
CITY OF KIRKLAND

CITY COUNCIL



Amy Walen, Mayor • Penny Sweet, Deputy Mayor • Jay Arnold • Dave Asher
Shelley Kloba • Doreen Marchione • Toby Nixon • Kurt Triplett, City Manager

Vision Statement

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

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

AGENDA

KIRKLAND CITY COUNCIL MEETING

City Council Chamber

Tuesday, July 1, 2014

7:30 p.m. – Regular Meeting

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

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
4. *EXECUTIVE SESSION, 6:00 p.m.*
 - a. To Discuss Labor Negotiations
5. *HONORS AND PROCLAMATIONS*
 - a. Park and Recreation Month Proclamation
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
 - a. International Association of Firefighters (IAFF) Presentation to Mayor Walen
 - b. Recognition of Kirkland EnviroStars and Green Business Program Businesses

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

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

QUASI-JUDICIAL MATTERS

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

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

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

8. CONSENT CALENDAR

a. Approval of Minutes: June 17, 2014

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

c. General Correspondence

d. Claims

e. Award of Bids

(1) Annual Street Preservation Program, 2014 Phase II Street Overlay Project, Watson Asphalt Paving Co, Inc., Redmond, Washington

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

(1) Resolution R-5062, Authorizing the City Manager to Enter into a Purchase and Sale Agreement for the Sale of Real Property Known as 11515 NE 118th Street, Kirkland, Washington, and Declaring the Property to be Surplus.

h. Other Items of Business

(1) Investment Advisory Services

(2) Resolution R-5063, Authorizing the City Manager to Allocate \$7,000 from the City Council Special Projects Reserve Fund to Provide Funding to Imagine Housing for Supportive Services at the Velocity Housing Development Project in 2014.

(3) Ordinance O-4447 and its Summary, Relating to Land Use and Zoning, Amending Ordinance O-4446 to Correct Scrivener's or Clerical Errors in the Adopted Interim Zoning Regulations Regarding the Retail Sale of Recreational Marijuana, Providing for Severability, and Approving a Publication Summary.

(4) Streets and Parks Levy Accountability Reports:

(a) Resolution R-5064, Adopting the 2013 Streets Levy Accountability Report for Proposition 1 – Streets and Pedestrian Safety Levy.

(b) Resolution R-5065, Adopting the 2013 Park Levy Accountability Report for Proposition 2 – Parks Maintenance, Restoration and Enhancement Levy.

(5) 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.

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.

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.

- 9. *PUBLIC HEARINGS*
- 10. *UNFINISHED BUSINESS*
 - a. Emergency Sewer Program Options Report
- 11. *NEW BUSINESS*
 - a. Ordinance O-4448 and its Summary, Relating to Long Term Right-of-Way Use and Amending Chapter 19.04 and Section 5.74.070 of the Kirkland Municipal Code.
- 12. *REPORTS*
 - a. *City Council Reports*
 - (1) Finance and Administration Committee
 - (2) Planning, and Economic Development Committee
 - (3) Public Safety Committee
 - (4) Public Works, Parks and Human Services Committee
 - (5) Tourism Development Committee
 - (6) Regional Issues
 - b. *City Manager Reports*
 - (1) Calendar Update
- 13. *ITEMS FROM THE AUDIENCE*
- 14. *ADJOURNMENT*



CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Linda Murphy, Recreation Manager
Jennifer Schroder, CPRP, Parks & Community Services Director

Date: June 16, 2014

Subject: Park and Recreation Month Proclamation

RECOMMENDATION

That the Mayor proclaims the month of July as "Park and Recreation Month" in Kirkland.

BACKGROUND DISCUSSION

Since 1985, the National Recreation and Park Association has designated the month of July as "Park and Recreation Month." Each year Recreation facilities and parks across the country use July to celebrate the kick-off of summer programming

Kirkland's diverse park system includes more than 588 acres of parkland and open spaces, including community and neighborhood parks and natural areas. The City's 12.8 miles of trails and park paths connect people to parks, neighborhoods and other community destinations.

As part of this year's celebration, Kirkland Parks and Community Services has tied into the national campaign and is prominently promoting July as national "Park and Recreation Month" in the display cases at both community centers and at City Hall. The department has also planned many activities to keep the community active and involved including the Kirkland Steppers, beach volleyball at Juanita Beach, Friday Night Market, learn-to-swim classes, fitness opportunities, a variety of youth day camps, sports leagues and many more programs and classes.

Kirkland's parks and recreation activities are an essential component of Kirkland's identity and quality of life. It is fitting that the Council will be adopting the Park Levy Accountability Report at the same meeting the Mayor will proclaim July as Park and Recreation Month. Together the two actions demonstrate the importance of parks and recreation programs to our citizens who voted to tax themselves for parks, as well as how seriously the City Council and staff are committed to providing an outstanding parks and recreation system that serves the needs of, and is accountable to, the residents of Kirkland.

Adam White, Chair of the Kirkland Park Board, will accept the proclamation.



A PROCLAMATION OF THE CITY OF KIRKLAND

Designating July, 2014 as "Park and Recreation Month" in the City of Kirkland, Washington

WHEREAS, since 1985, the National Recreation & Park Association has designated the month of July as "Park and Recreation Month;" and

WHEREAS, local park and recreation agencies are leaders in protecting our open space, connecting children to nature, and providing education and programs that engage communities in conservation; and

WHEREAS, park and recreation departments lead the nation in improving the overall health and wellness of citizens and fighting obesity; and

WHEREAS, public parks and recreation agencies fundamentally ensure that all people have access to resources and programs that connect citizens and make our communities more livable and desirable; and

WHEREAS, the City of Kirkland's Parks and Community Services Department's 2800 programs serve over 25,000 enrolled participants annually, touch the lives of individuals, families, and groups and positively impact the social, economic, health, and environmental quality of the community; and

WHEREAS, parks, recreation activities, and leisure experiences provide opportunities for young people to live, grow and develop into contributing members of society and creates lifelines and continued life experiences for older members of our community; and

WHEREAS, the City of Kirkland's 48 parks, 588 acres of parks and open space, 12.8 miles of trails, playgrounds, playfields, outdoor pool, recreation programs and community centers make Kirkland, Washington an attractive and desirable place to live, work, play, and visit; and

WHEREAS, the Kirkland City Council recognizes the vital contributions of the City of Kirkland's dedicated parks and recreation employees and volunteers; and

NOW, THEREFORE, I, Amy Walen, Mayor of Kirkland, do hereby proclaim July as "Park and Recreation Month" and encourage all citizens to celebrate by participating in their choice of recreation and leisure activities with family, friends and neighbors.

Signed this 1st day of July, 2014

Amy Walen, Mayor



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: J. Kevin Nalder, Director of Fire and Building Services

Date: June 19, 2014

Subject: IAFF Special Presentation to Mayor Walen

RECOMMENDATION

Council receives a special presentation from International Association of Firefighter's Local 2545 President Bryan Vadney and Vice President Seth Buchanan acknowledging Mayor Amy Walen's recent participation in Fire Ops 101.

BACKGROUND INFORMATION

Fire Ops 101 is an event hosted by the International Association of Firefighter's (IAFF) Local 2545 and the Washington Council of Firefighters inviting elected officials, senior city management and representatives of the media to spend a day participating in controlled training ground scenarios replicating functions performed by firefighters. The purpose of the event is to educate attendees about the "time critical, highly technical, and labor intensive" nature of the work performed by firefighters. The goal is to educate attendees through experience on the complex issues facing the fire service like staffing, adequate equipment, and presumptive health.

Mayor Amy Walen took time out of her busy personal and professional life and demanding schedule as a City of Kirkland elected official to attend Fire Ops 101 at the Volpentest HAMMER Training and Education Center in Hanford, Washington on May 1-2, 2014. Mayor Walen spent a hands-on day as a first responder; fighting fires, performing search and rescue in smoky and no visibility atmosphere, pulling hose, extricating a patient from a vehicle, performing resuscitation and transporting a cardiac arrest patient, using heavy fire power tools, climbing a 100 foot aerial ladder up and over a parapet wall at the top. And she performed most of these tasks while wearing 75 lbs. of personal protective equipment on a balmy 95 degree day. Kirkland Firefighter Seth Buchanan shadowed Mayor Walen throughout the day's events. Captain Bryan Vadney and Fire Chief Nalder attended providing support during the day's events.

IAFF Local 2545 President Bryan Vadney and Vice President Seth Buchanan will present a slideshow overview of the day's events and present Mayor Walen with a keepsake in appreciation for attending the event and applaud her stamina and fortitude completing all nine of the scenarios at the training facility.



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Stephanie Gowing, Recycling Programs Coordinator
John MacGillivray, Solid Waste Programs Lead
Marilynne Beard, Interim Public Works Director

Date: June 17, 2014

Subject: RECOGNITION OF KIRKLAND ENVIROSTARS AND GREEN BUSINESS PROGRAM BUSINESSES

RECOMMENDATION

Staff recommends that the City Council recognizes businesses participating in the King County EnviroStars Program and the City of Kirkland's Green Business Program. The presentations will be made by Laurel Tomchick, EnviroStars Manager and Stephanie Gowing, Kirkland Recycling Programs Coordinator and administrator of the Kirkland Green Business Program.

ENVIROSTARS PROGRAM BACKGROUND

The EnviroStars Program was created in King County in 1995 as a service of the Local Hazardous Waste Management Program. It has since been adopted across the region in Jefferson, Kitsap, Pierce, Skagit, Spokane, and Whatcom Counties. The mission of EnviroStars is to provide assistance and incentives for smaller businesses to reduce hazardous materials and waste in order to protect public health, municipal systems, and the environment. More information on the EnviroStars Program can be found in *Attachment 1*.

EnviroStars:

- Is well-respected, well-known and encompasses a wide range of green business behaviors;
- Has strong brand equity among consumers and the business community; and
- Has certified more than 700 businesses region-wide.

There are currently 22 Kirkland-based EnviroStars businesses. These businesses range from dry cleaners and auto body repair shops to dentists and property managers. To receive two stars, businesses must demonstrate properly managing hazardous waste and set a specific goal to reduce hazardous materials and waste over the next year. To receive three stars, businesses must identify ways to reduce hazardous materials and waste in cleaning practices, product and waste storage, purchasing and inventory management. To receive four stars, businesses must

show how environmental responsibility is built into their operations, marketing, management, and tracking/accounting systems. To receive the highest rating, which is five stars, businesses must demonstrate proactive leadership, spreading an ethic of environmental stewardship and greener practices such as energy and water conservation and solid waste reduction. The Kirkland businesses participating in the EnviroStars Program are listed below:

Five Stars

Advanced Laser Solutions, Inc.
Bakker's Fine Drycleaning
Clean Air Lawn Care – Eastside
Dr. Colin Del Rosario, DDS
Houghton 1 Hour Cleaner
King County Housing Authority – Alpine Ridge Apts
Kirkland Dental – Teresa K. Yagi, DDS
L-M Body Shop
Lake Washington Institute of Technology – Landscaping
Midas Auto Service Experts

Three Stars

Bel-Kirk body Shop, Inc.
Firestone Complete Autocare
King County Housing Authority – Juanita Court
Lake Washington Institute of Technology – Machine Technology
Northwest Center for Implants and Periodontics – Dr. Martin Rabin, DMD, PS

Four Stars

Carillon Point Marina
Classic One Cleaners
Crystal Cleaners
Mock and Mock, DDS
Dr. Troy Thomas, DMD

Two Stars

Am Test, Inc.
George's Eastside Shell

KIRKLAND GREEN BUSINESS PROGRAM

Kirkland's Green Business Program was developed in 2007 through a collaborative effort between the City's solid waste and economic development staff, the Greater Kirkland Chamber of Commerce, and Puget Sound Energy and has recognized 96 businesses. Businesses can participate in several program categories to include waste reduction and recycling, energy and water conservation, transportation, green building, and pollution prevention. Businesses may apply on the City website in any one or more program categories and, if approved, each business receives free digital logos, window cling decals, a signed letter from the City Manager, and their name and summary of its sustainable efforts on the City website. The list of current participants in the Kirkland Green Business Program can be found in *Attachment 2*.

KIRKLAND GREEN BUSINESS RENOVATION

Due to flagging participation, in January 2014, Solid Waste allocated grant funding to hire Cascadia Consulting to assess the program and provide recommendations to make improvements and increase participation. For more details on the assessment, please see *Attachment 3, Kirkland Green Business Program Audit (February 2014)*.

The overarching consultant recommendations were to:

- Conduct a survey on what Kirkland Businesses want in the renovated program;

- Join cooperative, regional efforts of several jurisdictions and pool resources to create a “one-stop shopping” experience for the business community; and
- Identify and implement strategies to attract new customers for participating businesses.

REGIONAL GREEN BUSINESS PARTNERSHIP

Subsequent to the Cascadia evaluation, EnviroStars and the cities of Kirkland, Bellevue, and Seattle formed a regional partnership to pool resources and collaborate on the development of a regional green business certification program intended to be rolled out in 2015. While the details of the new program are still being discussed and negotiated among the founding partners, the ultimate goals for the new program for Kirkland and its partners are to:

- Standardize program categories and checklists across the region;
- Listen to the business community and integrate key findings of the business survey;
- Provide an external and modern business registration web portal/website unique to each City (Retain City individuality);
- Simplify and streamline ability for businesses to receive technical assistance and recognition and achieve recertification;
- Pool resources to maximize affordability, brand equity, and marketing support; and
- Support sustainability in the business community.

NEXT STEPS

After the details of the regional green business program are finalized, staff will bring the topic to the appropriate City Council subcommittees for input and discussion. In the interim, please direct any questions about the new Kirkland Green Business Program to Stephanie Gowing, Recycling Programs Coordinator at (425) 587-3814 or sgowing@kirklandwa.gov.

- Attachment 1: EnviroStars brochure
- Attachment 2: KGBP Participants
- Attachment 3: Kirkland Green Business Audit Report

ENVIROSTARS

is a public agency program certifying businesses that protect the environment by properly managing and reducing hazardous materials and waste. Customers are looking for businesses that display the EnviroStars certified logo.

BENEFITS OF BECOMING AN ENVIROSTARS CERTIFIED BUSINESS

- Free advertising for your business
- Brand enhancement
- Customer acquisition
- Strengthen supplier & agency relationships
- Improve access to capital
- Operational efficiencies
- Reduced regulatory burden
- Improve employee retention/productivity
- Inspire innovations
- Material & disposal cost savings
- Show how you are protecting water quality, climate, and the community.

PROGRAM REQUIREMENTS

- You are located in a member county.
- You do not generate large quantities of hazardous waste.
- You set a goal to prevent pollution by reducing hazardous materials and waste, or improving environmentally sustainable practices.

HOW TO BECOME AN ENVIROSTAR

- Schedule a free on-site consultation to review waste management practices and EnviroStars qualifications by calling 877-220-STAR(7827) or by visiting the Web site, www.envirostars.org and selecting your county.
- For more information about the EnviroStars program, or to request the EnviroStars worksheet, call toll free 877-220-STAR(7827). You can also visit us on the Web at www.envirostars.org.

“The environment is important to us. We’re not just business owners. We own land, we have kids.”

– Reto Filli, Owner, Circle and Square Global Car Service
Port Hadlock, WA

Public concern about the environment is higher today than ever before.



ENVIROSTARS SM

“Environmental awareness is everyone’s responsibility; if we don’t do it, who will? Working with EnviroStars is a very good place to get started.”

– Jim Kurlle, Auto Body Experts
Poulsbo, WA

THE ENVIROSTARS RATING SYSTEM

The EnviroStars rating system is based on your company’s commitment to hazardous waste reduction. *The more proactive you are, the higher your star rating, and the more recognition you receive.*

2 Star Rating
★★

- A certificate of recognition signed by your local elected official.
- A window decal showing your EnviroStars rating to the public.
- The EnviroStars certified logo to use in your marketing efforts.
- Promotion on our Web site (www.envirostars.org).

3 Star Rating
★★★

- All of the above, *plus*:
- Be highlighted in radio advertisements.

4 Star Rating
★★★★

- All of the above, *plus*:
- Be featured in newspaper ads, articles and other media.

5 Star Rating
★★★★★

- All of the above, *plus*:
- Be featured in special promotions, such as print ads and community events.
- Be considered for environmental achievement awards, such as the Washington State Governor’s Award for Pollution Prevention and Sustainable Practices.

“We are only as healthy as the environment in which we live. If we influence our environment in a positive way, we will positively influence the health of our community.”

– Daniel J. Gallacher, DDS
Tacoma, WA



The City of Kirkland recognizes these Kirkland Green Businesses

7 Dragons Acupuncture
Acupuncture & Chiropractic Excellence
 Acupuncture & Chiropractic
 Integrative Clinic
Allyis
 ArmaGetem Pest Control
Associated Earth Sciences, Inc.
 Avalon Juanita Village
Axis Surveying and Mapping, Inc.
 Bird Busters
Brittany Flowers of Kirkland
 Cafe Veloce
Chameleon Technologies, Inc.
 Champagne Design
CHOICE Insurance, LLC
 City of Kirkland
Clocktower Media
 Cutuli Construction
Dahn Yoga
 Dairne Miller
D'Amico Photography
 Dr. Colin Del Rosario, DDS
Eastside Audubon
 Eastside Community Aid Thrift Shop
Eastside Veterinary Associates
 ECO Cartridge Store
 Edward Jones

Epicurean Edge
Fena Flowers
 First Rate Insurance
Google
 Greater Kirkland Chamber of Commerce
Green Apple Events & Catering
 Green Auto Detail
Helga Simmons Interior Design, LLC
 Honda of Kirkland
Juanita Hills Animal Hospital
 Kenworth Truck Company
Kevin G. Otto, DDS, PLLC
 Kirkland Bike Shop
Kirkland Boys and Girls Club
 KirklandViews.com
Lake Washington Christian Church
 Landis+Gyr
Leatherback Printing
 Les Amis Hairdressers
Livengood, Fitzgerald & Alskog
 McLeod Autobody
MTI Physical Therapy of Kirkland
 Mu.shoe
My Auto Pro
 Neil Levinson Enterprises
Otak, Inc.
 PACE Engineers

Page & Beard Architects, PS
 Pamela K. Wilcut, P.S.
Parrotia Promotional Services, LLC
 SaraHenna
Schmidt Financial Group, Inc.
 Simplicity Decor
Telford Pianos
 The Blueline Group
The Catering Company
 The Grape Choice
The Holistic Health Co.
 The Water Shed Company
The Woodmark Hotel
 Totem Lake Apartments
Totem Lake Vision Center
 Transpo Group
Triad Associates
 Twelve Baskets Catering
Violin & Viola Study of Kirkland, Inc.
 Viridis Salon
Virtiax
 Voldal Wartelle & Company, P.S.
Warehouse Demo Services
 Waste Management of Washington, Inc.
WebSight Designs
 WoodBold LLC
Zing HQ

The Kirkland Green Business program is funded through the Washington State Department of Ecology Coordinated Prevention Grant and recognizes businesses that adopt principles, policies, and/or practices that improve the quality of life for its customers, employees, and community.

2014

Kirkland Green Business Program Audit Summary of Findings and Recommendations



City of Kirkland

Public Works Department

February 2014

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Introduction and Overview

In 2013, the City of Kirkland hired Cascadia Consulting Group to complete an assessment of the **Kirkland Green Business Program**. The review covered current strengths and opportunities for improvement, as well as key decisions for program managers and staff members to address in the following key program topic areas:

- A. Categories and actions.**
- B. Application process and website.**
- C. Incentives, engagement, marketing, and recertification.**

Information on the evaluation process methodology is included in the next section. The evaluation process included:

- Program background research.
- A review of national green business engagement programs.
- Development of a survey of current program participants and non-participating businesses.

This summary report presents key findings and recommendations from the program evaluation for each of the key program topic areas listed above. Recommendations are based on the findings from the program background research and review of leading green business programs, as well as Cascadia's professional experience evaluating and implementing business assistance programs. Preliminary findings and recommendations were presented to program staff to obtain their comments and suggestions.¹ Cascadia considered this feedback in preparing the evaluation summary, though the recommendations do not necessarily represent majority or consensus opinions of program staff.

This summary presents findings and recommendations; Cascadia anticipates a follow-up effort with the City of Kirkland to develop these recommendations into an implementation strategy or action plan, identifying roles, responsibilities, and timelines for moving forward with improvements to this vital program. The follow-up effort should include administering the survey of current participants and non-participating businesses designed for this evaluation project. Feedback obtained should be evaluated and incorporated into any future program updates.

¹ Note that this document frequently uses *staff* and *staff member* broadly to include Kirkland Green Business Program specialists, program coordinators, and managers/directors.

Project Methodology

Cascadia conducted analysis and developed findings related to the Kirkland Green Business program model, program categories and actions, application process and website, incentives, engagement, marketing, and recertification process using two key approaches: 1) review of background documents and web resources and Kirkland’s business profile and 2) review of national green business engagement programs and meetings with program managers. Cascadia also created a survey of current program participants and non-participating businesses to gather additional information about the program’s strengths and opportunities for improvement. The survey will not be administered as part of this initial evaluation process.

Program Background Research

Cascadia reviewed the existing program categories and actions, the application process and website, current service offerings and program support resources, marketing materials, and existing reports, studies, and other documents that Kirkland Green Business Program staff provided. Documents covered the origins of the program, program strategies and activities, prior evaluations and surveys, business assistance workflows, and past data tracking. Cascadia also reviewed Kirkland’s business profile. A summary of this profile is provided in the [Key Findings on Current Program Model](#) section of this report.

Review of National Green Business Engagement Programs

Cascadia staff identified leading business outreach programs around the country for research. The list of programs included in this research is provided in Table 1 below. Cascadia drew this list primarily from the recently completed “National Summit on Green Business Engagement Programs Summary Report.”² In addition, Cascadia included two other local programs for comparison and possible future collaboration. Cascadia also reviewed several other programs which are mentioned throughout this report, but not included in the summary table.

Table 1. Green Business Engagement Programs Elsewhere Included in Research

Jurisdiction	Program Researched
State of California	California Green Business Program
District of Columbia	DowntownDC Business Improvement District
City of Saint Louis	St. Louis Green Business Challenge/ICLEI
City of Austin	Austin Green Business Leaders Program
City of Seattle	Get on the Map Campaign
Seven Washington Counties	EnviroStars Program

² “National Summit on Green Business Engagement Programs”. ABetterCity.

http://www.abettercity.org/docs/Summit_for_Green_Business_Engagement_Programs_Booklet_2%20May%202013.pdf

For each program, Cascadia gathered information through reviewing online materials and published reports. Cascadia also connected with many of these program managers to verify information. The research was intended to recognize successful program elements and lessons learned from challenges that programs elsewhere faced. In addition to researching the programs above, Cascadia:

- Participated in webinars to review two leading green business program web platforms from GreenPSF and the California Green Business Program and evaluate their potential use in Kirkland.
- Facilitated meetings with two members of the newly formed Green Business Engagement National Network to identify national green business program trends.
- Attended a meeting with staff from the City of Kirkland and VueWorks, a resource and service request management software vendor, to evaluate the possible integration of City tracking systems with the new green business program web platform.

Information gathered from the review of national green business engagement programs is included in the Key Findings sections throughout this report and summarized in a table for each program reviewed in the [Appendix](#). The summary tables for each program include the following metrics:

- Program name
- Website
- Primary contact name, email, phone, address
- Number of program staff
- Geographic area covered by the program
- Number of business participants
- Services offered through program
- Primary goal of program
- Marketing and communication services
- Program funding sources
- Distinguishing feature

Development of a Survey of Current Participants and Non-Participating Businesses

Cascadia designed a survey of Kirkland businesses that will inform improvements to the Kirkland Green Business Program. Cascadia helped Kirkland staff members define a primary goal for the survey, which is to assess the needs, interests, and preferences of businesses and organizations in Kirkland regarding the *future* Green Business Program, and not to assess the existing program. In particular, the survey is intended to:

- Obtain input on key decisions Kirkland will need to make, such as what types of assistance to offer.

- Understand differences in needs, interests, and preferences among organizations based on key characteristics, such as sector or size. For example, a large IT firm may have different needs from a small IT firm and from a small food-service business.

To obtain feedback on specific program materials—such as a new website or promotional materials—focus groups, one-on-one interviews, or user testing may be more appropriate data collection methods.

Because the Kirkland Green Business Program seeks to serve all businesses located in the city, the target audience for this survey is representatives of all businesses and organizations, such as educational institutions, in Kirkland. The ideal respondents are managers, owners, or representatives who understand their organization’s environmental practices/policies and decision-making considerations.

To reach these target respondents, Cascadia recommends that the City of Kirkland use a web-based survey (designed in SurveyMonkey) distributed through direct emails from the City and by Kirkland business associations.

Table 2. Program Evaluation Distribution Methods

Distribution Method	Distribution Recommendations
Direct Email from City	The City should directly email survey links to current green business program participants and other businesses for which Kirkland has email addresses (such as through the Kirkland Business Roundtable, Kirkland First directory, a permits and business license database, or other lists). Cascadia recommends using the mail merge function to send an invitation individually to each business. Invitations sent through SurveyMonkey or as group emails are more likely to be labeled as spam.
Kirkland Business Associations	The City should also engage associations and organizations serving Kirkland businesses to distribute the survey invitation either by emailing their distribution lists, including a link and blurb in their e-newsletters, or posting a link on their websites. Organizations may include: <ul style="list-style-type: none"> ■ Kirkland Downtown Association/ Greater Kirkland Chamber of Commerce ■ Kirkland Networkers ■ Green Kirkland Partnership
Other Methods	If these distribution methods do not result in a sufficient number of responses after a month and after sending at least one reminder, Kirkland could also: <ul style="list-style-type: none"> ■ Attend and distribute paper versions of the survey at business association meetings. ■ Include a link to the survey in the City’s newsletter after modifying the survey instrument to screen out respondents that do not represent businesses. ■ Offer incentives to respond.

Cascadia recommends using a unique SurveyMonkey collector link for each distribution channel—including individual collectors for each business association—to track how many respondents came from each distribution channel. In particular, it is important to understand whether one channel accounted for a disproportionate share of respondents.

A final survey draft can be found in the [Appendix](#).

1. Current Program Model

The evaluation examined both past and current program materials and included meetings with program staff to review the program over time. The evaluation process also included gathering basic information about Kirkland’s business community to help better tailor recommendations for program updates. A summary of Kirkland’s business community and key findings on the current program and model are summarized below.

Kirkland Business Profile

- The City of Kirkland has a diverse business community, including a highly educated and tech-savvy workforce. There are a number of nationally recognized organizations in the area, including Google, Go Daddy, Inrix, and Kenworth Truck Company. In 2012, Kirkland registered over 8,000 businesses employing over 31,000 people.
- The largest employers in the City are EvergreenHealth (2,603 employees), Google, Inc. (625 employees), and City of Kirkland (575 employees). Other top employers include Kenworth Truck Company, Evergreen Pharmaceutical LLC, IBM Corporation, WB Games, Inc., ATG Stores, Fairfax Hospital, Fred Meyer, Wave Broadband, Lake Vue Gardens Convalescent Center, Toyota of Kirkland, Lake Washington Institute of Technology, and Griptonite Games.
- Kirkland has a large number of home-based businesses. Approximately 40 percent of Kirkland companies are home-based, owned by IT consultants, software developers, artists, business people, entrepreneurs, and other members of the cottage industry.
- Roughly 45 percent of Kirkland businesses are in the service sector, including technology companies, attorneys, finance and insurance brokers, and web-related services firms.
- Over 10 percent of Kirkland businesses are in the retail sector, including restaurants, automotive dealers and auto supply stores, and gift shops.
- Kirkland is also known for its Lake Washington waterfront, which includes various businesses offering boat sales, boat repair, and moorage services.
- The City has eight distinct business districts— Downtown Kirkland, Carillon Point, Yarrow Bay, Juanita Village, Market Street Corridor, 85th Street Corridor, and Totem Lake East and West.
- Networking is important to business leaders in Kirkland. Some notable professional organizations include the Greater Kirkland Chamber of Commerce, Kirkland Downtown Association, and the Washington Technology Industry Association.

Roughly 45% of Kirkland’s businesses are in the service sector.

Other key sectors include construction (10%), retail trade (10%), health care (9%), and accommodation and food service (7%).

Key Findings on Current Program Model

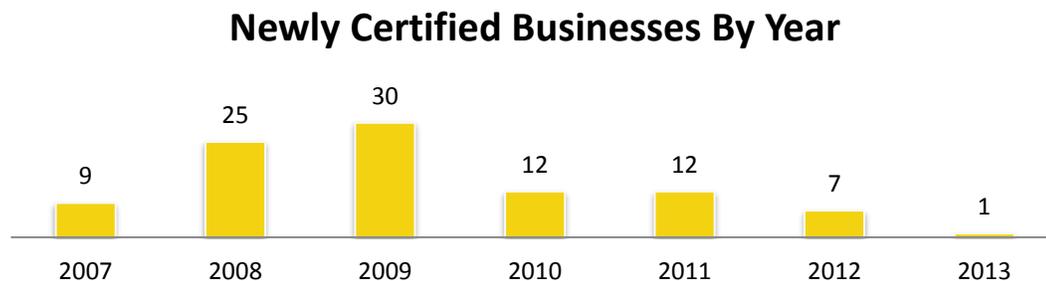
- **Kirkland’s Green Business Program is intended to:**

- Motivate businesses of all sizes—from international companies like Google to one of Kirkland’s many home-based businesses—to take new actions and apply best management practices (BMPs) to conserve resources and protect the environment.
- Recognize businesses for the good actions they have already adopted.
- Help most businesses in Kirkland take basic actions across all environmental topic areas and support those businesses that want to take advanced actions.
- **The target audience for Kirkland’s Green Business Program** is businesses and organizations (such as educational institutions, non-profit agencies, and government entities) in Kirkland that could use assistance to:
 - Improve recycling and composting programs.
 - Conserve energy.
 - Conserve water.
 - Reduce health and environmental risks from toxic or hazardous chemicals.
 - Reduce the risk of stormwater pollution.
 - Reduce the risk of wastewater pollution, such as fats, oils, and grease.
 - Increase the use of alternative transportation methods (non-single occupancy vehicles), including public transit, vanpool, carpool, biking, walking, and rideshare programs.
 - Implement green building best practices.
 - Reduce air pollutants and greenhouse gas (GHG) emissions.
 - Grow or use food produced organically and locally and help sustain local community feeding programs.
- **Leading programs around the nation utilize web-based platforms with interactive content** and the ability to target content to specific users, track outcomes, and provide direct referrals to program partners within the platform. The current Kirkland Green Business Program website and application process offer limited functionality and use of emerging technology. Many of the leading green business programs included in the evaluation research utilize web-based platforms that allow users to create their own profile, update and track green action adoption information over time, and link directly to resources and partners that can help encourage the implementation of additional actions.
- **Smaller cities struggle to fund green business engagement and certification programs** and can benefit from partnering on and leveraging regional programs. For example, the City of Kirkland has benefited from the regional King County-Cities Climate Collaboration to reach regional businesses through the GreenTools program. There is a growing trend nationally for developing regional or even statewide green business programs. Local efforts include the Eastside Green Business Challenge, a program serving seven cities, including Kirkland, and the EnviroStars program, currently serving seven counties throughout the state of Washington. The California Green Business Program is a statewide program that operates a shared web platform and single landing webpage while offering individual cities and counties the option to tailor materials, marketing, and green actions to meet the needs of each community. The California Green Business Program recently applied for a grant from the Environmental Protection Agency to

share and customize their web platform with six other interested states across the country. Regional or statewide programs offer smaller cities the opportunity to share the costs of the design and development of marketing and outreach materials, web platforms, and other operating expenses. The potential for increased participant exposure beyond City limits can also be an added incentive for businesses to participate.

- **Leading green business programs use a host of activities to incentivize business participation.** They provide incentives such as cash rebates for specific actions, market the program broadly, conduct direct outreach to draw in new participants, and maintain interest and relevance through recertification. Kirkland Green Business Program participation has become stagnant and could benefit from increased incentives for participation, direct engagement, program marketing, and mandatory recertification. Kirkland's Green Business Program was started in 2007, and there are currently 96 participants. The number of new participant signups peaked in 2009 at 30 participants (see Figure 1 below). Just one new participant was certified in 2013. The City has not been able to put significant efforts into marketing the program in recent years and requested this evaluation project to assess opportunities for improvements.

Figure 1. Newly Certified Businesses By Year



Recommendations for Current Program Model

Recommendations based on the key findings related to Kirkland's Green Business Program model are presented under the applicable topic areas below: A) Categories and Actions; B) Application Process and Website; and C) Incentives, Engagement, Marketing, and Recertification.

A. Categories and Actions

The main categories of green actions and specific actions included in green business programs vary broadly, based largely on the goals of the program and on available support resources. Some programs choose to feature only actions that they can help businesses implement through available program resources and partners. And others choose to offer a more comprehensive list of actions, with referrals to general web resources for implementation assistance. The number and types of actions should be chosen to maximize utilization of program resources and referrals to program partners and to appeal to the broadest range of potential participants, from Kirkland's largest companies to its many home-based businesses.

Key Findings on Categories and Actions

- **The current list of Kirkland Green Business Program categories is comprehensive and consistent with other programs.** The current categories of actions include Waste Reduction and Recycling, Water Conservation, Pollution Prevention, Energy Efficiency, Transportation, Green Power, and Green Building. There are opportunities to consolidate similar categories, such as Energy Efficiency and Green Power, to eliminate categories such as Green Building that do not have many associated resources, and to consider adding other categories related to community engagement or stewardship.

- **Leading programs elsewhere limit the specific actions based on available program resources to support implementation.** Overall, the number of specific green actions in Kirkland's program (141) is higher than many programs, including other large City programs such as the Austin Green Business Leaders (92) and Seattle's Get on the Map campaign (64). Successful programs offer a comprehensive list of actions without overwhelming businesses by including too many, or by including those that are not applicable to the specific business applicant. GreenPSF achieves this by using a web-based green action checklist with the ability to filter actions based on business criteria such as sector, number of employees, location, whether they are in a property-managed or owner-occupied space, etc. This information is collected in the initial application phase, and then subsequent actions, resources, rebates, and partners are filtered accordingly.

Figure 2. Current Kirkland Green Business Program Activity Categories



Recommendations for Categories and Actions

Recommendations for action format and website layout

- **Encourage businesses to go beyond actions they have already implemented by:**

- **Adding live hyperlinks to resources, information, available rebates, and implementation partners for specific actions.** For example, under the *Complete a fats, oils, greases (FOG) inspection* action in Kirkland’s current *Pollution Prevention* Category, include a link to information on how to locate and inspect your grease trap, a direct link to available rebates or resources for new equipment, or a referral to a list of possible grease trap maintenance and FOG recycling service providers.

Figure 3. The GreenPSF platform provides a direct link to available rebates, incentives, and partners for green action implementation

The screenshot shows a user interface for the GreenPSF platform. At the top, there are two tabs: "Operations and Maintenance | Fats, Oils, Grease" (active) and "Operations & Maintenance". Below the tabs is a header "Inspect grease traps and service as needed". The main content area is divided into two columns. The left column contains a photograph of a kitchen sink with a grease interceptor underneath, circled in orange, with the label "Grease Interceptor" below it. The right column contains the text: "What is a grease trap or grease interceptor and how does it work?" followed by a paragraph explaining that grease traps and interceptors are designed to keep fats, oils, and grease (F.O.G.) from entering sewer lines. Below the text is a form with a dropdown menu set to "We plan to implement this", a date field "MM/DD/YYYY", and an "Update Status" button. At the bottom, there are two action buttons: "6 matching solutions providers serving your location." with a "Search Solutions Provider Network" button, and "6 potential incentives to increase your return on investment." with a "Find Incentives" button.

- **Creating a custom field under each action for capturing interest** in getting more information on how to implement that action, or for noting plans to implement an action in the future. This information could be used to assign business follow-up to implementation partners.
- **Cross-referencing other related actions** when a business indicates they have completed an action in one category. For example, Kirkland currently provides information on setting up a compost program under the *Limit or eliminate use of garbage disposal* green action under the *Water Conservation* category.
 - **Ensure any links to program or partner resources are active and routinely updated.** As of the time of this report, the link to PSE’s online energy audit under the Energy Efficient Practices section does not work.

Recommendations for action language, categories, and point values

- **Consolidate related action categories.** For example, the Green Power category could be combined with the Energy Efficiency Category. The category could simply be called Energy or Energy Conservation and Renewable Energy. Categories that do not have custom actions or

sufficient City support resources could be eliminated or worked into other categories, such as Green Building.

- **Update individual actions to be consistent with other local or national green business programs.** Using wording consistent with actions from other sustainability programs, like EnviroStars or LEED, allows for easier referrals from and to other programs. Kirkland already offers credit for being certified under these two programs under two different action categories. Other actions could be updated under the Water Conservation, Energy Efficiency, and Pollution Prevention categories to cross-reference these programs.
- **Work with other City program managers** to make sure the full list of actions is complete and consistent with available City resources, rebates, and other local programs. City staff are already involved in the [Interagency Resource for Achieving Cooperation](#) (IRAC) and could use this network to identify specific actions and resources other local jurisdictions may recommend incorporating into Kirkland's program.
- **Tailor point values for specific actions to match your program goals.** For example, if your primary goal is to encourage advanced action adoption, consider assigning smaller point values to basic actions, and exponentially higher point values for more advanced or in-depth actions. If your main program goal is service equity across business sectors and sizes, add higher point values to actions that are widely applicable and ensure there are enough actions relevant to all sectors and sizes to become certified, including Kirkland's many home-based businesses.

B. Application Process and Website

Creating an engaging and user-friendly application process and program website can help increase program participation and satisfaction. An effective green business program website creates a seamless user experience—promoting program participation and benefits, facilitating easy sign-up and profile creation, capturing actions already taken, providing information, resources, and incentives to take additional actions, and allowing for easy data retrieval and reporting.

Key Findings on Application Process and Website

- **Leading programs nationally use web-based platforms for their application process and overall program website that:**
 - Allow users to create their own profile and update green action adoption information over time.
 - Clearly outline the application process, and show applicants where they are at in the application process on every page or when they log in to their account.
 - Use interactive content to drive action adoption as outlined in the [Recommendations for Categories and Actions](#) section above.
 - Incorporate ways to manage customer referrals to service providers.
 - Track interactions with businesses and follow-up assignments to program administration and implementation partners within the platform.
 - Create reports on a variety of information, from number of participants in a particular zip code or sector to resource conservation savings associated with actions implemented by participants.
 - Tailor user experience, available green actions, available rebates, incentives, and other support resources based on information collected in the application process, including business size, sector, and zip code.
 - Highlight successful participants with case studies, videos, and testimonials.

Figure 4 Get on the Map Account Sign Up Page

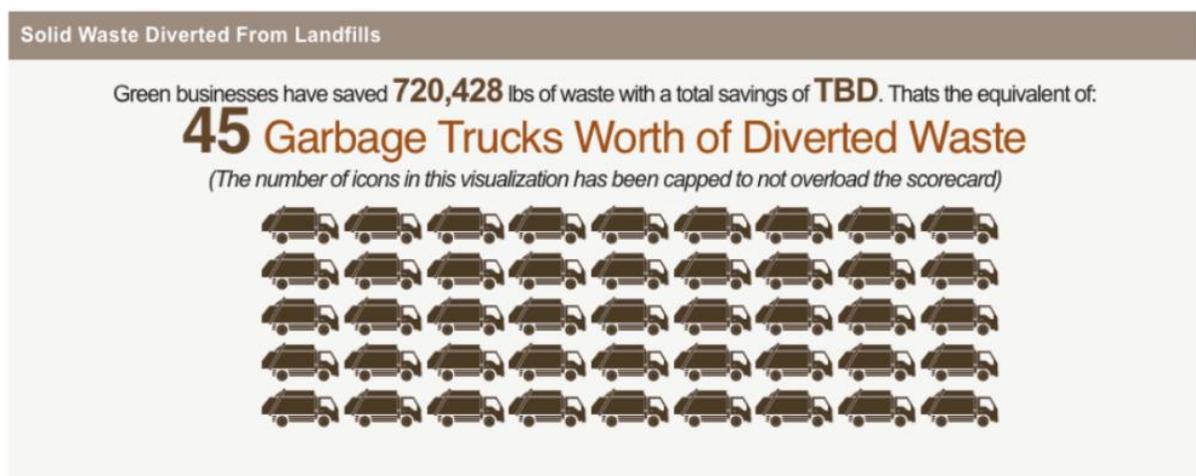
Recommendations for Application Process and Website

- **Transition the Kirkland Green Business Program landing page and application to an existing green business program web platform such as GreenPSF or the version used by the California Green Business Program to take advantage of advanced features and the best practices listed**

above. Program costs could be reduced for Kirkland by partnering on the launch of a regional program, where customization costs are shared by participants. More recommendations on joining a regional effort are provided in the next section.

- **Utilize customer relationship management (CRM) software** to help track green business program participant requests, interactions, referrals to service providers, specific actions taken, and resource conservation outcomes. CRM software could be built into the new web platform, or purchased separately for use by other City departments and linked to the web platform for efficient green business program data import and export.
- **Outline the application process more clearly for potential participants.** Basic steps should include **1) Create a profile** and enter basic business information **2) Select the actions you have already taken** and those you would like help and resources to implement **3) Get onsite action verification and implementation assistance** and **4) Get recognized.** Applicants should be able to check on their application status and make and save updates to their applications.
- **Reduce the need for redundant data entry.** Under the current Kirkland Green Business program, businesses have to enter redundant information to get certified under each category. Automate the process wherever possible by populating fields with known data from previous steps in the application process.
- **Create a seamless process for importing existing data** on current participants into the new platform, and for exporting information for reporting to internal and external stakeholders. The new external green business program web platform could be connected with the City's existing web resources to facilitate referrals and information to City staff that are not connected to the green business program.
- **Add interactive content to feature participating businesses.** This could include business photos, videos, and resource and cost savings information, and links to the social media sites of participants. More information on participant engagement is provided in the next section.
- **Request specific metrics for green actions businesses implement** to allow for reporting on aggregate activity outcomes.

Figure 5. Savings Information for Solid Waste Actions from the California Green Business Program



C: Incentives, Engagement, Marketing, and Recertification

Green Business Programs use a host of activities to incentivize businesses, engage them in specific actions, market to new participants, and maintain interest and relevance through recertification. Effective strategies to maintain business interest are critical. Upon launch, programs are met with excitement among members of the business community, a willingness to participate, and an expectation that the program will help differentiate the business in the market by recognizing its green actions. For these reasons, membership spikes early, but unfortunately tapers within 2-3 years unless there are specific tactics implemented to continue engagement and excitement among businesses. Such tactics fall into four categories: 1) Incentives, 2) Engagement, 3) Marketing, and 4) Recertification.

Key Findings for Incentives, Engagement, Marketing, and Recertification

Incentives

Businesses respond to incentives that matter to them. Green actions are often promoted as cost-saving opportunities for businesses. While cost savings are an important motivator, the most appealing incentives are those that help businesses attract new customers, as well as incentives that help businesses stand out among their peers and receive recognition as a leader. An important consideration for providing meaningful business incentives is that businesses operate beyond a city and sometimes region, depending on the type of business. Programs use the following incentive tactics to help businesses attract new customers or stand out among their peers.

- Regional Marketing Efforts.** Regional program such as EnviroStars, the Eastside Green Business Challenge, the California Green Business Program, and the GreenPSF Green Business Challenge are cooperative efforts of several jurisdictions that pool resources to market and promote their programs across a broader territory. Because most businesses draw customers from across a geographic region, these cooperative efforts provide more incentive for business involvement than smaller, individual programs.
- Advertising.** Advertising is considered an expensive tactic because of the volume of media buys required to rise above the clutter and get noticed. But programs are finding new methods of advertising that rely less on volume and more on targeting green-leaning customers through unique channels. Seattle's Get on the Map Program successfully reaches its green audience through a unique partnership with Chinook Book, the printed and online sustainable business coupon collection. When programs purchase

Figure 6. Get on the Map Sponsored Mobile Chinook Book Coupon Pack



advertising, Chinook Book offers additional promotion including 1) promoting membership in the green business program to other Chinook Book businesses, 2) attaching the program logo to the business listing through online “push notifications” and listings that differentiate the business from others in the book.

- **Marketing Collateral.** Decals, window clings, posters, and other visuals for display are relatively low cost, and showcase the business’s accomplishment to existing customers. However, they may not be as effective at attracting new customers, and decals are only effective if they are broadly recognized among customers. This widespread brand awareness is only achieved through high volume advertising. The EnviroStars program enjoys brand awareness in King and other participating counties as a result of steady brand awareness-building over time.

Engagement

Engagement tactics maintain interest in the program and activities, and help businesses feel they are part of a community in which new activities are happening that they want to learn about or be a part of. For a program, engagement tactics provide opportunities to introduce priority green actions and gain momentum toward achieving sustainability outcomes. The most successful engagement tactics are success stories and challenges.

- **Success stories.** Business owners love to see their name and pictures in print or online. Many program websites now feature inspiring stories about businesses by highlighting their accomplishments, quoting devoted employees, posting pictures, and including vendor information and customer quotes that illustrate achievements. The business story page is frequently refreshed to maintain interest for returning visitors, and existing stories remain on the site. New success stories can be easily promoted via social media channels. Other programs, like Seattle’s Community Power Works, report that success story pages are among the most visited on the program’s website.
- **Challenges.** Launching a challenge is a tactic that is getting increased attention through the GreenPSF and ICLEI Green Business Challenge. Appealing to and capitalizing on the competitive nature of businesses as the primary motivator, challenges engage members to be the best among their peers or in their building during a distinct period of time and on a specific set of activities. Challenges are a terrific way to build excitement about the program.

Figure 7. City of Austin Green Business Leaders Video Case Study



Figure 8. GreenPSF Green Business Challenge Leaderboard

Leaderboard		View All Standings
Rank	Property	Points
1	The Realtor Building	1300
2	Northcross Shopping Center	800
3	Miami Green Lab	500
3	Delray Marketplace	500
3	Schatz Plaza	500

Marketing

In addition to challenges and advertising, marketing may include events to recognize member accomplishments. The Eastside Green Business Challenge hosts an annual recognition event. Seattle Business Magazine’s Green Washington Awards is another well-attended, annual green business event. There is a large pool of nominees, a panel of judges, and the winners are honored at the event and publicized online and in print. However, events can be expensive to organize and promote. A more accessible option may be to sponsor an existing event to which businesses are invited and recognized as part of a larger program.

Figure 9. Eastside Green Business Challenge award recipients at their annual recognition event



Recertification

Not all programs focus on recertification, but those that do recognize recertification as a way to ensure business activities remain relevant, meet environmental needs, and focus on the program’s top environmental priorities. Marion County’s Earthwise Business Assistance Program is a great example of effective recertification that ties in with encouragement or incentives to take the next step in resource conservation. Businesses that have achieved recertification are featured in a quarterly program newsletter.

Recommendations for Incentives, Engagement, Marketing, and Recertification

Recommendations for incentivizing, engaging, marketing to, and recertifying green businesses in Kirkland are grouped into three overarching suggestions.

1. Join a regional program.

Interest in a regional green business program is gaining momentum among Seattle, EnviroStars, and other cities in the Puget Sound region, as well as across the country. We recommend Kirkland continue to join in the regional conversations and selection of a program platform. The two options currently under consideration include GreenPSF and the California Green Business Challenge. Both programs are comprehensive, cover a broad geographic territory that would appeal to businesses operating in several locations across multiple jurisdictions, provide high-functioning IT support, and offer a simple yet effective user interface for program administrators and businesses. Other benefits include:

- A flexible platform that allows participating jurisdictions to create unique activities and to easily change focus over time.
- Interactive web inputs that raise participation by highlighting resource and cost savings associated with specific green actions and reduce data entry cost by program administrators.
- A customized look and branding specific to Kirkland, as well as the opportunity to capitalize on brand equity of a larger program or platform.
- Appeal to both small and home-based businesses operating only in the City of Kirkland, and larger businesses like EvergreenHealth and Google interested in reaching beyond city limits.
- A coordination hub for programs facilitating technical assistance provided by many different departments and experts.

2. Attract new customers for participating businesses.

Regardless of how Kirkland and others decide to move forward with a regional program, Kirkland businesses will benefit from tactics that expose them to and attract new customers. These strategies will increase awareness of business members and should be applied locally and regionally if possible.

- Create and post a searchable map of participating businesses on the city's website. Allow for easier navigation by offering business sector or zip code-specific search capabilities.
- Maintain social media sites including Facebook and Twitter with photos, customer stories, business quotes, and specific savings summaries recognizing participating businesses.
- Advertise using channels that specifically target the most receptive customer segment, such as Chinook Book.

3. Refresh and Recertify.

- Host challenges for highest conservation achievements, by sector, or by neighborhood.
- Host or sponsor an existing awards event and feature program participants.
- Partner with local jurisdictions and service providers to host monthly green business forums for participants and interested businesses. These could be in person or via web conference and cover new sustainability topics each month, such as water conservation or energy efficiency.
- Offer awards for high performing participants and for businesses who routinely meet recertification criteria.
- Provide resources to businesses via the web, including tools, calculators, and handouts that help owners, managers, and employees navigate choices and take the best actions toward greening the business.
- Require recertification every 2-3 years. Require at least one additional new action to remain certified.

Next Steps and Business Survey

This evaluation of the Kirkland Green Business program identified many strengths of the program, as well as areas that hold opportunities for improvement. We recommend that the City of Kirkland capitalize on the momentum from this program review. Program managers should convene to consider these recommendations and select a course of action. Within the first quarter of 2014, the group members should document their areas of agreement and establish an action plan and timeline, with specific responsibilities and milestones, for how to move forward with implementing the program modifications. While many efforts will involve coordination across multiple City departments and potentially with other regional groups, the team should identify a lead person responsible for the progress of each selected recommendation or topic area. Focusing initial changes on areas of general consensus will enable the group to achieve progress in the near term and build momentum for future efforts.

The City of Kirkland should plan to conduct the survey of Kirkland Green Business Program participants and non-participating businesses using the survey instrument and distribution method outlined in the Development of a [Survey of Current Participants and Non-Participating Businesses](#) section of this report, ideally by March of 2014.

By September 2014 (within six months of the initial action plan), we recommend that the group revisit any areas that lack decisions and seek to address them. Kirkland Green Business program staff and partners should also regularly examine the areas of change to assess progress on the modifications and evaluate the program's overall results. Checking in at least quarterly on the status of the selected recommendations and their implementation will help keep the program moving forward. Regular evaluation will help keep the program on track and help it meet the City's environmental goals. Taken together or in stages, these recommendations are designed to strengthen the program and expand its impact as the Kirkland Green Business Program moves into the next stage of affecting environmental change within the Kirkland business community.

Appendix

1. Summary of Research on Leading Programs Elsewhere
2. Kirkland Green Business Program Survey

Appendix 1. Summary of Research on Leading Programs Elsewhere

California Green Business Program_Alameda County	
Website	www.greenbusinessca.org
Primary Contact	Pamela Evans, Green Business Coordinator, pamela.evans@acgov.org , (510) 567-6770
Staff	2 part time, 1 volunteer
Geographic area	Alameda County specific program, part of statewide CGBP network
Number of business participants	<100
Services offered through program	Online resources or toolkits, custom worksheets, scorecards, one-on-one meetings with businesses, group meetings, technical assistance, marketing, certifications
Primary goal of the program	General sustainability
Marketing and communication services	Window decal stickers, annual awards or recognition, online directory and marketing toolkit
Program funding sources	(0-10%), private grants (0-10%), state funds (0-10%), federal funds (0-10%), utility (11-20%), other (81-90%)
Distinguishing feature	Part of a statewide program with umbrella program advertising, web platform and overall program web landing page; customized activities and information for County business participants

DowntownDC Business Improvement District	
Website	http://www.dcsmarterbusiness.com/
Primary Contact	Scott Pomeroy, Sustainability Manager, scott@downtowndc.org , (202)-661-7580, 1250 H Street, NW Suite 1000, Washington, DC, 20005
Staff	3 part time
Geographic area	City, DowntownDC ecoDistrict
Number of business participants	9 (115 building participants)
Services offered through program	Online Resource or Toolkit, custom worksheets, scorecard, one-on-one meetings with businesses, group meetings, technical assistance, marketing, mayor awards, City applies for other awards on behalf of businesses
Primary goal of the program	General sustainability
Marketing and communication services	Facebook, Twitter, LinkedIn group, press releases, case studies, newsletter, film or video, annual awards
Program funding sources	State funds (50%), other (50% Business Improvement District)
Distinguishing feature	Interactive website with videos and links; strong use of social media

St. Louis Green Business Challenge with ICLEI Challenge feature	
Website	http://www.stlouisgreenchallenge.com/
Primary Contact	Eric Schneider, Senior Director, Public Policy, eschneider@stlregionalchamber.com , (314) 444-1148, One Metropolitan Square, Suite 1300, ST. Louis, MO 63102
Staff	1 full time, 1 part time
Geographic area	Greater St. Louis Region
Number of business participants	60-100
Services offered through program	Online resources or toolkits, scorecards, one-on-one meetings with businesses, group meetings
Primary goal of the program	General sustainability
Marketing and communication services	Press releases, annual awards or recognition, case studies, online networking, LinkedIn group
Program funding sources	Membership fees (81-90%), private grants (0-10%), state funds (0-10%), federal funds (0-10%), utility (0-10%)
Distinguishing feature	Part of the national GreenPSF/ICLEI Green Business Challenge series

City of Austin Green Business Leaders Program	
Website	http://austintexas.gov/department/austin-green-business-leaders
Primary Contact	Zach Baumer, Climate Program Manager, Office of Sustainability, zach.baumer@austintexas.gov , (512)974-2836, City of Austin, Office of Sustainability, 2006 East 4th Street, Austin, Texas 78702
Staff	2 quarter-time
Geographic area	City
Number of business participants	115
Services offered through program	Scorecard, various award recognition program, site visits, networking meetings hosted by program participants
Primary goal of the program	Connect businesses with tools and resources help companies save money, expand market share, protect the environment, and support local community
Marketing and communication services	Annual awards, website, press releases
Program funding sources	City funded (100%)
Distinguishing feature	Easy three step process sign up process; business participant video case studies, utilized a yearlong challenge to refresh an existing and long term program.

City of Seattle Get on the Map Campaign	
Website	www.Seattle.gov/getonthemap
Primary Contact	Philip Paschke, Seattle Public Utilities, Customer Service Branch Resource Conservation, phil.paschke@seattle.gov , (206) 684-8529, 700 Fifth Avenue, Suite 4900, Seattle, WA 98124.
Staff	3 full-time, 1 part-time
Geographic area	City
Number of business participants	386 businesses "On the Map"
Services offered through program	Technical assistance, free resources, and rebate assistance around waste reduction, stormwater pollution prevention, energy conservation, and water conservation, as well as recognition and promotion of local businesses taking green actions.
Primary goal of the program	The Get on the Map campaign uses an online map of Seattle's neighborhoods to publicly recognize businesses taking actions to cut waste, save water and energy, and reduce pollution. The campaign provides free on-site technical assistance to help businesses start taking green actions, do more to save money, and get free recognition.
Marketing and communication services	Social media, telephone and email hotline customer service, website, free materials and resources, community events, and promotional materials.
Program funding sources	Utility (Seattle Public Utilities -80 %, Seattle City Light-20%)
Annual operating budget	\$100,000
Distinguishing feature	Online searchable map of participants, customer facing promotion including Chinook Book partnership.

EnviroStars Program	
Website	http://www.envirostars.org/
Primary Contact	Laurel Tomchick, Department of Natural Resources & Parks, Laurel.Tomchick@kingcounty.gov , (206) 263-3063, 130 Nickerson St #100, Seattle, WA 98109
Staff	1 part time
Geographic area	Multiple counties
Number of business participants	Over 700
Services offered through program	Certification and rating process including onsite consultation, technical assistance, free resources
Primary goal of the program	Certify companies based on their practices and policies that demonstrate commitment to protecting the environment by properly managing and reducing hazardous materials and waste.
Marketing and communication services	Website, dedicated hotline, Facebook page, shared hotline

Program funding sources:	Taxes from utility ratepayers deposited into a Hazardous Waste Account (100%)
Annual operating budget	Ranges from \$60,000 in King County to \$11,000 in Whatcom County
Distinguishing feature	Program started as single a county hazardous waste program and has since effectively expanded to seven Washington counties.

Table 3 Sample Program Operating Budget

Program	Annual Budget	FTE	Itemized Annual Costs
King County EnviroStars	\$60,000	0.5	Staff: 1 FTE Program brochure: \$20/100 copies Application worksheets: \$50/20 copies Window decals: \$456/100 decals Star and year stickers: \$49/100 stickers New member folders: \$274/100 stickers Print/ads/marketing: Variable Letterhead, business cards: \$80/250 cards Certificate: \$50/100 certificates Green Business Directory: \$45/100 directories

Appendix 2. Kirkland Green Business Program Survey

Survey Text

[Introduction]

Thank you for helping the City of Kirkland improve its program to help businesses conserve energy and protect our environment!

To help us put your responses into context, please provide a little information about your business:

Which of the following best describes your business? (Select one)

- Restaurants, Bars, and Other Food Service
- Grocery
- Other Retail
- Arts, Entertainment, or Recreation
- Hotels and Lodging
- Health and Medical Services
- Professional Services
- Construction or Landscape Services
- Salon, Spa, and Beauty Services
- Automotive Services
- Other Services
- Education
- Non-profit or Religious Organizations
- Government, Public Administration, or Utilities
- Manufacturing, Warehouse, or Transportation
- Technology-related Services or Products
- Other (please describe) _____

How many people work at your business location?

- More than 100 [Skip to question 0]
- 50 to 99 [Skip to question 0]
- 25 to 29 [Skip to question 0]
- 15 to 24 [Skip to question 0]
- 5 to 14 [Skip to question 0]
- 2 to 4 [Go to question 0]
- Only me [Go to question 0]

[Home-Based Business?]

Do you run or work for a home-based business?

Yes

No

[\[Go on to question 0\]](#)

[Types of Assistance]

The goal of Kirkland’s Green Business Program is to help businesses and organizations in Kirkland to conserve resources and prevent pollution by taking actions that:

- Increase recycling and composting
- Conserve energy and water
- Reduce the risk of polluting water outdoors and indoors
- Protect workers from toxic chemicals

The following questions will help us decide what types of assistance to offer businesses.

To what extent would your businesses be interested in using the following types of assistance?

	1 not at all	2	3	4	5 extremely	Not Sure
One-on-one assistance at your business	<input type="radio"/>					
Personalized phone and email consultation	<input type="radio"/>					
Web-based information resources	<input type="radio"/>					
Printed information resources	<input type="radio"/>					
“How to” videos	<input type="radio"/>					
Written step-by-step instructions	<input type="radio"/>					
Case studies showing how other businesses have taken action and benefitted	<input type="radio"/>					
Training for your employees	<input type="radio"/>					

What other types of assistance would your business be interested in?

[Types of Promotion]

Kirkland's Green Business Program also recognizes and promotes businesses that conserve resources and protect our environment.

To what extent would the following types of recognition and promotion motivate your business to participate?

	1 not at all	2	3	4	5 extremely	Not Sure
A program logo to put on your company's marketing materials	0	0	0	0	0	0
Certificates or logo to display in your business	0	0	0	0	0	0
Free listing in Chinook Book	0	0	0	0	0	0
Searchable map listing your business on the program's website	0	0	0	0	0	0
Your business featured on the City's or program's website	0	0	0	0	0	0
Your business photo and testimonial featured on the City's social media site(s)	0	0	0	0	0	0
Annual [regional] event with networking and top green business awards	0	0	0	0	0	0
Listing in a printed advertisement (e.g., in the Seattle Times, Seattle Magazine, or the Kirkland Reporter)	0	0	0	0	0	0
Listing in the City's printed newsletter	0	0	0	0	0	0

What other types of public recognition would motivate your business to participate?

[Resource Conservation and Pollution Prevention Topics (Page 1)]

Please help us understand in which resource conservation and pollution prevention topics Kirkland businesses could most use help.

In what areas would your business want help? (Select all that apply)

- Recycling, composting, and waste reduction
- Water conservation
- Energy conservation
- Toxics reduction and green purchasing
- Employee commuting
- Reducing the risk of outdoor spills or stormwater pollution
- Keeping kitchen greases out of sinks and drains to avoid sewer backups
- Growing or supporting local organic food production
- We are not interested in receiving help
- Other (please describe) _____

[Resource Conservation and Pollution Prevention Topics (Page 2)]

Which statement best describes opportunities at your business to improve **recycling, composting, and waste reduction**?

There are many remaining opportunities to improve 1	2	3	4	We are doing almost everything that is possible 5
0	0	0	0	0

Which statement best describes opportunities at your business to conserve more **water**?

There are many remaining opportunities to conserve more water 1	2	3	4	We are doing almost everything that is possible 5
0	0	0	0	0

Which statement best describes opportunities at your business to save more **energy**?

There are many remaining opportunities to save energy 1	2	3	4	We are doing almost everything that is possible 5
0	0	0	0	0

[Language and Decision-Making Power]

In what language(s) besides English would your business want to receive information or training materials for employees? (Select all that apply)

- None—English only
- Spanish
- Vietnamese
- Cantonese
- Mandarin
- Somali
- Korean
- Russian
- Other (please list) _____

Does your local business location need approval from a property manager or corporate office to make changes to your building or business operations?

- Yes
- No
- It depends

[Reaching Businesses (page 1)]

Please help us understand how best to reach Kirkland businesses like yours.

How does your business prefer to receive information about City of Kirkland programs? (Select all that apply)

- City of Kirkland website
- Email
- Direct postal mail
- City of Kirkland postal newsletter
- City of Kirkland e-newsletter
- Other (please describe) _____

How do you and your business obtain local information relevant to your business? (Select all that apply)

- Associations we belong to (such as Kirkland Downtown Association or the Chamber of Commerce)
- News media (paper, TV, radio, web) **[skip logic to question 0]**
- Trade publication **[skip logic to question 0]**
- City of Kirkland website
- City of Kirkland postal newsletter
- City of Kirkland e-newsletter
- Word of mouth or networking
- Other (please list) _____

[News Media and Trade Publications Follow-up]

[use skip logic from question 0] Which news media or trade publications provide you with local information relevant to your business?

[Reaching Businesses (page 2)]

In which Kirkland neighborhood is your business located? (Select all that apply)

- Finn Hill
- Juanita
- Evergreen Hill/Kingsgate
- Totem Lake
- Market
- Norkirk
- Highlands
- North Rose Hill
- South Rose Hill/Bridle Trails
- Everest
- Moss Bay
- Central Houghton
- Lakeview
- Don't know

What, if any, associations do you or your business participate in? (Select all that apply)

- None*
- Greater Kirkland Chamber of Commerce
- Kirkland Downtown Association
- Kirkland Networkers
- Kirkland Business Roundtable
- Eastside Sustainable Business Alliance
- Eastside Business Association
- Eastside Women in Business
- Green Drinks
- Washington Technology Industry Association
- Other (please list) _____

What, if any, environmental programs does your business already participate in? (Select all that apply)

- None*
- Kirkland's current green business recognition program
- EnviroStars
- Eastside Green Business Challenge
- Salmon Safe
- LEED (your facility is LEED certified)
- Take-It-Back Network
- Other _____

What are your suggestions for how Kirkland can better reach businesses and promote its green business program?

[Closing]

Thank you for taking the time to provide your input on Kirkland's Green Business Program.

Do you have any other recommendations for improving Kirkland's green business program?

If you would like to receive more information about the Green Business Program when it re-launches, please provide your contact information below or email Stephanie Gowing, Recycling Program Coordinator at SGowing@kirklandwa.gov.

Business name

Your name

Your email

Your phone

Business address



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
June 17, 2014

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Jay Arnold, Councilmember Dave Asher,
Councilmember Shelley Kloba, Councilmember Doreen Marchione,
Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor
Amy Walen.

Members Absent: None.

3. STUDY SESSION

a. Fire Strategic Plan Update

Joining Councilmembers for this discussion were City Manager Kurt Triplett,
Director of Fire and Building Services Kevin Nalder, and Emergency Services
Consulting International consultant, retired Fire Chief Joe Parrot.

4. EXECUTIVE SESSION

None.

5. HONORS AND PROCLAMATIONS

None.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Katrina Freeburg
Nanci Wehr
Devin Engledew
Rachel Mathison
Holly Smith

c. Petitions

7. SPECIAL PRESENTATIONS

a. Lake Washington Institute of Technology Update

Lake Washington Institute of Technology President Dr. Amy Goings provided an overview of programs and activities offered by the college.

8. CONSENT CALENDAR

a. Approval of Minutes

(1) May 30, 2014

(2) June 3, 2014

b. Audit of Accounts:

Payroll \$2,899,007.26

Bills \$3,356,836.31

run #1324 checks #553261 - 553414

run #1325 checks #553415 - 553602

c. General Correspondence

d. Claims

e. Award of Bids

(1) NE 85th Street Corridor Improvement Project, Johansen Excavating, Inc., Buckley, Washington

The construction contract for the NE 85th Street Corridor Improvement Project was awarded to Johansen Excavating, Inc. of Buckley, WA, in the amount of \$7,473,494.44, via approval of the Consent Calendar.

f. Acceptance of Public Improvements and Establishing Lien Period

(1) 2013 Striping Project, Stripe Rite, Inc., Pacific, Washington

(2) Rose Hill Business District Sidewalks, 124th Avenue NE Sidewalks Project, Road Construction Northwest, Inc., Renton, Washington

g. Approval of Agreements

h. Other Items of Business

(1) Resolution R-5059, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ENTER INTO A CONTRACT WITH KIRKLAND CROSSINGS,

L.L.C., REGARDING A POTENTIAL MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION AND APPROVING THE ISSUANCE OF A CONDITIONAL CERTIFICATE OF TAX EXEMPTION."

(2) Roster of Process IVA Miscellaneous Zoning Code Amendments

The roster of Process IVA Miscellaneous Zoning Code amendments was approved via approval of the Consent Calendar.

(3) Resolution R-5060, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE DULY-APPOINTED ADMINISTERING AGENCY FOR A REGIONAL COALITION FOR HOUSING (ARCH) TO EXECUTE ALL DOCUMENTS NECESSARY TO ENTER INTO AN AGREEMENT FOR THE FUNDING OF AFFORDABLE HOUSING PROJECTS, AS RECOMMENDED BY THE ARCH EXECUTIVE BOARD, UTILIZING FUNDS FROM THE CITY'S HOUSING TRUST FUND."

(4) Preliminary Update of the 2013-2018 Capital Improvement Program

(5) Spirit of Washington 9-11 Memorial Update

(6) Cultural Arts Commission Youth Resignation

Youth member Rachel Robert's resignation was acknowledged and the draft response letter approved via approval of the Consent Calendar.

(7) Report on Procurement Activities

Motion to Approve the Consent Calendar.

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

9. PUBLIC HEARINGS

- a. Resolution R-5058, Approving a Public Benefit Rating System Current Use Assessment for Tax Parcel Number 388580-1295.

Mayor Walen described the parameters and opened the public hearing. Senior Planner Angela Ruggeri introduced Bill Bernstein, with the King County Department of Natural Resources, who provided a brief background and responded to Council questions and comment, as did Finance and Administration Director Tracey Dunlap. Testimony was provided by Barbara Loomis. No further testimony was offered and the Mayor closed the hearing.

Motion to Approve Resolution R-5058, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A PUBLIC BENEFIT RATING SYSTEM CURRENT USE ASSESSMENT FOR TAX PARCEL NUMBER 388580-1295."

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

- b. Ordinance O-4446 and its Summary, Relating to Land Use and Zoning, Amending Ordinance O-4439, Adopting Interim Zoning Regulations Regarding the Retail Sale of Recreational Marijuana, Including Locational Restrictions, Providing for Severability, and Approving a Publication Summary.

Mayor Walen opened the public hearing. Deputy Director of Planning and Community Development Paul Stewart reviewed the issues before the Council. Testimony was provided by Birgitta Hughes. No further testimony was offered and the Mayor closed the hearing.

Motion to Approve Ordinance O-4446 and its Summary (Option 1), entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, AMENDING ORDINANCE O-4439, ADOPTING INTERIM ZONING REGULATIONS REGARDING THE RETAIL SALE OF RECREATIONAL MARIJUANA, INCLUDING LOCATIONAL RESTRICTIONS, PROVIDING FOR SEVERABILITY, AND APPROVING A PUBLICATION SUMMARY," as amended.

Moved by Councilmember Dave Asher, seconded by Councilmember Jay Arnold

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Motion to Amend ORDINANCE O-4446 and its summary, OPTION 1, by striking the existing section 8 of the ordinance and inserting the following new sections 8, 9, and 10 as follows:

Section 8. Declaration of Emergency. Based upon the recitals and findings set forth above, the City Council declares a public emergency exists requiring that this ordinance take effect immediately.

Section 9. Effective Date. In accordance with RCW 35A.13.190, this ordinance, as a public emergency ordinance, shall take effect and be in force immediately upon adoption by a majority plus one of the City Council.

Section 10. Publication. Publication of this ordinance shall be 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.

The ordinance is further amended by adding the words, "plus one" after the words "passed by majority vote" and before the words "of the Kirkland City Council" in the final sentence of the ordinance just above the Mayor's signature line.

Moved by Councilmember Dave Asher, seconded by Councilmember Toby Nixon

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Council recessed for a short break.

10. UNFINISHED BUSINESS

- a. Ordinance O-4445, Amending the Biennial Budget for 2013-2014.

Director of Finance and Administration Tracey Dunlap introduced the new Financial Planning Manager Tom Mikesell.

Motion to Approve Ordinance O-4445, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2013-2014."

Moved by Councilmember Doreen Marchione, seconded by Councilmember Toby Nixon

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

- b. Resolution R-5061, Adopting the Cross Kirkland Corridor Master Plan.

Motion to Approve Resolution R-5061, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE CROSS KIRKLAND CORRIDOR MASTER PLAN."

Moved by Councilmember Dave Asher, seconded by Councilmember Shelley Kloba

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

- c. Neighborhood Safety Pilot Program Approval

Neighborhood Services Coordinator Kari Page presented the Council with the results and recommendation of projects from the Neighborhood Safety Program pilot program.

Motion to Approve the recommended Neighborhood Safety Program projects for 2014.

Moved by Councilmember Toby Nixon, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

11. NEW BUSINESS

None.

12. REPORTS

a. City Council Reports

(1) Finance and Administration Committee

None.

(2) Planning, and Economic Development Committee

Chair Arnold reported on a recent review of broadband in the City, an update on neighborhood meetings, and a list of citizen amendment requests received by the City.

(3) Public Safety Committee

None.

(4) Public Works, Parks and Human Services Committee

Chair Kloba reported on a presentation by Puget Sound Energy on Energize Eastside, a requested report from staff about yard waste extras, and reusable shopping bags.

(5) Tourism Development Committee

None.

(6) Regional Issues

Councilmembers shared information regarding attendance at a recent Court of Appeals hearing; the first session of the Kirkland Municipal Court at the new Kirkland Justice Center; Sound Cities Association Public Issues Committee meeting; Alliance of Eastside Agencies annual spring awards luncheon honoring Sharon Anderson and others; Sustainable Cities roundtable on climate change; an upcoming King County Regional Transit Committee meeting; Kirkland Chamber of Commerce meeting; the CityAge New American City event; a King County-Cities Cooperation group meeting; an Eastside Transportation Partnership meeting; a Puget Sound Regional Council Transit Oriented Development Advisory Committee meeting; a Cascade Water Alliance Public Affairs Committee meeting; an Emergency Management Advisory Committee meeting; King County Regional Water Quality Committee; a Kirkland Downtown Association meeting; the

Association of Washington Cities interview panel for a new director; a meeting with Kenmore Mayor David Baker about Let's Move - Cities, Towns & Counties; the King County Aerospace Alliance meeting; the Kirkland Youth Council Spring Celebration; a King County Regional Policy Committee meeting; the Sound Cities Association Caucus discussion about the radio replacement project; an Eastside Human Services Forum "Toward a Livable Wage" event.

b. City Manager Reports

(1) Calendar Update

City Manager Kurt Triplett informed the Council of the need to move the planned Study Session and schedule an extended Executive Session for the July 1, 2014 council meeting. He also noted the groundbreaking event for the Cross Kirkland Corridor on June 28th at 10:00 a.m. Deputy Mayor Sweet requested a fire truck for the upcoming 4th of July celebration and parade.

(2) City Council position on Metro Transit service cuts

City Manager Kurt Triplett sought direction from the Council as to whether they wanted to take a position King County's proposed service cuts.

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT

The Kirkland City Council regular meeting of June 17, 2014 was adjourned at 10:04 p.m.

City Clerk

Mayor



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: June 18, 2014
Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION

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

POLICY IMPLICATIONS

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

BACKGROUND DISCUSSION

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

- (1) Patricia Bacolas
10116 NE 63rd Street
Kirkland, WA 98033

Amount: Unspecified Amount

Nature of Claim: Claimant states damage to vehicle resulted from striking a pothole surrounding a pipe at 68th and State Street.

- (2) Cody Tadlock
16728 423 Place SE
North Bend, WA 98045

Amount: Unspecified Amount

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

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



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Marilynne Beard, Interim Public Works Director

Date: June 19, 2014

Subject: ANNUAL STREET PRESERVATION PROGRAM (2014 PHASE II STREET OVERLAY PROJECT) - AWARD CONTRACT

RECOMMENDATION:

That City Council awards the construction contract for the Annual Street Preservation Program, 2014 Phase II Street Overlay Project, to Watson Asphalt Paving Co, Inc., of Redmond, WA, in the amount of \$2,780,964.70.

BACKGROUND DISCUSSION:

The City uses a Pavement Management System to manage and prioritize preservation treatments throughout the City's street network. The Pavement Management System considers all City streets in terms of existing pavement conditions (PCI), prior maintenance histories, the City's annual budget for street preservation, and other factors to determine the most cost-effective treatment. Once selected for treatment, candidate streets are then reviewed for potential conflicts with other construction projects (i.e. other CIP projects, private development, WSDOT, and private utility companies, etc.) before making it onto the current year's program list (Attachment A).

The 2014 Annual Preservation Program includes three phases. The Phase I component is the Curb Ramp & Concrete Repairs Project; a contract for that phase was awarded by City Council at their meeting on April 15, 2014, and that work is currently under construction. In past years, the concrete repair work (Phase I) was bid together with the overlay project (Phase II) under a single contract. With the revenue and scope increases due to the passing of Proposition 1, staff split the work into two contracts to facilitate an earlier start for construction and to maximize the time for completing a larger-scale program. The Phase III component of the Annual Street Preservation Program is the Slurry Seal Project which is scheduled to be bid later this month for construction during the drier months of mid to late summer.

For the 2014 Street Overlay Project, the highest ranking streets will receive sub-grade preparation and repair, pavement milling, and the application of a new wearing surface layer of asphalt. This year's Project was bid with seven schedules of work for a total of 11.8 lane miles. It was structured this way because the engineer's estimate projected that bids would exceed the budget and staff wanted to maximize the amount of work that could be awarded without exceeding that budget.

With an engineer's estimate of \$3.31 million for all overlay schedules, the Phase II Project was first advertised on May 22 with four bids received on June 6, 2014, as follows:

Contractor	Total of All Schedules
Watson Asphalt	\$2,780,964.70
Lakeside Industries	\$2,996,487.00
CEMEX	\$3,123,771.80
<i>Engineer's Estimate</i>	<i>\$3,309,346.45</i>
Granite	\$3,340,245.52

Based on the bid results, all seven schedules of work will be awarded. A comparison of the unit prices shows that in 2014, the average cost of asphalt has increased to \$82.66/ton from \$77.47/ton in 2013 (Attachment B).

The total budget for the Annual Street Preservation Program for 2014 is a combination of three revenue sources (Attachment C) including the base CIP, Proposition 1 Levy funds, and a City Council approved carry-over from the 2013 program, including:

Revenue Source	Amount
2013-2018 base CIP	\$1,750,000
Prop 1 Levy funds	\$2,574,000
2013 Carry-over	\$ 230,559
TOTAL	\$4,554,559

The anticipated expenses for the Annual Street Preservation Program in 2014 are as follows:

Phase	Status	Amount
Phase I Curbs and Ramps	Under Construction	\$ 383,567
Phase II Overlay	This Memo	\$2,780,965
Phase III Slurry Seal	Late Summer	\$ 550,000
In-House Crews Paving	Starting Soon	\$ 35,000
Engineering, Admin, Inspection	On-Going	\$ 680,000
Contingency	Balance Remaining	\$ 125,027
	TOTAL	\$4,554,559

With a City Council award of the construction contract at the July 1st meeting, staff will begin the pre-construction public outreach process by notifying adjacent property owners with an informational mailer describing the Annual 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. Door hangers describing the work will also be distributed to all adjacent homes and businesses at least 24 hours prior to construction.

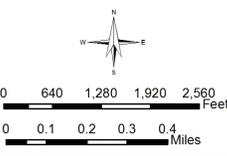
Attachment A – Vicinity Map
Attachment B – Annual Cost Comparison
Attachment C – Project Budget Report

Schedule A includes project-wide bid items

PROP 1 FUNDED

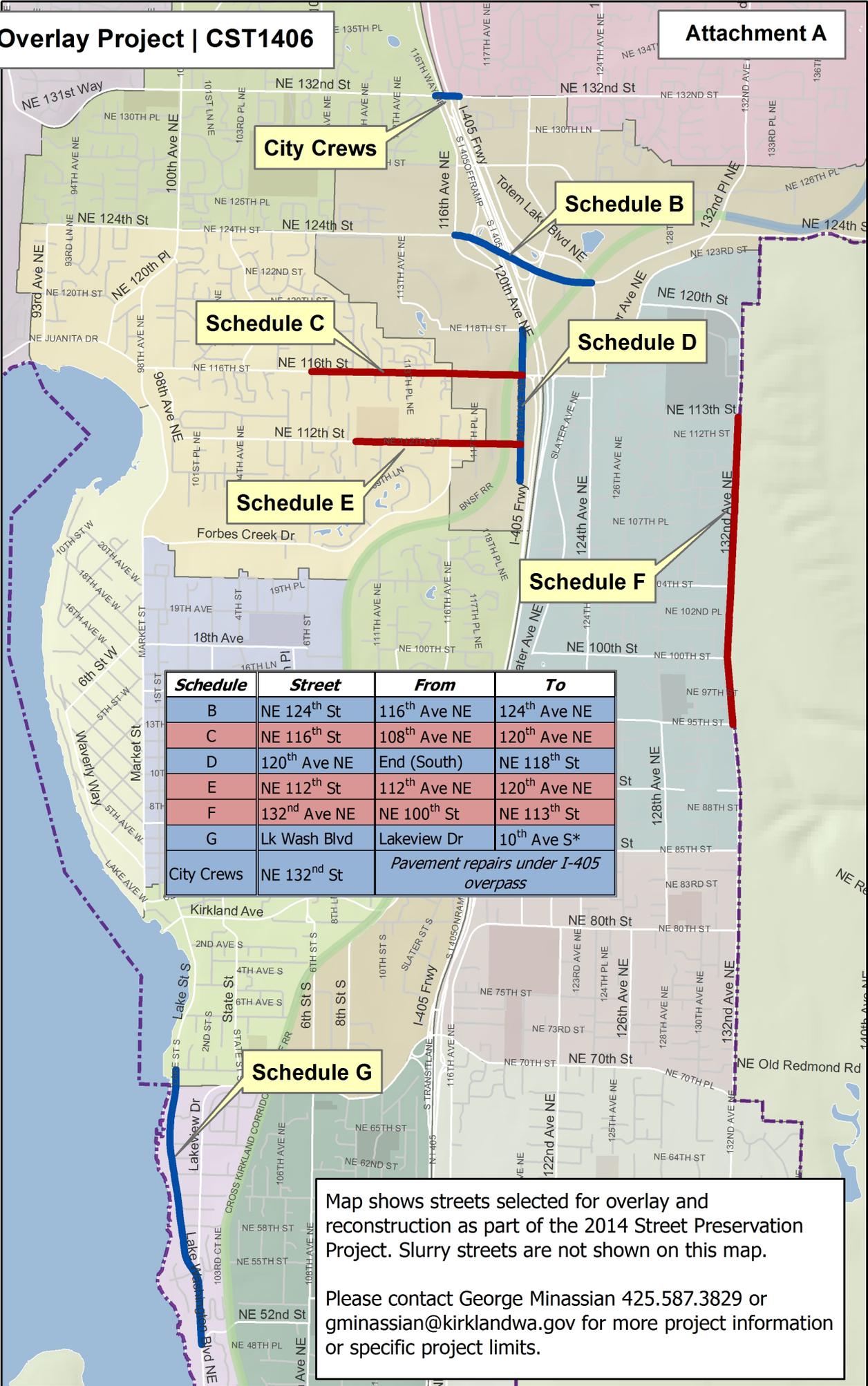
CIP FUNDED

-  Buildings
-  Road
-  Overpass
-  Parks
-  Schools
-  Parcels
-  Major Streets
-  Streets
-  Cross Kirkland Corridor
-  Regional Rail Corridor
-  City Limits
-  COK Grid
-  QQ Grid
-  Lakes



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Author:
Name: 2014 Overlay Council Award
Date Saved: 6/16/2014 4:08:35 PM



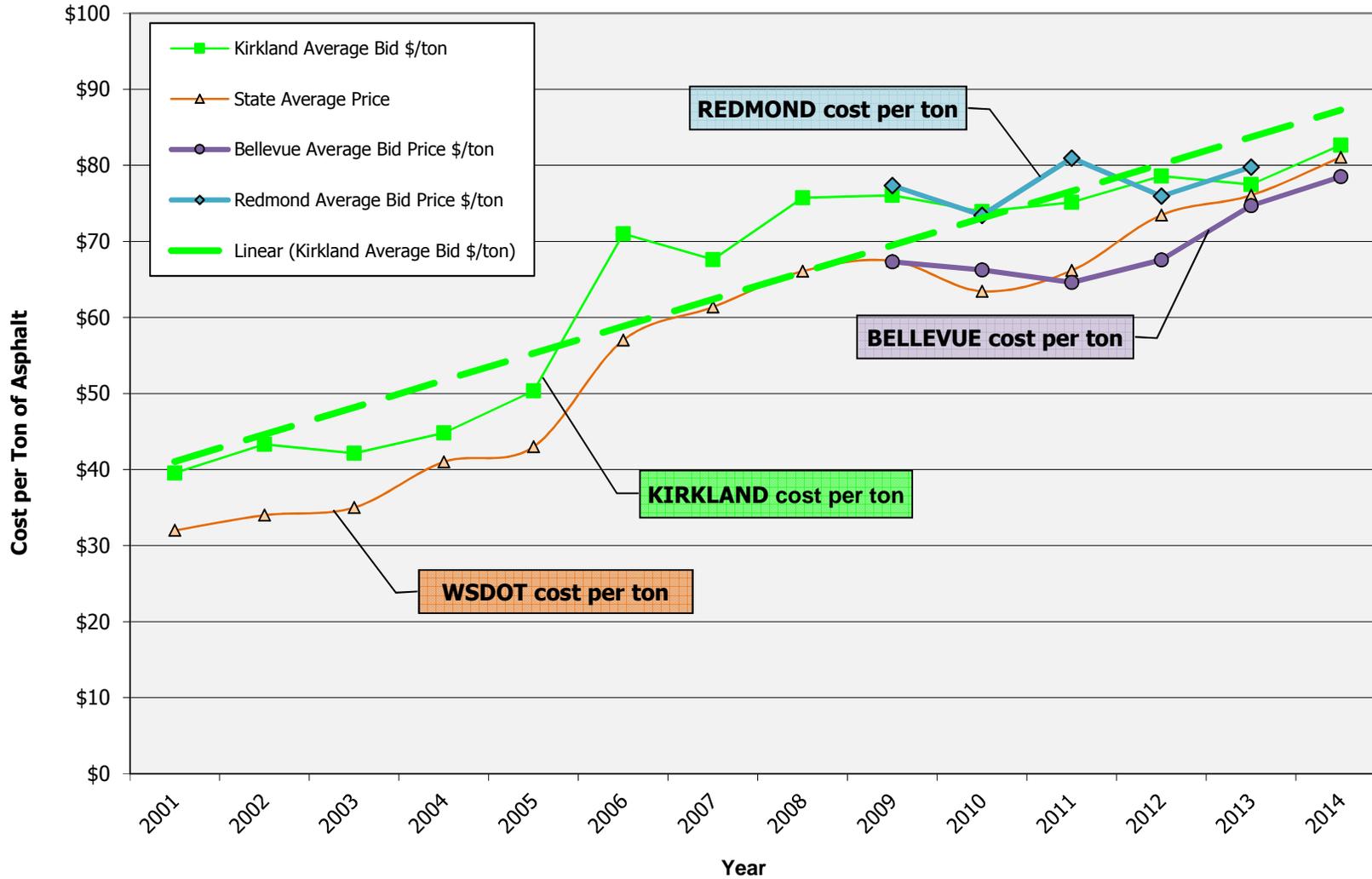
Schedule	Street	From	To
B	NE 24 th St	116 th Ave NE	124 th Ave NE
C	NE 116 th St	108 th Ave NE	120 th Ave NE
D	120 th Ave NE	End (South)	NE 118 th St
E	NE 112 th St	112 th Ave NE	120 th Ave NE
F	132 nd Ave NE	NE 100 th St	NE 113 th St
G	Lk Wash Blvd	Lakeview Dr	10 th Ave S*
City Crews	NE 132 nd St	Pavement repairs under I-405 overpass	

Map shows streets selected for overlay and reconstruction as part of the 2014 Street Preservation Project. Slurry streets are not shown on this map.

Please contact George Minassian 425.587.3829 or gminassian@kirklandwa.gov for more project information or specific project limits.

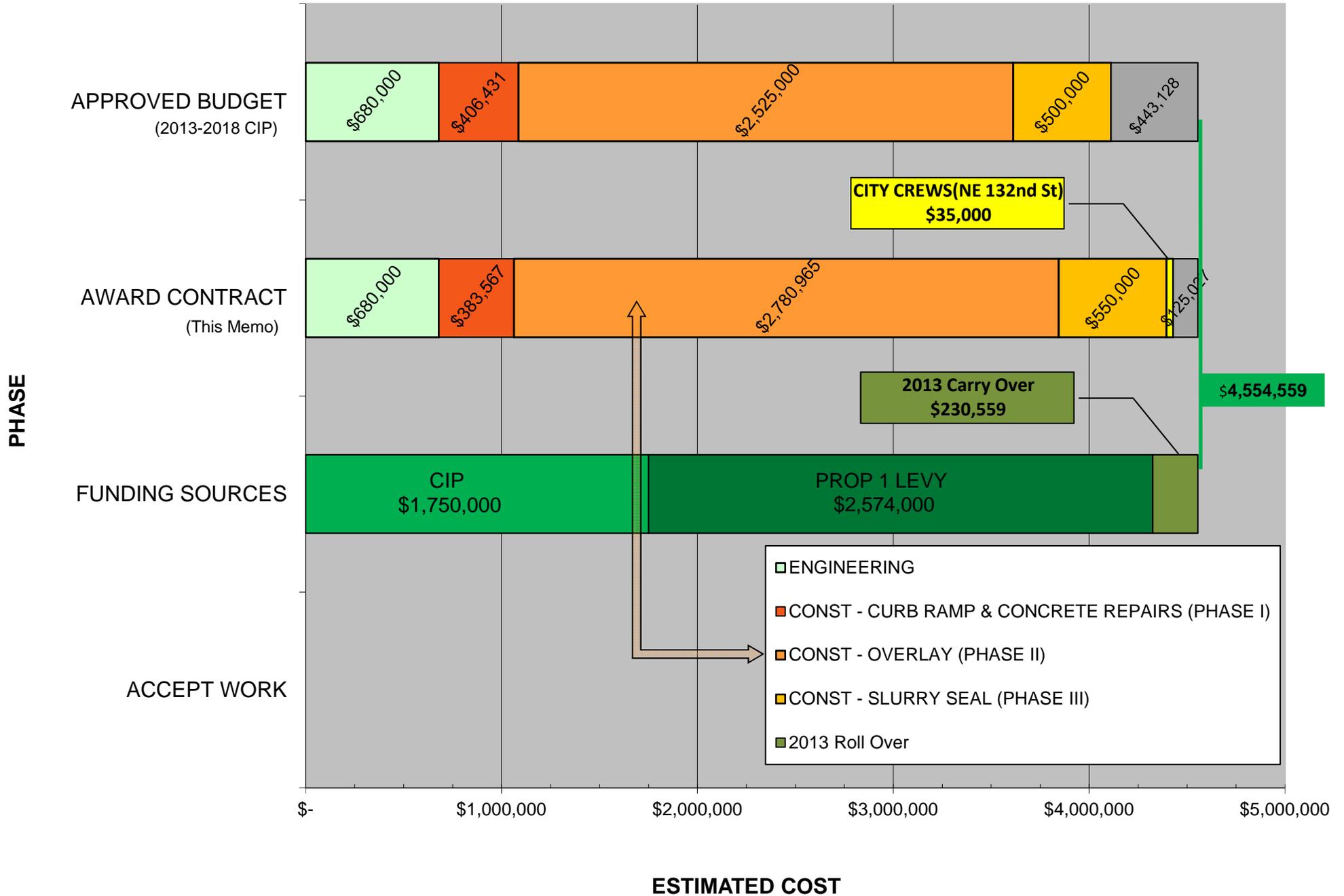
Kirkland Annual Street Overlay Program Cost Comparison

ATTACHMENT B



Project Budget Report 2014 Street Overlay Project (ST-1406)

Attachment C





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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance & Administration
Chris Dodd, Facilities Services Manager

Date: June 19, 2014

Subject: SALE OF MUNICIPAL COURT PROPERTY

RECOMMENDATION:

Council declares the Municipal Court property at 11515 NE 118th Street, Kirkland, WA 98034 surplus and authorizes the City Manager to execute all documents necessary to complete the sale.

BACKGROUND DISCUSSION:

In 2009, the City of Kirkland purchased the building at 11515 NE 118th Street, Kirkland, WA 98034 that had been leased by the Municipal Court since 2005 for \$2.695 million. The sale of the Court property is an integral part of the financing plan for the Kirkland Justice Center and other municipal facility investments required to serve the larger City population and boundaries following annexation. In preparation for the sale, the City solicited broker opinions of value that ranged from \$2.4 million to \$4.2 million. At the same time, the City received several unsolicited calls of interest from prospective purchasers of the property. Since there appeared to be significant interest in the property and there was uncertainty as to a reasonable asking price, the City decided to forego engaging a broker and advertise a request for bids (RFB) for purchase of the property. The minimum bid was set at \$2.75 million to ensure that the City recouped its original investment plus the costs of the transaction. The RFB was published on March 24, 2014 and a walk through was conducted with approximately eight interested parties in attendance on April 11, 2014. One bid was received and opened on April 24, 2014 with a total purchase price of \$3.41 million offered by Nion Company, a Kirkland-based producer of high-precision microscopes. While only one bid was received, other interested parties contacted the City after the bid opening to express their interest if the successful bid fell through.

As part of the buyer's due diligence process, an inspection of the building resulted in identification of the need to replace or significantly rehabilitate the building's roof and HVAC systems at an estimated cost of \$300,000. The buyer requested that the City recognize that both systems are at the end of their useful life and the City has agreed to a final purchase price of \$3.2 million. The purchase and sale agreement is included as Attachment A to the enclosed Resolution.

The attached resolution declares the property surplus and authorizes the City Manager to execute all documents necessary to complete the sale. The terms of the grant that was used to fund a portion of the purchase price of the Court property in 2009 require that the proceeds from the building sale be used toward the KJC. The City Manager recommends that a portion of the proceeds above the planned \$2.75 million amount be used to fund the firing range shortfall (\$111,203 after the previously approved use of \$85,000 in seizure funds) and that the remaining additional funds from the higher sales price (ranging from \$330,000-\$340,000 depending on transaction costs) are set aside in the facilities sinking fund for future capital needs at the Kirkland Justice Center.

RESOLUTION R-5062

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR THE SALE OF REAL PROPERTY KNOWN AS 11515 NE 118TH STREET, KIRKLAND, WASHINGTON, AND DECLARING THE PROPERTY TO BE SURPLUS.

WHEREAS, on May 31, 2014, the City opened the Kirkland Justice Center; and

WHEREAS, the Kirkland Municipal Court moved to the Kirkland Justice Center on June 16, 2014 from its previous location at 11515 NE 118th Street, Kirkland, Washington (the "Property"); and

WHEREAS, the City has no further need for the Property and desires to declare the Property surplus and sell it; and

WHEREAS, the proceeds from the sale of the Property were an assumed and necessary part of the financing plan for the Kirkland Justice Center; and

WHEREAS, the City, after soliciting bids for the Property in a competitive process, received a bid from Nion Company ("Buyer") in the amount of \$3,410,000, which was substantially in excess of the minimum bid price of \$2,750,000; and

WHEREAS, in the course of due diligence and Property inspection, the Buyer noted that the roof and the HVAC system are at the end of their useful lives and need replacement at an approximate cost of \$300,000; and

WHEREAS, in recognition of these due diligence items, City staff and Buyer have negotiated a reduction in the purchase price from \$3,410,000 to \$3,200,000;

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

Section 1. The Property known as 11515 NE 118th Street, Kirkland, Washington is hereby declared to be surplus, and sale of the Property is authorized by the City Council.

Section 2. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland a Purchase and Sale Agreement with Nion Company substantially similar to that attached to this Resolution as Attachment "A."

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of July, 2014.

Signed in authentication thereof this ____ day of July, 2014.

MAYOR

Attest:

City Clerk

REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Agreement made this 30th day of June, 2014 (“Effective Date”), by and between NION Company, a for-profit corporation of the State of Washington (“Buyer”), and the City of Kirkland, a municipal corporation of the State of Washington, owner of the real property hereinafter described (“Seller”).

For and in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase of Real Property. Seller and Buyer hereby agree to the purchase and sale of the real property described as follows (“Property”):

Lot 12 of Kirkland 405 Corporate Center, a Binding Site Plan, according to the plat thereof filed in Volume 154 of Plats on pages 58 through 63 inclusive, records of King County, Washington

together with all of Seller’s right, title and interest in all structures, fixtures, buildings and improvements situated on the Land (collectively, the “Improvements”).

2. Purchase Price; Payment. The Purchase Price for the Property shall be Three Million Two Hundred Thousand and 00/100 Dollars (\$3,200,000.00). The Buyer shall deposit the Purchase Price with the Escrow Holder at or before Closing.

3. Earnest Money. Buyer has deposited Earnest Money in the amount of \$175,000 with Seller. If the transaction contemplated by this Agreement is closed, then the Earnest Money will be applied in payment of the Sales Price to be paid at Closing. If the transaction is not closed, then the Seller will disburse the Earnest Money in accordance with the provisions of this Agreement.

4. Escrow Holder. Promptly following the execution of this Agreement, Buyer shall open an escrow with Chicago Title Insurance Company, 701 Fifth Avenue, Suite 2300, Seattle, Washington, 98104 (the “Escrow Holder”). A copy of this Agreement shall be provided to the Escrow Holder to advise the Escrow Holder of the terms and conditions hereof. Escrow Holder shall conduct the Closing pursuant to escrow instructions of the Parties which shall be consistent herewith.

5. Feasibility Contingency and Access. Buyer’s obligations under this Agreement are conditioned upon Buyer’s satisfaction in Buyer’s sole discretion, concerning all aspects of the Property, including its physical condition; the presence of or absence of any hazardous substances; the contracts and leases affecting the Property; the potential financial performance of the Property; the availability of government permits and approvals; and the feasibility of the Property for Buyer’s intended purpose. This Agreement shall terminate and Buyer shall receive a refund of the Earnest Money unless Buyer gives written notice to Seller within 20 business days of the Effective Date stating that this condition is satisfied. If such notice is timely given, the feasibility contingency stated in this Section shall be deemed to be satisfied. As used in this Agreement, the term “Feasibility Period” shall mean the period beginning upon the Effective Date and ending upon the satisfaction or waiver of the feasibility contingency.

Seller shall permit Buyer and its agents, at Buyer’s sole expense and risk to enter the Property at reasonable times subject to the rights of and after legal notice to tenants, to conduct inspections

concerning the Property and improvements, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soil conditions, sensitive areas, wetlands or other matters affecting the feasibility of the Property for Buyer's intended use. Seller shall provide monitored access to the "evidence room" to Buyer so that Buyer can ensure that it is acceptable for Buyer's purpose. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements including those relating to security and confidentiality. Buyer shall not perform any invasive testing, including environmental inspections beyond a Phase I assessment, without obtaining Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for the purposes of statutory liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents. This Agreement to indemnify and defend Seller shall survive closing. Buyer may continue to enter the Property in accordance with the foregoing terms and conditions after removal or satisfaction of the feasibility contingency only for the purpose of leasing or to satisfy conditions of financing.

6. Financing Contingency. Buyer's obligations under this Agreement are contingent upon its securing a general financing commitment from a financial institution or any other party, upon commercially reasonable terms, within 20 business days of the execution of this Agreement. Buyer has received preliminary approval for financing for the Property and shall pay required costs and make a good faith effort to procure such financing. In the event that Buyer does not provide notice of its election to exercise its rights pursuant to this Section within this 20 day period, the financing contingency shall be deemed to be waived by Buyer. Buyer shall not reject those terms of a commitment which provide a loan amount of at least 70% of the purchase price.

7. Title Policy and Condition of Title. Seller authorizes Buyer, its Lender, Listing Agent, Selling Licensee and Closing Agent, at Seller's expense, to apply for and deliver to Buyer an extended coverage owner's policy of title insurance. The title report shall be issued by Chicago Title Insurance Company. Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of 20 days after mutual acceptance of this Agreement or the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless within 10 days of Buyer's notice of such objections: (1) Seller agrees to remove all objectionable provisions; or (2) Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within 5 days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within 2 days of Buyer's notice of objections. The closing date shall be extended to the extent necessary to permit time for these notices. Buyer shall not be required to object to any mortgage or deed of trust liens, or the statutory lien for real property taxes, and the same shall not be deemed to be Permitted Exceptions; provided that the lien securing any financing which Buyer has agreed to assume shall be a permitted exception. Except for the foregoing, those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." Seller shall cooperate with Buyer and the title company to clear objectionable title matters but shall not be required to incur any out-of-pocket expenses or liability other than payment of monetary encumbrances not assumed by Buyer and proration of any real property taxes, and Seller shall provide an owner's affidavit containing the information and reasonable covenants requested by the title company. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such policies and the Permitted Exceptions.

8. Closing. This sale shall be closed on or before August 29, 2014 (“closing”) by Chicago Title Insurance Company, 701 5th Avenue, Suite 2300, Seattle, Washington 98104 (“Closing Agent”). Buyer and Seller shall deposit with Closing Agent by noon on the scheduled closing date all instruments and monies required to complete the purchase in accordance with this Agreement. “Closing” shall be deemed to have occurred when the deed is recorded and the sale proceeds are available to Seller. Time is of the essence in the performance of this Agreement. This Agreement is intended to constitute escrow instructions to Closing Agent. Buyer and Seller will provide any supplemental instructions requested by Closing Agent provided that the same are consistent with this Agreement. Buyer is entitled to possession on closing.

9. Closing Costs. Seller shall deliver any information reasonably requested by Closing Agent to allow Closing Agent to prepare a settlement statement for closing. Seller shall pay the premium for the owner’s standard coverage title policy. Buyer shall pay the excess premium attributable endorsements requested by Buyer and the cost of any survey required in connection with the same. Seller and Buyer shall each pay one-half of the escrow fees. Real estate excise taxes shall be paid by Seller. Real and personal property taxes and assessments payable in the year of closing; collected rents on any existing tenancies; interest; utilities; and other operating expenses shall be pro-rated as of closing. Buyer shall pay to seller at closing an additional sum equal to any utility deposits for which Buyer receives the benefit after closing. Buyer shall pay all costs of financing including the premium for the lenders title policy. Buyer shall pay all sales or use tax applicable to the transfer of personal property included in the sale. Pursuant to RCW 60.80, Buyer and Seller request the Closing Agent to administer the disbursement of closing funds necessary to satisfy unpaid utility charges affecting the Property. The names and address of all utilities providing service to the Property and having lien rights are as follows are:

Gas and Electricity – Puget Sound Energy - 1-888-225-5773
BOT-01H, P.O. Box 91269, Bellevue, WA 98009-9269
Water, Sewer - Northshore Utilities – (425)-398-4400
6830 NE 185th St., Kenmore, WA 98028
Garbage/Recycle – Waste Management - (425) 814-1695
City of Kirkland - Utility Department, P.O. Box 3327, Kirkland, WA 98083-3327
Storm Water – Service provided by the City of Kirkland and paid within Property Tax.
King County Treasury Services – 500 Fourth Ave., Sixth Floor, Seattle, WA 98104-2364

10. Post-Closing Adjustments, Collections and Payments. After closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof to the extent those items were prorated or credited at closing based on estimates. Any bills or invoices received by Buyer after closing shall be paid by Seller upon presentation of such bill or invoice.

11. Operations Prior to Closing. Prior to closing, Seller shall continue to operate the Property in the ordinary course of its business and maintain the Property in the same condition as existing on the Effective Date, but shall not be required to repair material damage from casualty except as otherwise provided in this Agreement. Seller shall not enter into or modify service contracts or other agreements affecting the Property which have terms extending beyond closing without first obtaining Buyer’s consent, which shall not be unreasonably withheld.

12. Condition of Property. Seller shall not enter into any lease, trust deed, mortgage, restriction, encumbrance, lien, license or other instrument or agreement affecting the Property without the prior written consent of Buyer from and after the date of this Agreement. Seller warrants as follows: that Seller is the sole legal owner of the fee simple interest in the Property and is not holding title as a nominee for any other person or entity; that no person or entity has a first right of refusal or option to

purchase or other similar right to or interest in the property; that no labor, materials or services have been furnished in, on or about the property or any part thereof as a result of which any mechanics', laborers' or materialpersons' liens or claims might arise.

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

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

15. Casualty. Seller bears the risk of loss until closing, and thereafter Buyer shall bear the risk of loss. Buyer may terminate this Agreement and obtain a refund of the earnest money if improvements on the Property are destroyed or materially damaged by casualty before closing. Damage will be considered material if the cost of repair exceeds the lesser of \$100,000 or five percent of the purchase price stated in this Agreement. Alternatively, Buyer may elect to proceed with closing in which case at closing Seller

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

16. FIRPTA—Tax Withholding at Closing. Closing Agent is instructed to prepare a certification that Seller is not a “foreign person” within the meaning of the Foreign Investment in Real Property Tax Act. Seller agrees to sign this certification.

17. Conveyance. Title shall be conveyed by a Statutory Warranty Deed subject only to the Permitted Exceptions.

18. Agency Disclosure. At the signing of this Agreement, Seller is not represented by a real estate agent and Buyer is represented by Duke Young/Windermere Bellevue Commons (“Selling Licensee”). Any commission to be paid to the Selling Licensee shall be paid by the Buyer and shall not be deducted from the Purchase Price.

19. Assignment. Buyer may assign this Agreement or Buyer’s rights under this Agreement to Nion2, a limited liability company with the same underlying ownership as Buyer. Otherwise, Buyer may not assign this Agreement to any other party.

20. Remedies. In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then Seller may terminate this Agreement and keep the earnest money as liquidated damages as the sole and exclusive remedy available to Seller for such failure. In the event Seller fails, without legal excuse, to complete the sale of the Property, then, as Buyer’s sole remedy, Buyer may either (a) terminate this Agreement and recover all earnest money or fees made by Buyer whether or not the same are identified as refundable or applicable to the purchase price; or (b) bring suit to specifically enforce this Agreement and recover incidental damages provided Buyer must file suit within 60 days of the scheduled date of closing or any earlier date Seller has informed Buyer in writing that Seller will not proceed with Closing.

21. Information Transfer. In the event this Agreement is terminated, Buyer agrees to deliver to Seller within 10 days of Seller’s written request, copies of all materials received from Seller and any non-privileged plans, studies, reports inspections, appraisals, surveys, drawings, permits application or other development work product relating to the Property in Buyer’s possession or control as of the date this Agreement is terminated.

22. Binding. This Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the parties hereto and shall inure to the benefit of them. This Agreement and any addenda and exhibits to it state the entire understanding of the Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect this Agreement.

23. Counterparts. The parties may execute this Agreement in one or more identical counterparts, all of which when taken together will constitute one and the same instrument. A facsimile or electronic mail transmission shall be binding on the party or parties whose signatures appear thereon. If so executed, each counterpart is to be deemed an original for all purposes, and all counterparts shall, collectively, constitute one agreement, but in making proof of this Agreement, it shall not be necessary to produce or account for more than one counterpart. Electronic delivery of documents (such as fax or email) shall be legally sufficient to bind the party the same as delivery of an original.

EXECUTED to be effective as of the date listed above.

CITY OF KIRKLAND (SELLER)

By: _____

Its: _____

Approved as to form:

Assistant City Attorney

NION COMPANY (BUYER)

By: _____

Its: _____



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Michael Olson, Deputy Director

Date: June 17, 2014

Subject: INVESTMENT ADVISORY SERVICES

Recommendation

Council is informed of the City Manager's intent to execute a contract with Government Portfolio Advisors for Investment Advisory services for Kirkland's investment portfolio.

Background

The City's last external investment policy and portfolio review recommended the use of an investment advisor given the limited internal resources dedicated to managing the portfolio and the expectation of rising interest rates, which would result in the need for more active trading in the portfolio to ensure the most advantageous yield. The investment portfolio has consistently performed above the established benchmarks with the current, more passive strategy, however, the portfolio would realize increased returns with a more active strategy as the interest rate environment is rising.

The investment advisor will assist City staff with the management of the City's investment portfolio by providing non-discretionary advisory services for the City's investment portfolio and investment policy. Non-discretionary services means that the City retains control of the portfolio and authorizes all transactions. Government Portfolio Advisors was selected from three proposals submitted and two firms interviewed in an RFP process based on their experience, familiarity with Kirkland's portfolio, total cost, interview and proposal submitted. The proposed cost for services is a flat fee with no commissions for sales or increased fees based on fluctuations in portfolio size. Additional information on the firm is included as Attachment A and the draft scope of work is contained in Attachment B.

Annual costs for the non-discretionary investment advisory services will be \$39,000, which is expected to be more than offset by improved interest revenue due to a more active strategy. In addition, the use of an investment advisor will eliminate the need to contract out for an external portfolio review every three years at a cost of \$4,500. Interest earned on the

City's common investment fund, less earmarked expenditures and administration costs, are distributed to all of the participating funds per the City's financial policy.

While the cost of this contract is below the threshold requiring Council approval, the Investment Committee (City Manager and Director of Finance & Administration) recommended informing Council of the change as part of the commitment to provide Council with periodic investment policy updates, portfolio reviews and performance data. The selection of Government Portfolio Advisors for investment advisory services will be discussed with the Council Finance and Administration Committee at the June 24th meeting.

CITY OF KIRKLAND

REQUEST FOR PROPOSALS:
JOB NO. 35-14-FA
INVESTMENT ADVISORY SERVICES

Due: May 23rd, 2014



City of Kirkland
Department of Finance and Administration
Attn: Barry Scott, Purchasing Coordinator
123 Fifth Avenue
Kirkland, WA 98033

Provided by:



**GOVERNMENT
PORTFOLIO
ADVISORS**

Deanne Woodring, CFA – President
2188 SW Park Place, Suite 100
Portland, OR 97205
(503) 248-9973

deanne@gpafixedincome.com

LETTER OF TRANSMITTAL

City of Kirkland
Finance Department
Barry Scott, Purchasing Coordinator
123 Fifth Avenue
Kirkland, WA 98033

May 23, 2014

Dear Mr. Scott and the Evaluation Committee:

Government Portfolio Advisors, LLC, ("GPA") appreciates this opportunity to submit our proposal to provide investment advisory services to the City of Kirkland ("the City").

Government Portfolio Advisors is an independent, employee-owned firm that offers cost effective, objective investment advice to public entities. The three senior professionals of GPA have been providing investment advice to public entities since 1982 and focuses in Washington and Oregon. GPA is currently the largest non-discretionary investment advisor to public funds in the Pacific Northwest in terms of size and number of public entities being served.

The scope of services requested in this RFP require a high level of investment management experience, as well as the ability to provide fiduciary and oversight guidance to the City. Government Portfolio Advisors has unique experience in this area due to our long history of working with public entities, our understanding of the State of Washington investment regulatory requirements, our understanding of the investment management challenges at the City of Kirkland, our CFA credentials, and our expertise nationally in supporting industry best practices.

GPA will be an added resource to help improve your existing financial management process. Some of the primary resources we offer include strategic portfolio development, access to cutting edge portfolio reporting technologies, competitive transactional pricing platforms, and operational experience which you can leverage to help you achieve the goals of your investment program.

We are confident that the factors listed below, along with additional detail provided within this proposal, will clarify why we strongly believe that GPA is most qualified to partner with the City of Kirkland.

- **Public Entity Focus:** The three senior advisors at GPA have worked together as a team advising and consulting with the investment management departments of public entities for over thirty years and are some of the most experienced in the industry. Advising public entities on all facets of their investment management process is our core business. We have extensive experience advising public entity operating funds, reserve funds and project funds. These resources include experienced advisors, portfolio management systems, portfolio reporting services, broker/dealer relationships, and custodial relationships. Three of the four Advisors who would be working with the City are Chartered Financial Analyst charterholders (CFA) and utilize the structured investment process and ethics valued in the CFA program to guide their service.
- **Washington Experience:** The senior advisors at GPA have a long history of advising public entities in the state of Washington and have previously provided investment portfolio reviews for the City of Kirkland. Their experience in Washington includes a concise understanding of

Washington regulations developed through their work with various cities, counties, and the state treasurer along with an active association with the Washington Municipal Finance Officers Association and WMTA. Our advisory services experience in Washington includes non-discretionary investment management, investment management oversight of internal staff, assistance in the development of investment policies, and the implementation of operating procedures and investment strategies.

- **Continuity of Service:** Our experience with the City of Kirkland since 2008 will prove invaluable in giving us a head start in understanding your specific challenges. Our history of working with the City provides our group with a unique insight to the City's investment objectives, investment policy, regulatory requirements and internal staff resources. An experienced advisor with a thorough understanding of your organization can help communicate how past experiences apply to current challenges.
- **A Collaborative, Customized Approach:** Successful investment management requires a collaborative process where the advisor must have a complete understanding of each client, their investment policy, their expected cash flows, their tolerance for risk and their internal resource capability and capacity. The professionals at GPA have spent years developing and refining a customized approach that has proven successful in leveraging their experience and resources to help public entities develop an investment process that is focused on best practices.

We would like to continue our commitment to provide the City of Kirkland with the highest quality investment advisory services available. Our goal is to offer our experience, technology and relationships as an additional resource to help you develop a financial management process that is built on best practices, transparency, and high ethical standards. We have committed our careers to providing outstanding fixed income investment services to public entities and feel confident that our experience and capabilities will be an excellent match for your expectations and requirements.

GPA's Form ADV Part 1, Part 2A and Part 2B disclosure statements are included in the proposal and provided to the City of Kirkland on May 23, 2014.

Sincerely,

Deanne Woodring, CFA
President and Senior Portfolio Advisor

Firm Name: Government Portfolio Advisors, LLC
Principal Business Address
2188 SW Park Place, Suite 100
Portland, OR 97205

Contact Person & Authorized Signer: Deanne Woodring, CFA - President
Email: deanne@gpafixedincome.com
Telephone #: (503) 248-9973
Facsimile #: (971) 266-8825

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STATEMENT OF UNDERSTANDING

City Goals:

The City has been managing the portfolio internally, utilizing a liquidity and core fund component. Every three years, the City has hired an advisor to provide a one-time overview of the portfolio structure and risk review. The team of professionals of GPA completed that review for the City last year, while employed at our previous firm. Our recommendation at that time was to seek advisory services to assist the City in the improvement in investment decision making and strategic planning. GPA understands the City's current structure and can provide immediate transition to our non-discretionary service platform.

Our Role:

Our role as a non-discretionary manager is to work together with the City's internal staff to provide guidance for investment portfolio strategy, to develop procedural efficiencies and to support all requirements necessary to achieve a best practice investment program. We will lever our extensive experience and market contacts to help you create a customized investment management process. This process will enhance internal communication, define distinct actions, provide for full transparency, establish a complete reporting capability, and help you produce returns consistent with your expectations given your specific levels of risk/return tolerance.

Investment Policy Impact:

We believe that the investment policy has a significant impact on the financial performance for public entities. The State of Washington statutes and the City's current investment policy provide for the capacity to add returns through investing in US Treasury, Agency and Municipal securities and to maintain a maximum weighted average maturity of 3 years. However, with this ability to add earnings, it is important to incorporate the capability to monitor risk. We will assist the City in applying an attribution analysis to evaluate the sources of excess return as well as providing analysis on when to add risk and when to remain more conservative. The policy provides for the structure of a well-balanced investment program. Deanne Woodring works closely with the State Treasurer's office on educational forums at both WMTA and WFOA promoting best practices in investment policies.

INVESTMENT ADVISORY FIRM'S TEAM AND QUALIFICATIONS

Qualifications of the Investment Advisor Firm

- ***Firm's Capabilities and Experience:***

Government Portfolio Advisors, LLC was founded on the belief that public entities have the responsibility and the desire to achieve financial excellence. Our services are designed to partner with the City's finance team to enhance experience, knowledge and strategic planning. We understand the City of Kirkland is committed to excellence in fiscal administration and strives for the highest standards of performance and accountability.

Our experience is in working with clients that seek investment advisory services with a goal of enhancing investment management efficiency at a cost effective price. Our company structure gives us a distinct advantage to meet those objectives. We strive to provide investment advisory services that promote excellent transparency, accountability and portfolio performance that is consistent with expectations.

GPA is focused exclusively on providing investment management to the operating funds, project funds and reserve funds of public entities. We are arguably one of the most experienced groups serving the fixed income needs of public sector entities. Our three senior portfolio managers have over 90 years of collective experience developing and implementing fixed income portfolio strategies for public entities. We have investment management responsibilities for 21 clients with assets under management in excess of \$1.9 billion and another \$1.6 billion in consulting assets for 4 clients.

GPA offers four areas of significant value to the City:

- 1) *Investment policy and procedure development updates:* Over the past 30 years, our team has worked with public funds in writing and updating investment policies. In recent years, we have supported the incorporation of procedure development to improve communication, strategies and operational programs.
- 2) *Benchmarking strategies:* We have developed and implemented portfolio benchmark techniques as the base of our advisory service which has provided value to public funds of all sizes. We assist clients in the development of internal benchmarks that match the goals and objectives of each specific fund.
- 3) *Broker/Dealer experience:* Our relationships with the top tier broker/dealers are very valuable to our clients. The competitive pricing platform of GPA is an important advantages we have among our peers. We employ a significant effort in finding the lowest price offering in the market for each and every new investment purchase. This competitive trading platform provides for transparency and competitive pricing documents for all trades.
- 4) *Education and development:* The team has played an instrumental role in providing educational platforms in many capacities to public funds. We welcome the opportunity to provide an educational session to staff, investment committee and Board members who are interested in learning more about the markets and strategies for the City's investment program.

Assets Under Management

GPA manages client assets in both non-discretionary and discretionary accounts on a continuous and regular basis. As of April 30, 2014, the total amount of assets under our management was:

AUM Non-Discretionary by Type
As of 4/30/14

	# of Clients	Totals
Cities	8	\$385,047,217
Counties	4	\$576,898,174
Special Districts	7	\$958,004,938
Universities	2	\$70,739,398
Total		\$1,990,689,728

AUM Non-Discretionary by Service
As of 4/30/14

	# of Clients	Totals
Non-Discretionary	20	\$ 1,976,448,995
Discretionary	1	\$ 14,240,733
Total AUM	21	\$ 1,990,689,728
Consulting	4	\$1,621,620,536
Washington AUM	6	\$971,644,510

- **List firm experience working with similar organizations.**

The professionals of GPA have dedicated their careers to providing investment advisory services to cities, counties and other public entities that have similar investment requirements as the City of Kirkland. Our team of professionals have worked to develop the advisory services in the State of Washington and we currently serve the City of Bremerton, City of Snoqualmie, Sound Transit Authority, Washington State Convention Center, Washington Schools Risk Management Pool and Western Washington University. Our focus with these accounts is to provide an investment management process that is designed to meet the objectives of liquidity, safety and return. Our firm is unique compared to our competitors and this design is intentional as we believe that this allows us to focus on a personalized service that is customized to fit your needs. Our business model does not force us to offer a "one size fits all" service.

The City of Kirkland's portfolio size is optimal for our firm. We are experienced with creating clear lines of communication in regard to the investment portfolio. We understand that the finance team has many roles and utilizing our services allows the City to retain full control while outsourcing the time-consuming tasks of managing the portfolio.

- **The firm is legally qualified in the State of Washington**

GPA is registered and regulated by the SEC under the Investment Advisors Act of 1940. Our assets are in excess of \$100MM. Our SEC registration allows us to provide services to clients in all 50 states, however, GPA's focus is in Washington and Oregon. We have our Washington Business Licenses UBI: 603362487 and we report to the State's taxation division quarterly.

In addition, upon award of this contract we will complete the City of Kirkland's Business License Registration.

QUALIFICATIONS OF THE FIRM'S ADVISORY TEAM

- **The lead portfolio manager**

Deanne Woodring has been dedicated to serving public entity funds for her entire career. She began working in the industry in 1982, after graduating from the University of Oregon. Her focus has been on creating effective and clearly defined investment programs within public funds. Providing investment advice in partnership with cities and finance directors throughout the country is the key to her success. She understands that every entity she serves is unique in experience, oversight and knowledge. The goal is to customize the investment process to the specific requirements of her clients. She has been instrumental in educating public funds regarding benchmarks and best practices in an ever-changing interest rate environment. Deanne's local presence and experience will provide the City with the confidence that the investments are being managed with diligence, transparency and compliance.

- **Key Personnel**

Deanne Woodring, Dave Westcott and Sally Walton have operated as a team providing investment advice to public funds since 1982 and Luke Schneider joined them in 2009. Our office is located in Portland, Oregon making them easily accessible to the City. We have delivered our services in the investment advisory capacity since 1995. Prior to 1995, we provided investment advisory services to public funds on a brokerage basis. Ms. Woodring and Mr. Westcott became CFA charter holders (Chartered Financial Analysts) in 1989 and Luke Schneider completed his CFA courses in 2012. The firm utilizes the techniques and ethics supported by the CFA program to guide their advice.

General Qualifications, Licenses, Certifications and Experience:

<i>Team Member</i>	<i>Title, Roles and Responsibilities</i>	<i>Education</i>	<i>Credentials</i>	<i>Related Experience</i>
Deanne Woodring, CFA	President/Senior Portfolio Advisor Role: Lead Client Relationship and Portfolio Management	University of Oregon, Business Finance University of Washington, EMBA 2001	CFA - 1989 Investment Advisory License 1995 FINRA Licenses: 3,7,24,63 & 65	Serving public funds since 1982
Dave Westcott, CFA	Chief Investment Officer/COO - Senior Portfolio Advisor Role: Investment Strategy and Portfolio Management	Lewis & Clark College- Business	CFA - 1989 Investment Advisor License 1995 FINRA Licenses 3,7,8,63 & 65	Serving public funds since 1982
Sally Walton	Managing Director Senior Portfolio Manager Role: Client Relationship and Portfolio Management	Willamette University- Public Policy & Political Science	Investment Advisor License 1999 FINRA Licenses 3,7,63 & 65	Serving public funds since 1983
Luke Schneider, CFA	Managing Director Portfolio Manager Role: Investment Strategy and Portfolio Management	University of Arizona- Business Finance, Masters in Accounting 2010	CFA- 2012 Investment Advisor License 2012, FINRA Licenses 7 & 65	Serving public funds since 2009
Whitney Maher	Client Relationship Manager Role: Client Support and Reporting	Portland State University	FINRA License 7 & 66	Serving public funds since 2005
Kim Wright	Office Manager and Administrative Assistant Role: Client Support	Willamette University Sociology PSU – Masters in Public Administration		Serving public funds since 2014

- **Experience of the portfolio manager**

GPA has a total of 15 managed funds that are similar to the City's expected risk profile; 11 are managed to the 0-3 Year Treasury index (1.5 years) and 4 are managed to the 0-5 Year Treasury index (2.25 years). All remaining funds have a customized benchmark and are not listed as they have different objectives. In addition, each of our clients have a separate liquidity component that is typically held in the State Pool which we monitor as part of our service.

The portfolio managers are involved daily on managing these accounts and the overall performance is similar to the established benchmarks. GPA's team of portfolio managers would be responsible for the City's portfolio.

GPA is in the process of calculating historical performance back to 2004, under the GIPS portability standards utilizing performance from our clients at our previous firm. We are not allowed to show

Investment Advisory Services - Scope of Services

The Investment Advisor will assist City staff with the management of the City's investment portfolio by providing the following services:

- 1) Provide full-time, non-discretionary advisory services for the City's investment portfolio. Presently, it is estimated that the advisory services covers managing a balance of \$100 million or more.
- 2) Be available in a timely manner, in person, by telephone or e-mail, for consultation or advice. Meet with and provide information to city staff, Council and Finance & Administration Committee members as needed. Meet periodically with staff to review and refine portfolio strategy and performance (both on and off-site, daytime and evening meetings are possible).
- 3) Comply with all federal laws and state of Washington laws and the ordinances, resolutions and policies of the City of Kirkland.
- 4) Provide assistance in developing and implementing investment strategies that will maintain or enhance portfolio quality and performance within the parameters of the City's established investment policies and cash flow needs, taking into consideration the objectives listed in the City's Investment Policy.
- 5) Work with the City's cash management staff to assure completion of investment trades, delivery of the securities and availability of funds, assist with trade settlements when needed, obtain and document competitive prices for securities transactions. Provide technical and fundamental market research including yield curve analysis and future interest rate movements.
- 6) Providing investment advice including breakeven analysis on recommendations made to sell low yield securities and replace them with higher yielding securities.
- 7) Assist in the annual review and update of the City's Investment Policy. Assist in the review of investment management procedures and portfolio documentation, as well as, safekeeping and custodial procedures.
- 8) Perform due diligence reviews of current and proposed broker/dealers and financial institutions as described in the City of Kirkland Investment Policy. Monitor the creditworthiness of the financial institutions with which the City does business. Assist in keeping the authorized financial institution list updated. Monitor the creditworthiness of the City's depository and custodian bank and investments in the portfolio.
- 9) Provide detailed reports of investment portfolio activity and performance at least monthly, including a report that demonstrates the benefit on the portfolio's return of using an investment advisor. Reports should include relevant benchmarks, earnings and accounting methodology. Reports shall follow Generally Accepted Accounting Principles (GAAP) and Governmental Accounting

Standards Board (GASB) fair-value reporting. Provide separate semi-annual and annual portfolio performance reports based on the City's fiscal year.

- 10) Provide weekly, to City staff, statement of upcoming cash flows that includes maturities, coupons, called securities and potential callables for a period of 45 days. Upon request, have the ability to provide a statement of upcoming cash flows for a six-month period.
- 11) Provide City staff with ongoing training and technical advice as needed.
- 12) Provide itemized monthly invoices of charges and provide periodic status reports on the services provided by the firm.



CITY OF KIRKLAND

Department of Parks & Community Services

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

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroder, Director
Michael Cogle, Deputy Director

Date: June 18, 2014

Subject: Funding Request for Imagine Housing

RECOMMENDATION:

That Council approves the attached resolution authorizing the City Manager to allocate \$7,000 from the Council's Special Projects reserve fund to provide support for Imagine Housing's new project, Velocity.

BACKGROUND DISCUSSION:

At the June 17, 2014 City Council Meeting Rachel Mathison, Director of Support Services for Imagine Housing, requested funding assistance from the City for supportive services for their newest project, Velocity, scheduled to open in September at the South Kirkland Park & Ride. City Council requested that an appropriation be considered at the Council's July 1, 2014 meeting.

More information about the program and the requested funding is included in the attached letter from Ms. Mathison (Attachment 1). The funding source for this request is proposed to be from the Council's Special Projects reserve fund. A fiscal note is attached (Attachment 2).

Attachments

- 1 – Request Letter from Rachel Mathison, Imagine Housing
- 2 – Fiscal Note
- 3 – Resolution

May 21, 2014

Dear Members of the Kirkland City Council,

The City of Kirkland is an integral funder of Imagine Housing's services and capital projects. We are thankful for all of the past support and are requesting \$7,000 in additional funding from the City of Kirkland for supportive services at our newest property, Velocity.

Brief Description of Program: Velocity, slated to open in September of 2014, is Imagine Housing's newest housing development community designed to meet the needs of both people with low incomes and those coming from homelessness in East King County. This property is being developed at the South Kirkland Park and Ride as a collaboration between Metro Transit, Polygon (a market rate housing developer) and Imagine Housing. Velocity will provide 58 new affordable apartment homes including 12 apartments set aside for people coming from homelessness. This transit oriented development will allow more people to have access to affordable homes, stable jobs and a variety of community services without relying on personal vehicles, thereby reducing household transportation expenses and promoting better physical health. The services are designed to support low-income families and individuals in overcoming barriers to housing stability, accessing local resources, increasing self-sufficiency and improving their quality of life. Our services include case management, community building events, trainings, and youth activities. Services will begin on July 1st to assist residents with the application and move-in process.

What will the requested funding cover and who are the other funding partners?

We are requesting the following support dollars from the City of Kirkland to cover several important services to be delivered at Velocity:

- 1) Case Management and Resource Referrals: Over 100 case management meetings will be provided in the last two quarters of 2014 (July 1-December 31, 2014). Case management will be offered by staff during flexible drop in hours, by appointment, or over the phone. From July 1st to the completion of lease-up, many of these meetings will focus on helping new residents get the paperwork they need, the furniture they need and the support they need to develop stability in their new housing. After the initial move-in period, the majority of case management and resource referrals will focus on connections to emergency assistance for basic needs, financial assistance, and utility assistance.
- 2) Trainings, Workshops and Community Building events: These will be held 2 to 4 times each month depending on the needs and interests of residents. We anticipate starting community events as soon as the first residents move in. Classes will include topics such as budgeting, emergency preparedness and accessing health care. Community events will not only build connection and support among residents, but also work to improve the safety and ownership residents feel about the property. Whenever possible, childcare will be available during these events for residents as well.
- 3) Youth Activities: Over 125 hours of afterschool and summer activities will be available to youth at Velocity. Afterschool programs will be offered 1-2 times each week during the school year, depending on the need.



Imagine Housing
building eastside communities

Services at Velocity will be funded in three main ways. The property itself will generate enough rent to pay for some of the services being delivered at Velocity. We also have received a grant from King County to pay \$38,500 toward services each year beginning July 1st, 2014. Finally, we have submitted grants to Kirkland and Bellevue through the Combined Funding cycle for 2015-2016 and hope to receive this much needed financial support.

Why are we requesting funding outside of the funding cycle?

Resident will start moving into Velocity in August of 2014. Supportive services need to start in July, however, so that we can support future residents during the application process and through their transition into housing. Because our property was not yet under construction during the 2013-2014 funding cycle application, we were not able to apply for funding at that time. We have applied for funding for the 2015-2016 funding cycle but need funding to pay for the services that will be delivered during the last two quarters of 2014.

Will Kirkland residents benefit?

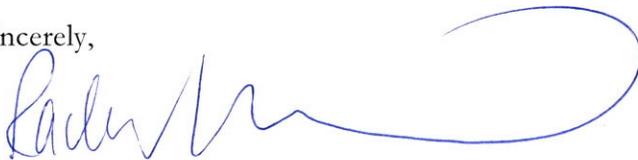
There is a significant lack of accessible and affordable housing for families and individuals in Kirkland and East King County, especially for people with very low incomes (under 30% AMI) and for those with multiple barriers to housing. Even the options for emergency shelter and transitional housing with supportive services on the Eastside are extremely limited. It is difficult for a homeless and/or low income household to find either temporary or non-time limited subsidized or affordable housing with supportive services in this area.

Context – a brief discussion of Francis Village and its funding model:

We currently receive \$15,000 each year from the City of Kirkland for the services we provide at Francis Village. We received this funding beginning in 2012. Many of the additional costs for services at Francis Village are covered by rent collected from the residents through property operations. This also will be true at Velocity. We also receive \$5,000 of services support from the City of Bellevue for the services delivered at Francis Village. All of this funding has been used to provide similar services to those that will be provided at Velocity.

We are so thankful for the City of Kirkland's ongoing support of organizations that provide support for our community members in need. We thank you for your thoughtful consideration of this funding request and look forward to continuing our relationship with the City of Kirkland.

Sincerely,



Rachel Mathison
Director of Supportive Services



Imagine Housing
building eastside communities

FISCAL NOTE*CITY OF KIRKLAND*

Source of Request							
Jennifer Schroder, Director of Parks & Community Services							
Description of Request							
Funding request of \$7,000 for Imagine Housing from the Council Special Projects Reserve.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$7,000 of the Council Special Projects Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
<i>Reserve</i>	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	Council Special Projects Rsv.	250,000	223,428	13,500	7,000	33,072	250,000
	2013-14 Prior Authorized Use of Council Special Projects Reserve: \$71,628 to fund Human Services Option #2, \$7,000 for the 4th of July Fireworks, \$15,000 for Kirkland Performance Center Storage Loft reimbursement, Nourishing Networks Central operations, \$25,000, and Spirit of America 9-11 Memorial Sculpture purchase, \$13,500, Totem Lake EIS \$75,300, and Kirkland Performance Center Operational Support \$16,000. 2013-14 Prior Authorized Additions include: \$13,500 from not proceeding with the aquisition bid for the 9/11 Memorial Sculpture as approved by Council on June 17, 2014.						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	June 23, 2014	

RESOLUTION R-5063

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO ALLOCATE \$7,000 FROM THE CITY COUNCIL SPECIAL PROJECTS RESERVE FUND TO PROVIDE FUNDING TO IMAGINE HOUSING FOR SUPPORTIVE SERVICES AT THE VELOCITY HOUSING DEVELOPMENT PROJECT IN 2014.

WHEREAS, Imagine Housing, a non-profit organization dedicated to providing affordable housing to Kirkland and East King County's lowest income residents, has requested funding assistance from the City to provide supportive client services to residents of the Velocity housing development project at the South Kirkland Park and Ride in 2014; and

WHEREAS, Velocity is scheduled to open in September 2014 and will provide 58 affordable apartment homes including 12 homes set aside for people moving from homelessness; and

WHEREAS, Imagine Housing will provide a variety of important services to Velocity residents, including case management, information and referral, training, and community-building events; and

WHEREAS, the City Council wishes to allocate funds to provide support to Imagine Housing for supportive services at Velocity in 2014;

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

Section 1. The City Manager is authorized to allocate \$7,000 from the City Council Special Projects Reserve fund to provide support to Imagine Housing for services at the Velocity housing development project at the South Kirkland Park and Ride in 2014.

Section 2. The funding assistance from City Council Special Projects Reserve fund shall be used for supportive services to Velocity residents, including case management, information and referral, training, and community-building events.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2014.

Signed in authentication thereof this ____ day of _____, 2014.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND

City Attorney's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3030
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Robin S. Jenkinson, City Attorney
Date: June 25, 2014
Subject: Correction of Scrivener's Errors in Interim Marijuana Zoning Regulations

RECOMMENDATION

It is recommended that the Council approves the attached ordinance correcting certain scrivener's or clerical errors in Ordinance O-4446 passed on June 17, 2014.

BACKGROUND DISCUSSION

Following the passage of Ordinance O-4446 at the June 17, 2014, Council meeting, it was discovered that the Ordinance contained scrivener's errors that need to be corrected. The nature of the scrivener's or clerical errors was that the ordinance presented to the Council as an amendment to Ordinance O-4439 inadvertently included text from an earlier draft of Ordinance O-4439 which the Council had removed prior to passage of the Ordinance and omitted findings that the Council had included.

The purpose of Ordinance O-4447 is to correct these scrivener's errors and accurately reflect the actions taken by the City Council. In the first attachment, the deletions are reflected with strikethrough text and corrective text is depicted with underscored text. The second attachment is a final version of proposed Ordinance O-4447. On page 2 of either of the attached Ordinances, the findings which had been inadvertently deleted are restored. On page 3, the provisions about odor and security that the Council had previously struck are removed. No emergency clause is needed because the sections related to the MSC and LIT zones are not changed by this ordinance from the Council's June 17 action and so those restrictions remain in effect.

Attachments:

- Ordinance O-4447 with Strikethroughs
- Ordinance O-4447 – Final
- Exhibit 1 Map

ORDINANCE O-4447

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, AMENDING ORDINANCE O-4446 TO CORRECT SCRIVENER'S OR CLERICAL ERRORS IN THE ADOPTED INTERIM ZONING REGULATIONS REGARDING THE RETAIL SALE OF RECREATIONAL MARIJUANA, PROVIDING FOR SEVERABILITY, AND APPROVING A PUBLICATION SUMMARY.

WHEREAS, Initiative 502 (I-502) approved by Washington voters in November 2012, provides a framework for licensing and regulating the production, processing, and retail sale of recreational marijuana; and

WHEREAS, the Washington State Liquor Control Board has adopted rules pertaining to the licensing of marijuana producers, processors, and retailers and has accepted applications, and is beginning to issue licenses for these marijuana businesses; and

WHEREAS, the State Liquor Control Board has determined that two state licenses for the retail sale of recreational marijuana may be issued for the City of Kirkland; and

WHEREAS, on January 16, 2014, the Washington State Attorney General issued a formal opinion which concluded that I-502 does not prevent local governments from regulating or banning marijuana businesses; and

WHEREAS, the City Council has continued to review how to reconcile the needs of the residents and businesses of Kirkland with respect to the retail sale of recreational marijuana, with I-502, and the rules promulgated by the Washington State Liquor Control Board; and

WHEREAS, the City Council believes that health, safety, and welfare of the community is best served by imposing interim regulations with reasonable limitations to avoid locating recreational marijuana retail outlets next to incompatible uses, while permanent Zoning Code amendments are considered; and

WHEREAS, following a public hearing on June 17, 2014, the City Council passed Ordinance O-4446 amending the interim zoning regulations previously adopted by Ordinance O-4439; and

WHEREAS, on June 10, 2014, a State Environmental Policy Act addendum was issued for the amended interim zoning regulations adopted by Ordinance O-4446; and

WHEREAS, the proposed ordinance presented to and adopted by the City Council as Ordinance O-4446 on June 17, 2014, contained certain scrivener's or clerical errors which it is necessary to correct; and

WHEREAS, the City has the authority to enact interim zoning regulations under RCW 35A.63.220 and RCW 36.70A.390;

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

Section 1. Findings. The recitals set forth above are incorporated as findings of fact in support of the interim regulations imposed by this ordinance. The City Council further finds as follows:

a. The City Council wishes to exercise its police power authority granted under article XI, section 11 of the Washington Constitution to promote public safety, health, and welfare, but expressly disclaims any intent to exercise authority over marijuana uses in way that would conflict with the federal Controlled Substances Act;

b. It is the intent of these interim zoning regulations to ensure that marijuana retail outlets are not located where the use could cause inappropriate off-site impacts; and

c. The Kirkland School Walk Routes have been identified based on considerations of existing traffic patterns and providing the greatest separation between walking children and traffic; and

d. The Market Street Corridor (MSC) MSC 1 and MSC 2 zones each abut or contain segments of Kirkland School Walk Routes developed with crosswalks and flashing beacons to encourage use by walking children; and

e. The potential for vehicular and pedestrian traffic impacts on Kirkland School Walk Routes as a result of proximity to marijuana retail outlets in Washington State is, as yet, unknown; and

f. Allowing recreational marijuana uses in Light Industrial Technology (LIT) zones primarily adjoining commercial zones lessens the potential for traffic conflicts with residential neighborhoods;

g. The public safety risks associated with retail marijuana outlets in Washington State are, as yet, unknown; and

h. These interim zoning regulations are designed to avoid potential adverse consequences and provide the opportunity to gather data and study, draft, and adopt permanent regulations; and

i. The City Council desires to create regulations that address the particular needs of the residents and businesses of Kirkland and coordinate with I-502 and the rules promulgated by the Washington State Liquor Control Board regarding recreational marijuana; and

j. Under these interim regulations there remain other potential sites within the City where the zoning would permit retail marijuana outlets and the properties appear to be located more than 1,000 feet from elementary or secondary schools, playgrounds, recreation centers

or facilities, child care centers, public parks, public transit centers, libraries, or any game arcades (where admission is not restricted to persons age 21 or older), the minimum criteria of the State Liquor Control Board; and

k. The City Council has also determined that City staff shall draft permanent Zoning Code amendments for referral to the Planning Commission for review, public hearing, and recommendation by the Planning Commission.

Section 2. Amendment. Ordinance O-4446 is amended to correct scrivener's or clerical errors.

Section 3. Interim Zoning Regulations.

a. Except as prohibited in subsections (b) and (c) below, marijuana retail outlets licensed by the Washington State Liquor Control Board and fully conforming to state law may locate in the following use zones:

1. Use zones where Retail Establishments are allowed;
2. Light Industrial Technology (LIT) zones determined by the City as having at least 50 percent of the boundaries of such zone adjoining commercial zones; and
3. Totem Lake (TL) TL 7 and TL 9 zones.

b. No marijuana retail outlet may locate in the Market Street Corridor (MSC) MSC 1 and MSC 2 zones.

c. Marijuana retail outlets shall not locate on any subject property abutting a street segment or public right-of-way segment that includes a Kirkland School Walk Route as shown on Exhibit 1.

~~d. Marijuana odor shall be contained within the retail outlet so that odor from the marijuana cannot be detected by a person with a normal sense of smell from any abutting use or property. If marijuana odor can be smelled from any abutting use or property, the marijuana retailer shall be required to implement measures, including but not limited to, the installation of the ventilation equipment necessary to contain the odor.~~

~~e. In addition to the security requirements promulgated by the Washington State Liquor Control Board in Washington Administrative Code (WAC) Chapter 315-55, during non-business hours, all useable marijuana, marijuana-infused product, and cash on the premises of a marijuana retail outlet shall be stored in a safe or in a substantially constructed and locked cabinet. The safe or cabinet shall be incorporated into the building structure or securely attached to the structure. Useable marijuana products that must be refrigerated or frozen may be stored in a locked refrigerator or freezer, provided the refrigerator or freezer is affixed to the building structure.~~

d. These interim zoning regulations shall be enforced using the procedures and penalties for violations of the Zoning Code established under Kirkland Municipal Code Chapter 1.12, "Code Enforcement."

Section 4. Definitions. As used in this ordinance, the following terms have the meanings set forth below:

a. "Marijuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

b. "Marijuana-infused products" means products that contain marijuana or marijuana extracts and are intended for human use. The term "marijuana-infused products" does not include useable marijuana.

c. "Marijuana retailer" means a person licensed by the State Liquor Control Board to sell useable marijuana and marijuana-infused products in a retail outlet.

d. "Retail outlet" means a location licensed by the State Liquor Control Board for the retail sale of useable marijuana and marijuana-infused products.

e. "Kirkland school walk routes" means the school walk routes adopted by the City Council based upon the walk routes identified by the Lake Washington School District within a one-mile radius of all public elementary schools in the City.

f. "Useable marijuana" means dried marijuana flowers. The term "useable marijuana" does not include marijuana-infused products.

Section 5. Duration. The interim zoning regulations adopted by this Ordinance shall be in effect for a period of six months from the effective date of Ordinance O-4439 and shall automatically expire on that date unless extended as provided in RCW 35A.63.220 and RCW 36.70A.390, or unless terminated sooner by the Kirkland City Council.

Section 6. Work Plan. The City staff is directed to draft permanent Zoning Code amendments. The proposed amendments shall be referred to the Kirkland Planning Commission for review, public hearing, and recommendation for inclusion in the Kirkland Zoning Code.

Section 7. Severability. Should any provision of this Ordinance or its application to any person or circumstance be held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 8. Effective Date. This Ordinance shall be in force and effect five days 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 this Ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this 1st day of July, 2014.

Signed in authentication thereof this 1st day of July, 2014.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

ORDINANCE O-4447

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, AMENDING ORDINANCE O-4446 TO CORRECT SCRIVENER'S OR CLERICAL ERRORS IN THE ADOPTED INTERIM ZONING REGULATIONS REGARDING THE RETAIL SALE OF RECREATIONAL MARIJUANA, PROVIDING FOR SEVERABILITY, AND APPROVING A PUBLICATION SUMMARY.

WHEREAS, Initiative 502 (I-502) approved by Washington voters in November 2012, provides a framework for licensing and regulating the production, processing, and retail sale of recreational marijuana; and

WHEREAS, the Washington State Liquor Control Board has adopted rules pertaining to the licensing of marijuana producers, processors, and retailers and has accepted applications, and is beginning to issue licenses for these marijuana businesses; and

WHEREAS, the State Liquor Control Board has determined that two state licenses for the retail sale of recreational marijuana may be issued for the City of Kirkland; and

WHEREAS, on January 16, 2014, the Washington State Attorney General issued a formal opinion which concluded that I-502 does not prevent local governments from regulating or banning marijuana businesses; and

WHEREAS, the City Council has continued to review how to reconcile the needs of the residents and businesses of Kirkland with respect to the retail sale of recreational marijuana, with I-502, and the rules promulgated by the Washington State Liquor Control Board; and

WHEREAS, the City Council believes that health, safety, and welfare of the community is best served by imposing interim regulations with reasonable limitations to avoid locating recreational marijuana retail outlets next to incompatible uses, while permanent Zoning Code amendments are considered; and

WHEREAS, following a public hearing on June 17, 2014, the City Council passed Ordinance O-4446 amending the interim zoning regulations previously adopted by Ordinance O-4439; and

WHEREAS, on June 10, 2014, a State Environmental Policy Act addendum was issued for the amended interim zoning regulations adopted by Ordinance O-4446; and

WHEREAS, the proposed ordinance presented to and adopted by the City Council as Ordinance O-4446 on June 17, 2014, contained certain scrivener's or clerical errors which it is necessary to correct; and

WHEREAS, the City has the authority to enact interim zoning regulations under RCW 35A.63.220 and RCW 36.70A.390;

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

Section 1. Findings. The recitals set forth above are incorporated as findings of fact in support of the interim regulations imposed by this ordinance. The City Council further finds as follows:

- a. The City Council wishes to exercise its police power authority granted under article XI, section 11 of the Washington Constitution to promote public safety, health, and welfare, but expressly disclaims any intent to exercise authority over marijuana uses in way that would conflict with the federal Controlled Substances Act;
- b. It is the intent of these interim zoning regulations to ensure that marijuana retail outlets are not located where the use could cause inappropriate off-site impacts; and
- c. The Kirkland School Walk Routes have been identified based on considerations of existing traffic patterns and providing the greatest separation between walking children and traffic; and
- d. The Market Street Corridor (MSC) MSC 1 and MSC 2 zones each abut or contain segments of Kirkland School Walk Routes developed with crosswalks and flashing beacons to encourage use by walking children; and
- e. The potential for vehicular and pedestrian traffic impacts on Kirkland School Walk Routes as a result of proximity to marijuana retail outlets in Washington State is, as yet, unknown; and
- f. Allowing recreational marijuana uses in Light Industrial Technology (LIT) zones primarily adjoining commercial zones lessens the potential for traffic conflicts with residential neighborhoods;
- g. The public safety risks associated with retail marijuana outlets in Washington State are, as yet, unknown; and
- h. These interim zoning regulations are designed to avoid potential adverse consequences and provide the opportunity to gather data and study, draft, and adopt permanent regulations; and
- i. The City Council desires to create regulations that address the particular needs of the residents and businesses of Kirkland and coordinate with I-502 and the rules promulgated by the Washington State Liquor Control Board regarding recreational marijuana; and
- j. Under these interim regulations there remain other potential sites within the City where the zoning would permit retail marijuana outlets and the properties appear to be located more than 1,000 feet from elementary or secondary schools, playgrounds, recreation centers or facilities, child care centers, public parks, public transit centers,

libraries, or any game arcades (where admission is not restricted to persons age 21 or older), the minimum criteria of the State Liquor Control Board; and

k. The City Council has also determined that City staff shall draft permanent Zoning Code amendments for referral to the Planning Commission for review, public hearing, and recommendation by the Planning Commission.

Section 2. Amendment. Ordinance O-4446 is amended to correct scrivener's or clerical errors.

Section 3. Interim Zoning Regulations.

a. Except as prohibited in subsections (b) and (c) below, marijuana retail outlets licensed by the Washington State Liquor Control Board and fully conforming to state law may locate in the following use zones:

1. Use zones where Retail Establishments are allowed;
2. Light Industrial Technology (LIT) zones determined by the City as having at least 50 percent of the boundaries of such zone adjoining commercial zones; and
3. Totem Lake (TL) TL 7 and TL 9 zones.

b. No marijuana retail outlet may locate in the Market Street Corridor (MSC) MSC 1 and MSC 2 zones.

c. Marijuana retail outlets shall not locate on any subject property abutting a street segment or public right-of-way segment that includes a Kirkland School Walk Route as shown on Exhibit 1.

d. These interim zoning regulations shall be enforced using the procedures and penalties for violations of the Zoning Code established under Kirkland Municipal Code Chapter 1.12, "Code Enforcement."

Section 4. Definitions. As used in this ordinance, the following terms have the meanings set forth below:

a. "Marijuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

b. "Marijuana-infused products" means products that contain marijuana or marijuana extracts and are intended for human use. The term "marijuana-infused products" does not include useable marijuana.

- c. "Marijuana retailer" means a person licensed by the State Liquor Control Board to sell useable marijuana and marijuana-infused products in a retail outlet.
- d. "Retail outlet" means a location licensed by the State Liquor Control Board for the retail sale of useable marijuana and marijuana-infused products.
- e. "Kirkland school walk routes" means the school walk routes adopted by the City Council based upon the walk routes identified by the Lake Washington School District within a one-mile radius of all public elementary schools in the City.
- f. "Useable marijuana" means dried marijuana flowers. The term "useable marijuana" does not include marijuana-infused products.

Section 5. Duration. The interim zoning regulations adopted by this Ordinance shall be in effect for a period of six months from the effective date of Ordinance O-4439 and shall automatically expire on that date unless extended as provided in RCW 35A.63.220 and RCW 36.70A.390, or unless terminated sooner by the Kirkland City Council.

Section 6. Work Plan. The City staff is directed to draft permanent Zoning Code amendments. The proposed amendments shall be referred to the Kirkland Planning Commission for review, public hearing, and recommendation for inclusion in the Kirkland Zoning Code.

Section 7. Severability. Should any provision of this Ordinance or its application to any person or circumstance be held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 8. Effective Date. This Ordinance shall be in force and effect five days 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 this Ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this 1st day of July, 2014.

Signed in authentication thereof this 1st day of July, 2014.

MAYOR

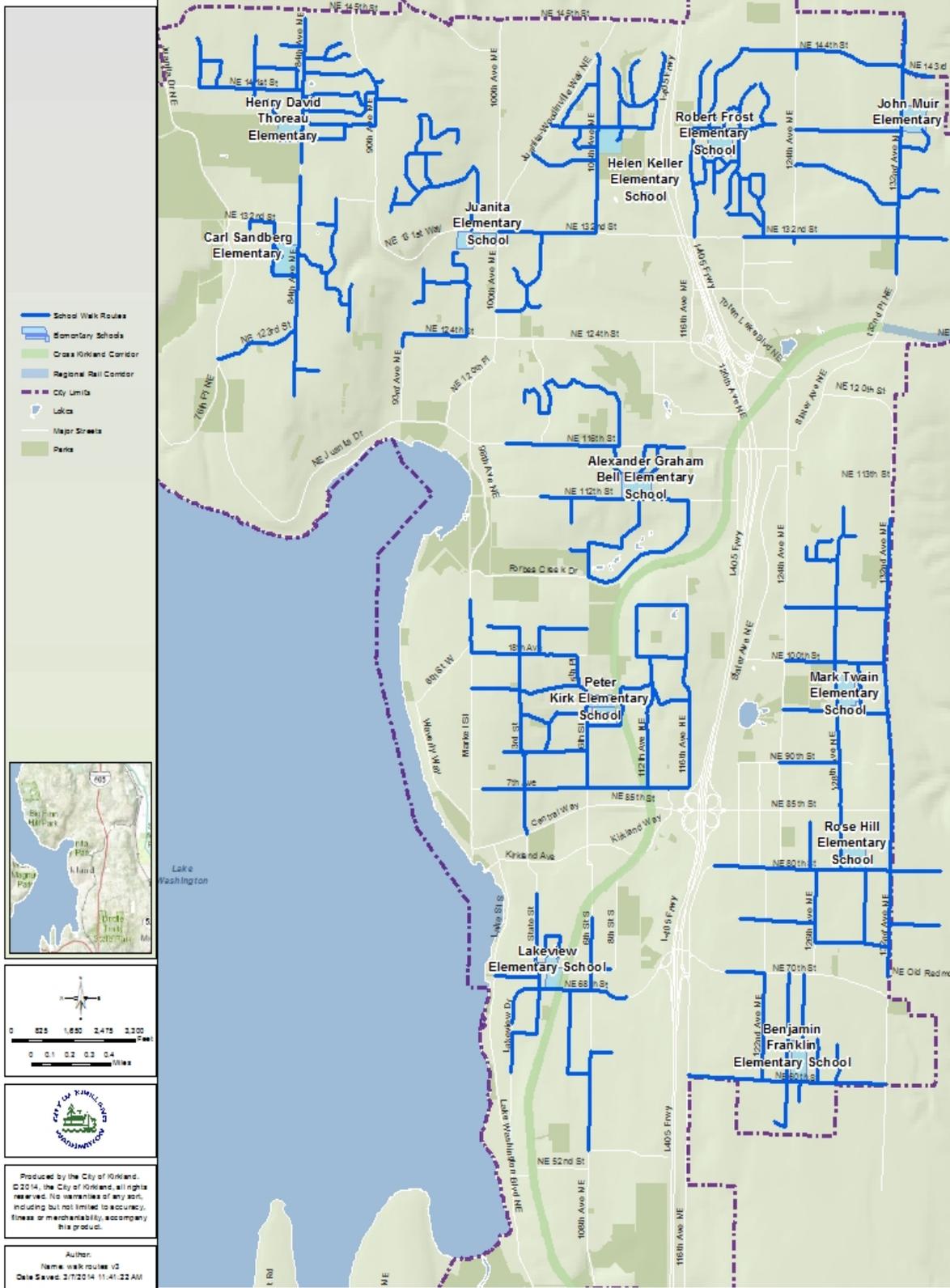
Attest:

City Clerk

Approved as to Form:

City Attorney

Kirkland School Walk Routes - March 18, 2014



PUBLICATION SUMMARY
OF ORDINANCE O-4447

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING, AMENDING ORDINANCE O-4446 TO CORRECT SCRIVENER'S OR CLERICAL ERRORS IN THE ADOPTED INTERIM ZONING REGULATIONS REGARDING THE RETAIL SALE OF RECREATIONAL MARIJUANA, PROVIDING FOR SEVERABILITY, AND APPROVING A PUBLICATION SUMMARY.

SECTION 1. Adopts findings for the interim regulations.

SECTION 2. Amends Ordinance 4446 to correct scrivener's or clerical errors.

SECTION 3. Sets forth interim zoning regulations.

SECTION 4. Defines terms used in the ordinance.

SECTION 5. Sets forth the duration of the ordinance.

SECTION 6. Sets forth the work plan.

SECTION 7. Provides a severability clause for the ordinance.

SECTION 8. 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 _____, 2014.

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

City Clerk



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroeder, Director of Parks and Community Service
Marilynne Beard, Interim Public Works Director

Date: June 19, 2014

Subject: PROPOSITION 1 – STREETS & PED SAFETY LEVY ACCOUNTABILITY REPORT
PROPOSITION 2 – PARKS LEVY ACCOUNTABILITY REPORT

RECOMMENDATION:

City Council approves the attached resolutions adopting the Accountability Reports for Proposition 1- Streets & Pedestrian Safety Levy and Proposition 2 - Parks Maintenance, Restoration and Enhancement Levy, including any changes to the reports that may be needed as a result of this final submittal.

BACKGROUND DISCUSSION:

On November 6, 2012, Kirkland voters approved Propositions 1 & 2, a new source of revenue for significant street and parks improvements throughout the City. Proposition 1 funded additional street preservation and pedestrian safety projects. Proposition 2 funded the preservation, maintenance, and enhancement of Kirkland's parks and natural areas. To ensure that Kirkland's residents are able to monitor progress toward the established levy goals, an annual accountability report was to be provided for each levy. Copies of the final reports are attached to each of the two resolutions incorporated herein.

Separate Resolutions

Staff recommends adopting each accountability report with a separate resolution since the accountability reports will be annual events in perpetuity. It may be that in future years the readiness of each report might occur at different times during the year or future Councils may request additional information or edits for one or both reports that result in the reports being approved at different Council meetings. Adopting the initial accountability reports as separate resolutions sets a precedent that allows for future flexibility in timing.

Streets and Pedestrian Safety Levy Report

The Streets and Pedestrian Safety Levy Report explains Kirkland's strategy for street preservation and the policy-basis of the City's balanced transportation goal. It describes how

citizens can nominate capital improvement projects through the interactive Suggest-a-Project online map and demonstrates the streets levy's relationship to property taxes.

As first reported to City Council at their regular meeting of May 6, 2014, the Streets Levy Report devotes most of its content to articulating the targets of the streets levy, as detailed in the ballot and in the voter fact sheet, and tracking Kirkland's progress toward them. The 20-year targets include \$60 million in total spending—roughly \$2.7 million per year toward street preservation and \$300,000 per year to pedestrian safety.

Several edits were requested by Councilmembers during their review of the Draft Streets Levy Report; **Attachment A** details the changes made to that report.

Parks Maintenance, Restoration and Enhancement Levy Report

Park Levy funds are allocated to Park Maintenance and Operations (\$1.095 million) with an annual investment of approximately \$1 million for Park Capital Projects (\$7.5 million over the first seven years). The Park Levy Accountability Report informs the community of annual accomplishments and funding status. The Park Board reviewed and recommended the Levy Report prior to final Council review. Revisions to the report based on Council's last review include adding the Kirkland Performance Center and the Kirkland Youth Teen Union Building to the facilities list.

Public Outreach

With City Council approval, staff will distribute the report through the City's website and listservs, as well as at community meetings throughout 2014. Staff will have hard copies available at City facilities and notify residents of the availability of the reports through a press release.

Attachment A: Summary of Edits to Streets Levy Accountability Report

Summary of Changes to Streets Levy Accountability Report

The Kirkland City Council recommended, via PDF, 34 changes in two iterations to the Streets Levy Accountability Report since viewing it in draft in May. That feedback generally falls into one of three categories:

- 1.) Structure, word-choice, grammar (20.5)
- 2.) Design (4)
- 3.) Content and policy (10.5). Several of these comments pertained to the same content, which explains the six responses under the Content/policy category, rather than 10.

COMMENT TYPE	RESPONSE
Structure, word-choice, grammar	All feedback dedicated to the paragraph structure, word-choice, tense and grammar of the document have been implemented. Some suggestions required minor rewrites that were not specified in the feedback.
Design (“Better graphic needed for cost/block”)	Created new bar chart, using pennies, as recommended by Council Member Asher.
Design (Turn light-blue portion of RFB bar chart to white)	Request implemented
Design (Put levy-funding on top of 2013 investment bar chart and embolden font)	Request implemented
Design (increase font size on Pgs 2,3)	Request implemented
Content/policy (30** as the outlier of Progress to Date results)	Replaced with 11 lane miles, which represents a levy-only contribution. The 20-year target was replaced with 240, which roughly represents a projected contribution of levy-funding on neighborhood/collector streets. Neither the ballot nor the fact sheet specify a levy-only target for neighborhood/collector street preservation.
Content/policy (What is our 20-year goal for school walk routes?)	Page 8 of the Active Transportation Plan says Objective G4.1 is to “Complete sidewalk on one side of all school walk route segments of all arterials and collector streets by 2019.” However, the levy report does not use this as a metric. The reasoning: Staff used the ballot and the voter fact sheet to determine the levy-targets to which the City is holding itself accountable. This includes targets, such as 50 RFBs and 90 lane miles of resurfaced arterials. The ballot and voter fact sheet did mention improvements, such as sidewalks and safe routes to school. They did not, however, specify targets for them. As a result, the levy report tracks the progress of those categories. But it doesn’t track that progress against a 20-year target. This includes the Safe

	Routes to School category.
Content/policy (How can these numbers—pedestrian safety numbers—be right?)	The numbers reported in earlier editions of the levy report included sidewalk construction. The numbers reported in the current edition account exclusively for RFB construction within the 2013 year.
Content/policy (Two comments pertaining to “Leveraging the Levy): 1.) “How about: The 112th Street Sidewalk project demonstrates the power of leveraging local funds to attract large grants. I would put this above the bar graph and move the \$150,000 paragraph under the picture.” 2.) “I don't see how the \$150,000 story ties into this page that appears to be about leveraging the 112th Street sidewalk. We need a stronger transition is you are changing thoughts.”	<ol style="list-style-type: none"> 1.) Put recommended sentence in caption under the picture. 2.) Changed to \$10,000 and 30 feet respectively, to connect to the \$10,000 of levy funding used to acquire \$86,000 in grant funding.
Content/policy (to which time-period does “Average Pre-Levy” refer? on Pg. 14)	Average Pre-Levy numbers were based on a combination of previous year and two-, and three-year averages.

RESOLUTION R-5064

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE 2013 STREETS AND PEDESTRIAN SAFETY LEVY ACCOUNTABILITY REPORT FOR PROPOSITION 1 – STREETS AND PEDESTRIAN SAFETY LEVY.

WHEREAS, in November 2012, Kirkland voters approved Proposition 1 – Streets and Pedestrian Safety Levy (“Streets Levy”); and

WHEREAS, Ordinance No. 4364 adopted by the Kirkland City Council to place Proposition 1 on the ballot described the restricted uses for the funding as well as the requirement to produce an accountability report documenting actions and the status of the programs funded by the Streets Levy; and

WHEREAS, the submitted 2013 Streets Levy Accountability Report reflects the allocation of Street Levy funds to fund street maintenance and safety improvements for arterial, local and neighborhood streets, including resurfacing, pothole repair, bicycle route enhancements, pedestrian safety improvements, traffic calming projects, school walk routes, sidewalks and crosswalks; and

WHEREAS, the 20-year targets in the 2013 Streets Levy Accountability Report include \$60 million in total spending – roughly \$2.7 million per year toward street preservation and \$300,000 per year to pedestrian safety; and

WHEREAS, the City Council desires to adopt the 2013 Streets and Pedestrian Safety Levy Accountability Report;

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

Section 1. The Kirkland City Council adopts the 2013 Streets and Pedestrian Safety Levy Accountability Report attached as Exhibit A and incorporated by this reference.

Section 2. The Kirkland City Council authorizes the posting of the 2013 Streets and Pedestrian Safety Levy Accountability Report on the City website and the distribution of the Report throughout the community.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2014.

Signed in authentication thereof this ____ day of _____, 2014.

MAYOR

Attest:

City Clerk

▶ **2013 WAS A GOOD YEAR FOR CITY'S ROADS PG 5**

Kirkland

AN ACCOUNTABILITY REPORT ON THE STREET MAINTENANCE and PEDESTRIAN SAFETY LEVY PROGRAM



ARTERIAL OVERLAY

Main roads to get primary focus PG. 4



IMPROVING SAFETY

for walking and bicycling PG. 10

Houghton Beach Park from
Northeast 60th Street



SERIOUS PROPOSITION

Residents invested in their streets with a \$2.9 million annual levy.

Kirkland's roads were approaching a collective tipping point in 2011. To prevent their continuous decline from accelerating beyond a monetary point-of-no-return, Kirkland needed another \$38 million. Without that funding, their conditions would plummet, according to City projections, and the costs to restore them would balloon exponentially to \$128 million. Meanwhile, Kirkland was grow-

ing by 33,000 people and, more specifically, five elementary schools. All of those schools needed safe walking routes. And the local, state and federal funding that helps Kirkland provide the routes to those schools was becoming more scarce just as the costs to build sidewalks and maintain roads were going up.

To solve this dilemma, while pursuing the City Council's goals of balancing Kirkland's

transportation choices and maintaining dependable infrastructure, Kirkland's voters approved on November 6, 2012 the Streets Levy. The levy raised \$2.9 million in 2013. That amount will grow in the coming years. As it does, so will our ability to maintain our streets, build sidewalks, illuminate crosswalks and make our neighborhood roads safer.

In this first year of the levy, for example, we leveraged \$10,000 in levy funding for nearly \$90,000 in state grants, which is how we built

the sidewalk along Northeast 112th Street that connects A.G. Bell Elementary School to the Cross Kirkland Corridor. We will continue to leverage and use your levy dollars—transparently and accountably—to build sidewalks, maintain streets and create safer crosswalks. To ensure we do, we will publish a performance report each year. This is the first of such reports. As the program accumulates data, progress toward its street condition goals will be more evident. ◀

2013: JUST THE BEGINNING

The levy enabled Kirkland to overlay 10.6 miles of arterials and slurry seal 30 miles of neighborhood streets.

Kirkland added five to eight years of life in 2013 to 30 lane-miles of neighborhood roads, thanks largely to the levy. The Finn Hill neighborhood received much of that focus (indicated in orange on this map).

The levy also helped the City resurface 10.6 arterial lane-miles in 2013 (indicated in black on this map).

This year, the levy is helping Kirkland replace the surfaces of 11.8 arterial lane miles. These road sections are indicated below:

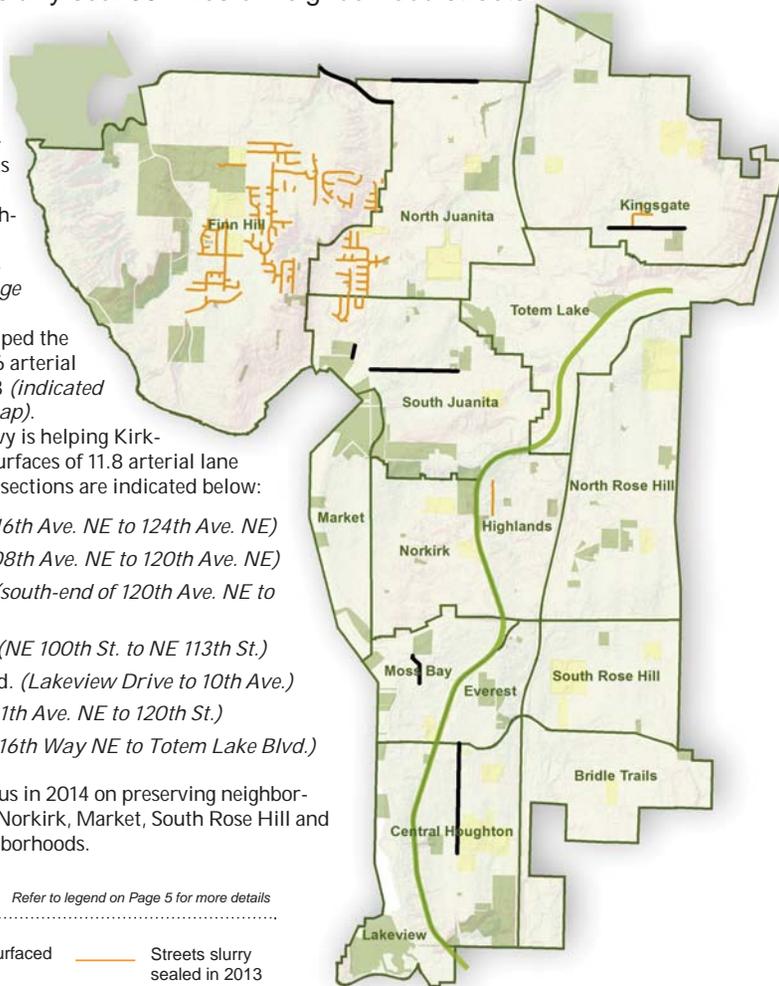
- NE 124th St. (116th Ave. NE to 124th Ave. NE)
- NE 116th St. (108th Ave. NE to 120th Ave. NE)
- 120th Ave. NE (south-end of 120th Ave. NE to NE 118th St.)
- 132nd Ave. NE (NE 100th St. to NE 113th St.)
- Lake Wash. Blvd. (Lakeview Drive to 10th Ave.)
- NE 112th St. (111th Ave. NE to 120th St.)
- NE 132nd St. (116th Way NE to Totem Lake Blvd.)

Kirkland will focus in 2014 on preserving neighborhood roads in the Norkirk, Market, South Rose Hill and Bridle Trails neighborhoods.

LEGEND

Refer to legend on Page 5 for more details

- Streets resurfaced in 2013
- Streets slurry sealed in 2013



IN 20 YEARS ...

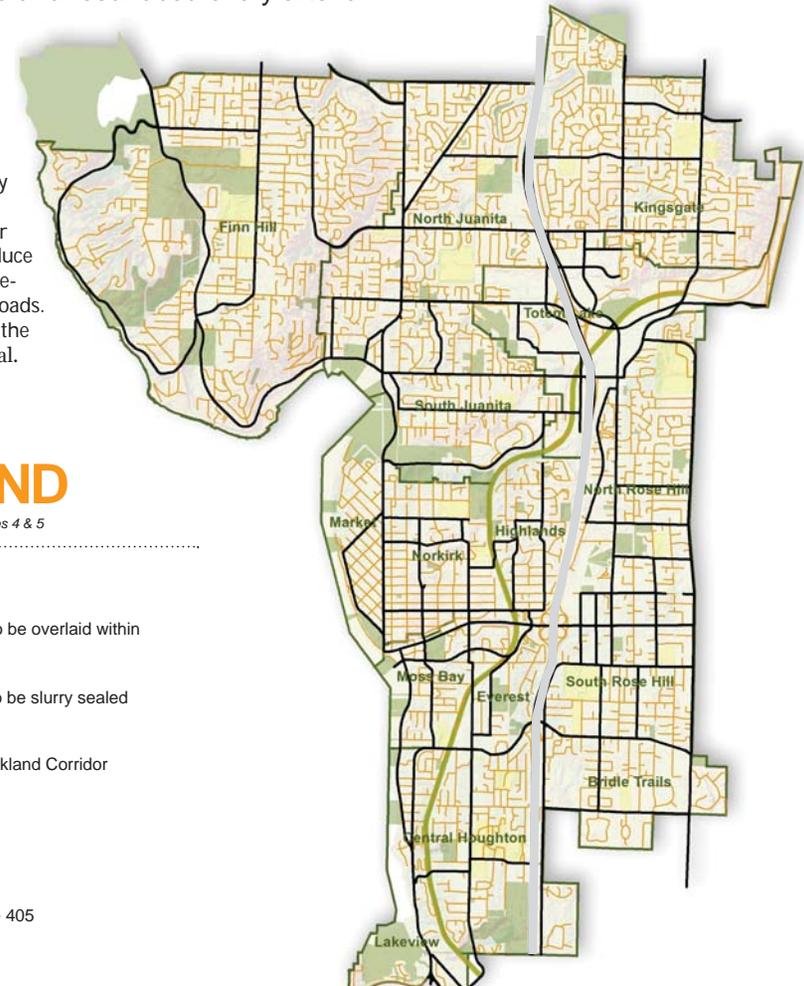
In 20 years, Kirkland will have treated every neighborhood street at least once and resurfaced every arterial.

Kirkland's residents approved an ambitious goal when they passed the levy: Treat nearly every neighborhood road, repair potholes and reduce long-term maintenance costs for roads. This map shows the extent of that goal.

LEGEND

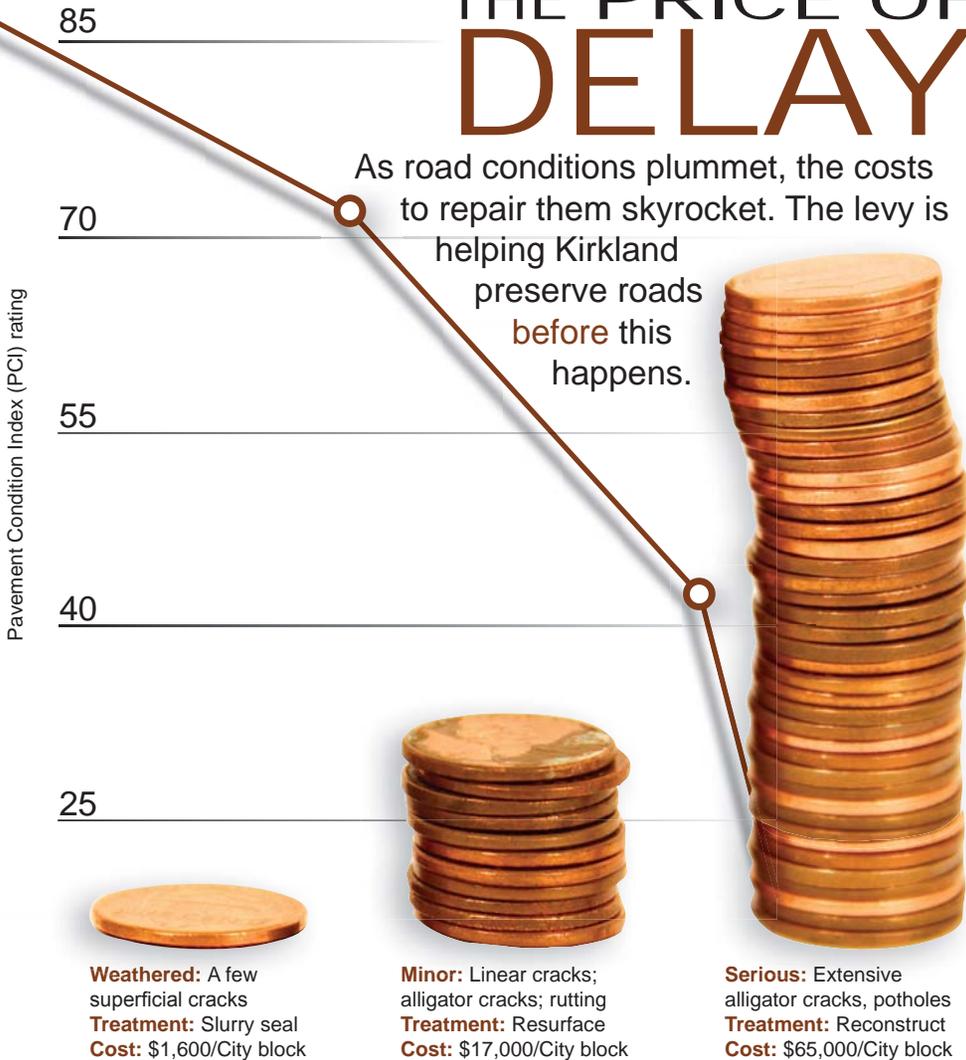
Refers to maps on pages 4 & 5

- Streets to be overlaid within 20 years
- Streets to be slurry sealed
- Cross Kirkland Corridor
- Schools
- Parks
- Interstate 405



THE PRICE OF DELAY

As road conditions plummet, the costs to repair them skyrocket. The levy is helping Kirkland preserve roads before this happens.

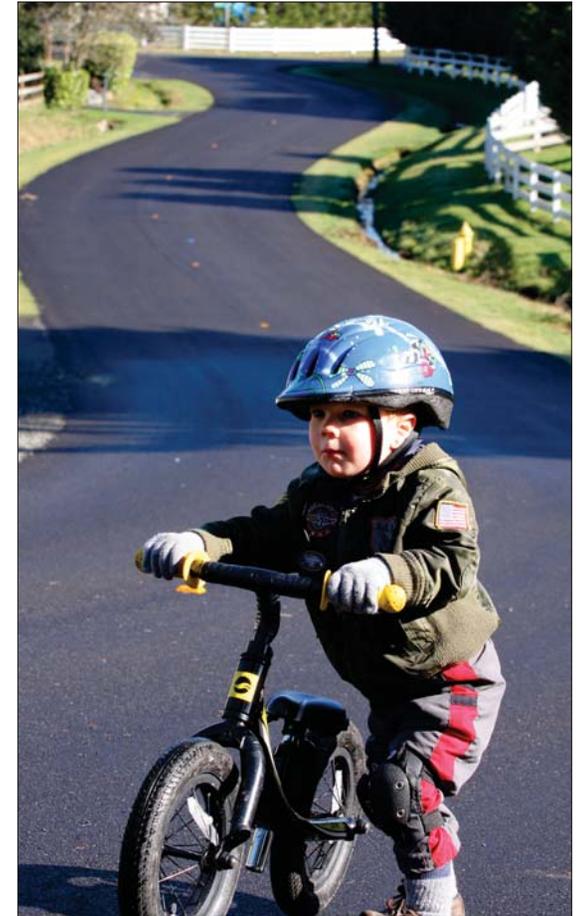


WE DON'T DO WORST FIRST

Kirkland's strategy is to keep most roads in good condition, rather than a few in perfect condition.

The strategy focuses resources on most of Kirkland's neighborhood roads—those roads that are still in good condition, but in need of some treatment. The reason: For the costs of reconstructing a single City block, Kirkland can re-pave four City blocks or seal 41. The result is a network of functioning streets that are relatively inexpensive to maintain. A "worst-first" strategy would result in the opposite: A few functioning streets and a network of roads that are failing and too expensive to repair.

To squeeze more life out of Kirkland's failing roads, City crews patch potholes and alligator cracks. The exception in 2013 was 97th Avenue Northeast from Juanita Drive to 119th Way. Potholes and alligator cracks had destroyed 341 feet of that road beyond a street overlay's capacity to repair it. The section—less than a City block—required total reconstruction. The cost, more than \$65,000, illustrates why it was Kirkland's first curb-to-curb road reconstruction in nearly a decade. ◀



A toddler pushes his balance bike up Northeast 61st Street in the Bridle Trails neighborhood, shortly after the City of Kirkland treated it in 2012 with slurry seal. Residents of the neighborhood said in a pair of focus groups conducted November 2013 that they were pleased with their treated street surface, even though it initially had more friction.

cycling

cycling



MOVING PEOPLE

More than a decade ago, Kirkland's leaders began thinking about transportation in a different way: Moving people, not just moving cars. Since then, we've been designing a city that can do just that. By 2013, Kirkland had completed 64 percent of its bicycle network and had transformed 60 percent of its main roads into complete streets that offer sidewalks to pedestrians and bike lanes to cyclists. ◀



This student's Oct. 8, 2013 journey across Northeast 116th Street to Alexander Graham Bell Elementary School is aided by the levy-funded Rapid Flashing Beacons installed a few days earlier.

GETTING SAFER

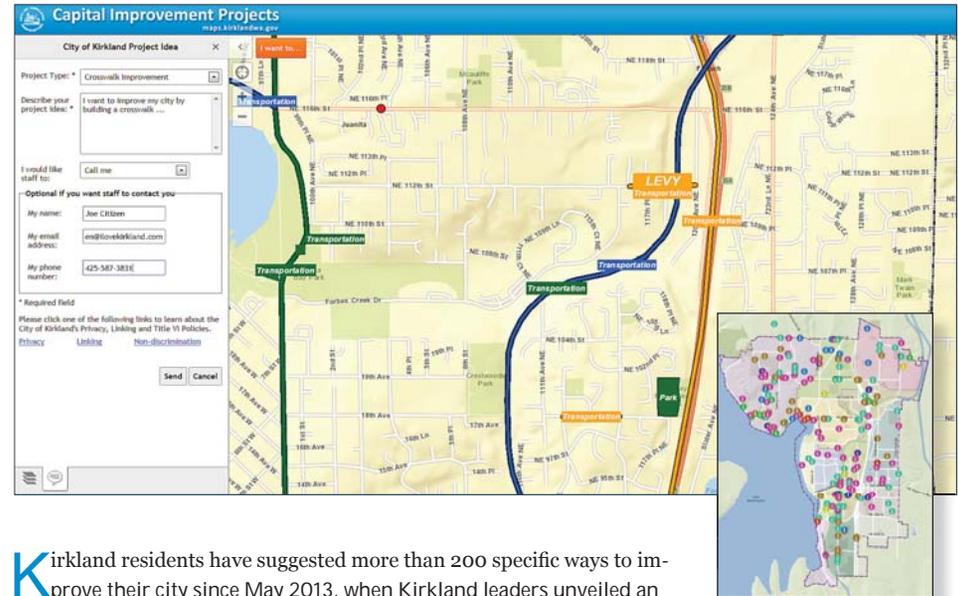
Levy leverages state and federal grants to complete school walk routes and to make the City safer for foot and bike travel.

Kirkland residents now have 15 more rapid flashing beacons in seven different neighborhoods than they did one year earlier, thanks to the levy and an expedited project schedule.

The City began or completed construction in 2013 on all of the levy-funded pedestrian improvements planned through 2014. The City also used the levy to leverage state and federal grants for safety features, such as sidewalks and flashing beacons. This includes an \$86,000 Transportation Improvement Board grant that helped pay for a sidewalk along 112th Avenue Northeast and a Washington Traffic Safety grant that paid for all but the in-house labor to install crosswalk lights on 84th Avenue Northeast, near Finn Hill Junior High, Carl Sandburg and Thoreau elementary schools. ◀

SUGGEST-A-PROJECT

New website feature allows residents to add their ideas to the map.



Kirkland residents have suggested more than 200 specific ways to improve their city since May 2013, when Kirkland leaders unveiled an interactive map that allows the public to directly participate in the Capital Improvement process.

Residents suggested specific ways to improve safety for bicycling, for neighborhoods, parks and driving. Walking was, by far, the most frequently suggested topic, accounting for nearly 60 percent of all the suggestions.

Once suggested, these ideas become candidates for inclusion in the 2015 - 2020 Capital Improvement Program, which the City Council will adopt December 2014.

The Capital Improvement Program is Kirkland's plan for improvements and maintenance of its transportation systems, including streets, sidewalks, and intersections. The City Council reviews, updates and adopts the Capital Improvement Program every two years.

To put your ideas on the map, visit:
http://www.kirklandwa.gov/depart/Public_Works/Capital_Improvements.htm

FLASHING BEACONS

To expedite the construction in 2013 of Rapid Flashing Beacons at 15 crosswalks throughout the City, Kirkland leveraged 2013 funds, as well as anticipated 2014 funds.

Pedestrian safety increased at 15 Kirkland crosswalks within 15 months of the levy's passage.

These six levy-funded Rapid Flashing Beacons were completed by Dec. 31, 2013:

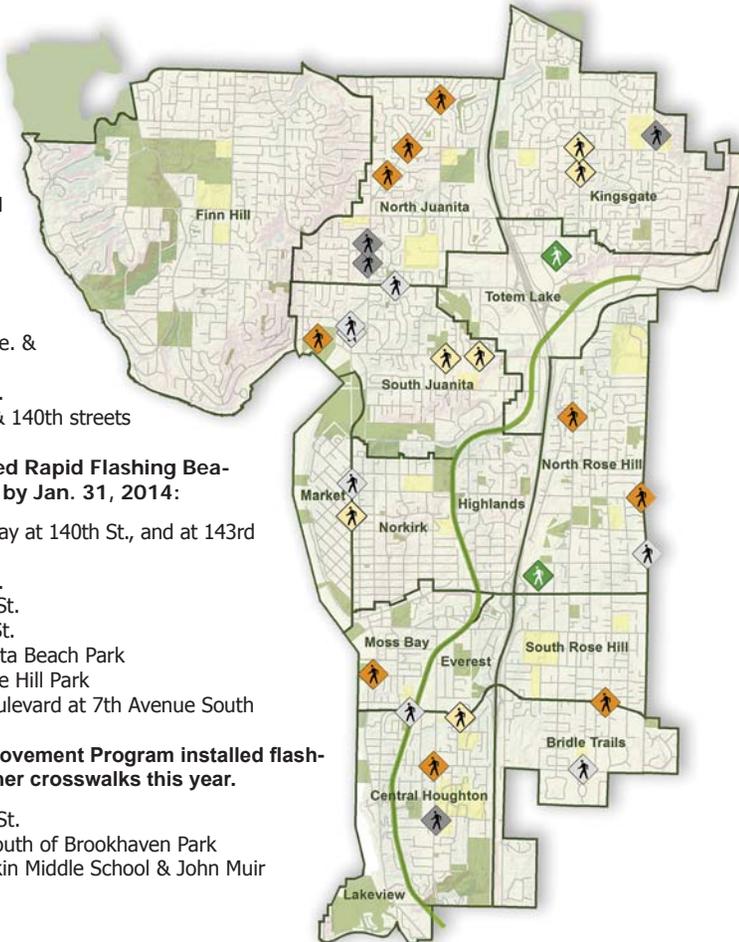
- ◆ Market & 15th Ave.
- ◆ 116th St. at 110th Ave. & at 113th Ave.
- ◆ 68th St. at 111th Ave.
- ◆ 124th Ave. at 137th & 140th streets

These nine levy-funded Rapid Flashing Beacons were completed by Jan. 31, 2014:

- ◆ Juanita-Woodinville Way at 140th St., and at 143rd Place and 136th Place.
- ◆ 108th Ave. at 60th St.
- ◆ 132nd Ave. at 100th St.
- ◆ 124th Ave. at 108th St.
- ◆ Juanita Drive at Juanita Beach Park
- ◆ 70th St. at South Rose Hill Park
- ◆ Lake Street South Boulevard at 7th Avenue South

The City's Capital Improvement Program installed flashing beacons at four other crosswalks this year.

- ◆ 108th Ave. and 53rd St.
- ◆ 100th Ave. north & south of Brookhaven Park
- ◆ 132nd Ave. at Kamiakin Middle School & John Muir Elementary



IN 20 YEARS ...

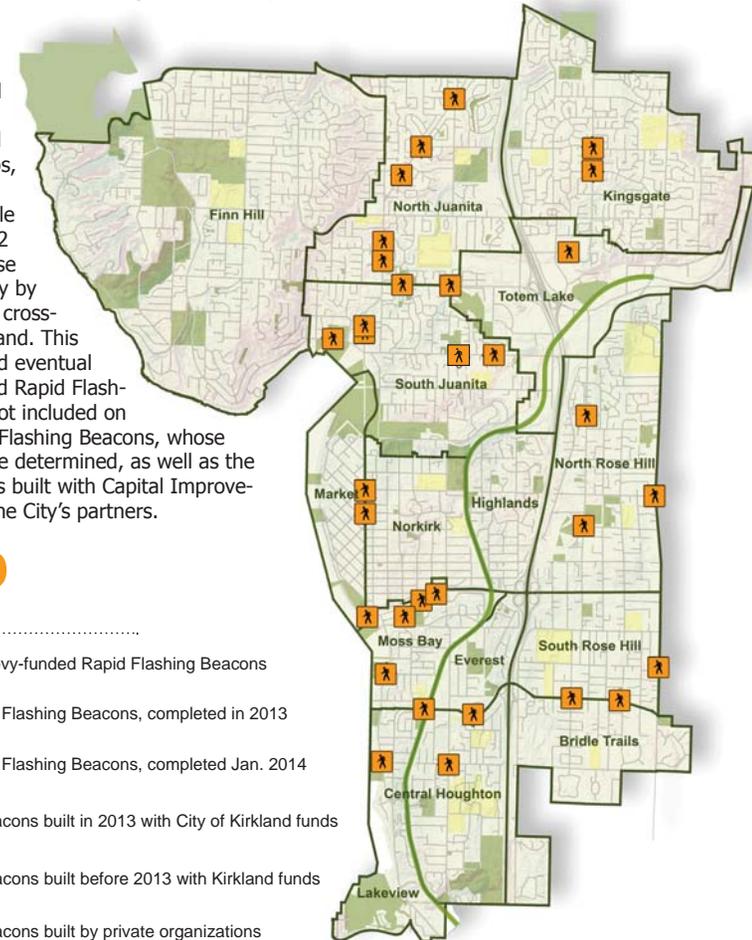
The levy empowers Kirkland to replace damaged flashing lights with Rapid Flashing Beacons at 32 crosswalks throughout the City and add 18 more.

With its Complete Streets Ordinance, Safe School Walk Routes, cross-walk flag program, and community partnerships, Kirkland has asserted its identity as a walkable community. In the 2012 election, its voters chose to enhance that identity by increasing safety at 50 crosswalks throughout Kirkland. This map shows present and eventual locations of levy-funded Rapid Flashing Beacon systems. Not included on this map are 18 Rapid Flashing Beacons, whose locations have yet to be determined, as well as the Rapid Flashing Beacons built with Capital Improvement funding and by the City's partners.

LEGEND

Refers to maps on pages 12 & 13

- ◆ Present & future Levy-funded Rapid Flashing Beacons
- ◆ Levy-funded Rapid Flashing Beacons, completed in 2013
- ◆ Levy-funded Rapid Flashing Beacons, completed Jan. 2014
- ◆ Rapid Flashing Beacons built in 2013 with City of Kirkland funds
- ◆ Rapid Flashing Beacons built before 2013 with Kirkland funds
- ◆ Rapid Flashing Beacons built by private organizations

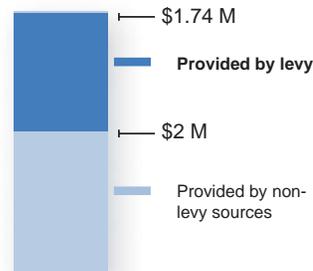


TRACKING PROGRESS

Your support for Proposition 1 makes possible a variety of specific goals, such as resurfacing all of Kirkland's most traveled roads and enhancing crosswalks with warning lights. The following table outlines each of these goals and tracks Kirkland's progress toward them. ◀

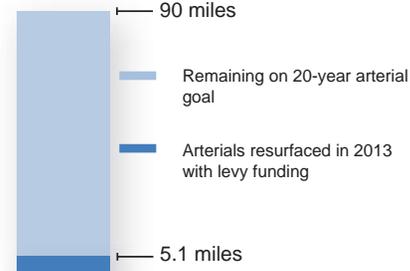
2013 INVESTMENT

(Actual expenditures for street preservation)



ARTERIAL PRESERVATION

(Progress toward levy goal)



NEIGHBORHOOD STREET PRESERVATION

(Progress toward levy goal)



STREET PRESERVATION	AVERAGE PRE-LEVY	2013 INVESTMENT			LEVY PROGRESS	
		LEVY	NON-LEVY	TOTAL	20-YEAR TARGET	PROGRESS TO DATE
Investment (in dollars)	\$1.75 million	\$1.74 million	\$2 million	\$3.74 million	\$54 million*	\$1.74 million
Arterials (in lane miles)	6.2	5.1	5.5	10.6	90	5.1
Neighborhood/collector (in lane miles)	13.7	11	19	30	240**	11
Arterial/collector score on the pavement condition index	57	—	—	62.4	70	62.4
Crosswalk striping (in crosswalks)	19.5	13	18	31	230	13
Americans with Disabilities Act (in curb ramps)	30	29	41	70	500	29
PEDESTRIAN SAFETY						
Investment (in dollars)	No dedicated funding	\$240,000	\$63,000	\$303,000	\$6 million**	\$240,000
Rapid Flashing Beacons (in systems at crosswalks)	0 - 1	6	2	8***	50	6

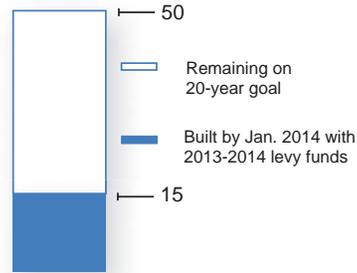
*Based on 20-year projection of levy budget.
 ***Does not include 11 other Rapid Flashing Beacons systems that were completed in January 2014.
 #Includes pedestrian safety measures, other than Rapid Flashing Beacons.

SAFE WALK ROUTES TO SCHOOL	2013 INVESTMENT			PROGRESS
	LEVY	NON-LEVY	TOTAL	2013 TO PRESENT
Investment <i>(in dollars)</i>	\$214,500	\$363,000	\$577,500	\$577,500
Rapid Flashing Beacons on walk routes to school <i>(in systems)</i>	4	2	6	6
Sidewalks on walk routes to school <i>(in linear feet)</i>	0	640	640	640

IMMEDIATE RESULTS

In the 13 months following the levy's approval, Kirkland installed Rapid Flashing Beacons at 19 crosswalks throughout the community. The numbers reported in these tables show Kirkland's 2013 investment in pedestrian safety. ◀

FUNDED BY THE LEVY *(Rapid Flashing Beacons)*

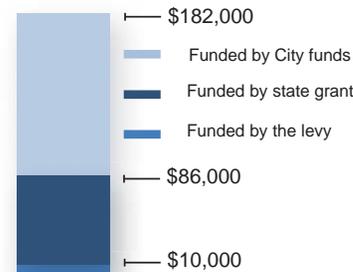


NEIGHBORHOOD TRAFFIC & PEDESTRIAN SAFETY MEASURES	2013 INVESTMENT			PROGRESS
	LEVY	NON-LEVY	TOTAL	2013 TO PRESENT
Investment <i>(in dollars)</i>	\$255,000	\$1.5 M	\$1.755 M	\$1.755 M
Rapid Flashing Beacons not on walk routes to school <i>(in systems)</i>	2	0	2	2
Sidewalks that are not on walk routes to school <i>(in linear feet)</i>	0	2,826	2,826	2,826

LEVERAGING THE LEVY

Dedicated funding—provided by the levy—enables Kirkland to compete more strategically for state and federal grants that will maximize taxpayers' investment in safe school walk routes and walkability. ◀

112TH STREET SIDEWALK *(Funding sources)*



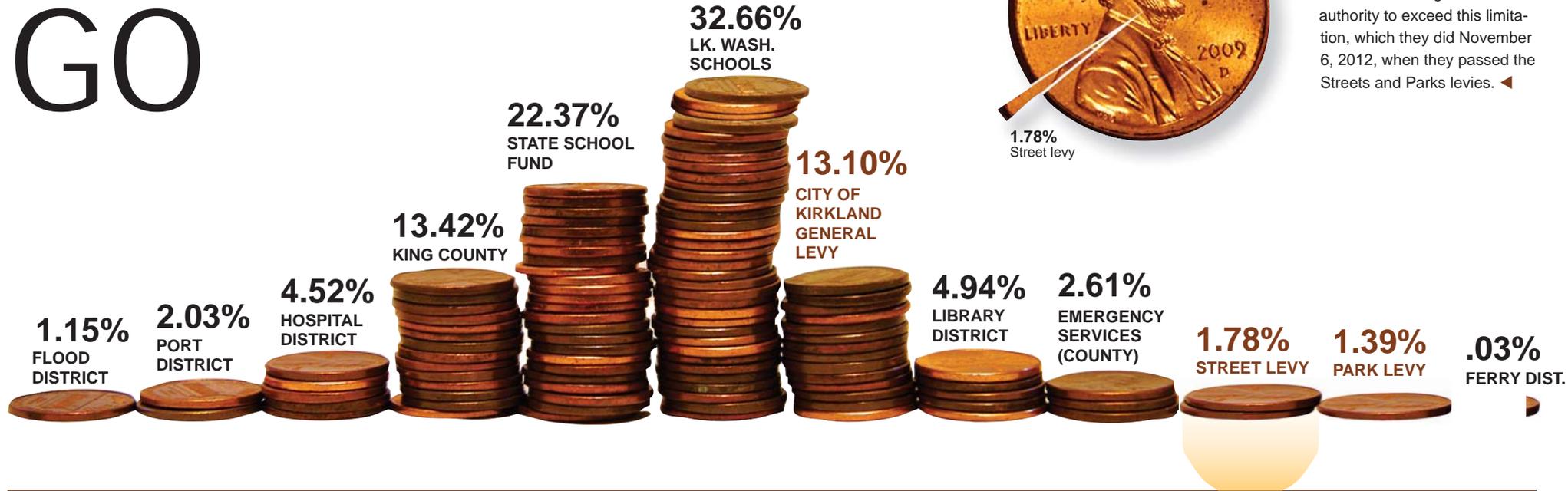
The 112th Street sidewalk project demonstrates the power of leveraging local funds to attract large grants. The City of Kirkland used \$10,000 in levy funding to earn \$86,000 in grant funding from the Transportation Improvement Board.

Ten thousand dollars buys less than 30 linear feet of sidewalk. Not a whole lot. When leveraged with state and federal grants, however, that same \$10,000 can buy stretches of sidewalk that can connect students to their schools, residents to their jobs and businesses to the customers they serve.

Kirkland's leaders demonstrated the capacity of the levy's leveraging power in 2013, when they used \$10,000 of the levy's pedestrian safety funds to compete for an \$86,000-Transportation Improvement Board grant. The purpose: connect Alexander Graham Bell Elementary School to the Cross Kirkland Corridor. Kirkland earned the grant, which paid for more than a third of the \$278,000-project. ◀

WHERE PROPERTY TAXES GO

GO



The Street levy accounts for less than 2 percent of Kirkland residents' property taxes. And yet it pays for more than half of the City's street preservation efforts. Property tax is the largest of Kirkland's nine primary sources of revenue. It accounts for 19.5% of the General Fund. State law limits Kirkland to an annual increase of its regular property tax levy by the implicit price deflator or by 1%, whichever is less. Voters can give Kirkland authority to exceed this limitation, which they did November 6, 2012, when they passed the Streets and Parks levies. ◀

98.22%
Other property taxes



1.78%
Street levy

KIRKLAND CITY COUNCIL

(425) 587-3001

Mayor Amy Walen



Deputy Mayor Penny Sweet

Dave Asher



Doreen Marchione



Toby Nixon



Shelley Kloba



Jay Arnold



CITY STAFF

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PUBLIC WORKS

Marilynne Beard, Interim Director 587-3008

CITY ATTORNEY'S OFFICE

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Tracey Dunlap, Director 587-3101

FIRE/BUILDING

Kevin Nalder, Chief 587-3650

HUMAN RESOURCES & PERFORMANCE MANAGEMENT

James Lopez, Director 587-3212

INFORMATION TECHNOLOGY

Brenda Cooper, Chief Information Officer 587-3051

PARKS & COMMUNITY SERVICES

Jennifer Schroder, Director 587-3300

PLANNING & COMMUNITY DEVELOPMENT

Eric Shields, Director 587-3225

RESOLUTION R-5065

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE 2013 PARK LEVY ACCOUNTABILITY REPORT FOR PROPOSITION 2 – PARKS MAINTENANCE, RESTORATION AND ENHANCEMENT LEVY.

WHEREAS, in November 2012, Kirkland voters approved Proposition 2 – Levy for City Parks Maintenance, Restoration and Enhancement ("Park Levy"); and

WHEREAS, Ordinance No. 4365 adopted by the Kirkland City Council to place Proposition 2 on the ballot described the restricted uses for the funding as well as the requirement to produce an annual accountability report documenting actions and the status of the programs funded by the Park Levy; and

WHEREAS, the submitted 2013 Park Levy Accountability Report reflects the allocation of Park Levy funds to: 1) park maintenance and operations (\$1.095 million); and 2) annual investment of approximately \$1 million for park capital projects (\$7.5 million over the first seven year); and

WHEREAS, the City Council desires to adopt the 2013 Park Levy Accountability Report;

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

Section 1. The Kirkland City Council adopts the 2013 Park Levy Accountability Report attached as Exhibit A and incorporated by this reference.

Section 2. The Kirkland City Council authorizes the posting of the 2013 Park Levy Accountability Report on the City website and the distribution of the Report throughout the community.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2014.

Signed in authentication thereof this ____ day of _____, 2014.

MAYOR

Attest:

City Clerk

Kirkland

2013 ACCOUNTABILITY REPORT ON THE PARK LEVY PROGRAM



KEEPING PACE
Parks receive boost
in maintenance **PG. 12**



**ON THE
LOOKOUT**

Levy restores lifeguards
to City's beaches **PG. 16**

KIRKLAND PARKS



WE CARE

- 48 Parks
- 22 Open Space Parcels
- 3 Swimming Beaches
- Peter Kirk Pool
- Peter Kirk Community Center
- North Kirkland Community Center
- Heritage Hall
- Kirkland Cemetery
- City/School Partnership Playfields

QUALITY OF LIFE

KIRKLAND'S RESIDENTS DECIDED IN 2012 TO SUPPORT MAINTENANCE AND ENHANCEMENTS FOR THEIR PARK

In November of 2012, Kirkland voters approved a permanent property tax levy to restore and enhance funding for daily park maintenance, summer beach lifeguards, major capital improvements, and acquisition of park land. This annual report summarizes how the levy funds are being used to support and enrich Kirkland's cherished quality of life.

The levy will raise approximately \$2.35 million annually, of which \$1.15 million will be used to restore, maintain and enhance Kirkland parks and natural areas and \$1.2 million will be added to the Parks Capital Improvement Program (CIP) to complete major repairs and site renovations, such as rehabilitating deteriorating docks and piers in the City's waterfront parks and performing site updates at Waverly Beach and Edith Moulton parks.

- Kirkland Performance Center
- Kirkland Teen Union Building (KTUB)

The community's capital investment in its park system has been negatively impacted by the 2008-2012 economic downturn. Prior to the levy, the primary funding source for park capital improvements – Real Estate Excise Tax (REET) that is collected when properties are sold – had declined to the extent that annual funding for major park improvements had dropped by more than 38% in the past several years.

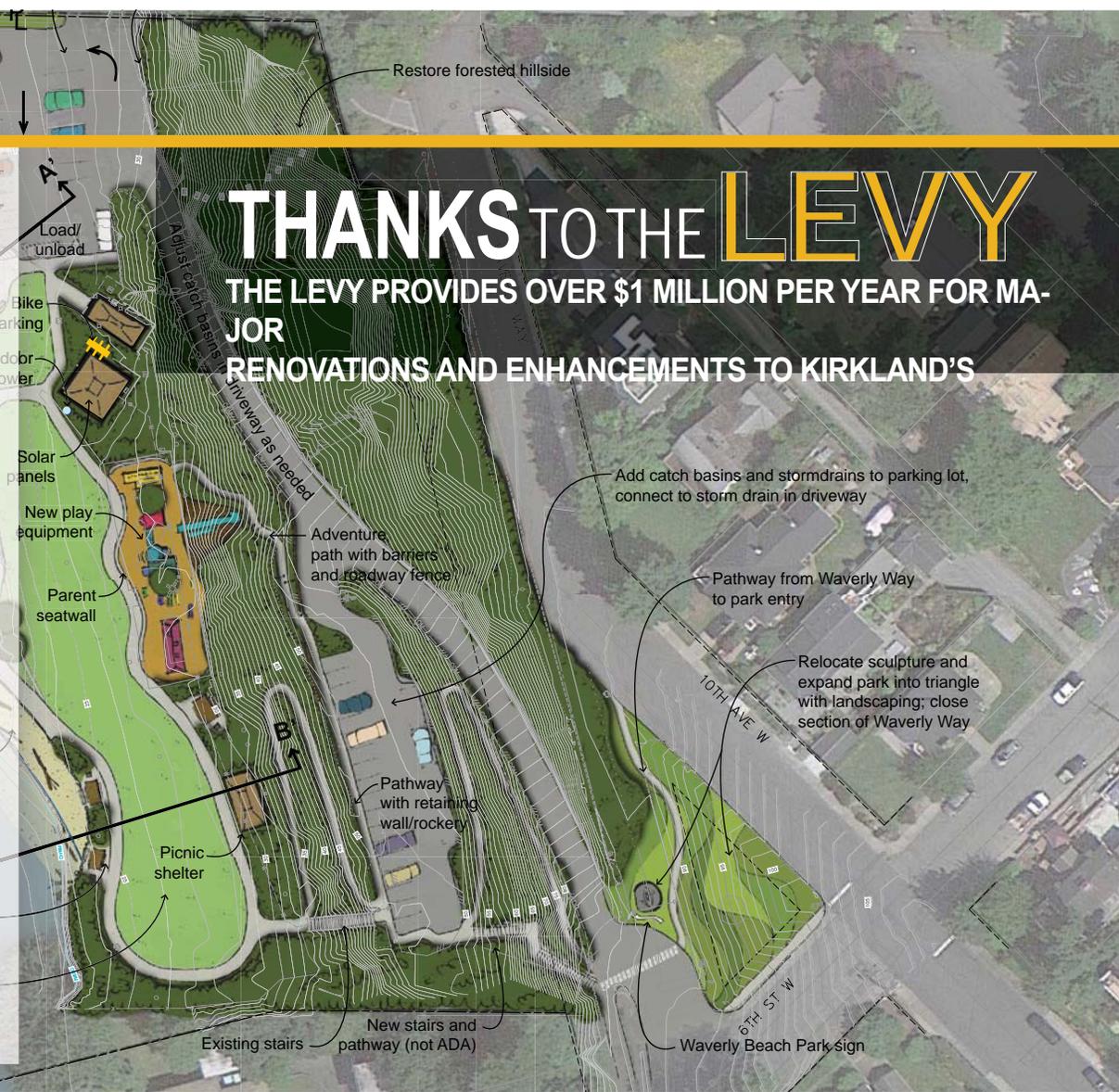
Prior to the levy, the funding plan to implement park capital projects had an annual average projection of REET funding of \$731,500 for 2011-2016. With the levy, the Parks Capital Improvement Program (CIP) has annual average funding of \$1.94 million for 2013-2018.

There are three stages a park development project progresses through to completion: **Planning & Design, Permitting and Construction.** Once a project is funded, the length of time to complete a project will depend on size, scope and the number of permitting agencies involved. For example, in 2013, the Waverly Beach Park renovation plan was developed by landscape architects guided by input from community members and recommendations by the Park Board. Permitting for this project will begin in 2014 with construction slated for fall of 2015 and completion in spring of 2016.

The Park Board, a City Council-appointed advisory group, is actively involved in overseeing the Parks CIP and making recommendations to Council on park use and improvements. In 2013, the Park Board participated in public outreach and planning meetings related to the Waverly Beach Park Renovation Plan, Edith Moulton Park Master Plan and the Cross Kirkland Corridor Master Plan.

THANKS TO THE LEVY

THE LEVY PROVIDES OVER \$1 MILLION PER YEAR FOR MAJOR RENOVATIONS AND ENHANCEMENTS TO KIRKLAND'S



WAVERLY BEACH PARK PRELIMINARY RENOVATION PLAN

INITIATED OR COMPLETED

2013 PROJECTS

LEVY-FUNDED PARK CAPITAL IMPROVEMENT PROJECTS INITIATED OR COMPLETED



■ **CROSS KIRKLAND CORRIDOR (\$500,000 levy funds)**

Kirkland has long looked at the Burlington Northern Santa Fe Eastside Rail Corridor as an opportunity to provide a multi-use transportation corridor including both rail and trail. Purchased by the City in 2012, the 5.75 mile segment now known as the Cross Kirkland Corridor traverses Kirkland from the South Kirkland Park & Ride to the City's northern boundary in the Totem Lake Business District. The City has been actively embracing the community's energy around the corridor's future development as a multi-modal transportation corridor and recreation asset. The City has received \$3 million in State and Federal grants for design and construction of an interim recreational trail, while levy funding is being used to create an overall Master Plan for the corridor.



■ **WAVERLY BEACH PARK (\$739,000 levy funds)**

The levy will help fund a major renovation of Kirkland's oldest waterfront park. A park renovation plan completed in 2013 will help guide future park improvements, with a first phase of renovation scheduled for 2015/2016. Renovation priorities include the park's extensive shoreline and beach area, pathways and accessibility, playground upgrades, and drainage improvements.



■ **PARK LAND ACQUISITION (\$2,350 million levy funds)**

Land acquisitions to plan for growth and to protect important natural resources are funded from the levy. In 2013, the City acquired 2.3 acres to expand Juanita Heights Park in the Finn Hill Neighborhood. The levy helped fund the acquisition in the amount of \$240,000.



INITIATED OR COMPLETED

2013 PROJECTS

LEVY-FUNDED PARK CAPITAL IMPROVEMENT PROJECTS INITIATED OR COMPLETED



Edith Moulton



■ **EDITH MOULTON PARK (\$1,000,000 levy funds)**

Edith Moulton donated her family homestead in Juanita to the public in 1967, and Kirkland assumed ownership of the 26-acre heavily wooded property from King County following annexation in 2010. A park master plan process was initiated in 2013, with park construction scheduled to begin in 2015.



■ **DOCK AND SHORELINE RENOVATIONS (\$800,000 levy funds)**

Kirkland's thirteen diverse Lake Washington waterfront parks provide opportunities for public access while balancing the needs for habitat enhancement and maintaining ecological function. In 2013, levy funds were used to complete a technical assessment of Kirkland's public shoreline structures to prioritize and guide dock and shoreline renovations in the coming years. In 2014, repairs to Houghton Beach Park and the South Piers will begin



Juanita Beach

■ **FUTURE LEVY-FUNDED PROJECTS**

- **Juanita Beach Park Restroom**
- **City/School Partnership Field Improvements**
- **Neighborhood Park Land Acquisition**



Waverly Beach Playground

INVESTING IN PARKS

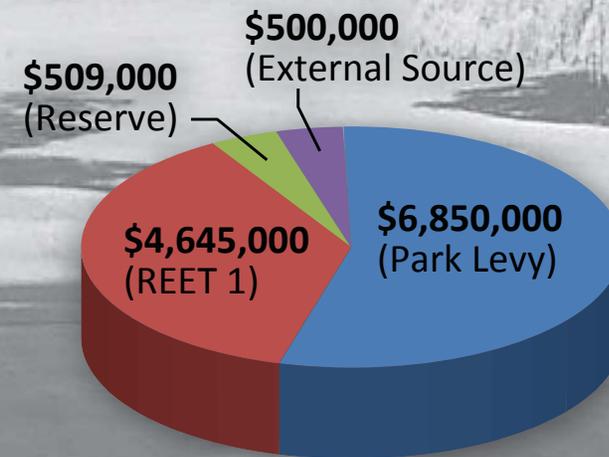
PLANNED FUNDING

2013-2018 PARK PROJECTS	Funding Amount
Neighborhood Park Land Acquisition*	
Edith Moulton Park Renovation*	1,000,000
Dock & Shoreline Renovations*	800,000
Waverly Beach Park Renovation*	739,000
Juanita Beach Bathhouse Replacement & Shelter*	1,200,000
City-School Playfield Partnership*	1,000,000
132nd Park Playfields Renovation	712,000
Terrace Park Renovation	515,000
Spinney Homestead Park Renovation	493,000
Green Kirkland Forest Restoration Program	450,000
Totem Lake Park Master Plan	120,000
Open Space, Pk Land & Trail Acq Grant Match Program	100,000
Heritage Park - Heritage Hall Renovations	50,000
Everest Park Restroom/Storage Building Replacement	735,000
Lee Johnson Field Lighting Replacements	150,000
Park Play Area Enhancements	200,000
Juanita Beach Park Development Phase 2	1,307,000
Park and Open Space Acquisition Program	508,000
Mark Twain Park Renovation (Design)	75,000
Total Funding for Park Projects 2013 - 2018	\$12,504,000
*Levy-funded projects	

The table at left shows the funding plan for the 2013-2018 Parks Capital Improvement Program (CIP), including which projects are funded by the levy and which ones are funded through Real Estate Excise Tax (REET). Anticipated funding for parks projects averages \$1.94 million per year, with approximately \$1.167 million per year coming from the 2012 levy.

In addition to the revenue sources shown in the chart below, the city continues to seek county, state and federal grants for project elements such as dock and shoreline renovations, park land acquisition and trail development for the Cross Kirkland Corridor.

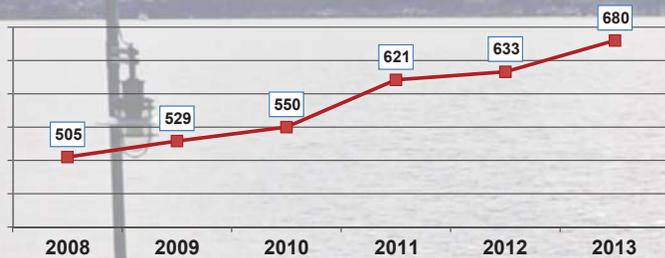
CAPITAL PROJECT FUNDING SOURCES 2013-



KEEPING PACE

While the acreage maintained by Kirkland parks grew by 20% between 2008 and 2012, mainly due to annexation, the per-acre funding for maintenance was reduced by as much as 22%.

Acres Maintained by Kirkland Parks



Maintenance Funding per Acre



The 2012 levy increased the maintenance levels of parks by restoring full-time and seasonal positions for a total of approximately 61,000 labor hours to perform park maintenance activities. The impact of the increase in labor can be seen in several areas of the maintenance division's operation.

LABOR FOR PARKS MAINTENANCE AND APPROXIMATELY \$156,000 FOR SUPPLIES, MATERIALS AND UTILITIES.

Restroom service has been restored at neighborhood parks, such as North Kirkland Community Center's "Train Park", Phyllis Needy Houghton Neighborhood Park and South Rose Hill Park.



No more brown parks with irrigation resumed at the lawn areas of Peter Kirk, Crestwoods, Everest, 132nd Square, Spinney Homestead, Terrace and other parks. Labor hours for irrigation and mulching of landscape beds have

been restored.

Park benches, pathways, picnic shelters, restroom facilities and other site amenities, maintenance of which has been deferred, are one by one getting repaired. In 2013, for example, staff replaced countertops, resurfaced floors and repaired roofs of restroom buildings at Waverly Beach, Crestwoods, Everest and Doris Cooper Houghton Beach parks.



The Park Maintenance levy also provided resources for the City of Kirkland to assume responsibility for the maintenance and operation of 46-acre O.O. Denny Park from the Finn Hill Park and Recreation District. O.O. Denny Park continues to be owned by the City of Seattle. Kirkland has an Interlocal Agreement to maintain and operate the park.



■ THE LEVY ENSURES FUNDING FOR THE GREEN KIRKLAND PARTNERSHIP, WHICH RECRUITED MORE THAN 2,000 VOLUNTEERS IN BOTH 2012 AND 2013.

The levy continues Kirkland's commitment to restoring natural green spaces. The purpose of the Green Kirkland Partnership is to conserve and restore Kirkland's natural area park land by removing invasive plants and planting native species for the sustainability of urban forests, wetlands and other habitats. Partnering with citizens, groups and businesses, over 50,000 volunteer hours have restored approximately 48 acres by removing invasive English ivy, Himalayan blackberry, and replacing them with native trees, shrubs and

GREEN KIRKLAND	2012 (no levy)	2013 (with levy)
Number of staff	1	3
Number of volunteers	2,164	2,124
Volunteered hours	9,401	8,980
Volunteer work parties	168	189
Volunteer stewards	22	22
Acres in restoration	40.3	48.5
Invasive trees removed	336	1,007
Trees freed of ivy	38	294

groundcovers needed to sustain these natural areas. Since 2005, the program has been financially at risk of losing sources to fund the necessary staff. Thanks to the passage of the levy, the program has a dedicated funding source for a modest level of staff to recruit volunteers and businesses, write grants, train volunteer stewards, coordinate restoration events, develop restoration plans, and provide education and outreach to schools and the community on the benefits of healthy forests and other natural areas.



The levy supports natural area restoration activities such as removing invasive plants and planting native plants and trees.

Lifeguard helps a toddler at Juanita Beach Park.



LIFEGUARDS ON DUTY

- THE PARKS LEVY SECURED ONGOING FUNDING OF OVER 1,100 HOURS FOR LIFEGUARDS AT THREE OF KIRKLAND'S BEACHES.



Kirkland has a long history of providing lifeguards at Houghton Beach and Waverly Beach. Between 2008 and 2011, due to the economic downturn, the lifeguard water safety program was significantly reduced. Thanks to the levy, lifeguard on-duty hours increased by 20% at

Houghton Beach, 50% at Waverly Beach, and lifeguarding hours were added at Juanita Beach Park, providing another choice for Kirkland residents and visitors to enjoy a lifeguarded beach.

In 2013, from July 1st through Labor Day, lifeguards were on duty noon-6pm daily at each of the beaches where they administered 1,589 swim tests to children under the age of 12, loaned out 1,268 free lifejackets and provided water safety to 15,764 swimmers.

SWIMMING BEACH	2012 Hours (no levy)	2013 Hours (with levy)	Swimmers (2013)	Lifejackets Loaned
Houghton	1 p.m. – 6 p.m.	Noon – 6 p.m.	3,993	569
Waverly	2 p.m. – 5 p.m.	Noon – 6 p.m.	2,600	305
Juanita	none	Noon – 6 p.m.	9,171	394

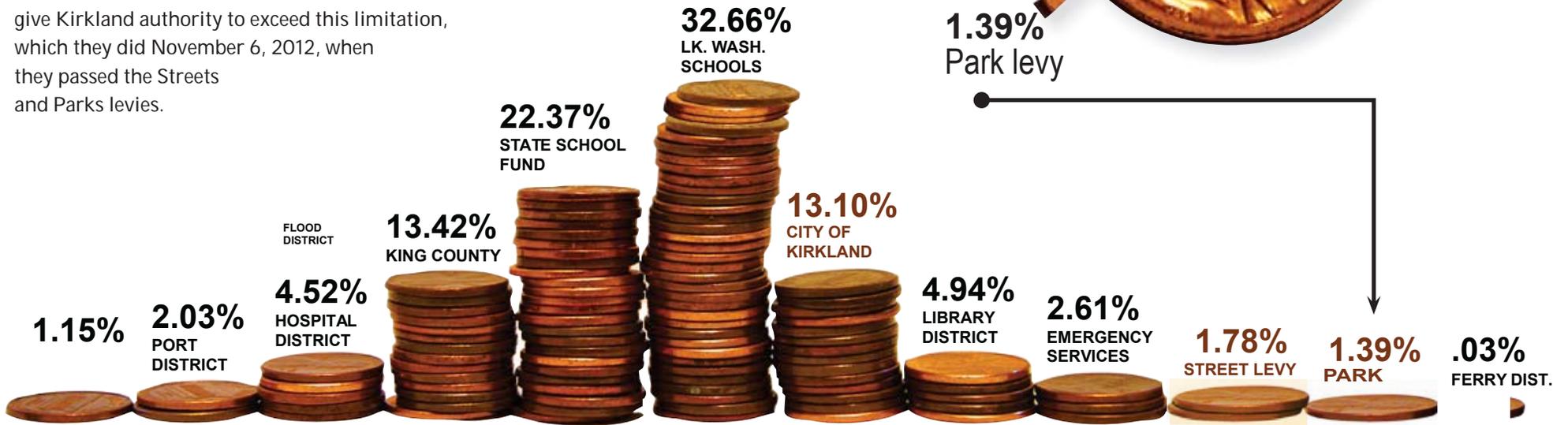
WHERE PROPERTY TAXES GO

The Park levy accounts for less than 2 percent of Kirkland residents' property taxes. And yet it pays for more than half of City's park improvement projects and makes up 20% of the department's budget for park maintenance and operations. Property tax is the largest of Kirkland's nine primary sources of revenue. It accounts for 19.5% of the General Fund. State law limits Kirkland to an annual increase of its regular property tax levy by the implicit price deflator or by 1%, whichever is less. State law also allows for new construction. Voters can give Kirkland authority to exceed this limitation, which they did November 6, 2012, when they passed the Streets and Parks levies.

98.22%
Other property taxes



1.39%
Park levy



KIRKLAND CITY COUNCIL

(425) 587-3015

Mayor Amy Walen ♦ Deputy Mayor Penny Sweet

COUNCIL MEMBERS

Jay Arnold ♦ Dave Asher ♦ Shelley Kloba ♦ Doreen Marchione ♦ Toby Nixon

KIRKLAND PARK BOARD

Chair Adam White ♦ Vice Chair Kevin Quille

Sue Contreras

Sue Keller

Ted Marx

Rick Ockerman

Jim Popolow

Rosalie Wessels

The Kirkland Park Board meets the
2nd Wednesday of each month at 7 p.m.



CITY STAFF

CITY MANAGER'S OFFICE

Kurt Triplett, City Manager 587-3001

Marilynne Beard, Deputy City Manager 587-3008

PARKS & COMMUNITY SERVICES

Jennifer Schroder, Director 587-3300





CITY OF KIRKLAND

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Barry Scott, Purchasing Agent

Date: June 19, 2014

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF JULY 1, 2014.

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 June 5, 2014, are as follows:

	Project	Process	Estimate/Price	Status
1.	2014 Slurry Seal Project	Invitation for Bids	\$500,000	IFB issued on 6/18 with bids due on 7/2.

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



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Marilynne Beard, Interim Public Works Director

Date: June 19, 2014

Subject: EMERGENCY SEWER PROGRAM – CONTINUING PROGRAM OPTIONS

RECOMMENDATION:

City Council receives an update on the Emergency Sewer Program (ESP) and approves the use of sewer/water capital reserves to close the 2013 ESP Project and \$30,000 in sewer/water operating cash for a public outreach program to develop interest and encourage property owners to convert from on-site septic systems to the City sanitary sewer system.

BACKGROUND DISCUSSION:

The History of ESP

The ESP began in 1998 in response to property owners requesting City assistance with a growing number of septic system failures and to mitigate environmental impacts of these failing systems. In 1998, it was estimated that approximately 1,500 properties in the City of Kirkland used septic systems. Many of these systems were 30 years old or older, and 30 years is a typical operational life for a septic system even with regular maintenance. At that time, Washington voters had also approved an amendment to the State Constitution that allowed local governments to provide low-cost financing to assist property owners in acquiring and installing sewer services. Any financing using public funds was required by State law (RCW 35.67.360) to be repaid and a lien placed on the property.

The City Council adopted the ESP under Ordinance 3638, with the stated goal to bring sewer mains to properties with failed or failing septic systems. The ESP was directed to facilitate property owner compliance with Kirkland Municipal Code (KMC) 15.28.010, requiring property owners of single-family dwellings with failed on-site septic system to connect to the City sanitary sewer if a sewer main line is located within 330 feet of the property. The required minimum distance for multi-family dwellings and nonresidential buildings is 660 feet, but failing and failed septic systems reported in the City have been primarily on single-family dwelling properties. Additionally, Ordinance 3638 directed staff to develop a financing program for property owners to facilitate participation in the ESP.

The terms and conditions of the financing plan were established in KMC Chapter 15.38 – *Sewer Main Extensions*, and have been in use for all ESP projects to-date. The City Council established a biennial Capital Improvement Program project of \$1.4 million allocated from sewer utility capital reserves to support City expenses incurred during each sewer main extension project. The costs were then assessed to each of the benefitting properties at the completion of each ESP project and included all City expenses for design, engineering, project management and construction of each sewer main extension. The cost was split equitably between the beneficiary properties. Each property owner, whether or not they chose to connect to the new City sewer upon completion of the new sewer main extension, had the

option of reimbursing the City immediately for their individual assessed portion of the cost. Alternatively, the property owner was given the opportunity to enter into a low-interest 10-year loan contract with the City (currently at 2.63%). A lien was placed on their property requiring payment in-full at the time the either sale or refinance. The start of the 10-year loan contract period could also be deferred up to 10 additional years if the property owner did not connect to the sewer main extension during that time with interest accrual beginning upon establishment of the assessment. This plan allowed all assessments to be repaid to the sewer utility reserve, with interest, within ten years. As a practical matter, during this period many homes were sold or refinanced prompting early pay off of the assessment. It is important to note that the City assessment does not include the cost to the homeowner of providing a side sewer connection from the residence to the street or the cost of City and County connection charges.

Since the Program's inception, over 28,000 feet of new sewer main extensions and 518 private connections have been constructed. After 2003, the number of reports of failed or failing septic systems dropped significantly as many of the oldest systems of concern reported by property owners, or more serious existing problems, had been addressed by the prior ESP projects. Sewer main extension projects since 2003 have been primarily the result of property owner responses to City outreach inviting participation in the program to mitigate the risks of future failure of their septic systems. As the program has progressed, remaining areas with septic systems have been farther from existing City sewer lines or had difficult topography resulting in higher costs to provide connections. The resulting assessments have risen nearly every year of the program as a result. The table below summarizes the improvements, the assessments, and financial results of the ESP to date.

Table 1 – Program Overview

Emergency Sewer Program Overview as of May 31, 2014									
Program	Year	Length (linear feet)	Connections Provided	Connected To Date	Final Project Cost	Cost Per Assessment	Reimbursed through 5/31/14	% Reimbursed	Principal Due
1	1999	2,900	54	38	\$ 576,028	\$ 8,025	\$ 550,301	96%	\$ 25,727
2	2001	4,756	74	51	\$ 725,995	\$ 9,726	\$ 704,782	97%	\$ 21,213
3	2003	5,700	121	63	\$ 1,435,668	\$ 11,857	\$ 1,323,782	92%	\$ 111,886
4	2005	4,150	83	26	\$ 1,325,925	\$ 15,975	\$ 983,920	74%	\$ 342,005
5	2007	4,583	84	36	\$ 1,668,576	\$ 19,864	\$ 1,146,990	69%	\$ 521,586
6	2009	2,810	49	12	\$ 810,344	\$ 16,371	\$ 539,815	67%	\$ 270,529
7	2011	3,961	53	6	\$ 1,093,569	\$ 20,633	\$ 396,513	36%	\$ 697,056
TOTAL		28,860	518	232	\$ 7,636,105		\$ 5,646,101	74%	\$ 1,990,004

The number of Kirkland properties with septic systems grew with the addition of the Juanita, Finn Hill, and Kingsgate neighborhoods. However, sanitary sewer service, as well as management of the potential risks of failing or failed septic systems for the new neighborhoods is the responsibility of the Northshore Utility District. The exact number of septic systems within the responsibility of the City's water/sewer utility is uncertain, however, the City is occasionally contacted by a property owner inquiring about connection to the sewer system.

The 2013 ESP

The 2013 ESP was initiated in accordance with the Kirkland Municipal Code and City policy for groups of properties located in North Rose Hill, South Rose Hill and South Juanita. An estimated individual property assessment based on the equitable distribution of total project costs (based on a 60% design cost estimate for construction) was provided to the property owners identified as benefitting from the 2013 ESP. That estimated assessment was \$27,872 per property for direct costs attributed to the design and estimated construction of the sewer main extension. The total costs of connection include the sum of an individual property assessment, estimated additional private (on-site) sewer improvement costs, and other charges including a City capital facility charge for connecting to sewer system, City inspection fees for

new private side sewers and an abandoned septic tank inspection fee. In addition, because King County treats Kirkland's wastewater, there is a capacity charge fee paid to King County as well. Including all associated costs, the estimated total for each of the properties identified in the 2013 Project was in excess of \$51,000.

The cost of constructing the sewer main and the related connection costs have increased significantly since the ESP program was initiated. Staff has completed a review of the individual property assessments and the factors contributing to rising individual property costs for the 2013 ESP. Figure 1 below shows how ESP individual property assessments have increased since 1999. Figure 2 shows how the overall cost for individual properties to connect to sewer main extensions have increased since 1999.

Factors affecting the rise in individual property assessments include, in no particular order; higher construction costs to build the remaining sewer mains that are increasingly difficult and/or more complex extensions, a decline in the number of property owners benefitting from each extension project reducing the economies of scale that are achieved with a higher number of benefitting properties per lineal feet of new main, and inflation-driven increases in design and construction costs. Staff research has found that other regional municipalities have experienced similar trends.

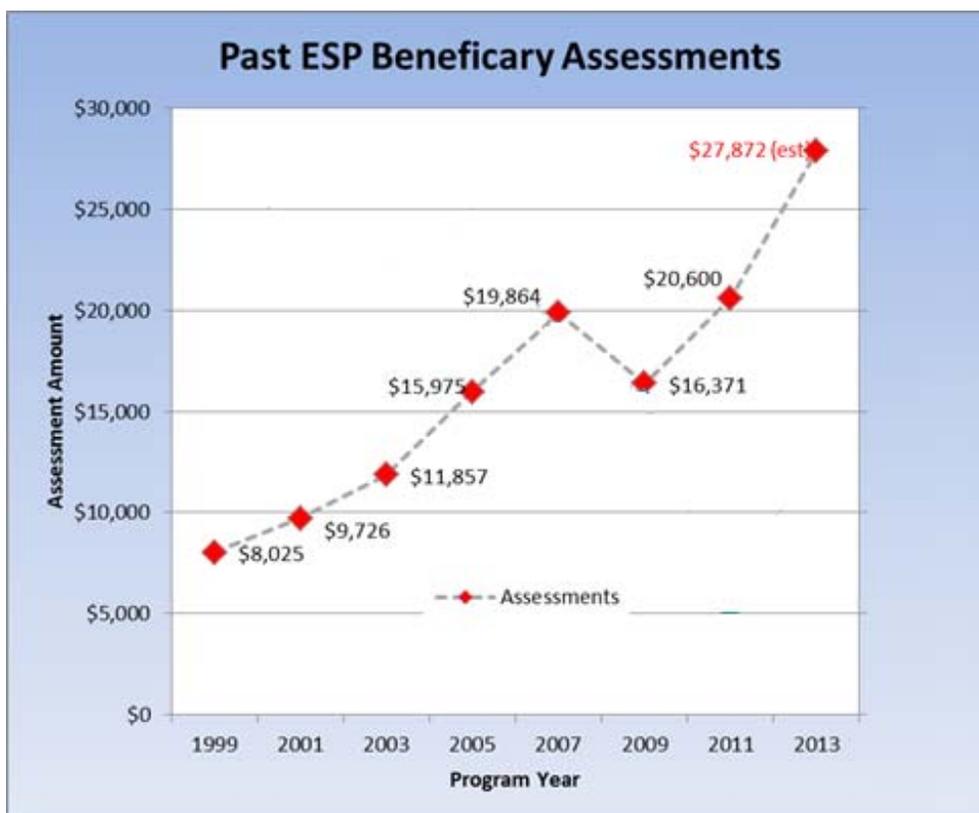


Figure 1: Past and Estimated Individual Property Assessments

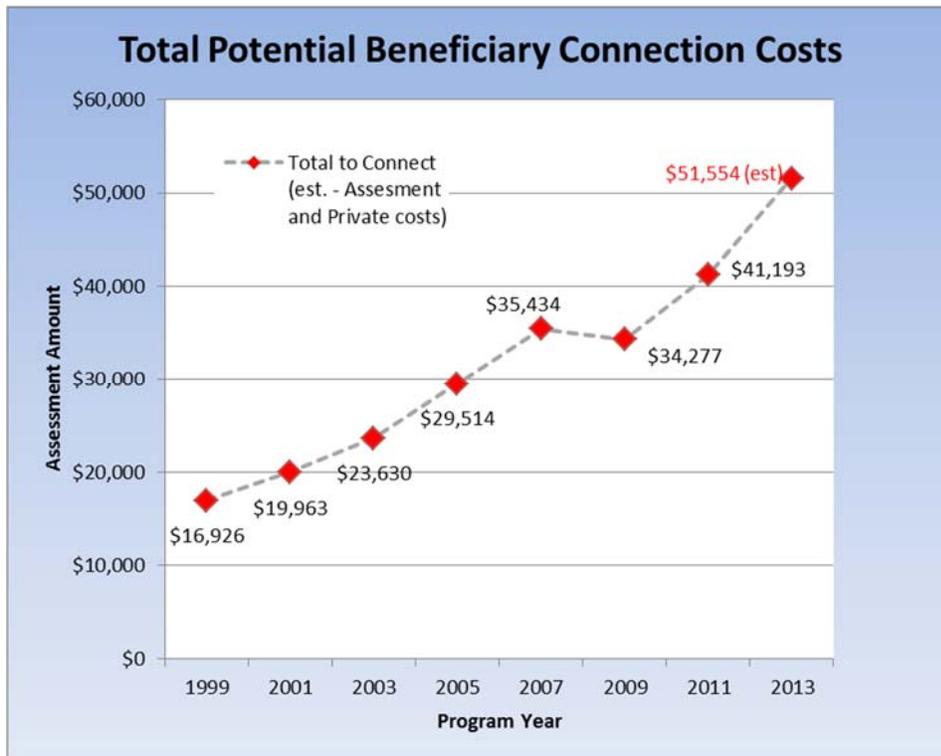


Figure 2: Estimated Total Property Owner Costs (To Connect)

On September 5, 2013, City Council received a petition from affected property owners in the Juanita Neighborhood requesting they not be included in the 2013 Program primarily due to the estimated cost. The petition was presented at the City Council meeting of September 17, 2013 and, at that same meeting, City Council was informed the 2013 ESP project had been paused pending a review by staff. City Council received a report at their regular meeting of November 6, 2013, indicating staff would study the whole Program further and report back with a recommendation for the Program's future. As a result of that research, and because none of the properties identified for the 2013 ESP project have failed septic systems, staff is recommending that the 2013 project be closed.

Closing the 2013 ESP Project

The ESP sequence of planning and design work requires advance design and study to start approximately one year before assessment costs can be provided to the potential beneficiaries. This requires the City to assume all initial expenditures until such time as they could be funded by reimbursement from the individual property assessments.

As the 2013 ESP was halted during design, with plans at the 60% completion level, the Project was not brought to completion and there are no assessments forthcoming to reimburse the sewer capital reserve for those 2013 expenditures. As a result, there is a need to identify funding for the expenditures in order to close the 2013 ESP Project. Staff has reconciled all charges and identified a need for \$99,650 to address these unreimbursed expenditures and recommends the use of sewer/water utility reserves to pay for the costs incurred (See Fiscal Note included as Attachment A). Staff will retain all 2013 ESP Project design work performed in

the event future sewer main extension construction in the areas under consideration in 2013 may benefit from those partially completed design documents.

Continuation of the Sewer Extension Program

Future sanitary sewer main extensions are still anticipated, albeit at a slower rate than in the past. It is difficult to determine exactly how many on-site septic systems remain in service in the City, and many of those are now fifteen years older than they were when the City began the ESP in 1998. Though the numbers of failing and failed septic systems each year may not rise to the levels in 1998, it is expected that existing on-site septic systems will continue to fail over time. When properties are sold or significantly redeveloped, inspections of on-site septic systems, as required by King County Health, can result in a finding of a system that is failing with a requirement to connect to the sewer system. Additionally, there are properties using on-site septic systems that are already located within 330 feet of an existing sewer main line, but where existing structures or topography render the existing sewer main unusable for such properties. Consequently, it is anticipated the City will receive future requests by property owners to extend the existing sewer main using the existing financing program.

While staff concludes that the ESP has met the specific "emergency" response goals identified for it in 1998, it is recommended that the program remain in effect to respond to property owner-requested sewer main extensions. Property owners would have the option of approaching desired sewer main extensions as a private redevelopment project or requesting the City design and construct the sewer main extension per the terms and conditions of KMC Chapter 15.38. To that end, staff recommends that the program be "rebranded" and that the City initiates a new public outreach effort to make the public aware of their options and benefits of connecting to the sewer system.

New Public Outreach

The goal of a new public outreach for the program will be to enhance public awareness of the environmental, public health, and practical risks associated with on-site septic systems. It will also encourage consideration of sanitary sewer as the best alternative to alleviate those risks. The name of the program would change from "Emergency Sewer Program" to the "Sewer Main Extension Program" as it is referred to in the Kirkland Municipal Code.

As the rising costs of connection to sanitary sewers are a trend expected to continue into the future (and are already considered too high by the public), the new outreach program will address both the immediate benefits of connecting, as well as the risks associated with delaying a decision. The primary risk is the potential for a sudden and high urgency cost to the property owner in the event of an unexpected septic system failure. The content of the outreach will include informing property owners about their options, including both private redevelopment and the option of a City designed and constructed system per the terms and conditions of KMC Chapter 15.38. Finally, it will encourage individual property owners to form cooperatives with their neighbors in order to effectively share the costs associated with sewer main extensions.

Elements of this public outreach effort will include an enhanced and updated web page, mailings sent to property owners in the area where the City manages the sanitary sewer system who are still using on-site septic systems, and attendance at Neighborhood Association meetings for those neighborhoods where significant numbers of on-site septic systems are still in use. The areas currently managed by Northshore Utility District (NUD) will not be included at this time but staff will keep NUD informed of our efforts and suggest similar outreach by NUD.

Staff recommends City Council approval of a one-time expenditure of \$30,000 of water/sewer operating cash to fund the development of the public information and outreach effort (See Fiscal Note included as Attachment A). Staff will monitor the outcomes of this outreach effort and update City Council as to the potential need for future and/or ongoing efforts.

Summary

Staff is requesting the following actions:

- Approve the use of \$99,650 of sewer capital reserves to close the 2013 ESP project
- Approve the recommended public outreach program and rebranding including the use of \$30,000 of water/sewer operating cash to support a new outreach program

If the Council concurs with the staff recommendation, then the Council should pass a motion approving the expenditure of \$99,650 of sewer/water capital reserves to close the 2013 Emergency Sewer Program Project and the expenditure of \$30,000 in sewer/water operating cash for a public outreach program to develop interest and encourage property owners to convert from on-site septic systems to the City sanitary sewer system.

Should Council adopt such a motion, staff will incorporate these expenditure decisions into future budget actions that will come before the Council.

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Marilynne Beard, Interim Public Works Director							
Description of Request							
Funding for the 2013 Emergency Sewer Program (CSS 1356) as described in the attached memo. Request of \$99,650 from the Water/Sewer Capital Reserve. In addition, a request of \$30,000 from the Water/Sewer Operating fund working capital.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$99,650 from the Water/Sewer Capital Reserve. This reserve is fully able to fund this request.							
One-time use of \$30,000 from the Water/Sewer Operating fund working capital. This reserve is fully able to fund this request.							
Recommended Funding Source(s)							
<i>Reserve</i>	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	Water/Sewer Capital Rsv.	8,228,606	0	0	99,650	8,128,956	NA
	Water/Sewer Operating Rsv.	2,414,471	0	0	30,000	2,384,471	1,979,380
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							

Prepared By	Chris Lynch, Senior Accounting Associate	Date	June 19, 2014
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**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Rob Jammerman, Development Engineering Manager
Marilynne Beard, Interim Public Works Director

Date: June 18, 2014

Subject: LONG-TERM USE FEE OF THE PUBLIC RIGHT-OF-WAY FOR PRIVATE DEVELOPMENT PROJECTS

RECOMMENDATION:

It is recommended that the City Council reviews the background and proposed fee schedule for long-term use of the public right-of-way (ROW) by private development projects and adopts the attached Ordinance authorizing the ROW fee schedule.

BACKGROUND DISCUSSION:

During the first quarter of 2014, the Public Works, Parks, and Human Services Council Committee and the Planning, Housing, and Economic Development Council Committee each reviewed the proposed the long-term right-of-way use fee for private development projects. The Committees reviewed the following background and recommended the adoption of the following fee structure.

Typical Types of Uses in the Public ROW

The Public Works Department reviews and issues permits and provides inspection for all construction work occurring in the public ROW. In most cases construction in the ROW is short-term and the ROW is restored to public use at the end of the work day (or sooner). However, in some cases, the construction project may require or cause long-term closures of certain portions of the ROW. The tables below describe some typical short-term and long-term ROW restrictions.

Short-Term Examples

Type of Project	Notes
Installation of a utility line in the ROW	Project may span over a longer duration due to installation and restoration requirements. In most cases, the street or sidewalk is reopened for use at the end of the work day.
Installation of street improvements (curbs and sidewalks)	Project may span over a longer duration due to installation and restoration requirements. In most cases, the sidewalk must remain closed for a short-term while concrete is poured and cured. A pedestrian detour route is required.
Temporary pedestrian detour due to safety reasons (example: multiple trucks entering and exiting the site)	A temporary pedestrian detour route is installed during working hours, and the sidewalk is reopened at the end of the work day.
Building Maintenance or installation of appurtenance on the front of the building (example: new sign installation)	The contractor is required to obtain a ROW permit to close the sidewalk while they are working on the building. A pedestrian detour route is required. The sidewalk must be reopened at the end of the day.

Long-term Example

Type of Project	Notes
Contractor proposes long-term pedestrian detour due to site constraints (i.e. deep excavations or pedestrian safety concerns due to overhead construction adjacent to the sidewalk).	This situation is more prevalent in areas where there are no building setbacks from the public right-of-way such as business districts. During construction it is often necessary to detour the pedestrian traffic around the site because of safety concerns or if it is not possible to keep the sidewalk open due to site constraints.

Negative Impacts of Long-term ROW Use

When an existing ROW improvement, such as a sidewalk, bike lane or parking lane, is impacted by a construction project, safe and efficient travel by pedestrians, bicyclists, and motorists is often disrupted when they must be detoured to an alternate route. The private use temporarily compromises a public facility. This impact to safe and convenient public use should be minimized whenever possible, but no financial incentives for the contractor to complete the ROW work in a timely manner have been adopted by the City.

Neighboring Cities' Policies

City	Long-term Use Fee	Notes
Kirkland	No	Development Engineer and Inspector work with the contractor to develop a plan that minimizes the impact on the pedestrian and provides a safe detour route when long-term use cannot be avoided.
Redmond	No	Same approach as Kirkland
Bothell	No	Same approach as Kirkland
Bellevue	Yes	Nominal fee for use exceeding two weeks on non-residential streets. Minor fee is based on appraised value of adjacent property and square feet of ROW used.
Seattle	Yes	Nominal fee (\$0.10 psf/month) for the initial long-term use and the fee doubles every month that the long-term closure continues.

Long-term ROW Use Fee Recommendation

Both City Council committees recommended that a fee schedule should be developed that recognizes the challenges of working in the ROW, but also provides a financial incentive to open the ROW as soon as possible. Staff is recommending the following fee schedule to incentivize reopening of the ROW (see Figure 1 below). The fee will apply to the closure of sidewalks, bicycle lanes or parking stalls along Collector, Minor Arterial, or Principal Arterial type streets and for sidewalks along adopted safe school walk routes along any type of street. It is hoped that this fee schedule will encourage developers and contractors to complete projects as expeditiously as possible to avoid additional project costs. Since City projects are already managed to minimize impacts on the public, the City would not be subject to the fees.

Figure 1 – Proposed Fee Schedule

Duration of closure	Type of work causing closure	Fee	Conditions	
0-2-weeks	Any type of work	No Fee	An approved pedestrian /bike detour must be provided.	
0-8 weeks	Utilities or street improvements in the ROW	No Fee		
2-8 weeks*	Closure associated with a project but not related to utility or street improvements	\$2.50/LF per week; \$250 min/wk.		
9 weeks or longer*	For any type of work	\$10/LF per week \$500 min/wk.	Fee increases \$2.50/LF per week (\$250 minimum) for each additional week of closure.	An approved pedestrian/bike detour must be provided.

*The ordinance as currently drafted authorizes the Public Works Director to modify or waive these fees if the long-term closure is found to be beneficial to the City and there are no other alternatives.

Effective Date of the New Fee and Public Outreach

Staff recommends that the effective date of the new fee occur on January 1, 2015 to align with other permitting fee changes that normally occur at the beginning of each year. This delayed effective date will allow staff to educate our customers about the new fee and they will have time to prepare for the fee and plan their project schedules accordingly. Our planned outreach and education will include the following:

1. Discussion with developers and builders about the new fee at all pre-submittal meetings.
2. At least two bulletins sent out the Kirkland Developers Partnership Forum notifying them of the new fee.
3. Notices will be placed on the City website and at each of the Development Services counters in City Hall.

Attachment - Ordinance

ORDINANCE O-4448

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LONG TERM RIGHT-OF-WAY USE AND AMENDING CHAPTER 19.04 AND SECTION 5.74.070 OF THE KIRKLAND MUNICIPAL CODE.

The City Council of the City of Kirkland do ordain as follows:

Section 1. Kirkland Municipal Code Chapter 19.04 is amended by the addition of a new section to read as follows:

19.04.090 Long Term Right-of-Way Use– Permit Required.

1. Purpose – During private development or other events, it may become necessary to close off public access in the right-of-way long-term. This section authorizes the city to issue permits and enforce such a closure.

2. Permit Required - A long term right-of-way use permit is required, allowing closure of a sidewalk, bicycle lane, or parking stall closures along collector, minor arterial, or principal arterial-type streets and sidewalks along city-adopted safe school walk routes along any type of street. The director of public works has the authority to issue the permit.

3. Duration of Closure and Fees – Definition and duration of long-term closure and fees are established by Section 5.74.070 of this Code. The public works director may modify or waive these fees if the long-term closure is found to be beneficial to the city and there are no other alternatives.

4. Application Requirements – The owner of the abutting property (or their agent) shall apply for a long term right-of-way use permit on a form to be provided by the department of public works. The application shall contain all information requested by the city, including a diagram showing the area to be closed, a pedestrian/bike detour plan, and the anticipated duration of the closure.

5. Permit Conditions – The public works director may attach reasonable conditions to a long term right-of-way use permit.

6. Enforcement – Enforcement authority rests with the director of public works or his/her designee, which may include personnel of the building or construction and project management departments.

Section 2. Kirkland Municipal Code Section 5.74.070 is amended to read as follows:

5.74.040 Fees charged by the public works department.

(a) The schedule below establishes permit and administrative fees charged by the public works department.

Fee Type	Fee Amount
Water—Meter installation (Each fee includes a \$50.00 administration charge) 3/4" meter 1" meter 1-1/2" meter 2" meter Greater than 2"	 \$129.00 \$159.00 \$225.00 \$294.00 Time and materials
Water—Billing Customer-requested service shutoff during business hours Customer-requested service shutoff during nonbusiness hours Water service shutoff or turn-on for unpaid user bill before 3:00 p.m. on business days Water service shutoff or turn-on for unpaid user bill after 3:00 p.m. on business days Service calls if broken water line was caused by owner/occupant Special water meter reading Alternate billing Cut lock fee Shutoff tag Water restrictions penalty	 \$30.00 \$80.00 \$40.00 \$90.00 \$20.00 \$40.00 \$10.00 \$60.00 \$20.00 Up to \$50.00/day
Sewer—Permits New or replacement side sewer inspection Side sewer repair (< 10 feet) inspection Side sewer cap inspection Septic system abandonment inspection Side sewer stub fee (for city-installed stub)	 \$425.00 \$58.00 \$58.00 \$58.00 \$1,062.00 min. or as documented
Sewer—Discharge regulation Penalty for late discharge report (late after 30 days) Penalty—Discharge compliance, incomplete actions Penalty—Nonmaintenance of FOG systems Penalty—Inaccurate or incomplete report	 \$25.00/day for first 20 days, then \$100.00/day, for a maximum of \$1,000.00 total. \$100.00/day for 60 days max. \$500.00 + city maintenance costs. Second year: \$1,000.00 + city maintenance costs \$100.00 for first offense
Sewer—Billing Sewer service call (customer problem)	 \$20.00

Fee Type	Fee Amount
Right-of-Way Permit to work in ROW—Standard Permit to work in ROW—Basic Street cut fee 1—50 sq. ft. Street cut fee 51—100 sq. ft. Street cut fee 101 sq. ft. or larger Street cut administration fee	\$372.00 \$106.00 \$200.00 \$400.00 \$400.00 + \$400.00 for each additional 100 sq. ft. \$25.00 per street cut
<u>Long Term Right-of-Way (ROW) Use. Regardless of duration, an approved pedestrian/bike detour must be provided</u> <u>2-8 weeks: Closure associated with a project but not related to utility or street improvements.</u> <u>9 weeks or longer : Any type of work</u>	\$2.50/LF per week; \$250 minimum/week \$10/LF per week, \$500 minimum/week Fee increases \$2.50/LF (\$250 minimum) for each additional week of closure
Storm Drainage (Surface Water) Surface water drainage plan check fees (see PW pre-approved plans and policies for description of review types): (a) Small—Type I review (b) Small—Type II review (c) Targeted review (d) Full review (e) Roof/driveway drain connection inspection (f) Surface water adjustment process (see PW pre-approved plans and policies for full description)	\$375.00 \$905.00 \$1,580.00 \$3,160.00 \$637.00 \$150.00 for up to 2 hours of process, and then \$75.00/hour thereafter
Miscellaneous Review and Inspection Fees When the public works department provides engineering review or inspections services, and a fee for such service is not published, the applicant shall pay the following rate for such services Impact fee—Independent fee review Right-of-way nonuser relinquishment review fee	\$75.00 per hour \$200.00, plus \$75.00 per hour of review \$375.00 for up to 5 hours' process, and \$75.00/hour thereafter
City trees Civil penalties for violations, per day	1st violation—\$200.00 2nd violation—\$400.00 3rd violation—\$600.00

(b) Whenever any construction work, public improvement or other activity is required or permitted to be performed upon any public right-of-way, or within or upon any property which, upon completion of said work or activity, is to be conveyed or dedicated as public right-of-way or public easement, the city shall not accept for maintenance or otherwise such work, improvement, facility or activity until there has been paid to the city by the person required or permitted to perform such work or activity an amount equal to ten percent of the estimated cost of construction of such work, improvement, facility or activity as and for reimbursement to the city for its cost of review and inspection of such work, improvement, facility or activity. In addition, prior to the release of any permit for construction of storm drainage collection and conveyance on private property, the permit applicant shall pay a fee equal to ten percent of the estimated cost of construction of such work, improvement, facility or activity as and for reimbursement to the city for its cost of review and inspection of such work, improvement, facility or activity. Estimated cost of construction shall be determined by the director of the department of public works. Whenever such a review and inspection fee is required, the public works department is authorized to collect up to one-half of the fee at permit application with the remainder being due at permit issuance.

(c) This section shall not apply to:

(1) Work performed under public works construction contracts let by the city pursuant to Chapter 3.85; or

(2) So much of such work performed under a developer's extension agreement (Chapter 35.91 RCW facilities agreement) as is determined by the director of public works to be for the benefit of the Kirkland water or Kirkland sewer system rather than for the benefit of the property being concurrently subdivided, developed or improved by the signors to the developer extension agreement.

(d) The director is authorized to interpret the provisions of this chapter and may issue rules for its administration. This includes, but is not limited to, correcting errors and omissions and adjusting fees to match the scope of the project. The fees established here will be reviewed annually, and, effective January 1st of each year, may be administratively increased or decreased by an adjustment, rounded to the nearest dollar, to reflect the current published annual change in the Seattle Consumer Price Index for Wage Earners and Clerical Workers as needed in order to maintain the cost recovery objectives established by the city council.

(e) MyBuildingPermit.com Surcharge. In addition to the fees listed in this section there shall be a one and three-tenths percent surcharge collected to pay for the city's MyBuildingPermit.com membership fees.

Exception: the MyBuildingPermit.com surcharge does not apply to the following:

- (1) Water meter installation.
- (2) Water billing.

- (3) Sewer discharge and penalties.
- (4) Sewer billing.
- (5) Street cut fees.
- (6) City trees or civil penalties.

Section 3. This ordinance shall be in force and effect on January 1, 2015, 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 _____, 2014.

Signed in authentication thereof this ____ day of _____, 2014.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4448

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LONG TERM RIGHT-OF-WAY USE AND AMENDING CHAPTER 19.04 AND SECTION 5.74.070 OF THE KIRKLAND MUNICIPAL CODE.

SECTION 1. Amends Kirkland Municipal Code Chapter 19.04 by the addition of a new section 19.04.090 relating to requirements of a Long Term Right-of-Way Use Permit.

SECTION 2. Amends Kirkland Municipal Code Section 5.74.040 relating to permit and administrative fees charged by the public works department.

SECTION 3. 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 January 1, 2015, 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 _____, 2014.

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

City Clerk