are not fueled or defueled within the building.

21.20.060 IFC Section 50~~8~~7.5 amended.

Section 50~~8~~7.5 of the International Fire Code is amended to read as follows:

50~~8~~7.5 Fire hydrant systems.

Fire hydrant systems shall comply with Sections 50~~8~~7.5.1 through 50~~8~~7.5.6.

50~~8~~7.5.1 Where required.

Where a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 150 feet from a hydrant on a fire apparatus access road, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains shall be provided where required by the fire code official.

Exceptions:

1. For Group R-3 and Group U occupancies, the distance requirement shall be 300 feet (183 m).

2. For Group R-3 and Group U occupancies equipped throughout with an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2, the distance requirement shall be 600 feet (183 m).

21.20.065 IFC Section ~~511~~ 510 amended.

A Section ~~511~~ 510 of the International Fire Code is amended to read as follows:

Section ~~511~~ 510 ~~Building~~ Emergency Responder Radio Coverage in Buildings

~~5110.1~~ -510.1 ~~Building~~ Emergency Responder Radio Coverage. Except as otherwise provided no person shall maintain, own, erect, or construct, any building or structure or any part thereof, or cause the same to be done which fails to support adequate radio coverage for City emergency services workers, including but not limited to firefighters and police officers.

Exceptions:

1. This section shall not apply to single family residential buildings; any building constructed primarily of wood frame without below grade storage or parking areas; any building thirty-five (35) feet high or less; as long as none of the aforementioned buildings make primary use of metal or concrete construction or contain below grade storage or parking areas. ~~For purposes of this section, parking structures are included in the definition of building, and stair shafts are included in the definition of all parts of a building, but elevators may be excluded.~~ If construction that is thirty-five (35) feet high or less includes subterranean storage or parking, then the requirement for emergency responder radio coverage shall apply only to the subterranean areas. However, the fire code official may determine that emergency responder radio coverage is not needed because of the size or configuration of the subterranean areas.

2. Buildings constructed prior to the implementation of this section shall not be required to comply with ~~public safety~~ emergency responder radio coverage provisions of this section. However, should exempted structures undergo renovation, restoration, or significant modification to the original structure, exemption from the provisions of this Ordinance shall not apply.

~~511.1.1~~ 510.1.1 Adequate Radio Coverage. A minimum signal strength of ~~three (3) micro volts~~ -95dBm available in 95% of all areas of the building and 99% in elevators (measured at the primary recall floor), stair shafts and fire commend centers when transmitted from the closest Regional 800 MHz. Radio System. ~~For purposes of this section 90% building coverage is considered to be all areas of the building.~~

~~511.1.2~~ 510.1.2 Minimum Signal Strength. A minimum signal strength of ~~one-half (.5) micro volts~~ -100dBm shall be received by the Regional 800 MHz. Radio System when transmitted from ~~any area~~ 95% of all areas of the building and 99% in elevators (measured at the primary recall floor), stair shafts and fire command centers.

~~511.1.3~~ 510.1.3 Frequency Range. The frequency range which must be supported shall be 806 MHz. to 824 MHz. and 851 MHz. to 869 MHz. and such other frequencies as determined by the Regional Radio System operator in all areas of the building. ~~Measurements in-buildings for the purpose of this ordinance shall be to a portable radio with a half-wave antenna, worn on the belt. The City's Radio System Manager may designate alternate methods of measuring the signal level, which satisfy appropriate levels of public safety grade coverage.~~ The building owner shall modify or expand the frequency range at his or her expense in the event frequency changes are required by the FCC or additional frequencies are made available by the FCC. Prior approval of an emergency responder radio system on previous frequencies does not exempt this requirement. (System designers should be aware that re-banding is currently being implemented, making available the entire 800 MHz spectrum as well as portions of the 700 MHz band for public safety and equipment must be capable of supporting these and other spectrum bands. See www.FCC.gov for additional information.)

510.2 Permits

510.2.1 Construction permit.

A construction permit is required for installation of or modification to emergency responder radio coverage systems and related equipment. Maintenance performed in accordance with this code is not considered a modification and does not require a permit.

510.3 Power supply.

Power supplies shall conform with NFPA 72, Section 10.5 "Power Supplies."

510.4 Signal Booster Requirements

If used, signal boosters shall meet the following requirements:

1. All signal booster components shall be contained in a NEMA4-type waterproof cabinet.
2. The battery system shall be contained in a NEMA4-type waterproof cabinet.
3. The system shall include automatic alarming of malfunctions of the signal booster and battery system. Any resulting trouble alarm shall be automatically transmitted to an approved central station or proprietary supervision station as defined in NFPA 72 or, when approved by the fire code official, shall sound an audible signal at a constantly attended location.
4. Equipment shall have FCC certification prior to installation.

~~511.1.4~~ 510.5 Testing and Proof of Compliance.

~~1. Prior to occupancy of any newly constructed building.~~

~~2. Whenever structural changes occur including additions to buildings that would materially change the original field performance tests.~~

~~3. Annually.~~

~~4. When repairs or alterations are made to amplification systems.~~

~~The performance test shall demonstrate that adequate radio coverage is available in all required areas of the building. At the conclusion of the testing a report shall be submitted to the Fire Code Official which shall verify compliance with Section 511.1 and must include a floor plan identifying the signal strength at various locations of the building. The testing shall be conducted by a consultant approved by the Fire Code Official and shall be done without expense to the City of Kirkland.~~

~~511.2 Annual Test. Each owner shall submit on an annual basis to the Fire Code Official required test data demonstrating that adequate radio coverage level is available and maintained in all required areas of the building, or that the installed amplification system functions properly. The annual submittal shall ensure that no structural changes have occurred to the building that would materially change the original field tests.~~

510.5.1 Proof of Compliance. Each owner shall submit at least one field test or as determined by the fire code official whenever structural changes occur to the building that would materially change the original field performance tests by a consultant approved by the fire code official. The performance test shall include at a minimum a floor plan and signal strength in various locations of the building.

501.5.2 Annual test. It shall be the building owner's responsibility to have all active components of the system, such as amplifiers, power supplies, and backup batteries tested a minimum of once every twelve (12) months.

Testing shall consist of the following:

1. Amplifiers shall be tested to ensure that the gain is the same as it was upon initial installation and acceptance

2. Backup batteries and power supplies shall be tested under load of a period of one hour to verify that they will properly operate during an actual power outage. If, within the one hour test period, and in the opinion of the testing technician, the battery exhibits symptoms of failure, the test shall be extended for additional one hour periods until the integrity of the battery can be determined.
3. All other active components shall be checked to determine that they are operating within the manufacturer's specification for the intended purpose.
A report shall be submitted to the fire code official upon conclusion of the testing and not later than January 30 of each year.
510.5.3 Five-year tests. In addition to the annual test, it shall be the building owner's responsibility to perform a radio coverage test a minimum o once every five (5) years to ensure that the radio system continues to meet the requirements of the original acceptance test. A report shall be submitted to the fire code official upon conclusion of the testing.
510.5.4 Qualification of testing personnel. The system designer, lead installation personnel, and personnel conducting radio system tests shall be qualified to perform the work. Design documents and all tests shall be documented and signed by a person in possession of a current FCC General Radio Telephone Operator License and a certificate or certification issued by the:

1. Associated Public Safety Communications Official International (APCO), or
2. The National Association of Business and Education Radio (NABER), or
3. The Personal Communications Industry Association (PCIA), or
4. The manufacturer of the equipment being installed

510.6 Inadequate Radio Coverage. Buildings and structures which cannot support the required level of radio coverage shall be equipped:
1. A radiating cable system and/or
2. An internal multiple antenna system with FCC certificated bi-directional 800 MHz amplifiers or
3. Systems otherwise approved by the city radio system manager in order to achieve the required adequate radio coverage In the event that a signal booster is employed, it shall be fully encased with a NEMA 4 (or equivalent) dust/waterproof rated enclosure, and filters that reject adjacent frequencies in addition to the multi-band pass filters.
510.7 Secondary Power. If any part of the installed system or systems contains an electrically powered component, the installed system or systems shall be provided with an independent battery system or an emergency generator capable of operating for a period of at least twenty four (24) hours without external power input. The battery system shall automatically charge in the presence of external power input.
~~511.3 Amplification Systems Allowed. Buildings and structures which cannot support the required level of radio coverage shall be equipped with a radiating cable system and/or an internal multiple antenna system with FCC type accepted bidirectional 800 MHz amplifiers, or systems otherwise approved by the City Radio System Manager in order to achieve the required adequate radio coverage. The installed system or systems shall be capable of operating on an independent battery system for a period of at least twelve (12) hours without external power input. The battery system shall automatically charge in the presence of external power input.~~
~~511.3.1~~ 510.8 Approval Prior to Installation. No amplification system capable of operating on frequencies used by the Regional 800 MHz. Radio System shall be installed without prior coordination and approval of the radio system licensee (The Eastside Public Safety

Communications Agency) and any such system must comply with any standards adopted by the King County Regional Communications Board.

510.9 Acceptance Tests. Acceptance testing for Emergency responder radio amplification system is required, upon completion of installation. It is the building owner's responsibility to have the radio system tested by qualified personnel to ensure a minimum of 95% two-way coverage on each floor of the building.

A certificate of occupancy will not be issued to any structure if the building fails to comply with these provisions.

Talk-back testing from a site to the Regional 800 MHz. Radio System shall use a two (2) watt, portable transceiver with speaker/microphone and flexible antenna (or any calibrated device which will produce signal levels useable by the prescribed portable radio). Field strength testing instruments must have been calibrated within one (1) year of the date of the acceptance test. Field strength testing instruments must be of the frequency selective type incorporating a flexible antenna similar to the ones used on the hand held transceivers. City Radio System Manager may designate alternate methods of measuring the signal level, which satisfy appropriate levels of public safety coverage.

A report shall be submitted to the Kirkland Fire Department at the conclusion of acceptance testing containing a floor plan and the signal strengths at each location tested and other relevant information. A representative of the Kirkland Fire Department may oversee the acceptance test. Acceptance testing is also required whenever changes occur to the building that would materially change the original field performance test.

510.10 Testing Criteria. Each floor of the building shall be divided into a grid of approximately forty (40) equal areas. A maximum of two (2) nonadjacent areas will be allowed to fail the test. In the event that three (3) of the areas fail the test, the floor may be divided into eighty (80) equal areas in order to be more statistically accurate. In such event, a maximum of four (4) nonadjacent areas will be allowed to fail the test. After the eighty (80) area tests, if the system continues to fail, the building owner shall have the system altered to meet the 95% coverage requirement.

A spot located approximately in the center of a grid area will be selected for the test, then the radio will be keyed to verify two-way communication to and from the outside of the building through the Regional 800 MHz. Radio System. Once the spot has been selected, prospecting for a better spot within the grid area is not permitted. The gain values of all amplifiers shall be measured and the results kept on file with the building owner so that the measurements can be verified each year during the annual tests. In the event that the measurement results become lost, the building owner will be required to rerun the acceptance test to reestablish the gain values.

While the foregoing implies manual measurement and recording, automated testing and recording is permitted so long as a report can be produced documenting the signal strength (or average) in each test square.

510.11 Identification. Buildings equipped with an Emergency Responder Radio Coverage system shall be identified by a sign located on or near the Fire Alarm Control Panel stating "This building is equipped with an Emergency Responder Radio Coverage System"

511.4 Field Testing. Police and Fire Personnel shall at any time have the right to enter onto the property to conduct its own field-testing to be certain that the required level of radio coverage is present.

21.20.070 IFC Section 602 amended.

Section 602 of the International Fire Code is amended to read as follows:

Section 602. Power Tap. A listed device for indoor use consisting of an attachment plug on one end of a flexible cord and two or more receptacles on the opposite end, and has overcurrent protection.

21.20.080 IFC Section 901.7 amended.

Section 901.7 of the International Fire Code is amended to read as follows:

Section 901.7. Systems out of service. Where a required fire protection system is out of service, the fire department and the fire code official shall be notified immediately and, where required by the fire code official, the building shall either be evacuated or an approved fire watch shall be provided for all occupants left unprotected by the shut down until the fire protection system has been returned to service. Where utilized, fire watches shall be provided with at least one approved means for notification of the fire department and their only duty shall be to perform constant patrols of the protected premises and keep watch for fires.

21.20.090 IFC Section 903.4 amended.

Section 903.4 of the International Fire Code is amended to read as follows:

Section 903.4.2 Alarms. Approved audible and visible alarm notification appliances shall be provided for every automatic sprinkler system in accordance with Section 907 and throughout areas designated by the Fire Code Official. Sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Alarm devices shall be provided on the exterior of the building in an approved location. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

Exception: With approval of the Fire Code Official, interior audible and visible alarm notification appliances may be omitted for approved residential sprinkler systems in 1 or 2 dwelling units if not otherwise specifically required.

Section 903.4.3 Floor control valves. Approved supervised indicating control valves shall be provided at the point of connection to the riser on each floor.

Exception: When approved by the Fire Code Official in NFPA 13D and NFPA 13R systems.

21.20.105 IFC Section 906.1 amended.

Section 906.1 of the International Fire Code is amended to read as follows:

Section 906.1. Where required. Portable fire extinguishers shall be installed in the following locations.

1. In all Group A, B, E, F, H, I, M, R-1, R-2, R-4 and S occupancies.
2. Within 30 feet (9,144 mm) of commercial cooking equipment.
3. In areas where flammable or combustible liquids are stored, used or dispensed.
4. On each floor of structures under construction, except Group R-3 occupancies, in accordance with Section 1415.1.
5. Where required by the sections indicated in Table 906.1.
6. Special-hazard areas, including but not limited to laboratories, computer rooms and generator rooms, where required by the fire code official.

21.20.110 IFC Section 907.15 amended.
Section 907.15 of the International Fire Code is amended to read as follows:
Section 907.15. Monitoring. All required fire alarm systems in new and existing buildings shall be monitored and supervised by a local central station, acceptable to the fire chief, or a proprietary or remote station and shall have a local alarm which will give an audible signal. As of July 1, 1997, all buildings with existing systems must meet the standards of this section, if not specifically required to do so earlier.
Exception: Supervisory service is not required for:
1. Single- and multiple-station smoke alarms required by Section 907.2.10.
2. Automatic sprinkler systems in one- and two-family dwellings.

21.20.115 IFC Section 1404.5 amended.
Section 1404.5 of the International Fire Code is amended to read as follows:
Section 1404.5. Fire watch. When required by the fire code official for building construction or demolition that is hazardous in nature, qualified personnel shall be provided to serve as an on-site fire watch. Fire watch personnel shall be provided with at least one approved means for notification of the fire department and their sole duty shall be to perform constant patrols and watch for the occurrence of fire.

Section 6. Kirkland Municipal Code Chapter 21.24 is hereby amended to read as follows:

Chapter 21.24
UNIFORM PLUMBING CODE

21.24.010 Uniform Plumbing Code adopted.
The 200~~6~~9 Edition of the Uniform Plumbing Code, as adopted by the State Building Code Council in Chapter 51-56 and 51-57 WAC, as published by the International Association of Plumbing and Mechanical Officials, excluding Chapter 1, "Administration," is adopted, together with Appendix Chapters A "Recommended Rules for Sizing the Water Supply System," B "Explanatory Notes on Combination Waste and Vent Systems," I "Installation Standards," H "Grease Interceptors," and L "Alternate Plumbing Systems" excluding Sections L5 ~~and L6~~ through L7 of Appendix L ~~and "Private Lawn Sprinkler Head" from Table 6-5~~.

21.24.013 Copies on file.
The city shall at all times keep on file with the city clerk, for reference by the general public, not less than one copy of the Uniform Plumbing Code.

21.24.016 Administration.
The administrative provisions for the enforcement of the Uniform Plumbing Code are located in chapter 21.06.

21.24.018 Table 6-5 amended.

Table 6-5 of Chapter 6 is amended to delete "Lawn Sprinkler, each head" from the table.

Section 7. Kirkland Municipal Code Section 21.28.010 is hereby amended to read as follows:

21.28.010 National Fuel Gas Code (NFPA 54) adopted.

The 200~~6~~9 Edition of the National Fuel Gas Code, as adopted by the State Building Code Council in Chapter 51-52 WAC, as published by NFPA, is adopted.

Section 8. Kirkland Municipal Code Section 21.32.010 is hereby amended to read as follows:

21.32.010 Liquefied Petroleum Gas Code (NFPA 58) adopted.

The 2004~~8~~ Edition of the Liquefied Petroleum Gas Code, as adopted by the State Building Code Council in Chapter 51-52 WAC, as published by NFPA, is adopted.

Section 9. Kirkland Municipal Code Section 21.36.010 is hereby amended to read as follows:

21.36.010 International Fuel Gas Code adopted.

The 200~~3~~9 Edition of the International Fuel Gas Code, as adopted by the State Building Code Council in Chapter 51-52 WAC, as published by the International Code Council, excluding Chapter 1, "Administration," is adopted.

Section 10. Kirkland Municipal Code Chapter 21.38 is hereby repealed.

Section 11. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 12. This ordinance shall take effect and be in force on July 1, 2010, 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 _____, 2010.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. 4246

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO MODIFICATIONS TO TITLE 21 OF THE KIRKLAND MUNICIPAL CODE REGARDING BUILDING AND CONSTRUCTION.

SECTION 1. Amends Chapter 21.06 of the Kirkland Municipal Code regarding the Construction Administrative Code.

SECTION 2. Amends Chapter 21.08 of the Kirkland Municipal Code by updating the edition of the International Building Code to 2009 together with additional amendments.

SECTION 3. Amends Chapter 21.10 of the Kirkland Municipal Code by updating the edition of the International Residential Code to 2009 together with additional amendments.

SECTION 4. Amends Section 21.16.10 of the Kirkland Municipal Code by updating the edition of the International Mechanical Code to 2009.

SECTION 5. Amends Chapter 21.20 of the Kirkland Municipal Code by updating the edition of the International Fire Code to 2009 together with additional amendments.

SECTION 6. Amends Chapter 21.24 of the Kirkland Municipal Code by updating the edition of the Uniform Plumbing Code to 2009 together with additional amendments.

SECTION 7. Amends Section 21.28.010 of the Kirkland Municipal Code by updating the edition of the National Fuel Gas Code to 2009.

SECTION 8. Amends Section 21.32.010 of the Kirkland Municipal Code by updating the edition of the Liquefied Petroleum Gas Code to 2008.

SECTION 9. Amends Section 21.36.010 of the Kirkland Municipal Code by updating the edition of the International Fuel Gas Code to 2009.

SECTION 10. Repeals Chapter 21.38 of the Kirkland Municipal Code.

SECTION 11. Provides a severability clause for the ordinance.

SECTION 12. 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 July 1, 2010.

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 _____, 2010.

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

_____
City Clerk

Council Meeting: 06/15/2010
Agenda: New Business
Item #: 11. b.

CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Tracey Dunlap, Director of Finance and Administration
Sri Krishnan, Financial Planning Manager

Date: June 3, 2010

Subject: 2010 MID-YEAR BUDGET REVIEW & ADJUSTMENTS

RECOMMENDATION

City Council receive an update on the City's financial condition and an overview of budget planning information and approve the ordinance adjusting the 2009-10 budget appropriation for selected funds.

BACKGROUND:

The Mid-Year Budget review addresses a variety of topics regarding the current budget biennium. This memo describes the various attachments included in the packet.

- **Financial Status** – The Financial Management Report (FMR) for the period ending March 31, 2010 (Attachment A – note that the FMR does not reflect the budget adjustments adopted on April 20, 2010) and the April Dashboard Report (Attachment B) are included, as well as updated information on fire overtime (Attachment C) and sales tax received in May (Attachment D).

- **Budget Adjustments** – A recommendation concerning mid-year budget adjustments needed to meet unanticipated needs and recognizing additional revenues (See Attachment to Ordinance). The adopted budget as of June 30, 2010 will form the basis for development of the 2011-2012 Budget. In addition, a memo from the Internal Services Division on Facilities Staffing is included as Attachment E and a memo from the Planning Department regarding the annexation area Shoreline Master Program (SMP) and related budget adjustment is included as Attachment F.

- **2011-2012 Budget Process** – The 2011-2012 budget and CIP process calendar (Attachment G) lists the dates for Council meetings regarding the upcoming budget. Also included is a description of the proposed process for updating the Core Services exercise. The forms to gather Council members' input will be distributed at the June 15 meeting.

FINANCIAL STATUS

The Financial Management Report (FMR) provides an overview of revenue and expenditure performance for the first quarter of 2010. The monthly dashboard report provides high level monitoring of the General Fund revenues and expenditures status, including a few key revenue and expenditure indicators across funds that are especially important to watch. The following are a few highlights from the FMR and April dashboard report (included as Attachment A and Attachment B respectively).

- General Fund revenues are below expectations despite improvement to sales tax revenue, primarily from lower utility tax and development fee revenues. Development services functions have taken action to help mitigate the shortfall in development revenues by contracting with other agencies to use City staff.
- Sales tax revenue is ahead of last year primarily due to significant improvements in the auto/gas retail and other retail sectors and a slowing of the decline in contracting sector revenue.
- Utility tax revenues are below last year primarily due to lower electricity and gas tax collections resulting from the warmer winter weather.
- Business license fees are ahead of last year but still trending below budget.
- Development-related revenue for the first quarter is still running behind the same period in 2009, except for planning fees, which are ahead. Development revenue appears to be improving as of March.
- Property tax revenue is received primarily in April and October. Fire District #41 payments are received quarterly and the first payment for 2010 was received in May. The first half of the EMS levy revenue is usually received in late June/early July.
- General Fund expenditures are trailing the budget, reflecting actions taken to date to slow spending.
- Fire overtime is trending higher than budget. The City Council adopted a "hard cap" for fire overtime as part of the budget-balancing strategy for 2010. Based on current trends (49.5% of the budget has been spent through May) fire overtime is expected to exceed the 2010 budget of $747,941 in September. A memo from Chief Nalder addressing solutions for this issue is included as Attachment C.
- Seattle metro consumer price index (CPI), which was often negative in 2009, remains low for the first reading in 2010 at 1.1%. The national index started increasing last November and the March reading was 3%, substantially higher than the local rate. The June 2010 CPI (released in July 2010) will be the contractual basis for budgeting 2011 cost of living adjustment (COLA) increases.
- In the Mid-Biennial budget adjustment process, it was noted that the use of the Rainy Day reserve would need to occur if revenues are projected to fall short and other offsets cannot be identified. At mid-year, no transfer appears to be needed. Council will be advised if it appears that the use of this reserve is required to offset any revenue shortfalls in 2010 before year-end.

Sales tax revenue received in May was up 8.6 percent compared to May 2009. Year-to-date revenue is up 4.9 percent compared to the same period last year. However, fairly significant one-time field recoveries skew the comparison. Factoring out these one-time events changes the monthly increase to about 6.9 percent and the annual increase to about 4.1 percent. While the improvement to this important revenue source is encouraging, the revenue still falls far below that of a few years ago (down $1.7 million compared to the same period in 2007 and $1.1 million compared to the same period in 2008). More information on sales tax results through May is included in Attachment D.

Positive economic indicators both nationally and in Washington State include an improving consumer confidence index and growth in gross domestic product. Job growth is occurring, but unemployment rates remain high. The current volatility of the stock market and continued concerns regarding credit availability pose potential risks in dampening the weak recovery.

MID-YEAR BUDGET ADJUSTMENTS

State law prohibits expenditures from exceeding the budgeted appropriation for any fund and requires the City to adjust budget 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 biennial budget.

Unless there is an immediate need, budget adjustments that represent ongoing increases in the level of service are generally not introduced at mid-year. Rather, they are submitted as service package requests during the budget preparation process.

As usual for the Mid-Year Adjustment process, adjustments are recommended for unexpected issues such as grant funding and Council use of reserves that have occurred since the last adjustment. The following is a list of the recommended mid-year budget adjustments (Attachment to the Ordinance provides further details):

- Public Safety Equipment funded by Community Policing (COPS) Grant ($300,000).
- Emergency Preparedness developing sheltering and volunteer management program funded from additional Emergency Management Performance (EMPG) grants ($30,000).
- Cultural Council support funded by American Recovery & Reinvestment (ARRA) and 4Culture Grants ($14,500).
- Tree canopy assessment funded by Washington State Department of Natural Resources grant ($10,000).
- Waste bags and signage for parks funded from King Conservation District (KCD) grant ($9,000).
- Artist brochure funded from Washington State Department of Commerce (CTED) grants ($7,000).
- Increasing the temporary Environmental & Education Outreach Specialist in the Parks & Community Services Department for work related to the Green Kirkland program ($26,000). Further on-side work requires additional devoted staff time. Funding for this increase comes from the Green Kirkland CIP project.
- Recognizing revenue and the resulting backfill expenses for staff time contracted to the e-CityGov Alliance ($9,984).
- In-house expedited review activity staffed with overtime and funded from fee revenue $2,000.
- One-time use of available cash balance in the Facilities Fund to increase staff resources allocated to manage the facilities expansion projects. This is a line-item adjustment within the Facilities Fund and further explanation is provided in Attachment E.

Previously approved by the City Council:

- Additional funding for the Permit System replacement, funded by the Technology Major Systems Reserve ($200,000).
- 100th Avenue NE/99th Place NE Sidewalk and 2009 Annual Striping Program ($23,000 and $9,567 respectively) funded from the Street Improvement Reserve.

On April 6, the Council approved the 2010 Planning Work Program for the Planning Department. The Shoreline Master Program (SMP) for the annexation area was included as element of the approved work plan. Council did not identify a funding source at the time of approving this element of the work plan. Planning Department staff has determined that $13,750 is required to complete the annexation area SMP. A memo from Paul Stewart explaining the scope and costs of the project is included as Attachment F. Council Special Projects Reserve has been identified as the source of funding for this project and the related fiscal note is enclosed as an attachment to the memo from the Planning Department.

Municipal Court staff has identified a need for additional resources at the Court to address the current workload, which is not included in these adjustments. Projected revenue (probation and fines and forfeits) above budget is a potential source of funding for the expected additional costs. Staff is planning

on reviewing the Court's workload and options for addressing the issue with the Public Safety Committee and will approach the full Council with the committee's recommendation at a future date.

An ordinance adopting the mid-year budget adjustments is included with this report. Staff will continue to monitor revenue and expenditures in the coming months and report to Council on the same through the monthly dashboard (posted as part of the monthly Finance Committee packet on CouncilNet) and the quarterly Financial Management Reports (FMR). The next budget adjustment period will be the Year-end Review that will be presented to Council in November 2010 as part of the budget development process.

2011-2012 BUDGET PROCESS

As discussed at the 2010 Council Retreat in March, the development of the 2011-2012 budget will be challenging because we will be working to:

- Close the existing City gap,
- Gear up for annexation,
- Deal with uncertainties surrounding the economic recovery,
- Address fund changes due to changing accounting regulations, and
- Consider establishing sinking fund reserves for on-going replacement of public safety equipment and information technology infrastructure as discussed in the Preliminary 2011-2016 CIP.

The 2011-2012 Budget calendar is included as Attachment G. A significant addition is the inclusion of the Core Services exercise starting in June as part of the budget development process. This is in response to Council feedback at their Retreat in March 2010 to revisit the Core Services exercise as part of the 2011-2012 budget development process. To assist with this exercise, staff will distribute the 2010 Services Matrix (updated to reflect reductions made since the last exercise) to Council members at the June 15 meeting. Specific instructions on completing the matrix update will be provided at that time. The tentative timeline is:

- June 15 – Services Matrix distributed to Council.
- June 30 – Council members return completed forms.
- August 4 - Special Study Session – discussion of results of the exercise.

The results will be part of the information used to develop the 2011-2012 Budget.

Financial Management Report as of MARCH 31, 2010

AT A GLANCE:

Higher business tax and stabilizing sales tax revenues push 2010 ahead of 2009 year-to-date (page 2)

2010 Sales tax revenue improves (page 5)

Development-related fee revenue performance still shaky, but glimmer of hope? (page 5)

Goodbye (page 2 sidebar) Hello (page 5 photograph)

Economy turning the corner? (pages 7-8)

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Summary of All Operating Funds: *Revenue*

- **General Fund** actual 2010 revenue is **2.3 percent ahead** of the same period last year largely due to higher business tax revenue and an increase in engineering charges from several large transportation projects. Additionally, sales tax and planning fee revenue performance has improved, after suffering negative performance last year. However, slumping utility tax and building permit fee revenue remain a problem. A more detailed analysis of General Fund revenue can be found on page 3, and sales tax revenue performance can be found beginning on page 5.
- **Other General Government Funds** actual 2010 revenue is **7.4 percent lower** compared to the same period last year primarily due to lower internal rates. These rates were reduced for fleet (recognizing lower fuel prices and expenditure reductions) and technology (reduced personnel costs and use of fund cash for replacement charges as a budget reduction strategy). Lodging tax revenue is down 11.7 percent compared to the same period last year. This is less of a decline than the 2009 performance, which ended the year 23.4 percent lower than 2008. Motor vehicle fuel tax, which ended 2009 down 9 percent compared to 2008, is up 9 percent compared to the same period last year. This may be a sign of increasing economic activity. The fuel tax is collected on a flat rate per gallon, so more moderate fuel prices have helped improve this revenue's performance; however higher fuel prices may result in reduced consumption. Recreation class revenue is about even compared to the same period last year. However, facilities rental revenue is up significantly primarily due to increased rentals of Heritage Hall for private functions that are a result of the Parks Department's marketing efforts.
- **Water Sewer Operating Fund** actual 2010 revenue is **3.3 percent ahead** of the same period last year due to a higher percentage of billing collections.
- **Surface Water Management Fund** actual 2010 revenue is **45.2 percent lower** compared to the same period last year primarily due to timing of revenue collection. Rates are paid through property taxes, which are primarily received in April and October and can be somewhat volatile from year to year. Revenue received in subsequent months brought rate revenue back to normal and slightly ahead of last year.
- **Solid Waste Fund** actual 2010 revenue is **1.7 percent ahead of** the same period last year due to normal variations in timing of revenue collection.

	Year-to-Date Actual			Budget			% of Budget	
Resources by Fund	**3/31/2009**	**3/31/2010**	**% Change**	**2009**	**2010**	**% Change**	**2009**	**2010**
General Gov't Operating:								
General Fund	10,254,151	10,485,456	2.3%	54,549,760	54,440,793	-0.2%	18.8%	19.3%
Other General Gov't Operating Funds	3,392,278	3,141,763	-7.4%	16,563,457	15,655,990	-5.5%	20.5%	20.1%
Total General Gov't Operating	**13,646,429**	**13,627,219**	**-0.1%**	**71,113,217**	**70,096,783**	**-1.4%**	**19.2%**	**19.4%**
Utilities:								
Water/Sewer Operating Fund	4,155,356	4,290,593	3.3%	19,807,210	20,660,066	4.3%	21.0%	20.8%
Surface Water Management Fund	371,740	203,675	-45.2%	5,350,962	5,270,500	-1.5%	6.9%	3.9%
Solid Waste Fund	2,106,440	2,142,604	1.7%	8,612,724	8,627,630	0.2%	24.5%	24.8%
Total Utilities	**6,633,537**	**6,636,873**	**0.1%**	**33,770,896**	**34,558,196**	**2.3%**	**19.6%**	**19.2%**
Total All Operating Funds	**20,279,966**	**20,264,091**	**-0.1%**	**104,884,113**	**104,654,979**	**-0.2%**	**19.3%**	**19.4%**

Budgeted and actual revenues exclude resources forward and interfund transfers.

Farewells……

City Manager Retires

For Dave Ramsay, being Kirkland's City Manager involves keeping the City Council, community and city organization informed and engaged in decisions that affect Kirkland's present and future.

"I've been very fortunate to have worked for outstanding Council members in my 12 years here." Ramsay retired as City Manager on April 2. "I am most proud of the high quality organization and positive work environment that we've created at the City," reflects Ramsay. "The can-do attitude, sense of team and commitment of the staff in serving the City Council and community is nothing short of awesome."

As Ramsay retires from his 38-year career in city management, he plans to keep walking as part of his physical exercise routine and possibly integrate it into his next career. He is interested in pursuing non-profit agency opportunities in areas such as walking, smart growth, land conservancy and human services.

Public Works Director Leaves

Public Works Director, Daryl Grigsby left Kirkland February 5th to accept the same position in Pomona, California. Since being hired by Kirkland in 2005, Grigsby led the department's efforts to create its first strategic plan, including a vision statement, mission statement and values. He is proud of the work he led to develop Kirkland's award-winning pedestrian safety program and recycling programs which attained the highest single-family recycling rate in King County.

In announcing his departure to fellow employees, Grigsby stated "This is a difficult decision - for of all the jobs I have held over the last 31 years, this, by far, is the best."

Grigsby accepted the position to be closer to several family members who live in California. Grigsby was the recipient of the national 2009 "Top Ten Public Works Leaders of the Year" award from the American Public Works Association (APWA). He also received APWA's 2008 Roy Morse Award for outstanding professional and technical accomplishments in the field of public works.

Summary of All Operating Funds: *Expenditures*

- **General Fund** actual expenditures are **0.1 percent behind** last year primarily due to lower personnel and internal service rate costs and despite an increase in contracted regional dispatch costs. A regional agency began providing dispatch services as of July 1, 2009. This resulted in a shift from salaries and benefits to contracted services, which is the reason for the increased contracted costs and one of the reasons for reduced personnel costs. Personnel costs are also down due to reduced 2010 salaries taken by most employees (who received furlough days in return) as a budget reduction strategy, as well as reduction in staffing and slightly lower overtime costs. A more detailed analysis of General Fund expenditures by department is found on page 4.
- **Other Operating Funds** actual expenditures are **9.1 percent behind** the same period last year due to generally lower personnel costs and internal rates (primarily due to expenditure reductions), reduced Street operating supplies, and substantially lower facility utility costs and despite higher vehicle/equipment purchases. Facility utility costs are down almost 50 percent, partially due to milder winter weather, but even more importantly from staff conservation efforts and the pay-off from investments in updated controls and equipment at various locations, including City Hall, Maintenance Center and Peter Kirk Community Center. Vehicle replacement costs vary year-to-year depending on the planned replacement cycle.
- **Water/Sewer Operating Fund** actual expenditures are **3.5 percent behind** the same period last year primarily due to a significant decline in regional water connection charges (with a corresponding reduction in connection revenue).
- **Surface Water Management Fund** actual expenditures are **10.5 percent ahead** of the same period last year due to higher personnel costs reflecting full staffing in 2010 and increased surface water project activity.
- **Solid Waste Fund** actual expenditures are **1.2 percent behind** the same period last year due to the timing of disposal contract billing payments.

	Year-to-Date Actual			Budget			% of Budget	
Expenditures by Fund	**3/31/2009**	**3/31/2010**	**% Change**	**2009**	**2010**	**% Change**	**2009**	**2010**
General Gov't Operating:								
General Fund	14,573,154	14,559,524	-0.1%	59,167,520	57,630,573	-2.6%	24.6%	25.3%
Other General Gov't Operating Funds	3,674,173	3,339,616	-9.1%	15,415,335	13,104,036	-15.0%	23.8%	25.5%
Total General Gov't Operating	**18,247,327**	**17,899,140**	**-1.9%**	**74,582,855**	**70,734,609**	**-5.2%**	**24.5%**	**25.3%**
Utilities:								
Water/Sewer Operating Fund	3,644,953	3,517,264	-3.5%	15,555,212	15,903,927	2.2%	23.4%	22.1%
Surface Water Management Fund	687,085	759,077	10.5%	3,605,721	3,448,620	-4.4%	19.1%	22.0%
Solid Waste Fund	1,496,495	1,479,102	-1.2%	8,455,673	8,590,036	1.6%	17.7%	17.2%
Total Utilities	**5,828,532**	**5,755,443**	**-1.3%**	**27,616,606**	**27,942,583**	**1.2%**	**21.1%**	**20.6%**
Total All Operating Funds	**24,075,859**	**23,654,583**	**-1.7%**	**102,199,461**	**98,677,192**	**-3.4%**	**23.6%**	**24.0%**

Budgeted and actual expenditures exclude working capital, operating reserves, capital reserves, and interfund transfers.

General Fund Revenue

Many significant General Fund revenue sources are economically sensitive, such as sales tax and development–related fees.

- **Sales tax** revenue allocated to the General Fund for 2010 was adjusted to reflect lower projections as a result of the economic recession. However, actual revenue is **2 percent ahead** of the same period last year. A detailed analysis of **sales tax** revenue can be found starting on page 5.
- **Utility tax** actual revenue collection is **3.7 percent behind** the same period last year primarily due to significantly lower revenue from natural gas (down 29.5 percent) and electricity (down 5.9 percent). This is a result of much milder winter weather compared to the previous year along with lower natural gas rates.
- **Other taxes** actual revenue is **23.1 percent behind** the same period last year due to lower gambling and admissions tax revenue.
- The **business licenses (base fee) and franchise fees** actual revenue is **36.4 percent ahead** of the same period last year primarily due to higher franchise fee revenue. The **revenue generating regulatory license** fee is **15.8 percent ahead** of the same period last year. This fee was restructured and substantially increased in 2009. The increase in 2010 is a combination of fully realizing the restructured fees, as well as changes in timing for renewal of larger employers.
- The continuing development activity slump is reflected in **development-related fee** revenues, which collectively are **down 16.4 percent** compared to the same period in 2009. Compared to the same period last year, **building permits** and **plan check revenue** are collectively **16.6 percent lower** and **engineering services** revenue is **74 percent lower**. However, **planning fees** revenue is **ahead 142.3 percent** due to a significant increase in pre-submittal process applications, which may be a hopeful sign of improvement in future development activity. It is also due to very low collections during the same period in 2009.
- Compared to the same period last year: **Grant** revenue is **ahead 70.8 percent** due to funding received for the environmental outreach and emergency preparedness programs, as well as federal stimulus grants for culture and court security; **Other intergovernmental services** revenue is **13.9 percent behind** due to a the elimination of the contract providing dispatching services to other cities caused by the formation of a regional communications center and despite an increase to revenue received from providing staffing to the regional Criminal Justice Training Center. It should be noted that revenue from Fire District 41 is usually received quarterly. The first quarter payment was not receipted until the second quarter due to the necessary reconciliation calculation for 2009 charges to the district.
- **Internal Charges** are **13.9 percent ahead** compared to the same period last year primarily due to an increase in capital project engineering charges.
- **Other financing sources** are behind last year due to the timing of transfers, as well as the use of reserves in 2009.

General Fund 2010 revenues are $231,000 higher than the same period in 2009 largely due to higher business and sales tax revenue and despite lower utility tax and development -related revenue.

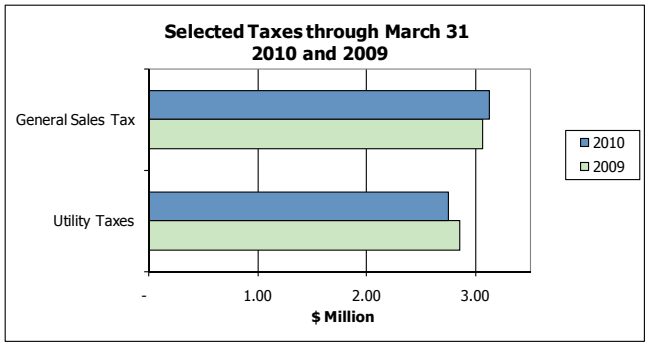
The General Fund is the largest of the General Government Operating funds. It is primarily tax supported and accounts for basic services such as public safety, parks and recreation, and community development.

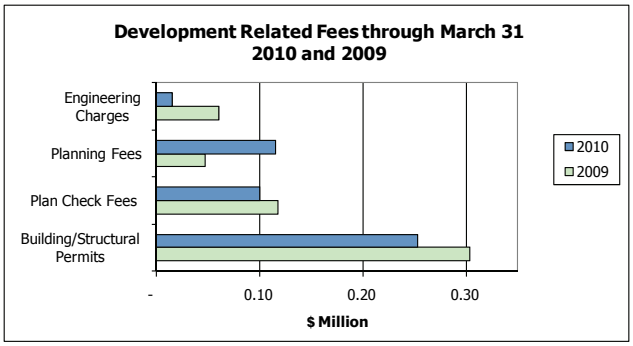
About 350 of the City's 447 regular employees are budgeted within this fund.

General Fund Resource Category	Year-to-Date Actual			Budget			% of Budget	
	3/31/2009	3/31/2010	% Change	2009	2010	% Change	2009	2010
Taxes:								
Retail Sales Tax: General	3,068,579	3,129,978	2.0%	11,564,551	11,464,179	-0.9%	26.5%	27.3%
Retail Sales Tax: Criminal Justice	256,376	241,152	-5.9%	1,107,000	1,129,140	2.0%	23.2%	21.4%
Property Tax	406,459	443,187	9.0%	9,264,941	9,904,815	6.9%	4.4%	4.5%
Utility Taxes	2,854,392	2,748,632	-3.7%	10,604,676	10,983,789	3.6%	26.9%	25.0%
Rev Generating Regulatory License	533,238	617,310	15.8%	2,599,920	2,567,468	-1.2%	20.5%	24.0%
Other Taxes	145,423	111,802	-23.1%	591,779	463,900	-21.6%	24.6%	24.1%
Total Taxes	**7,264,467**	**7,292,060**	**0.4%**	**35,732,867**	**36,513,291**	**2.2%**	**20.3%**	**20.0%**
Licenses & Permits:								
Building, Structural & Equipment Permits	302,836	252,445	-16.6%	1,645,600	1,436,990	-12.7%	18.4%	17.6%
Business Licenses/Franchise Fees	334,496	456,203	36.4%	1,654,903	1,720,921	4.0%	20.2%	26.5%
Other Licenses & Permits	66,829	82,580	23.6%	183,500	175,460	-4.4%	36.4%	47.1%
Total Licenses & Permits	**704,161**	**791,228**	**12.4%**	**3,484,003**	**3,333,371**	**-4.3%**	**20.2%**	**23.7%**
Intergovernmental:								
Grants	90,262	154,177	70.8%	218,754	313,433	43.3%	41.3%	49.2%
State Shared Revenues & Entitlements	229,311	237,197	3.4%	908,404	809,010	-10.9%	25.2%	29.3%
Fire District #41	-	-	N/A	3,850,077	3,598,238	N/A	N/A	N/A
EMS	-	-	N/A	836,938	866,231	N/A	N/A	N/A
Other Intergovernmental Services	168,185	144,824	-13.9%	654,713	537,436	-17.9%	25.7%	26.9%
Total Intergovernmental	**487,758**	**536,198**	**9.9%**	**6,468,886**	**6,124,348**	**-5.3%**	**7.5%**	**8.8%**
Charges for Services:								
Internal Charges	1,035,992	1,179,579	13.9%	4,905,963	4,663,482	-4.9%	21.1%	25.3%
Engineering Services	60,331	15,701	-74.0%	357,134	225,000	-37.0%	16.9%	7.0%
Plan Check Fee	117,922	99,470	-15.6%	520,000	408,252	-21.5%	22.7%	24.4%
Planning Fees	47,634	115,403	142.3%	247,157	243,420	-1.5%	19.3%	47.4%
Other Charges for Services	189,122	184,017	-2.7%	756,426	742,937	-1.8%	25.0%	24.8%
Total Charges for Services	**1,451,001**	**1,594,170**	**9.9%**	**6,786,680**	**6,283,091**	**-7.4%**	**21.4%**	**25.4%**
Fines & Forfeits	255,882	237,660	-7.1%	1,407,595	1,532,000	8.8%	18.2%	15.5%
Miscellaneous	90,882	34,139	-62.4%	669,729	654,692	-2.2%	13.6%	5.2%
Total Revenues	**10,254,151**	**10,485,456**	**2.3%**	**54,549,760**	**54,440,793**	**-0.2%**	**18.8%**	**19.3%**
Other Financing Sources:								
Interfund Transfers	476,143	-	N/A	3,899,053	2,234,780	N/A	12.2%	N/A
Total Other Financing Sources	**476,143**	**-**	**N/A**	**3,899,053**	**2,234,780**	**N/A**	**12.2%**	**N/A**
Total Resources	**10,730,293**	**10,485,456**	**-2.3%**	**58,448,813**	**56,675,573**	**-3.0%**	**18.4%**	**18.5%**

Budgeted and actual revenues exclude resources forward.

General Fund Revenue *continued*





General Fund Expenditures

General Fund Department Expenditures	Year-to-Date Actual			Budget			% of Budget	
	3/31/2009	3/31/2010	% Change	2009	2010	% Change	2009	2010
Non-Departmental	287,808	290,493	0.9%	1,254,877	1,253,818	-0.1%	22.9%	23.2%
City Council	146,598	170,300	16.2%	353,175	353,130	0.0%	41.5%	48.2%
City Manager's Office	829,719	732,691	-11.7%	3,434,631	3,066,140	-10.7%	24.2%	23.9%
Human Resources	248,410	246,901	-0.6%	1,081,720	1,124,972	4.0%	23.0%	21.9%
City Attorney's Office	249,267	248,112	-0.5%	993,790	974,121	-2.0%	25.1%	25.5%
Parks & Community Services	1,507,702	1,514,901	0.5%	7,621,687	6,670,931	-12.5%	19.8%	22.7%
Public Works (Engineering)	888,601	828,138	-6.8%	3,629,985	3,325,385	-8.4%	24.5%	24.9%
Finance and Administration	909,786	865,373	-4.9%	3,671,314	3,733,652	1.7%	24.8%	23.2%
Planning & Community Development	722,306	682,469	-5.5%	2,835,702	2,704,807	-4.6%	25.5%	25.2%
Police	4,327,796	4,408,487	1.9%	16,557,994	17,136,276	3.5%	26.1%	25.7%
Fire & Building	4,455,159	4,571,661	2.6%	17,732,645	17,287,341	-2.5%	25.1%	26.4%
Total Expenditures	**14,573,154**	**14,559,524**	**-0.1%**	**59,167,520**	**57,630,573**	**-2.6%**	**24.6%**	**25.3%**
Other Financing Uses:								
Interfund Transfers	189,381	151,969	-19.8%	1,705,441	1,254,335	-26.5%	11.1%	12.1%
Total Other Financing Uses	**189,381**	**151,969**	**-19.8%**	**1,705,441**	**1,254,335**	**-26.5%**	**11.1%**	**12.1%**
Total Expenditures & Other Uses	**14,762,535**	**14,711,492**	**-0.3%**	**60,872,961**	**58,884,908**	**-3.3%**	**24.3%**	**25.0%**

Budgeted and actual expenditures exclude working capital, operating reserves, and capital reserves.

Personnel costs in most General Fund departments are down compared to last year due to the combination of the implementation of furloughs (which reduced salaries and benefit costs) and reduction in staffing as strategies to balance the budget in response to declining revenues. In addition, specific factors for individual departments are noted below:

Comparing to the same period last year:

- Actual 2010 expenditures for the **City Council** are **16.2 percent ahead** primarily due to a one time citizen survey paid for this year.
- Actual 2010 expenditures for the **City Manager's Office** are **11.7 percent lower** due to reduced facilities charges resulting from the purchase of the Municipal Court and lower professional services costs, including court interpreter services and the federal lobbyist (which was funded for 2009 only), as well as the timing of outside agency funding payments.
- Actual 2010 expenditures for the **Parks & Community Services Department** are **0.5 percent ahead** primarily due to the timing of human service agency grants and despite reductions to staffing levels.
- Actual 2010 expenditures for the **Public Works Department** are **6.8 percent lower** almost entirely due to staffing reductions and reallocations.
- Actual 2010 expenditures for the **Finance and Administration Department** are **4.9 percent behind** due to election costs paid in 2009 and despite one position added in anticipation of annexation.

(Continued on page 5)

Compared to 2009, 2010 General Fund actual expenditures are 0.1 percent lower primarily due to lower personnel costs and despite higher costs for the regional dispatch contract, as noted in the explanation of Police and Fire Department expenditures.

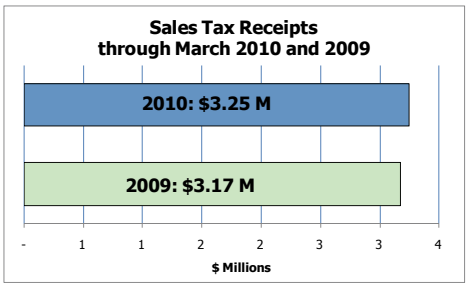
- Actual 2010 expenditures for the **Planning and Community Development Department** are **5.5 percent behind** due to one-time 2009 costs for the Shoreline Master Plan update, as well as staffing reductions.
- Actual 2010 expenditures for the **Police Department** are **1.9 percent ahead** due to charges for the regional dispatch agency and despite lower personnel costs (partially caused by the shift from in-house dispatch staffing as of July 2009 to contracting with the agency). Staffing will be hired throughout 2010 in anticipation of annexation, which commences June 1, 2011. Increases to jail costs, which have been a concern over the last few years, have moderated due to contracts with other agencies for lower rates than those charged by King County.

Kirkland welcomes three new City Council Members in 2010: Doreen Marchione, Deputy Mayor Penny Sweet, and Amy Walen. Mayor Joan McBride (not pictured) was also re-elected.

- Actual 2010 expenditures for the **Fire & Building Department** are **2.6 percent ahead** due to charges for the regional dispatch agency and despite lower personnel costs. Fire suppression overtime expenses in 2010 are down about 6.1 percent compared to the same period last year, but remain a concern, as the cost is trending above budget.

Sales Tax Revenue Analysis

2010 sales tax revenue has stabilized in the first quarter, **up 2.3 percent** compared to the same period last year. The primary reasons are improvements to the retail sectors (up 3.6 percent collectively over the same period last year) largely driven by auto/gas retail and internet/catalog sales, as well as the services and wholesale sectors. Also, the contract sector revenue decline lessened and total February revenue benefiting from milder winter weather compared to the prior year (see tables on page 6).



Review by business sectors:

- **Auto/gas retail** is **up 14.3 percent** compared to the same period last year due to generally positive performance by key retailers. Improvement for this sector locally reflects national trends.
- **Other retail** is **up 10 percent** compared to the same period last year due to electronics, furniture, health care, and internet retailers, as well as the re-classification of one retailer from the general merchandise/ miscellaneous retail sector. Streamlined sales tax rule changes have also contributed to the increase.
- The **services** sector is **up 10.5 percent** compared to the same period last year largely due to software and temporary agency services, likely a result of the sourcing rule change. The accommodations sector is essentially flat after significant declines in 2009, down 1.1 percent compared to the same period last year.
- **Wholesale** is **up 16.8 percent** compared to the same period last year primarily due to changes in local coding sourcing rules from streamlined sales tax and development-related activity.
- The **miscellaneous** sector is **up 3.6 percent** compared to the same period last year largely due to increases in the manufacturing category, most likely reflecting changes in streamlined sales tax sourcing rules.
- The **contracting** sector is **down 11.8 percent** compared to the same period last year and remains the largest drag on revenue. Development activity is down considerably due to the recession. Large public projects, including the replacement of Lake Washington High School and the Downtown Transit Center, have helped contribute to the slowing of the revenue decline in this sector's performance compared to last year.
- **General merchandise/miscellaneous retail** is **down 10.2 percent** compared to the same period last year due to disappointing performance by key retailers, the previously mentioned reclassification of one business, as well as impacts from streamlined sales tax rule changes. The revenue loss in this sector compared to last year is almost as much as in the contracting sector.
- **Retail eating/drinking** is **down 3.7 percent** compared to the same period last year. This sector continues its negative trend that started in the second half of 2008. Reduced consumer discretionary spending is evident from the generally negative performance by several businesses in this sector as well as the closure of several restaurants. However, this performance is a smaller decline compared to the 13.1 percent decline the sector experienced in 2009 compared to 2008.
- The **communications** sector is **down 6.3 percent** compared to the same period last year due to reduced development-related activity and declining revenue from telecommunications companies.

Streamlined Sales Tax
Washington State implemented new local coding sales tax rules as of July 1, 2008 as a result of joining the national Streamlined Sales Tax Agreement. Negative impacts from this change are mitigated by the State of Washington. The first quarter 2010 payment of about $32,000 was received in March.

Neighboring Cities
Bellevue and Redmond 2010 sales tax revenue through March is down 5.4 percent and 6.9 percent respectively compared to the same period in 2009.

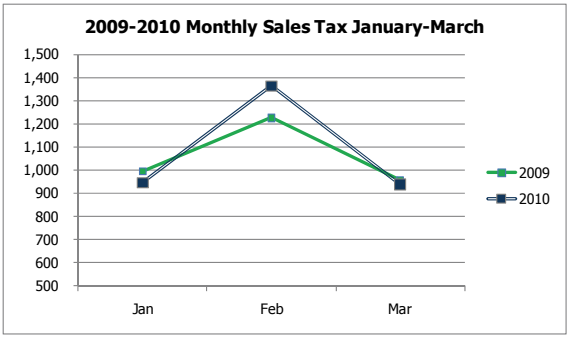
City of Kirkland Actual Sales Tax Receipts

Business Sector Group	January-March		Dollar Change	Percent Change	Percent of Total	
	2009	2010			2009	2010
Services	378,855	418,718	39,863	10.5%	11.9%	12.9%
Contracting	479,097	422,550	(56,547)	-11.8%	15.1%	13.0%
Communications	122,071	114,438	(7,633)	-6.3%	3.8%	3.5%
Auto/Gas Retail	641,063	732,417	91,354	14.3%	20.2%	22.6%
Gen Merch/Misc Retail	540,878	485,467	(55,411)	-10.2%	17.0%	14.9%
Retail Eating/Drinking	272,973	262,891	(10,082)	-3.7%	8.6%	8.1%
Other Retail	402,446	442,624	40,178	10.0%	12.7%	13.6%
Wholesale	152,843	178,447	25,604	16.8%	4.8%	5.5%
Miscellaneous	183,347	189,923	6,576	3.6%	5.8%	5.8%
Total	**3,173,573**	**3,247,475**	**73,902**	**2.3%**	**100.0%**	**100.0%**

Kirkland's sales tax base is comprised of a variety of businesses which are grouped and analyzed by business sector (according to NAICS, or "North American Industry Classification System"). Nine business sector groupings are used to compare 2009 and 2010 year-to-date sales tax receipts in the table to the left.

City of Kirkland Actual Monthly Sales Tax Receipts

Month	Sales Tax Receipts		Dollar Change	Percent Change
	2009	2010		
January	994,146	945,992	(48,154)	-4.8%
February	1,224,935	1,364,023	139,088	11.4%
March	954,492	937,460	(17,032)	-1.8%
Total	**3,173,573**	**3,247,475**	**73,902**	**2.3%**



When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City. For example, sales tax received by the City in March is for sales activity in January. Monthly sales tax receipts through March 2009 and 2010 are compared in the table to the left.

- **Monthly revenue performance in 2010 has improved from the mostly double digit declines experienced throughout 2009.**
- **February 2010 was substantially ahead of February 2009 primarily due to significant improvements in auto/gas retail, other retail, and contracting. Revenue received in February is from activity in December, so it reflects an important part of the critical holiday shopping season.**
- **In addition to the economic recession, unusually severe winter weather experienced in December 2008 hampered holiday shopping, which negatively impacted February 2009 revenue.**

Kirkland's sales tax base is further broken down by business district (according to geographic area), as well as "unassigned or no district" for small businesses and businesses with no physical presence in Kirkland.

Comparing to the same period last year:

Totem Lake, which accounts for almost 31 percent of the total sales tax receipts, is **up 1.7 percent** primarily due to significant improvement in automotive/gas retail sales. Almost 67 percent of this business district's revenue comes from the auto/gas retail and general merchandise/ miscellaneous retail sectors.

NE 85th Street, which accounts for over 16 percent of the total sales tax receipts, is **down 1.2 percent** primarily due to the general merchandise/miscellaneous retail and despite improvements to automotive/gas retail. These two sectors contribute about 86 percent of this business district's revenue.

Downtown, which accounts for over 7 percent of the total sales tax receipts, is **down 2.6 percent** due to the loss of several retailers and poor performance in the retail eating/ drinking sector. The retail eating/drinking and accommodations sectors provide over 68 percent of this business district's revenue.

Carillon Point & Yarrow Bay, which account for about 2 percent of the total sales tax receipts, are **up 3.3 percent** compared to last year primarily due to other retail and the accommodations sectors and despite poor performance in the retail eating/drinking sector. About 70 percent of this business district's revenue comes from business services, retail eating/ drinking and accommodations.

Houghton & Bridle Trails, which account for about 2 percent of the total sales tax receipts, are **down 10.1 percent** collectively almost entirely due to miscellaneous retail and other retail (partially due to the closure of a major supermarket, which is expected to re-open in May). These sectors provide about 72 percent of these business districts' revenue.

Juanita, which accounts for about 2 percent of the total sales tax receipts, is **down 2.2 percent** primarily due to retail eating/drinking and personal services. These sectors, along with miscellaneous retail, provide almost 71 percent of this business district's revenue.

When reviewing sales tax receipts by business district, it's important to point out that over 42 percent of the revenue received in 2010 is in the "unassigned or no district" category largely due to contracting revenue (which has declined compared to last year), and increasing revenue from Internet, catalog sales and other businesses located outside of the City.

City of Kirkland Sales Tax by Business District

Business District	Jan - Mar Receipts		Dollar Change	Percent Change	Percent of Total	
	2009	2010			2009	2010
Totem Lake	980,560	997,314	16,754	1.7%	30.9%	30.7%
NE 85th St	516,141	510,049	(6,092)	-1.2%	16.3%	15.7%
Downtown	236,618	230,472	(6,146)	-2.6%	7.5%	7.1%
Carillon Pt/Yarrow Bay	66,931	69,167	2,236	3.3%	2.1%	2.1%
Houghton & Bridle Trails	77,645	69,819	(7,826)	-10.1%	2.4%	2.1%
Juanita	72,916	71,331	(1,585)	-2.2%	2.3%	2.2%
Unassigned or No District:						
Contracting	479,089	422,550	(56,539)	-11.8%	15.1%	13.0%
Other	743,673	876,773	133,100	17.9%	25.7%	29.3%
Total	**3,173,573**	**3,247,475**	**73,902**	**2.3%**	**100.0%**	**100.0%**

Sales Tax Revenue Outlook

2010 sales tax first quarter revenue performance appears to confirm that the local economy is no longer in a free-fall. While both January and March were down compared to the same months of 2009, they were single-digit declines rather than the double-digit declines experienced through most of 2009. The spike in February revenue, which is partially due to milder weather in December compared to the previous year, helps take 2010 ahead of 2009 for the first quarter. Recovery for the local economy remains uneven. The largest contributor to revenue improvement, the automotive/gas retail sector is especially sensitive to changing economic conditions, which poses a significant risk. Contracting, while declining less than last year, remains significantly lower than a few years ago. Sales tax revenue, which is the City's largest single General Fund revenue source, is inherently volatile and especially so during these unusual economic times. 2010 revenue was budgeted to remain flat compared to 2009, so the fact that it is ahead as of March is good news. However, sustaining the positive performance throughout the year is uncertain considering the current economic conditions.

OFFICE VACANCIES:

According to CB Richard Ellis Real Estate Services, the Eastside vacancy rate is 19.7 percent for first quarter 2010 compared to 13.8 percent for first quarter 2009. Kirkland's 2010 vacancy rate is 30.6 percent, significantly higher than the 2008 rate of 7.8 percent largely due to Google new space at the Lakeview Plaza complex.

The Puget Sound regional market saw a spike in vacancy rates in 2008-09 as the economy declined and new construction overwhelmed market demand. The vacancy rate continues to rise, currently at about 20%, but the trend seems to be turning. The first quarter of 2010 was the smallest hike in vacancy rates since the beginning of 2008.

LODGING TAX REVENUE:

Lodging tax 2010 revenue is down 11.7 percent compared to the same period last year.

Economic Environment Update

Washington State's economy has turned the corner and is expanding at a moderate rate according to the latest update from the Washington State Economic and Revenue Forecast Council. Employment is on the rise, consumer spending appears to be improving, and the manufacturing outlook remains positive. Housing permits continue to grow, but construction employment continues to decline. The state is expected to continue to benefit from the global recovery. The recent European Union concerns are expected to have little impact to the state, since the EU comprises only about 7 percent of Washington's export market.

Nationally, the gross domestic product grew at 3.2 percent (annualized) during the first quarter of 2010. Net job growth has occurred in 5 of the last 6 months and business and consumer spending is improving. Consumer spending was up 3.6 percent (annualized) during the first quarter of 2010; double that of fourth quarter 2009 and the largest gain since the beginning of 2007. However, in Kirkland, the signs of economic recovery are still uncertain. Sales tax revenue seems to have stabilized, but development activity remains very slow.

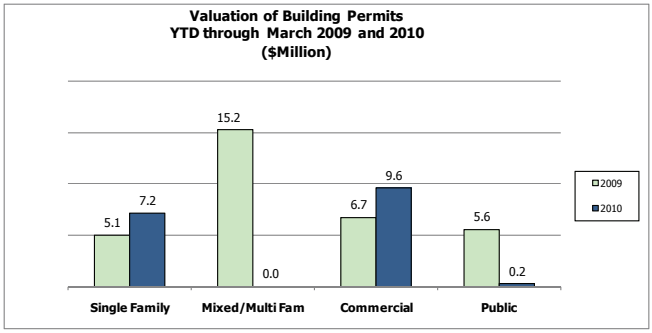
The U.S. **consumer confidence index** rebounded to **52.3** in March after falling in February to 46.4. February was considerably lower than January, which was 56.5. Despite the improvement in March, consumers continue to express concern about labor and business conditions. An index of 90 indicates a stable economy and one at or above 100 indicates growth.

King County's **unemployment rate** is **8.1 percent** in March compared to 7.9 percent in March 2009. While remaining high compared to a few years ago, King County is considerably lower than both Washington State and national rates, which are 9.9 and 9.7 percent respectively. The number of jobs available in the county increased by over 11,000 since January 2010.

The **Western Washington chapter of Purchasing Managers survey index remained about the same** in March at **55.0**, down from 55.8 in February. However, the national survey index increased to 59.6 from 56.5. An index reading greater than 50 indicates a growing economy, while scores below suggest a shrinking economy.

(Continued on page 8)

Economic Environment Update *continued*



Local **development activity** through March comparing 2010 to 2009 as measured by the valuation of City of Kirkland building permits is illustrated in the chart to the right. Activity has improved in the single family and commercial sectors. However, activity in the mixed use/ multifamily and public sectors is almost nonexistent and the 2010 building permit valuation is 48 percent below 2009.

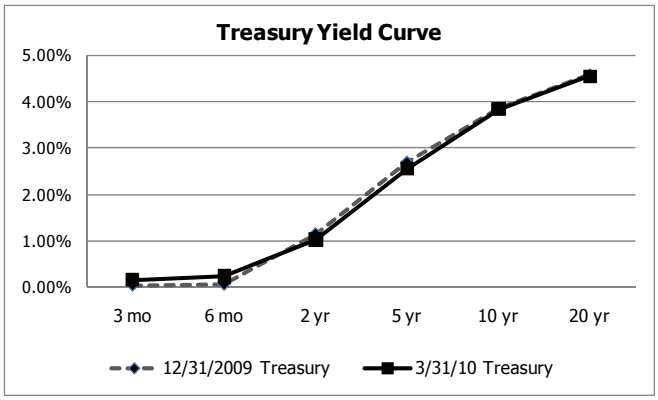
Closed sales of **new and existing single-family homes** on the Eastside are up 108.1 percent in March 2010 compared to March 2009. However, the median price of a single family home declined 1.9 percent ($495,000 compared to $504,500). Closed sales for condominium were up 78.4 percent, but the median price dropped 9.4 percent (to $253,832 from $290,000). Countywide, housing prices posted the first year-over-year increase in two years, up 0.9 percent to $367,250. The upswing in sales is attributed to both consumer concerns about increases to mortgage rates and the federal tax credit available through the end of April.

Seattle metro consumer price index (CPI), which was often negative in 2009, remains low for the first reading in 2010 at 1.1% (which matches the February 2009 index). The Seattle index is calculated bi-monthly. The June 2009 CPI (-0.7 percent) would normally be used to calculate City employee cost of living adjustments (COLA) for 2010. As a result of the negative index, employees with closed bargaining units received no adjustment this year. (Four bargaining units and management had already agreed to this beforehand as part of a budget reduction strategy.) The national index started increasing last November and the March reading was 3%, substantially higher than the local rate. However, forecasters expect minimal threat of accelerating inflation and the Federal Reserve is expected to keep the Fed Funds rate at the current rate of 0.25 percent throughout 2010. The June 2010 CPI (released in July 2010), will be the contractual basis for budgeting 2011 COLA increases.

Investment Report

MARKET OVERVIEW

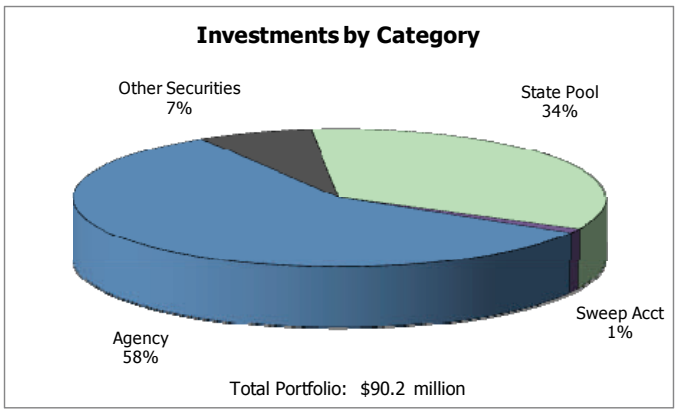
Fed Funds rate remained at 0.25 percent during the first quarter of 2010 as the economy continued giving indications of a slow recovery. The yield curve remained fairly constant. There were slight decreases in interest rates at the short end of the curve and nearly no changes in rates at the longer end of the curve.



CITY PORTFOLIO

The primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City.

The City's portfolio decreased in the first quarter of 2010 to $90.2 million compared to $95.2 million on December 31, 2009. The decrease in the portfolio is related to the normal cash flows of the first quarter, as the first half of property taxes is received at the end of April.



Diversification

The City's current investment portfolio is composed of Government Agency bonds, State and Local Government bonds, the State Investment Pool and an overnight bank sweep account. City investment procedures allow for 100% of the portfolio to be invested in U.S. Treasury or Federal Government obligations.

2010 ECONOMIC OUTLOOK and INVESTMENT STRATEGY

The U.S. economy is expected to grow at an annual rate of 2.7 percent over each of the next five quarters, according to 42 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters project that real GDP growth will be 3 percent in 2010. The forecasters continue to see little threat of accelerating inflation. The unemployment rate is expected to average 9.8 percent in 2010 and fall to 9.2 percent in 2011. The Fed Funds rate, currently at 0.25 percent, is expected to remain at this level throughout 2010.

The duration of the portfolio will decrease as securities mature and are called. Opportunities for increasing portfolio returns are scarce as shorter term interest rates continue at very low levels. New security purchases will be made as opportunities to obtain moderate returns become available. During periods of low interest rates the portfolio duration should be kept shorter with greater liquidity so that the City is in a position to be able to purchase securities with higher returns when interest rates begin to rise. The State Pool is currently at 0.22 percent and will continue to remain historically low as the Fed Funds rate remains at 0.00 to 0.25 percent. Total estimated investment income for 2010 is $1.4 million.

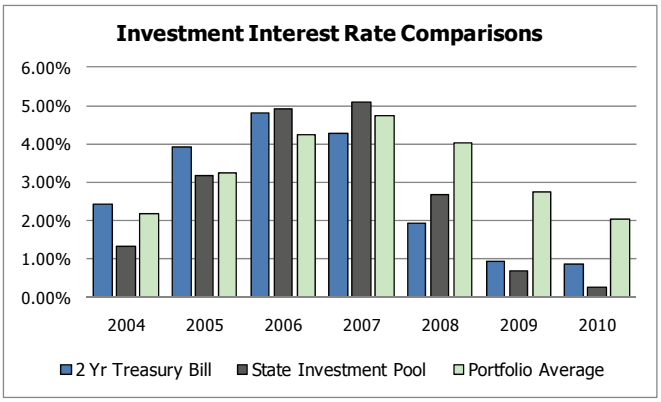
Investment Report *continued*

Liquidity

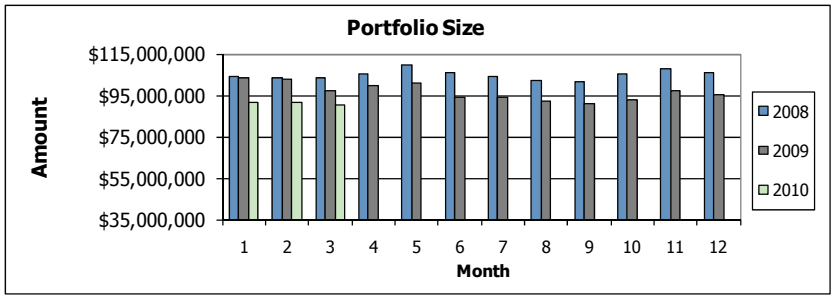
Benchmark Comparison	December 31, 2009	March 31, 2010
City Yield to Maturity	1.66%	2.08%
City Average YTM	2.74%	2.04%
City Year to Date Yield	3.04%	1.53%
90 Day Treasury Bill	0.06%	0.16%
2 yr Rolling Avg 2 yr T	1.44%	1.33%

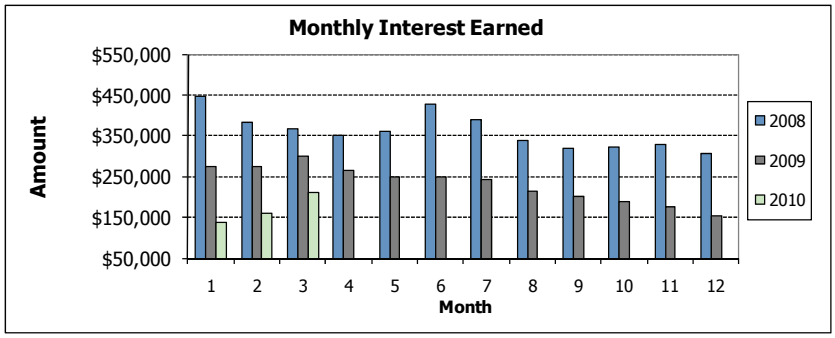
The target duration for the City's portfolio is based on the 2-year treasury rate which decreased from 1.14 percent on December 31, 2009 to 1.02 percent on March 31, 2008. The average maturity of the City's investment portfolio increased from 0.72 years on December 31, 2009 to 1.6 years on March 31, 2010 due to the purchase of longer term securities to lock in higher yields. It is expected that those securities will be called on their call dates as the interest rates of the securities are higher than current rates.

Yield



The City Portfolio yield to maturity increased from 1.66 percent on December 31, 2009 to 2.08 percent on March 31, 2010. Through March 31, 2010, the City's annual average yield to maturity was 2.04 percent. With Council adoption of the amended Investment Policy on January 5, 2010, the City's portfolio benchmark was changed to the range between the 90 day Treasury Bill and the 2 year rolling average of the 2-year Treasury Note. This benchmark is more reflective of the maturity guidelines required in the Investment Policy. The City's portfolio outperformed both the 90 day T Bill and the 2 Year rolling average of the 2-year Treasury Note, which was 1.33 percent on March 31, 2010. The City's practice of investing further out on the yield curve than the State Investment Pool results in earnings higher than the State Pool during declining interest rates and lower earnings than the State Pool during periods of rising interest rates. This can be seen in the adjacent graph





Reserve Summary

General Operating Reserve

For the City's "Rainy Day" fund, the target is established by fiscal policy at five percent of the operating budget (excluding utility and internal service funds). Each year, the target amount will change proportional to the change in the operating budget. To maintain full funding, the increment between five percent of the previous year's budget and the current budget would be added or subtracted utilizing interest income and year-end transfers from the General Fund. It is a reserve to be used for unforeseen revenue losses and other temporary events. If the reserve is utilized by the City Council, the authorization should be accompanied by a plan for replenishing the reserve within a two to three year period.

Revenue Stabilization Reserve

The Revenue Stabilization Reserve was approved by Council in July 2003 and was created by segregating a portion of the General Operating Reserve. The purpose of this reserve is to provide an easy mechanism to tap reserves to address temporary revenue shortfalls resulting from temporary circumstances (e.g. economic cycles, weather-related fluctuations in revenue). Council set the target at ten percent of selected General Fund revenue sources which are subject to volatility (e.g. sales tax, development fees and utility taxes). The Revenue Stabilization Reserve may be used in its entirety; however, replenishing the reserve will constitute the first priority for use of year-end transfers from the General Fund at the end of the biennium.

Contingency Fund

The Contingency Fund was established pursuant to RCW 35A.33.145 to "provide monies with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget." State law sets the maximum balance in the fund at $.375 per $1,000 of assessed valuation. This reserve would be used to address unforeseen expenditures (as opposed to revenue shortfalls addressed by the Revenue Stabilization Reserve). The fund can be replenished through interest earnings up to the maximum balance or through the year-end transfer if needed.

Reserves are an important indicator of the City's fiscal health. They effectively represent "savings accounts" that are established to meet unforeseen budgetary needs (general purpose reserves) or are otherwise dedicated to a specific purpose (special purpose reserves). The City's reserves are listed with their revised estimated balances at the end of the biennium in the table below:

General Government & Utility Reserves Summary

Reserves	2009-10 Est End Balance	2009-10 Auth. Uses	2009-10 Auth. Additions	Revised 2009-10 End Balance
GENERAL PURPOSE RESERVES				
Contingency[1]	2,324,515	518,557	50,000	1,855,958
General Capital Contingency	2,444,561	266,514		2,178,047
Park & Municipal Reserve:				
General Oper. Reserve (Rainy Day)	2,712,836			2,712,836
Revenue Stabilization Reserve	1,082,380	1,082,380		0
Building & Property Reserve	2,059,669	125,000		1,934,669
Council Special Projects Reserve[2]	271,960	116,676		155,284
Total General Purpose Reserves	**10,895,921**	**2,109,127**	**50,000**	**8,836,794**
SPECIAL PURPOSE RESERVES				
Excise Tax Capital Improvement:				
REET 1	8,370,417	2,349,314	266,078	6,287,181
REET 2	8,134,095		361,336	8,495,431
Equipment Rental:				
Vehicle Reserve	6,421,787			6,421,787
Radio Reserve	36,000			36,000
Information Technology:				
PC Replacement Reserve	494,373			494,373
Major Systems Replacement Reserve	247,900		197,600	445,500
Facilities Maintenance:				
Operating Reserve	550,000			550,000
Facilities Sinking Fund	1,051,963			1,051,963
Impact Fees				
Roads	3,429,578			3,429,578
Parks	237,809			237,809
Park Bond Reserve	558,981			558,981
Cemetery Improvement	523,405			523,405
Off-Street Parking	204,410			204,410
Tour Dock	70,175			70,175
Street Improvement	994,576	32,567		962,009
Firefighter's Pension	1,590,102			1,590,102
Park & Municipal Reserve:				
Litigation Reserve	51,329			51,329
Labor Relations Reserve	67,183			67,183
Police Equipment Reserve	48,093			48,093
LEOFF 1 Police Reserve	612,029			612,029
Facilities Expansion Reserve	800,000			800,000
Development Services Reserve	457,331			457,331
Tree Ordinance	28,980			28,980
Donation Accounts	161,257			161,257
Revolving Accounts	86,175			86,175
Water/Sewer Operating Reserve	1,799,424			1,799,424
Water/Sewer Debt Service Reserve	826,759			826,759
Water/Sewer Capital Contingency	3,018,240	239,200		2,779,040
Water/Sewer Construction Reserve	9,444,066	21,787		9,422,279
Surface Water Operating Reserve	394,485			394,485
Surface Water Capital Contingency	617,690			617,690
Surface Water-Transp. Related Rsv	1,302,179	38,126		1,264,053
Surface Water Construction Reserve	3,186,434			3,186,434
Total Special Purpose Reserves	**55,817,225**	**2,680,994**	**825,014**	**53,961,245**
Grand Total	**66,713,146**	**4,790,121**	**875,014**	**62,798,039**

[1] Addition of $320,000 authorized in April 2010 replenished from 2009 General Fund expenditure savings

[2] Addition of $80,000 authorized in April 2010 replenished from 2009 General Fund expenditure savings

Reserve Summary *continued*

USES AND ADDITIONS HIGHLIGHTS

RESERVE	AMOUNT	DESCRIPTION
2009-10 Council Authorized Uses		
Contingency	$54,750	Verizon franchise negotiations
	$188,262	Hydrant Costs
	$272,000	2009 Firefighter Overtime
	$3,545	Return 2008 Interest Backfill to General Fund
General Capital Contingency	$64,000	Downtown Transit Center
	$43,800	NE 73rd Street Sidewalk additional funding
	$98,544	Return 2008 Interest Backfill to General Fund
	$60,170	Pandemic Flu Supplies
Revenue Stabilization Reserve	$1,082,380	Backfill General Fund revenue deficit
Building & Property Reserve	$125,000	Return 2008 Interest Backfill to General Fund
Council Special Projects Reserve	$2,000	Council Retreat facilitator
	$26,000	Funding for federal lobbyist services for 2009
	$25,000	Funding for Neighborhood Connections in 2010
	$20,000	Hopelink relocation
	$13,770	Flexpass program
	$12,506	Bank of America project review process
	$5,000	Council special investigation
	$12,400	Medical transport fee consultant contract
Excise Tax Capital REET 1	$2,349,314	Municipal Court Building purchase
Street Improvement Fund	$23,000	99th Place NE/100th Ave NE Sidewalk
	$9,567	2009 Annual Striping Program
Water/Sewer Capital Contingency	$54,000	Additional funding of $54,000 for telemetry system upgrades at Supply Station #2 to coincide with a City-wide upgrade of telemetry panels at other water facility sites.
	$128,000	Funding for the completion of the 2009 Water System Improvement Project.
	$17,200	NE 73rd Street Sidewalk (watermain replacement) additional funding
	$40,000	3rd Street Watermain Replacement
Water/Sewer Construction Reserve	$21,787	Bridle View Annexation Water System Purchase from Redmond
Surface Water-Transp. Related Rsv	$23,000	Downtown Transit Center (surface water component)
	$15,126	NE 124th Street/124th Ave NE Intersection Improvements (surface water component)
2009-10 Council Authorized Additions		
Excise Tax Capital REET 1	$266,078	Closed Capital Projects
Excise Tax Capital REET 2	$361,336	Closed Capital Projects
Major Systems Replacement Reserve	$197,600	Closed Capital Projects
Contingency	$50,000	Reimbursement from Verizon for franchise negotiations

The summary above details all Council authorized uses and additions to each reserve for the biennium through March 2010.

General Government & Utility Reserves Targets Summary

Reserves	Revised 2009-10 End Balance	2009-10 Target	Over (Under) Target
GENERAL PURPOSE RESERVES			
Contingency	1,855,958	4,915,571	(3,059,613)
General Capital Contingency	2,178,047	9,032,430	(6,854,383)
Park & Municipal Reserve:			
General Oper. Reserve (Rainy Day)	2,712,836	3,567,649	(854,813)
Revenue Stabilization Reserve	0	2,188,803	(2,188,803)
Council Special Projects Reserve	155,284	250,000	(94,716)
General Purpose Reserves with Targets	**6,902,125**	**19,954,453**	**(13,052,328)**
SPECIAL PURPOSE RESERVES			
Excise Tax Capital Improvement:			
REET 1	6,287,181	1,653,500	4,633,681
REET 2	8,495,431	8,477,130	18,301
Firefighter's Pension	1,590,102	1,103,000	487,102
Park & Municipal Reserve:			
Litigation Reserve	51,329	50,000	1,329
Water/Sewer Operating Reserve	1,799,424	1,799,424	0
Water/Sewer Debt Service Reserve	826,759	826,759	0
Water/Sewer Capital Contingency	2,779,040	3,018,240	(239,200)
Surface Water Operating Reserve	394,485	394,485	0
Surface Water Capital Contingency	617,690	617,690	0
Special Purpose Reserves with Targets	**22,841,441**	**17,940,228**	**4,901,213**
Reserves without Targets	**33,054,473**	**n/a**	**n/a**
Total Reserves	**62,798,039**	**n/a**	**n/a**

Use of the Revenue Stabilization Reserve was part of the budget-balancing strategy for the 2009-10 biennial budget.

The table to the left compares the revised ending balance to the targets established in the budget process for those reserves with targets.

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- Tracey Dunlap, Director of Finance & Administration
- Michael Olson, Deputy Director of Finance & Administration
- Sri Krishnan, Financial Planning Manager
- Neil Kruse, Senior Financial Analyst
- Karen Terrell, Budget Analyst
- Tammy McCorkle, Budget Analyst

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The Financial Management Report (FMR) is a high-level status report on the City's financial condition that is produced quarterly.

- It provides a **summary budget to actual comparison** for year-to-date revenues and expenditures for all operating funds. The report also compares this year's actual revenue and expenditure performance to the prior year.
- The **Sales Tax Revenue Analysis** report takes a closer look at the City's largest and most economically sensitive revenue source.
- **Economic environment** information provides a brief outlook at the key economic indicators for the Eastside and Kirkland such as office vacancies, residential housing prices/sales, development activity, inflation and unemployment.
- The **Investment Summary** report includes a brief market overview, a snapshot of the City's investment portfolio, and the City's year-to-date investment performance.
- The **Reserve Summary** report highlights the uses of and additions to the City's reserves in the current year as well as the projected ending reserve balance relative to each reserve's target amount.

Economic Environment Update References:

- *Consumers slowly show signs of springing back*, msnbc.com, March 30, 2010
- *Purchasing manager optimism about the same in Northwest,* Puget Sounds Business Journal, April 5, 2010
- Eric Pryne, *King County house prices post year-over-year rise for first time in 2 years,* Puget Sound Business Journal, April 6, 2010
- Lucia Mutikani, *Economy expands as consumer spending picks up*, Market Watch, April 30, 2010
- CB Richard Ellis Real Estate Services, Market View Puget Sound, First Quarter 2010
- Washington State Economic & Revenue Forecast Council
- Consumer Board Confidence Index
- U.S. Bureau of Labor Statistics
- Washington State Employment Security Department
- Washington State Department of Revenue
- Washington State Department of Labor & Industries
- City of Kirkland Building Division
- City of Kirkland Finance & Administration Department

April 2010 Financial Dashboard Highlights

May 24, 2010

- The dashboard report reflects the 2010 annual budget, including the budget adjustments adopted by the City Council during 2009 and in April 2010. The actual revenues and expenditures summarized in the dashboard reflect four months of data, which represents 33% of the calendar year.
- Total General Fund revenues are below expectations due to the following:
    - April sales tax revenue is up 9.9 percent compared to April 2009, in contrast to the decrease of 1.8 percent experienced in March. Sales tax revenue received this month is for activity in February. Year-to-date revenue performance is up 4.4 percent compared to the same period last year. However, a fairly significant one-time field recovery adjustment received this month skews both the monthly and annual comparison. Normalizing for this one-time event changes the monthly increase to about 6.8 percent and the year-to-date increase to about 3.3 percent. Note that the budgeted sales tax revenue has been adjusted downward to reflect the amended budget approved on April 20 related to the 3.4% compensation concessions.
    - Utility tax receipts are slightly below budget expectations, due to the warmer than average winter (gas/electric) and lower than average telecommunications collections.
    - The business license revenues year-to-date are ahead of last year, but below budget expectations.
    - Development revenues year-to-date continue to be below budget, however, there has been an increase in activity in March and April. Further discussion of April development activity follows the dashboard.
    - Gas tax revenues are falling short of expectations due to reduced usage resulting from increased prices (gas tax is collected on a per gallon basis).
    - Overall General Fund revenues include property tax collected in April and the first quarter Fire District 41 payment.
- Total General Fund expenditures are within expectations.
    - Overall, General Fund expenditures are trailing the budget, reflecting actions that have been taken to date to slow spending.
    - Fire Suppression overtime in April was $73,827, which is more than the monthly budget of $62,328. Overtime is at about 40% of budget, $52,779 higher than expected 33% of the way through the year.
    - Contracted jail costs are above budget expectations, but are expected to moderate as lower bed-day costs are realized due to new contracts.
    - Fuel costs are still below budgeted levels, but prices have risen over the past several months.

Attachments: April Dashboard
Development Services Highlights

City of Kirkland Budget Dashboard 5/21/2010

Annual Budget Status as of **4/30/2010** (Note 1)

Percent of Year Complete **33.33%**

	2010 Budget	Year-to-Date Actual	% Received/ % Expended	Status: Current Month	Status: Last Month	Notes
General Fund						
Total Revenues	56,675,573	15,672,107	27.7%			Property tax/FD41/EMS spike in 2Q
Total Expenditures (2)	60,159,143	19,088,373	31.7%			
Key Indicators (All Funds)						
Revenues						
Sales Tax	11,934,179	4,201,404	35.2%			Prior YTD = $4,041,305
Utility Taxes	10,983,789	3,610,152	32.9%			Warm weather impacting gas/electric
Business License Fees	2,998,723	960,789	32.0%			
Development Fees	2,313,662	710,032	30.7%			
Gas Tax	1,147,090	329,844	28.8%			
Expenditures						
GF Salaries/Benefits	41,176,243	13,020,367	31.6%			Excludes Fire Suppression Overtime
Fire Suppression Overtime	747,941	302,092	40.4%			
Contract Jail Costs	944,644	357,316	37.8%			
Fuel Costs	408,310	112,767	27.6%			

Status Key

Revenue is higher than expected or expenditure is lower than expected

Revenue/expenditure is within expected range

WATCH - Revenue/expenditure outside expected range

Note 1 - Report shows annual values during the second year of the biennium (2010).

Note 2 - Total budgeted expenditures exceed revenues due to planned use of reserves/cash balances to balance the budget.

n/a - not applicable

Development Services Report – April 2010

A review of the April 2010 permit data allows us to offer the following:

- The April 2010 statistics continue to be reversing the trend that we witnessed in 2009. New single family residential permit applications for April were up dramatically (10 applications received compared to 1 in April of last year) continuing the slight improvement we witnessed in the last half of 2009. In the past, when we have seen a downturn in new development permits, we have seen an increase in commercial tenant improvement permits and single-family remodel permits and that is indeed the case so far this year (116 applications year to date compared to 81 last year).

- While the monthly average for 2010 (194) is slightly higher than the monthly average for 2009 (184), the total number of permits received in April 2010 (184) is a marked improvement over April 2009 (152).

- Building Department revenue for April 2010 was $167,415, above our revised projected monthly revenue average of $162,771 for 2010. Year-to-date total revenue falls short of projections by $125,377 (or 19.26%). Revenue of $8,764 per month is being generated by loaning one Building Inspector to the City of Issaquah for the next 2 years. We have invoiced the City of Monroe $4,417 through April per our agreement to provide both plan review and inspection services on larger projects.

- Public Works Department development revenue for April 2010 was $62,904, which is above our monthly projected revenue average of $29,333. Year-to-date revenue is slightly ahead of projections by $4,954. Camwest has indicated that they will pick-up their Land Surface Modification Permit for the Merriwether Multi-Family project in Houghton in May or June; this permit will generate over $40,000 in review and inspection revenue for Public Works.

- Planning Department revenue for April 2010 was $28,965 which is above our adjusted monthly revenue average of $16,035 for 2010. Revenues have been above the monthly average for the past three months.

- The redesigned McLeod project (addition to Hector's) received DRB approval in December. We have entered into an agreement to be paid in advance for providing code compliance review services during the design process prior to receiving their building permit application. We expect them to apply for their permit this spring.

- Touchstone is continuing the design review process for the redevelopment of Park Place. Permits for buildings will be phased, probably beginning in 2010. Meanwhile, Development Review Services is in preliminary discussions with the Park Place design team to provide review services during the design process. As with the McLeod Project, this approach has the potential of generating substantial fees prior to the actual submittal of their permit applications and a shorter review period once they submit.

CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
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MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Kevin Nalder, Director Fire & Building
Jack Henderson, Deputy Fire Chief Operations

Date: June 5, 2010

Subject: JANUARY-MAY 2010 OVERTIME SUMMARY

As of May 31, 2010 the Kirkland Fire Department (KFD) has used $369,942 or 52.35% of the 2010 overtime budget to maintain daily minimum staffing levels. The total 2010 budget for suppression overtime is $747,942. As of June 1, 2010 there is $378,000 remaining in the 2010 overtime budget.

Background

The Kirkland fire service staffing consists of 81 line personnel assigned to 3 shifts:
"A" Shift - 27 line personnel
"B" Shift - 27 line personnel
"C" Shift - 27 line personnel

Negotiated contractual obligations allow for **scheduled leave** of duty:

4 Personnel off per shift on Kelly day each shift (contracted to obtain 48 hour work week)
4 Personnel off on vacation, holiday, physical fitness leave, furlough days, and community service day.

Consequently, up to eight personnel can be off on scheduled leaves per shift leaving a total of 19 line personnel to meet minimum staffing levels. A total of 18 line personnel are needed on shift each day in order to achieve minimum staffing levels. This allows for one line personnel per shift to cover for all personnel off duty due to **unscheduled leaves** (includes sick leave, disabilities, light duty assignments, military leave, court and jury leave, and bereavement leave).

In addition to scheduled and unscheduled leaves, there are currently three vacant positions in the department. One position has been vacant since November 2009. Retirements in March and May created another two vacancies. These vacancies have reduced the current number of employees available per shift from 27 to 26, leaving no personnel to replace personnel off duty due to unscheduled leaves. As a result, coupled with disabilities and the addition of furlough days, these vacancies created a higher than normal need to use overtime to cover these leaves in order to meet minimum staffing levels.

Personnel off duty for scheduled leave from January 1st thru May 31st were as follows:

Kelly day	562 shifts
Kelly admin. day	63 shifts
Vacation	133 shifts
Furlough	228 shifts
Holiday	81 shifts
Physical fitness leave	15 shifts
Community service day	21 shifts
Total	1,103 shifts

Personnel off duty for unscheduled leave from January 1st thru May 31st were as follows:

Sick leave	223 shifts
Disabilities	214 shifts
Light duty	39 shifts
Military leave	13 shifts
Court/Jury duty	21 shifts
Bereavement	2 shifts
Total	512 shifts

The total of 1,103 scheduled leave shifts and 512 unscheduled leave shifts equals 1,651 shifts. The average number of employees necessary to maintain minimum staffing level on a daily basis is derived by dividing the 1,651 shifts by the 151 days (January 1st thru May 31st) which equals 10.7 employees per day. If the department does not have any vacancies, there are 9 employees to cover for the scheduled and unscheduled leave shifts. During this 151 day period, it was necessary to have an average of 1.7 employees on overtime to maintain minimum daily staffing. (10.7 – 9 = 1.7)

Not all leaves need to be covered with overtime. There were 240 actual shifts covered during this time period using overtime budget to maintain daily minimum staffing level at 18 personnel on duty per shift. This translates to an average of 1.6 personnel per shift during this time period that was paid with overtime budget monies.

Three new firefighters will be added to the line personnel staffing on July 1, 2010 to fill vacancies that occurred earlier this year. This will return the actual number of employees per shift to 27. In mid-July another employee will retire which will reduce one of the three shifts back to 26 line personnel, requiring overtime coverage. This vacancy is assumed to be filled starting January 1, 2011. Some offsetting savings in regular salaries are achieved due to vacancies that partially offset the higher than normal overtime to backfill the vacancies; however, there are added salary costs associated with the leave payouts to retiring employees and salary overlap while the new recruits are in training. The net salary savings projected for these position changes is $24,415.

In addition to vacancies and unscheduled leaves, the department has four line personnel on light duty assignment. Although light duty assignments have great benefit to the department, it still requires line personnel coverage for the unscheduled leave of that employee until they return to full duty and their position on the line. There is also one employee on off duty disability. The light duty personnel may be returned to their line assignments by September

2010. This means that we will continue to be, on average, two line personnel below minimum daily staffing each shift until these firefighters are able to be released back to full duty. These two positions will continue to be covered using the overtime budget.

Overtime Budget Summary

The highest percentage of overtime usage typically occurs during the summer months due to scheduled vacations. From June 1st to September 30th, 2009, 42.19 % of the 2010 overtime budget had been utilized. In contrast, from October 1st to December 31st, 2009, 18.36% of the 2010 overtime budget had been utilized. Based on this comparative data, the current 2010 overtime budget could be exhausted by October 15, 2010. This data also suggests the overtime budget will be exceeded by approximately $221,200.

Overtime Budget	747,942
YTD Actual	<369,942>
Balance	378,000
Remaining Overtime Estimate	<599,200>
Overtime Deficit	<221,200>
Vacancy Salary Savings	24,415
Estimated Shortfall	<196,785>

As part of the 2010 Mid-biennial budget adjustment, the City Council approved a "hard cap" on overtime with the understanding that if it appeared as though the cap would be reached before year-end, staff would return to the City Council for direction. Options previously presented to Council are summarized below:

1. **Operate Below Minimum Staffing** -- KFD can implement a "rolling brownout" of fire stations on days when on duty personnel falls below the personnel necessary to maintain the minimum daily staffing level of 18. Under a rolling brownout, the City would not staff an engine company and an aid car, as is currently the practice. This would require other stations to cover calls that would otherwise be covered by the station that is understaffed for that shift. The specific station to be impacted would rotate so as not to impact one geographic area. This action is associated with a life safety risk to the citizens and firefighters. In addition, it appears that this action will create a breach of the MOU between the City and IAFF Local 2545 regarding the 3.4% salary concession for 2010 which states "no reduction to service to the community as provided in Directive 3.001 will occur". Based on 2009 data, October 15th through December 31st, it is estimated that during this same 77 day period in 2010 that one station would be understaffed approximately 67 days.

2. **Augment Overtime Budget** – The City Council could infuse an additional $196,785 into the fire department budget in order to maintain the minimum staffing level of 18 personnel per shift per day.

3. **Hire Additional Staff** – The City Council could authorize the hiring of additional line personnel in order to transition the cost of maintaining the minimum staffing level of 18 line personnel per shift, from overtime funding at time and half, to straight time funding. However, this option is not feasible in the current budget climate.

Attachment D

CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Tracey Dunlap, Director of Finance & Administration
Neil Kruse, Senior Financial Analyst

Date: May 25, 2010

Subject: May Sales Tax Revenue Analysis

Positive news again in May, revenue is **up 8.6 percent** compared to May 2009. Sales tax revenue received this month is for activity in March. **Year-to-date** revenue performance is **up 4.9 percent** compared to the same period last year. However, fairly significant one-time field recovery adjustments received this month and last skew both the monthly and annual comparison. Normalizing for these one-time events changes the monthly increase to about 6.9 percent and the year-to-date increase to about 4.1 percent. Receipts year-to-date are about $250,000 ahead of expectations; however that is about the same amount that gas and electricity utility tax revenues are lagging due to the warm winter weather.

Comparing May 2010 performance to May 2009, the following business sector trends are noteworthy:

- **Auto/gas retail** improved significantly again this month (up 38.3 percent or about $74,000). Virtually every dealership experienced positive performance compared to the same month last year.
- **Wholesale** is up 76.8 percent (about $38,000) this month, partially due to the previously mentioned field recovery. However, this sector has also been positively impacted from the streamlined sales tax sourcing rule change and is up about 32 percent factoring out the one-time recovery.
- The **services** sector is up 15.4 percent or about $19,000 largely due to technology services. This could also be due to development-related activity and from the change in streamlined sales tax sourcing rule.
- **Other retail** is up 10.8 percent for the month (about $13,000) primarily due to internet/catalog retailers, as well as the reclassification of one retailer from the general merchandise sector.
- The **miscellaneous** category posted the largest decline for the month (down 46.1 percent or about $35,000) primarily due to a one-time adjustment, but also due to declines in the real estate sector. Factoring out this one-time adjustment, the sector would be down about 23 percent (but the sector would still show the largest monthly decline).
- For the month, the **general merchandise/miscellaneous retail** sector is down 11.2 percent (about $17,000). Once again, this can be partially attributed to a reclassification of one significant business to a different sector and the impact from streamlined sales tax sourcing rules.
- The **retail eating/drinking** sector remains in negative territory again, down 9.8 percent or about $10,000.
- **Contracting** is even with the same month last year, up 0.2 percent (about $350).

Year-to Date Business sector review:

- Trends for retail sectors sales tax revenue remain consistent, collectively up 4.3 percent compared to the same period last year due to the improvement in auto/gas retail and other retail and despite declines in general merchandise/miscellaneous retail and retail eating/drinking.
    - The **auto/gas retail** sector is **up 18.5 percent** compared to the same period last year. As mentioned in the monthly analysis, sales revenue received this month (for activity in March) was especially strong. All major dealerships are experiencing positive performance over the course of the year so far.
    - **Other retail is up 9.8 percent** compared to the same period last year due to electronics, furniture, health care, and internet retailers, and despite significant declines in building and

garden retailers. This sector is possibly an example of the mixed blessing of the impact of the streamlined sales tax rule changes. Revenue from Internet retailers is up, but building and garden retailers is down. The local coding for sales tax revenue is destination-based, so products that are delivered are coded to the delivery location. Products delivered from a building/garden retailer located within Kirkland previously would have been coded to the retail location, but now they would be coded to the delivery location, which may be outside the City. Deliveries made from businesses outside the City to Kirkland homes are now coded to Kirkland. Previously these transactions would have been coded to the business location instead.

- The **general merchandise/miscellaneous retail** sector is **down 11.2 percent** compared to the same period last year. The factors remain the same as previous months: disappointing performance by key retailers, the reclassification of one significant retailer, and the impact of the streamlined sales tax sourcing rule change.
- The **retail eating/drinking** sector is **down 6.6 percent** compared to the same period last year, continuing the negative trend that started during the fourth quarter of 2008. While several restaurants that closed last year remain so, there are several that experienced gains this month, so the sector may be stabilizing.

- **Wholesale** is **up 38.7 percent** compared to the same period last year. The sector appears to benefit from streamlined sales tax sourcing rule changes as well as some potential development activity. However, a significant portion of the increase is due to the previously mentioned field recoveries (almost $40,000) resulting from Department of Revenue taxpayer audits. Normalizing for these one-time events brings this sector's year-to-date performance to about 22 percent ahead of last year.
- The **services** sector is **up 14 percent** compared to the same period last year, largely due to software, publishing and temporary agency services (all possibly impacted by streamlined sales tax rule changes). The accommodations sector improved compared to earlier in the year, up 4.1 percent compared to the same period last year.
- The **miscellaneous** sector is **up 1.6 percent** compared to the same period last year primarily due to manufacturing, most likely due to changes in streamlined sales tax sourcing rules and despite the significant one-time adjustment mentioned in the monthly analysis. Normalizing for the one-time adjustment, this sector would be about 7 percent ahead of the same period last year.
- The decline in the **contracting** sector continues to diminish compared to the significant declines experienced last year, **down 7.2 percent** year to date. However, compared to the same period in 2007, revenue is down by more than half (52% or about $742,000).
- The **communications** sector is **down 4.1 percent** compared to the same period last year due to changes in development activity as well as declining revenue from telecommunications companies.

City of Kirkland Actual Sales Tax Receipts

Business Sector Group	January-May		Dollar Change	Percent Change	Percent of Total	
	2009	2010			2009	2010
Services	602,800	687,118	84,318	14.0%	11.9%	13.0%
Contracting	750,885	696,634	(54,251)	-7.2%	14.9%	13.2%
Communications	194,541	186,549	(7,992)	-4.1%	3.9%	3.5%
Auto/Gas Retail	1,012,357	1,199,819	187,462	18.5%	20.1%	22.7%
Gen Merch/Misc Retail	833,539	740,257	(93,282)	-11.2%	16.5%	14.0%
Retail Eating/Drinking	460,776	430,571	(30,205)	-6.6%	9.1%	8.1%
Other Retail	634,754	696,793	62,039	9.8%	12.6%	13.2%
Wholesale	243,168	337,169	94,001	38.7%	4.8%	6.4%
Miscellaneous	316,269	321,324	5,055	1.6%	6.3%	6.1%
Total	**5,049,089**	**5,296,234**	**247,145**	**4.9%**	**100.0%**	**100.0%**

Streamlined Sales Tax Mitigation

The first quarterly 2010 payment of about $30,000 was received in March. The fixed 2010 quarterly payments were set at about $32,000. However, the mitigation payment is reduced for sales tax revenue received from businesses participating in the voluntary compliance program. The next payment will be received at the end of June.

Conclusion

While May continues a positive trend, the increases are single-digit compared to the double-digit declines experienced for most of 2009. As a result, even with the positive trends, 2010 revenue is more than $1.7 million behind 2007 and almost $1.1 million behind 2008. 2010 revenue was budgeted to remain flat compared to 2009, but actual performance year to date is almost 5 percent ahead. As mentioned earlier, the gain in sales tax revenue is offset by lower than expected utility tax revenue resulting from the warmer than average winter weather (gas/electricity) and lower telecommunications revenue.

Sales tax revenue remains the single largest source of General Fund revenue and therefore creates significant challenges to providing ongoing services when it falls as dramatically as it did last year. The three primary factors that have stabilized this volatile revenue source pose significant risks as well:

1. The auto/gas retail sector has contributed about 75 percent of the dollar gain in 2010 compared to 2009. This sector is especially economically sensitive.
2. Some sectors appear to be impacted from the streamlined sales tax sourcing rule changes (notably wholesale and other retail). These sectors also may be more dependent on discretionary spending and also influenced by development-related activity.
3. Although contracting remains in the negative for the year, it still has improved considerably from last year. The relative improvement is primarily the result of some large projects, several of which are public projects (Lake Washington High School replacement, Downtown Transit Center, and Lake Washington College Allied Health Building). If the general development activity doesn't recover as these projects are completed, this sector could revert to becoming a more significant drain on sales tax revenue.

On a national level, May consumer confidence continued to increase for the third consecutive month to 63.3, compared to April (revised to 57.7). May replaced last month as the highest index number in more than a year and a half—September 2008 was 61.4. The increase was boosted by consumers' outlook over the next six months (one component of the index), which was at its highest level since August 2007, before the recession began. The index reached an all-time low of 25.3 in February 2009.

The Commerce Department announced that the U.S. economy grew at an annualized rate of 3.2 percent for the first quarter of 2010. This compares to the first quarter of 2009, which shrank by 6.4 percent—the lowest point in the deepest recession since the 1930's. Despite three straight quarters of economic growth, the recession still has not been declared officially over. The National Bureau of Economic Research, which determines the lengths of business cycles, said this month that it "would be premature" to set a date marking the end of the recession and the start of an economic expansion. The primary concern is the continuing high unemployment rate. Although job growth has returned, the national unemployment rate remains high, at 9.9 percent as of April (latest available).

Consumer spending was up 3.6 percent (annualized) for the first quarter of 2010. However, there are signs that unstable stock market prices may be impacting consumer spending, especially for big-ticket items. This could create a damper for the recovery.

The May update to the Washington State Economic and Revenue Forecast Council remains consistent with last month. First quarter 2010 economic indicators continue to improve, along with job growth. But, similar to the national situation, the unemployment rate remains high and construction activity is still lagging. They predict that the unemployment rate in Washington State will peak in the current quarter and start improving as the year progresses.

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

MEMORANDUM

APPROVED BY:
DAVID RAMSAY
CITY MANAGER

To: Tracey Dunlap, Director of Finance & Administration

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

Date: February 12, 2010

Subject: **Internal Services Division Staffing Proposal**

In 2009, the Internal Services Division (ISD) was created bringing together under one umbrella Facilities Maintenance, Fleet Management, and Public Works Maintenance Center Administration. This is a change from the previous structure under Erin Leonhart.

There have been several significant changes to the workload of this division since it was created. Primary among these changes is the responsibility for space needs relative to the newly approved annexation. While this work was anticipated as part of the pending annexation, the planning and implementation needs are currently far greater than the resources available to the ISD Manager. This proposal outlines an approach to securing resources to assist the ISD Manager with annexation-related City facility development.

Due to aggressive management of the Facilities Services budget during 2009, there has been a savings of $329,000 of which $20,000 remains earmarked for projects that were started in 2009 but not yet completed. The following are the major areas where we were able to achieve savings:

- Additional reductions in janitorial services above the mandatory reductions
- Performance of repairs and maintenance items in-house, where possible
- Energy conservation measures
- Reduced professional services contract scope
- Reduced overtime and standby needs
- Minimal repairs and maintenance at City Rental Facilities
- Held off on purchases of small tools and minor equipment if the technicians were able to purchase a small part at minimal cost to repair the tool/equipment. Resulted in more time to make repairs but at a cost savings
- Minimal repairs needed at the Fire Stations, Maintenance Center, and North Kirkland Community Center in 2009
- Replacement of equipment through Lifecycle extended the need for repairs or maintenance at some facilities

In addition to savings through the aforementioned areas, the Facilities budget savings also includes $57,000 that was added to the budget for solid waste collection during the mid-biennial update in late 2009. Facilities Services had already planned, and did, address the solid waste collection in City facilities by other means including rates adjustments until the 2011/2012 budget process. This $57,000 can be returned to its original funding source.

In an effort to provide the ISD Manager with more time to make the immediate space needs a priority, and yet still manage the ISD effectively, we are proposing the use of funding from 2009 budget savings for one-time expenditures on the following:

1. **Increase the Maintenance and Inventory Control position from its current 0.75 FTE to 1.0 FTE level.**

   This position is approved at 0.5 FTE and an additional 0.25 FTE (temporary component of the position) has been funded with savings in Professional Services from the 2007-2008 biennium; the position is now funded at 0.75 FTE through the end of 2010. Our current proposal would utilize an additional $40,836 worth of Professional Services funds saved in 2009 to add an additional .25 FTE ($21,118) which will allow us to complete all of 2010 at full time and 0.5 FTE ($19,718) for January 2011- May 2011 at full time. At the end of May 2011, the position would revert to 0.5 FTE.

   See attachment for current duties performed by Maintenance and Inventory Control position within the 0.75 FTE. Management of the janitorial services has grown to be a major component of the position and needs additional attention. If the Maintenance and Inventory Control position was allowed to revert to 0.5 FTE at the end of 2010, some of the tasks would be assumed by the ISD Manager and the Facilities Technician Lead.

   In addition, this position can assume the management of the rental properties which includes the processing of rental property checks, working with the property management company, and tracking rents for processing of Leasehold Excise Tax payments. Some administrative assistance for space needs may be included.

2. **Hire a temporary 1.0 FTE Facilities "Project Engineer".**

   We propose the hiring of a temporary Project Engineer that will be dedicated to Facilities at 1.0 FTE through May 2011; the approximate 14-16 month temporary position would utilize $141,000 of fund savings from the 2009 budget.

   This position will be key to implementing the City facilities long-needed for the Police Department as well as other expanded facilities. Duties assigned would include assisting the ISD Manager through planning and design of City Facilities that include the City Hall expansion/remodel or potentially a separate Public Safety building, expansion of the Maintenance Center Facilities, and various tenant improvements of leased facilities. The position would also assist in the planning and implementation of other interim facilities. The role and responsibilities associated with the position will most closely align with the role and responsibilities that are now required in the Capital Projects Division and held by the Project Engineers.

3. **Delegate additional duties to from ISD Manager to the Management Analyst.**

   It is proposed that the Management Analyst will take a greater role in assisting with resource conservation efforts partnering with the ISD Manager. In this capacity, the Management Analyst will be the Public Works Maintenance "Ambassador" on promoting sustainability efforts such as recycling and energy conservation, administration of the Climate Protection Action Plan including tracking and reporting status of greenhouse gas emissions reductions annually to City Council, reporting for Energy Efficiency and Conservation Block Grant (EECBG) and future grants, compiling data for Utility Resource Conservation reports to City Council, and generate Professional and/or General Services contracts, as needed. Proposed

changes will have no financial impact however will require current Management Analyst duties be reprioritized.

2009 Budget savings & surplus solid waste funds	**$ 329,255**
Needed to complete projects initiated in 2009	$ (20,000)
Return of solid waste funds to source	$ (57,114)
Increase Maintenance & Inventory Control FTE	$ (40,836)
Hire temporary Facilities Project Engineer	$ (140,745)
Balance of savings remaining in Facilities budget	**$ 70,560**

If you have any questions, please feel free to contact Donna Burris at 425.587.3931 or by email at dburris@ci.kirkland.wa.us. If you concur with this proposal, please sign below and this will be forwarded to the City Manager Office for their concurrence.

I concur Tracey Dunlap — 2/17/10
Tracey Dunlap, Finance Director — Date

I concur _____ _____
David Ramsay, City Manager — Date

Attachment

Inventory Maintenance Control .50FTE (.75 FTE 2009-2010)

Manage work order system:

- Convert email request to a work orders & track cost
- Close out work orders when work is complete.
- Track inventory of janitorial supplies, lighting, HVAC filters
- Manage card key system
- Track and issue building keys
- Maintain Preventive Maintenance scheduling

Purchasing:

- Janitorial supplies
- Office supplies
- Lighting
- HVAC filters
- Misc. supplies

Bill Paying/IFAS

Issue and track all purchase orders distributed. Pay utilities bills for all outlying buildings as well as all invoices for supply and repair parts purchased.
Reconcile Visa statement

Utility Tracking:

Track the cost of all utilities (Water, Sewer, Storm, Gas, Electric) for budget purposes.

Additional duties as assigned:
Manage the janitorial contract
Assist with any budget preparation as needed
Manage Nextel phone systems
Maintain filing systems
Assist with any special projects as needed
Back up phones and front counter at MC as needed

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3225
www.ci.kirkland.wa.us

MEMORANDUM

Date: **May 25, 2010**

To: **Marilynne Beard, Interim City Manager**

From: **Paul Stewart, Deputy Planning Director**
Eric Shields, Planning Director

Subject: **Annexation Area Shoreline Master Program Budget Request (File No. ZON06-00017)**

Recommendation

City Council authorize $13,750 for environmental consulting services, public notice and public involvement from the Council Special Projects Reserve to incorporate the annexation area into the City's Shoreline Master Program.

Background

The City recently completed its update to the Shoreline Master Program (SMP) as required by state law and has submitted it to the Department of Ecology (DOE) for final review and approval. DOE action is anticipated to be completed by the end of June, 2010.

King County is moving ahead with its own SMP and it is expected to be completed by the end of 2010 or early 2011. We have been advised by DOE that absent a Kirkland SMP on the date of annexation, the County's SMP would be in effect. Staff would recommend that it would be best if Kirkland's SMP for the annexation area is completed and in place by the June 1, 2011 effective date. This would enable the City to have a consistent set of regulations and procedures throughout the city. As a result it would minimize confusion and save time and costs for both permit applicants and staff by not having to review applications under the County's SMP rules. Otherwise the City would be implementing and administering the County's SMP.

Staff has already begun preliminary work in preparation of incorporating the annexation area into the City's Shoreline Master Program. Given the estimated time of one year needed to prepare the SMP for the annexation area and for the Department of Ecology to review, hold a public hearing, submit comments, and approve the SMP, we need to begin that process now in order to complete it by June 1, 2011.

In order to complete the work, staff would need $13,750 in funding for environmental consulting services, public notice and public involvement. A fiscal note prepared by the

Finance Department is included as Attachment A. The costs are broken down as noted below:

$12,550	Shoreline Environmental Consulting (The Watershed Company & Stacy Clauson, Shoreline Planner)
$ 1,200	Mail out notice to property owners.
$13,750	

Due to budget constraints, this is an adequate, but "bare bones" approach. Much of the baseline work was done when the City did the inventory and characterization report in 2006. In anticipation of the possibility of annexation, we included the annexation area in this study. However additional work is required.

Environmental consulting expertise is needed to have a sufficient and science-based SMP. The primary tasks for professional services involve:

- Determining the shoreline environment designations.
- Amending the Restoration Plan.
- Revising the Cumulative Impact Analysis.
- Reviewing the regulations (piers, bulkheads, setbacks, etc.).
- Attendance at public meetings (Planning Commission and City Council) and the public hearing before the Planning Commission.

With the exception of some multi-family housing near Juanita Beach and the O.O. Denny Park, the annexation shoreline area is all single family homes. Since we already have the basic SMP framework in place, the effort need not be as extensive as was needed for the City's SMP.

In order to minimize costs, one public workshop and one public hearing would be held. Staff would maintain a web page and prepare informational materials. If desired, additional public events with mail-out notice could occur but would run about $1,000 - $2,000 per meeting.

FISCAL NOTE

CITY OF KIRKLAND

Source of Request

Paul Stewart, Deputy Planning Director

Description of Request

Request for $13,750 from the Council Special Projects Reserve for environmental consulting services, public notice and involvement to incorporate the annexation area into the the Shoreline Master Plan.

Legality/City Policy Basis

Fiscal Impact

One-time use of $13,750 of the Council Special Projects Reserve. The reserve is able to fully fund this request.

Recommended Funding Source(s)

	Description	2010 Est End Balance	Prior Auth. 2009-10 Uses	Prior Auth. 2009-10 Additions	Amount This Request	Revised 2010 End Balance	2010 Target
Reserve	Council Special Projects Reserve	271,960	136,676	80,000	13,750	201,534	247,900
	2009-2010 Prior Authorized Uses of this reserve include: $2,000 for Council Retreat facilitator, $26,000 for federal lobbyist services, $25,000 for Neighborhood Connections program, $20,000 for Hopelink's relocation, $13,770 for the Flexpass alternative program, $5,000 for Council requested special investigation, $12,506 for the Bank of America review, $12,400 for Medical Transport consultant fee and $20,000 for Parkplace Development agreement legal/financial services. 2009-10 Prior Authorized Addtions include: $80,000 transfer from General Fund approved by Council on April 20, 2010.						
Revenue/Exp Savings							
Other Source							

Other Information

Prepared By	Neil Kruse, Senior Financial Analyst	Date	June 1, 2010

Attachment G

Updated Schedule
2011-2012 Budget & 2011-2016 CIP Timeline
Council/Finance Committee Key Dates

MAY	
2011-2016 CIP Presentation at Council Meeting	May 18
JUNE	
Core Services Exercise to Council (provided at meeting)	June 15
Council Input on Core Services Exercise Due	June 30
JULY	
Annexation Service Package Discussion at Special Study Session	July 20
August	
Core Services Discussion at Special Study Session	August 4
SEPTEMBER	
Public Hearing on Proposed Revenue Sources	September 21
Public Hearing on 2011-2016 CIP	September 21
Regular Finance Committee Meeting – Budget Update	September 28
OCTOBER	
Finance Committee Review of Budget Issues and Process (Special Meeting)	October 12
City Manager's Proposed Budget to City Council and Public	October 21
Regular Finance Committee Meeting – Budget Update	October 26
Council Budget Work Session (3 – 9pm)	October 28 (Thurs)
NOVEMBER	
Council Study Session	November 2
Potential Public Hearing for Budget Input	November 2
Council Study Session	November 8 (Mon) if needed
Public Hearing on Proposed 2011-2012 Budget	November 16
Preliminary 2011 Property Tax Levy	November 16
DECEMBER	
Budget Adoption & Final Property Tax Levy	December 7
2011-2016 CIP Adoption	December 7

ORDINANCE NO.4247

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2009-2010.

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2009-2010 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 Mid-year 2010 adjustments to the Biennial Budget of the City of Kirkland for 2009-2010 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:

Funds	Current Budget	Adjustments	Revised Budget
General	121,032,104	272,311	121,304,415
Lodging Tax	791,648	0	791,648
Street Operating	9,577,812	0	9,577,812
Cemetery Operating	210,362	0	210,362
Parks Maintenance	2,227,124	0	2,227,124
Recreation Revolving	2,890,797	0	2,890,797
Contingency	2,598,660	0	2,598,660
Cemetery Improvement	586,574	0	586,574
Impact Fees	4,151,098	0	4,151,098
Park & Municipal Reserve	11,528,172	0	11,528,172
Off-Street Parking Reserve	217,610	0	217,610
Tour Dock	126,275	0	126,275
Street Improvement	2,833,503	0	2,833,503
Grant Control Fund	222,924	0	222,924
Excise Tax Capital Improvement	22,396,187	0	22,396,187
Limited General Obligation Bonds	2,585,729	0	2,585,729
Unlimited General Obligation Bonds	2,687,388	0	2,687,388
General Capital Projects	42,989,570	359,567	43,349,137
Grant Capital Projects	18,307,402	23,000	18,330,402
Water/Sewer Operating	46,202,650	0	46,202,650
Water/Sewer Debt Service	3,505,639	0	3,505,639
Utility Capital Projects	18,399,331	0	18,399,331
Surface Water Management	12,946,027	0	12,946,027
Surface Water Capital Projects	11,238,517	0	11,238,517
Solid Waste	18,578,902	0	18,578,902
Equipment Rental	13,599,185	0	13,599,185

Funds	Current Budget	Adjustments	Revised Budget
Information Technology	10,167,580	0	10,167,580
Facilities Maintenance	9,373,036	0	9,373,036
Firefighter's Pension	1,634,077	0	1,634,077
	393,605,883	654,878	394,260,761

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 15th day of June, 2010.

Signed in authentication thereof this 15th day of June, 2010.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

2010 Mid Year Budget Adjustment Summary

Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source: Internal Transf./Chrg.	Funding Source: Reserves	Funding Source: Resources Forward	Funding Source: External Revenue	Funding Source Notes
General Fund									
Housekeeping	PCD	Shoreline Master Plan-Annexation Area	13,750	13,750		13,750			Council Special Project Reserve
Other Adjustment	CM	Cultural Council Staffing Support	14,500	14,500				14,500	4Culture Grant-King County/ARRA Grant from NEA
Other Adjustment	CM	Artist Brochure	7,000	7,000				7,000	Community Trade & Economic Development Grant
Other Adjustment	HR	e-CityGov Staffing Backfill	9,984	9,984				9,984	External Revenue
Other Adjustment	PK	Parks Disposal Bags and Signage	9,000	9,000				9,000	King Conservation District Grant
Other Adjustment	PK	Green Kirkland Environmental Stewardship Program	26,077	26,077	26,077				Green Kirkland CIP
Other Adjustment	PCD	Tree Canopy Analysis	10,000	10,000				10,000	Department of Natural Resources Grant
Other Adjustment	PCD	Expedited Plan Review Program-Internal Staffing	2,000	2,000				2,000	Expedited Review Revenue
Other Adjustment	PD/FB	Public Safety Equipment	150,000	150,000				150,000	Community Oriented Policing Services Grant
Other Adjustment	FB	Emerg. Prep. Sheltering/Volunteer Mgt. Program Development	30,000	30,000				30,000	Emergency Management Performance Grant
General Fund Total			**272,311**	**272,311**	**26,077**	**13,750**	**-**	**232,484**	
OTHER FUNDS									
General Capital Projects Fund									
Housekeeping	IT	Permit Plan Replacement-additional funding	200,000	200,000		200,000			Technology Major Systems Replacement Reserve
Housekeeping	PW	2009 Annual Striping Program CST 0980-additional funding	9,567	9,567		9,567			Street Improvement Reserve
Housekeeping	FB	Public Safety Equipment	150,000	150,000				150,000	Community Oriented Policing Services Grant
General Capital Projects Fund Total			**359,567**	**359,567**	**-**	**209,567**	**-**	**150,000**	
Grant Capital Projects Fund									
Housekeeping	PW	100th Av. NE/99th Pl. NE Sidewalk CNM 0060-additional funding	23,000	23,000		23,000			Street Improvement Reserve
Grant Capital Projects Fund Total			**23,000**	**23,000**	**-**	**23,000**	**-**	**-**	
Facilities Maintenance Fund									
Other Adjustment	PW	Facilities Staffing	94,033	-					Facilities Expenditure Savings
Facilities Maintenance Fund Total			**94,033**	**-**	**-**	**-**	**-**	**-**	
TOTAL OTHER FUNDS			**476,600**	**382,567**	**-**	**232,567**	**-**	**150,000**	
TOTAL ALL FUNDS			**748,911**	**654,878**	**26,077**	**246,317**	**-**	**382,484**	

Council Meeting: 06/15/2010
Agenda: New Business
Item #: 11. c.

CITY OF KIRKLAND
City Attorney's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3030
www.ci.kirkland.wa.us

MEMORANDUM

To: City Council

From: Robin S. Jenkinson, City Attorney

Date: June 9, 2010

Subject: Employment Agreement for Kurt Triplett

RESOLUTION APPROVING EMPLOYMENT AGREEMENT:

The attached resolution approves, and authorizes the Mayor to execute, an employment agreement with Kurt Triplett as the new Kirkland City Manager, with Mr. Triplett reporting to work beginning June 28, 2010. The terms and conditions specified in the employment agreement are within the parameters provided to Council's executive recruiter by the Council.

BACKGROUND DISCUSSION:

The City Council directed Bob Murray of Bob Murray & Associates, the Council's executive recruitment firm, to make a formal offer of employment to Mr. Triplett. The employment offer was accepted and an agreement was negotiated with the terms directed by the City Council. An employment agreement formalizing the terms of the new City Manager's employment is now before the Council for action.

RESOLUTION R-4822

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN EMPLOYMENT AGREEMENT BETWEEN THE KIRKLAND CITY COUNCIL AND KURT TRIPLETT, ITS CITY MANAGER.

Be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The Employment Agreement for the City Manager of the City of Kirkland, attached hereto as Exhibit "A" and by this reference incorporated herein, is approved by the Kirkland City Council to be its agreement as to terms and conditions of employment with Kurt Triplett as Kirkland City Manager.

Section 2. The Mayor is authorized to sign an Employment Agreement which is substantially similar to that attached as Exhibit "A" on behalf of the City of Kirkland and its City Council.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2010.

Signed in authentication thereof this _____ day of _____, 2010.

_____
MAYOR

Attest:

_____
City Clerk