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# CITY OF KIRKLAND

## CITY COUNCIL

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

### *Vision Statement*

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

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### AGENDA

#### KIRKLAND CITY COUNCIL MEETING

#### City Council Chamber

#### Tuesday, August 2, 2011

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

#### 7:30 p.m. – Regular Meeting

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

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*, Peter Kirk Room
  - a. Cascade Water Alliance Cost Allocation Study
4. *EXECUTIVE SESSION*
  - a. To Discuss Labor Negotiations
  - b. To Discuss Potential Litigation
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
  - a. *Announcements*
  - b. *Items from the Audience*
  - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
  - a. Feet First Plaque
  - b. Fire Chief's Presentation

**EXECUTIVE SESSIONS** may be held by the City Council to discuss matters where confidentiality is required for the public interest, including buying and selling property, certain personnel issues, and lawsuits. An executive session is the only type of Council meeting permitted by law to be closed to the public and news media

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

**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.

**GENERAL CORRESPONDENCE**

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

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

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

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

8. *CONSENT CALENDAR*

a. *Approval of Minutes:* July 19, 2011

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

c. *General Correspondence*

d. *Claims*

e. *Award of Bids*

(1) 2011 Crosswalk Upgrade Program, Schedules A, B, and D, Valley Electric, Everett, Washington

(2) NE 85th Street Video Detection Project, Valley Electric, Everett, Washington

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

g. *Approval of Agreements*

h. *Other Items of Business*

(1) Ordinance No. 4317 and it's Summary, Relating to the Issuance and Sale of Limited Tax General Obligation and Refunding Bonds of the City in the Principal Amount of Not to Exceed \$4,700,000 to Refund Certain Outstanding Limited Tax General Obligation Bonds of the City, and Pay for Costs of Issuance of the Bonds; Providing the Form and Terms of the Bonds; Authorizing a Preliminary Official Statement; Providing for the Disposition of the Proceeds of Sale; and Delegating Authority to Approve the Final Terms of Such Bonds

(2) Cultural Council Budget Adjustment

(3) National Pollutant Discharge Elimination System (NPDES) Permit Signature Authority Delegation

(4) Totem Lake Flood Control Measures Funding Request

(5) Self Insured Medical Program Financial Status Report

(6) State Lobbying Budget Adjustment for 2011

9. *PUBLIC HEARINGS*

a. Medical Marijuana Collective Garden Moratorium

10. *UNFINISHED BUSINESS*

- a. Urban Land Institute Presentation Summarized
- b. Final Community Development Block Grant Determination
- c. Neighborhood Meetings with the City Council
- d. Transportation Benefit District Review

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

11. *NEW BUSINESS*

- \* a. Ordinance No. 4318, Relating to Land Use Approval of a Preliminary and Final PUD as Applied for by the Lake Washington School District in Department of Planning and Community Development File No. ZON11-00003 and Setting Forth Conditions of Said Approval

**ITEMS FROM THE AUDIENCE**

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

12. *REPORTS*

- a. *City Council*
  - (1) Regional Issues
- b. *City Manager*
  - (1) Calendar Update

13. *ITEMS FROM THE AUDIENCE*

14. *ADJOURNMENT*



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

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## MEMORANDUM

**To:** Kurt Triplett, City Manager  
Tracey Dunlap, Director of Finance and Administration

**From:** Julie Elsom, Sr. Operations and Financial Analyst  
Ray Steiger, P.E., Public Works Director

**Date:** July 21, 2011

**Subject:** CASCADE WATER ALLIANCE COST ALLOCATION STUDY

## RECOMMENDATION:

City Council receives an update on the status of Cascade Water Alliance cost allocation study and recommendations.

## BACKGROUND DISCUSSION:

This presentation is in response to a request made by City Council to receive a report on the ongoing Cascade Water Alliance's (CWA) cost allocation study. Deputy Mayor Penny Sweet serves on the Board of Directors for CWA; Councilmember Doreen Marchione serves as the alternate. Both have been involved in recent CWA meetings in which there has been lengthy discussion regarding possible shifts in CWA costs to its eight member organizations. Changes have minimal impact on Kirkland rates at this time; however, the review of member charge equity is an important consideration.

Chuck Clarke, CEO of CWA, will summarize the recent Cost Allocation Study and some of the guiding principles of CWA. The purpose of the study is to evaluate the overall equity of CWA's current cost recovery method in light of the decreasing number of new connections and decreasing rate of growth in water demand. CWA staff believe there is an imbalance of equity among members and has explored several alternatives to improving the member charge structure. Cascade's Board will be considering options in the upcoming months. This presentation will provide City Council background information on the evolving environment of CWA, current issues associated with breakdown of recovery sources, options for modifying cost recovery, and how the allocation of cost to Members might be affected.

## Cascade Water Alliance – Background

The Cascade Water Alliance (CWA or Cascade) has been in existence for over a decade, and operating as a supply agency for seven years. Cascade was formed to provide water supply to meet current and future needs in a cost effective and environmentally friendly manner. CWA is comprised of five member cities (City of Bellevue, City of Issaquah, City of Kirkland, City of Redmond, and City of Tukwila) and three water and sewer districts (Covington Water District, Sammamish Plateau Water and Sewer District, and Skyway Water and Sewer District). These cities and districts joined together to ensure adequate water supply well into the future.

Prior to Cascade, these agencies were dependent on Seattle for supply and regional water planning. At this time, demand forecasts indicated the growth of the region and the increasing demand for water was not sustainable; by 2008 Seattle would not have enough water to continue supplying all its customers. Contract purveyors had no opportunity to invest in the water supply system or to have a say in any decision making such as capital investments, rate setting, water supply development and reliance on conservation; Seattle, could not guarantee water would be available in the future. Cascade was founded predominately based on the following:

- **Control Own Destiny** – agencies entirely dependent on Seattle sought control and management of water resources to ensure their ability to meet their planning goals and requirements.
- **A Voice and a Vote** – gain an active and meaningful role in the water supply decision-making process.
- **Regulating Institutional Change** (Protection of Interests) – Cascade was structured to inhibit major changes in mission or direction without careful deliberation and substantial consensus.
- **Ownership and Control** – progress towards direct ownership and control of supply resources to establish reliable supply commitments to its members.

The goal was a regional approach to providing a safe, clean, and reliable water supply. As part of Cascade's long-term plan, the agency acquired the Lake Tapps reservoir. In 2010 Cascade updated its water demand forecast and analysis of supply alternatives as part of its long-term planning process. It was determined that projected demand for water has diminished; as a result, Cascade, is reviewing the overall equity of its current cost recovery method.

For additional information about Cascade Water Alliance please follow the link below to their web site:

[http://cascadewater.org/about\\_us.php](http://cascadewater.org/about_us.php)



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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** David Godfrey, P.E., Transportation Engineering Manager  
Ray Steiger, P.E., Public Works Director

**Date:** July 21, 2011

**Subject:** FEET FIRST AGENDA CITY RECOGNITION

### **RECOMMENDATION**

It is recommended that the City Council receive recognition for becoming a Feet First Agenda City.

### **BACKGROUND**

On July 19 the City Council passed an ordinance adopting the Feet First agenda and making Kirkland a "Feet First Agenda City". On behalf of Feet First, Executive Director Lisa Quinn would like to formally recognize Council's action.

[Feet First](#) is a walking advocacy organization promoting walkable communities in Seattle and surrounding cities. One of Feet First's initiatives is promotion of a nine point agenda. Feet First has identified Kirkland as one of a handful of cities in Washington that meets all nine of the agenda points. As an "Agenda City" Feet First will recognize Kirkland in their promotional material, on their website and at their 10 Year Anniversary this October.

More information about Feet First and their agenda points are on the next two pages.



## Feet First Agenda



### MISSION

who we are - what we do

Walking is an essential part of our everyday lives. Walking connects us to people, places and to other forms of transportation. We are all pedestrians.

Feet First promotes walkable communities and envisions people walking every day for their health, transportation, environment, community and pleasure.

Committing to the Feet First Agenda demonstrates support for more walkable and vibrant communities and for pedestrian enhancements that improve safety, mobility and access for all.

### GOALS

promoting walkable communities

- 1 Promote walking as an important public policy that:
  - Connects communities;
  - Improves health and physical fitness;
  - Helps the environment by reducing our carbon footprint;
  - Improves mobility and provides transportation options;
  - Increases community safety by providing eyes on the street; and
  - Enhances business district vitality.

- 2 Implement a comprehensive set of policies, plans, projects and programs resulting in walkable communities throughout the region.



## INITIATIVES

strategies for action

### CHILDREN NEED MORE OPPORTUNITIES TO BE ACTIVE:

*The percentage of children walking to school has dropped from 66% to 13%<sup>1</sup> over the last 30 years while the number of overweight children has increased 300%<sup>2</sup>.*

### WALKING WILL HELP YOU LIVE LONGER:

People who engage in moderate activity – the equivalent of walking for 30 minutes a day for 5 days a week – *live about 1.3 to 1.5 years longer* than those who are less active<sup>3</sup>.

### WALKABILITY IS GOOD FOR HOME VALUES:

In a typical metropolitan area, a one-point increase in *Walk Score* is associated with an increase of housing value from \$700 to \$3,000<sup>4</sup>.

1. US Centers for Disease Control and Prevention
2. National Center for Health Statistics
3. Franco, Oscar H., et al. "Effects of Physical Activity on Life Expectancy With Cardiovascular Disease" *Archives of Internal Medicine* 165 (2005): 2355-2360.
4. Cortright, Joseph. "Walking the Walk." CEO's for Cities (2009).

1. **An Active Transportation Plan or Pedestrian Master Plan**  
Adoption of this comprehensive document should guide all pedestrian oriented policies and strategies.
2. **A Complete Street Policy**  
An adoption of a policy recognizing that public streets need to be designed to accommodate multiple uses including pedestrian, bicycle, transit, freight and vehicle mobility.
3. **Supportive land use policies**  
Adoption of policies resulting in pedestrian-friendly and sustainable developments, vibrant neighborhoods and communities.
4. **A Pedestrian Advisory Committee or Active Living Task Force**  
The creation of and support for a community-based group is essential to effectively advocate for projects and programs that promote walking.
5. **An integrated departmental approach**  
Staff, preferably from multiple departments, should be assigned to support and coordinate pedestrian-related policies and activities.
6. **Projects promoting walking and pedestrian safety**  
Capital Improvement Programs and operating budgets should include projects that encourage walking and enhance pedestrian safety e.g. sidewalks, crossings, wayfinding signs, amenities including benches, shelters, and lighting. A dedicated funding source for these projects should be identified.
7. **Pedestrian safety**  
Legislation, policies, education, engineering and enforcement strategies should be implemented and supported enhancing pedestrian safety.
8. **Promote walking in communities**  
Policies and programs should be implemented that promote walking to and from schools, parks, libraries, public transportation, work, home and shopping.
9. **Performance measurement system**  
Measures should be put in place to monitor the levels pedestrian activity and the effectiveness of pedestrian-oriented strategies.

For more information please contact us:  
Feet First is a 501(c)(3) non-profit organization.

 feet first

314 1st Avenue S  
Seattle, WA 98104  
[www.feetfirst.org](http://www.feetfirst.org)  
[info@feetfirst.info](mailto:info@feetfirst.info)





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**Fire & Building Department**  
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[www.kirklandwa.gov](http://www.kirklandwa.gov)

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** J Kevin Nalder, Director Fire and Building Department  
**Date:** July 21, 2011  
**Subject:** Fire and Building Special Presentation

## **RECOMMENDATION**

Council receives a presentation to inform Council, Citizens and other City Departments of the Fire and Building Department's Mission and Value statements, organizational structure, services provided to the community and future planning. The presentation will include a PowerPoint.

## **BACKGROUND**

Council requested the department prepare and present an overview of the department. The overview will include information on the various divisions within the department to include Fire and EMS Operations, Fire Prevention and Investigations, Building Services, Training and City Emergency Management.



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES  
July 19, 2011

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

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

Members Absent: None.

3. STUDY SESSION

a. Open Public Meetings and Records

Joining Councilmembers for this discussion were City Manager Kurt Triplett, Director of Finance and Administration Tracey Dunlap, City Clerk Kathi Anderson and Attorney/presenter Ramsay Rammerman.

4. EXECUTIVE SESSION

None.

5. HONORS AND PROCLAMATIONS

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Jean Guth  
Tracy Doering  
Amy Whittenburg  
Suzanne Kagen  
Dave Ramsay  
Alberta Allen  
Marianne Francis  
Anastasia Schemkes  
Kathy Feek  
Robert Larsen  
Mike Nykreim  
Jacob Bond  
Bill Vadino  
Janice Garish

c. Petitions

7. SPECIAL PRESENTATIONS

- a. Municipal Court Judge Michael Lambo

8. CONSENT CALENDAR

- a. Approval of Minutes:

- (1) July 5, 2011 Special Meeting

- (2) July 5, 2011

- (3) July 7, 2011 Special Meeting

- b. Audit of Accounts:

- Payroll \$2,006,538.37

- Bills \$3,330,147.26

- run #1020 check #526998

- run #1021 checks #527025 - 527180

- run #1022 check #527182

- run #1023 checks # 527183 - 527365

- c. General Correspondence

- d. Claims

- e. Award of Bids

- (1) Annual Street Preservation Program, Phase II 2011 Slurry Seal Project

- The construction contract for the Phase II Slurry Seal Project, of the Annual Street Preservation Program, was awarded to Blackline, Inc., of Spokane, Washington, in the amount of \$182,195.15.

- f. Acceptance of Public Improvements and Establishing Lien Period

- g. Approval of Agreements

- h. Other Items of Business

- (1) Totem Lake Flood Control Measure Update

- (2) Ordinance O-4313, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PENALTY FOR FAILURE TO RESPOND TO CERTAIN CIVIL INFRACTIONS."

- (3) Surplus Vehicles/Equipment for Sale

Fleet #	Year	Make	VIN/Serial Number	License #	Mileage
A01-05X	2001	Ford Crown Victoria	2FAFP71W91X181382	34105D	54,150
BG-7	2007	John Deere Turf Gator	WO6X4HD004908	n/a	n/a
C02-02X	2002	Ford Crown Victoria	2FAFP71W12X143700	34409D	80,176
C03-07X	2003	Ford Crown Victoria	2FAHP71W63X216781	36373D	64,601
C03-08X	2003	Chevrolet Tahoe	1GNEK13Z53J289463	36235D	101,024
F-10	2002	Dodge 3500 Flatbed	3B6MC36572M268481	34407D	41,616

F209X	1998	Jeep Cherokee	1J4FJ28S7WL254816	23996D	63,509
F309X	1997	Ford Road Rescue Aid Car	1FDKE40F7VHB00658	23988D	86,761
MR-4C	2007	John Deere Mower 2653B	TC2653T010412	n/a	n/a
P07-12	2007	Ford Crown Victoria	2FAHP71W37X132679	44117D	87,892
PU-36	2003	Chevrolet Tracker 4x4	2CNBJ13C136940039	36234D	29,178
S-04	2004	Ford Tymco 600 Sweeper	1FVAB6BV75DU79872	38316D	38,700
S-05	2000	Ford Tymco 600 Sweeper	3B6MC36572M268481	31770D	40,192

Motion to Approve the Consent Calendar with the inclusion of item 11.b. from New Business, Resolution R-4887, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY OF KIRKLAND'S COMMITMENT TO THE FEET FIRST AGENDA, WHICH DEMONSTRATES SUPPORT FOR MORE WALKABLE AND VIBRANT COMMUNITIES AND FOR PEDESTRIAN ENHANCEMENTS THAT IMPROVE SAFETY, MOBILITY, AND ACCESS FOR ALL."

Moved by Councilmember Bob Sternoff, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

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

## 9. PUBLIC HEARINGS

## 10. UNFINISHED BUSINESS

### a. Bond Refunding Introduction

Fred Eoff of SDM Advisors provided a briefing on the planned refunding of selected outstanding bonds and responded to Council questions.

### b. Code of Ethics and Code of Conduct

Council provided additional feedback and authorized staff to forward the Code of Ethics to the contracted agency serving as the Ethics Officer for review. Council instructed the Code of Conduct be distributed to the City's Boards and Commissions.

### c. Establishing an Ad-Hoc Exploratory Committee to Consider Possible Future Park Funding Ballot Measures

Parks and Community Services Director Jennifer Schroder outlined actions needed to establish an ad-hoc exploratory committee and consideration of a possible future park funding ballot measure. Council concurred with the acceleration of 2012 budgeted PROS plan funding into 2011 to hire Trust for Public Land as the Exploratory Committee strategic and public outreach consultant and to begin the Comprehensive Park, Recreation and Open Space (PROS) Plan update.

Motion to appoint Councilmember Walen as co-chair of the committee.

Moved by Councilmember Jessica Greenway, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

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

Motion to Approve the preliminary Ad-Hoc Exploratory Committee membership to consider possible future Park Funding Ballot Measures

Moved by Councilmember Bob Sternoff, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

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

d. Cultural Council Options

Economic Development Manager Ellen Miller-Wolfe provided background of the Cultural Council and reviewed potential funding and staffing options for the future. Staff will bring this item back for Council action at their August 2, 2011 regular meeting based on feedback provided.

11. NEW BUSINESS

a. Ordinance O-4314, Amending the Biennial Budget for 2011-2012

Financial Planning Manager Sri Krishnan provided an update on the City's financial condition and an overview of the capital improvement project closures included in the proposed budget adjustments.

Motion to Approve Ordinance O-4314, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2011-2012."

Moved by Deputy Mayor Penny Sweet, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

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

b. Resolution R-4887, Stating the City of Kirkland's Commitment to the Feet First Agenda, Which Demonstrates Support for More Walkable and Vibrant Safety, Mobility, and Access for All

This item was approved earlier in the agenda, on the consent calendar.

c. Ordinance O-4315, Amending Kirkland Municipal Code Chapter 5.18 Relating to Real Estate Tax and Authorizing the Expenditure of Second Quarter Percent Real Estate Excise Tax for the Operations and Maintenance of Existing Capital Projects

Motion to Approve Ordinance O-4315, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 5.18 RELATING TO REAL ESTATE TAX AND AUTHORIZING THE EXPENDITURE OF SECOND QUARTER PERCENT REAL ESTATE EXCISE TAX FOR THE OPERATIONS AND MAINTENANCE OF EXISTING CAPITAL PROJECTS."

Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen

Vote: Motion carried 7-0

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

- d. Ordinance O-4316, Adopting a Moratorium on the Establishment of Medical Marijuana Collective Gardens Defining "Medical Marijuana Collective Gardens;" Providing for a Public Hearing; Establishing an Effective Date, and Providing That the Moratorium, Unless Extended, Will Sunset Within Six (6) Months of the Date of Adoption

Motion to Approve Ordinance O-4316, entitled "AN INTERIM ORDINANCE OF THE CITY OF KIRKLAND ADOPTING A MORATORIUM ON THE ESTABLISHMENT OF MEDICAL MARIJUANA COLLECTIVE GARDENS, DEFINING "MEDICAL MARIJUANA COLLECTIVE GARDENS"; PROVIDING FOR A PUBLIC HEARING; ESTABLISHING AN EFFECTIVE DATE, AND PROVIDING THAT THE MORATORIUM, UNLESS EXTENDED, WILL SUNSET WITHIN SIX (6) MONTHS OF THE DATE OF ADOPTION."

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet  
Vote: Motion carried 7-0

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

12. REPORTS

- a. City Council

- (1) Regional Issues

Councilmember Sternoff commended Fire Station 22 EMT's for their quick response and care of a family member. City Councilmembers shared information regarding the Puget Sound Regional Council Public Issues Committee meeting where Councilmember Walen was nominated as an alternate to the Puget Sound Regional Council Transportation Policy Board; Bark for your Park vote for the Kirkland Dog Park; Cascade Water Alliance meeting; changes to Mud Mountain Dam, the replacement dam and the salmon migration; Transportation Choices Coalition meeting; Kirkland UnCorked event; Metropolitan Solid Waste Management Advisory Committee meeting; King County Solid Waste Committee meeting; Celebrate Kirkland events video; upcoming health fair at Parkplace; upcoming Saturday night dance at the Marina Park Pavilion; Kirkland Classic Car Show and meeting University of Washington President Michael Young.

- b. City Manager

- (1) Calendar Update

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT

The Kirkland City Council regular meeting of July 19, 2011 was adjourned at 10:27 p.m.

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City Clerk

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Mayor



**CITY OF KIRKLAND**  
**Department of Public Works**  
 123 Fifth Avenue, Kirkland, WA 98033 425.587.3800  
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## MEMORANDUM

**To:** Kurt Triplett, City Manager

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

**Date:** July 21, 2011

**Subject:** 2011 CROSSWALK UPGRADE PROGRAM – AWARD CONTRACT

### RECOMMENDATION:

It is recommended that City Council award the construction contract for the 2011 Crosswalk Upgrade Program to Valley Electric of Everett, Washington, in the amount of \$123,942.00 for Schedules A, B, and D.

### BACKGROUND DISCUSSION:

The Crosswalk Upgrade Program is a City-wide program for maintaining and improving crosswalks throughout the City. The specific work for the 2011 Program consists of furnishing and installing specialty signage and pedestrian crosswalk lights known as Rectangular Rapid Flashing Beacons (RRFBs) at select locations (Attachment A).

RRFBs are user-activated flashing amber lights that supplement pedestrian warning signs at unsignalized intersections and mid-block crosswalks. The devices enhance safety by increasing driver awareness of the presence of pedestrians wishing to cross the street. Other work elements associated with the installation of the RRFBs includes: replacement of existing non-conforming wheelchair ramps with new ADA (Americans with Disabilities) wheel chair ramps and new pavement crosswalk markings. In some instances, a new RRFB also includes the installation of a new electrical power service to operate the amber lights.

### MID-BLOCK RRFB



The 2011 Program consisted of four proposed locations, as follows:

- Schedule A: NE 124<sup>th</sup> Street at 103<sup>rd</sup> Avenue NE (North Kirkland Community Center)
- Schedule B: Market Street at 18<sup>th</sup> Avenue (leads to Kirkland Junior High School)
- Schedule C: 132<sup>nd</sup> Ave NE at NE 74<sup>th</sup> Street (leads to Rose Hill Junior High School)
- Schedule D: NE 60<sup>th</sup> Street (Benjamin Franklin Elementary School)

The Crosswalk Upgrade Program is a biennial project identified in the Capital Improvement Program. For 2011, the overall budget includes a combination of 2009 and 2011 program funds of \$70,000 per year, plus a contribution of \$45,500 from the 2009 Street Overlay Project. The contribution from the 2009 Overlay Project is as a result of an RRFB that was installed as a part of that Project. After a series of failures of the equipment and the Contractor's inability to provide the RRFB as required, the installation was rejected by the City and removed by the Contractor; all costs were refunded to the City, and it is being installed this year as Schedule A. The product used in the 2009 installation never worked properly and is not the same product that is specified for the 2011 Program. The new product required additional design and engineering. Finally, funding for the 2011 Program also includes \$10,000 from the South Rose Hill and Bridal Trails Neighborhood Association Neighborhood Connection funds specifically targeted for the NE 60<sup>th</sup> Street location (Schedule D); this location was their top priority project. The combination of funding brings the total budget to \$195,500 (Attachment B).

With an engineer's estimate of \$155,000 for all four schedules, staff advertised for contractor bids on June 14, 2011, using a multiple schedule format in order to be able to recommend an award based on a combination of locations to accommodate the available budget. On June 30, 2011, two bids were received with the Valley Electric being the lowest responsive bidder, as shown:

Project Schedule	<i>Engineer's Estimate</i>	<b>Valley Electric</b>	American Elec. Serv.
Schedule A	\$ 44,300	\$ 45,494	\$ 74,306
Schedule B	\$ 42,300	\$ 47,229	\$ 75,979
Schedule D	\$ 32,200	\$ 31,219	\$ 63,734
<b>Recommended AWARD</b>	<i>\$118,800</i>	<b>\$123,942</b>	\$214,019
Schedule C	\$ 36,200	\$ 36,703	\$ 66,291
Optional Award	<i>\$155,000</i>	<b>\$160,645</b>	\$280,310

Based on the bids received, staff has considered two options for contract award:

- Award the top two prioritized projects (Schedules A and B), plus Schedule D which includes the added funding contribution by the Neighborhood Association, or
- Request additional funds of \$37,000 to complete Schedules A, B, C, and D (Attachment B and C)

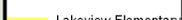
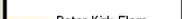
In order to maximize the currently available funds, it is staff's recommendation that City Council award Schedules A, B and D to Valley Electric in the amount of \$123,942. With design complete, the Schedule C location will be added to the 2013 Crosswalk Upgrade Program for future installation. However, if the Council elects to fund Schedule C, a fiscal note recommending that the \$37,000 be taken from the Street Improvement Reserve is included as Attachment C.

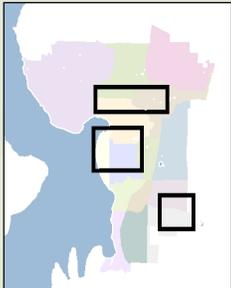
An award of the construction contract by City Council at their August 2<sup>nd</sup> meeting will allow work to begin in September with Project completion in November, 2011. In advance of construction, Public Works staff will notify adjacent property owners and businesses. This information, along with a regularly updated construction schedule, will also be posted on the City's web site and, since the Project includes sidewalk and ADA ramp reconstruction, staff will ensure the contractor maintains safe travel for pedestrians throughout the work areas at all times.

Attachments: (2)

**Crosswalk Upgrade Program (CNM-0912)**

**LEGEND**

-  Sidewalks
-  Parks
-  Schools
-  Streets
- School Walk Routes**
- School Name**
-  A.G. Bell Elementary
-  Ben Franklin Elem
-  Juanita Elementary
-  Lakeview Elementary
-  Peter Kirk Elem
-  Rose Hill Elementary
-  Twain Elementary

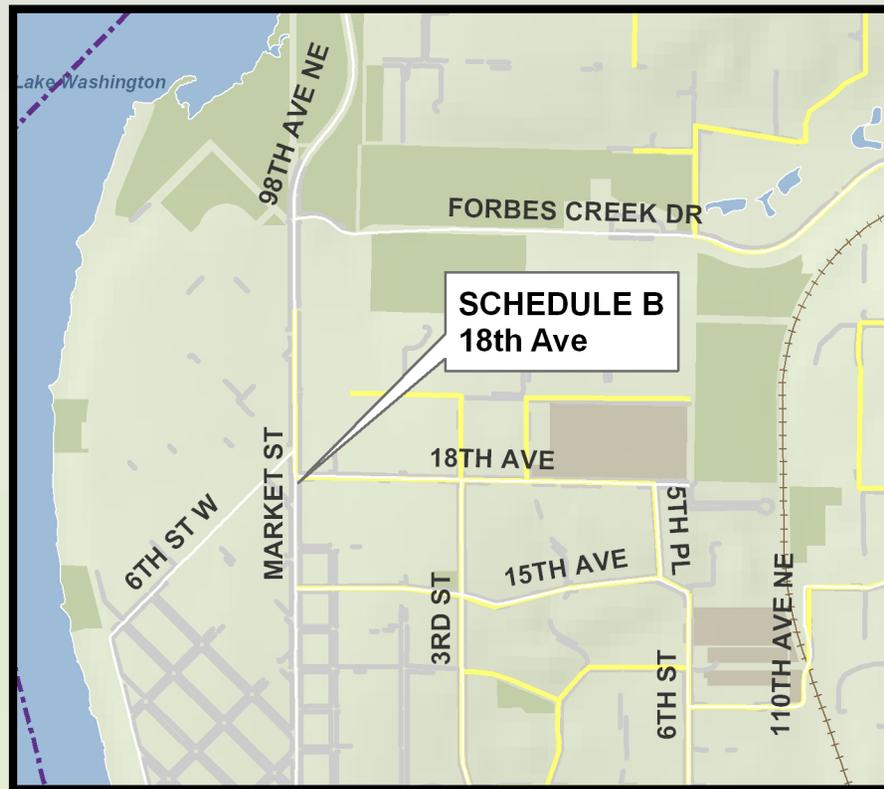


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Author:  
Name: 2011 Crosswalk Upgrade Program  
Date Saved: 7/20/2011 6:30:04 PM



**SCHEDULE A  
NE 124th ST**



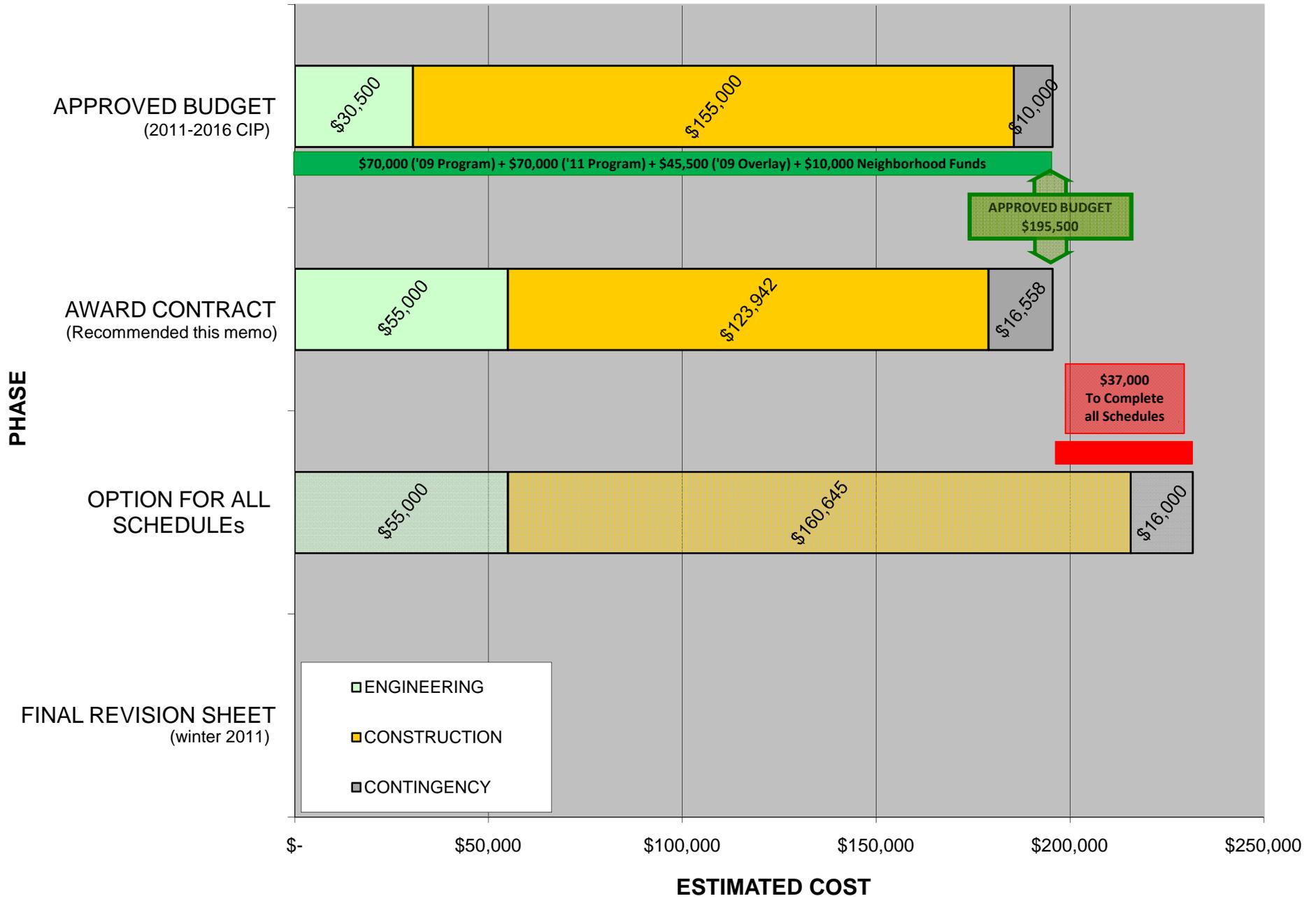
**SCHEDULE B  
18th Ave**



**SCHEDULE C  
132nd Ave NE**

**SCHEDULE D  
NE 60th ST**

**2011 Crosswalk Upgrade Program  
(CNM-1112)  
Project Budget Report**



**FISCAL NOTE**

**Source of Request**

Ray Steiger, Public Work Director

**Description of Request**

Request for funding of \$37,000 from the Street Improvement Reserve to add "Schedule C" for the 2011 Crosswalk Upgrade Program as described in the memo to Council on the August 2, 2011 Council meeting agenda.

**Legality/City Policy Basis**

**Fiscal Impact**

**One-time use of \$37,000 from the Street Improvement Reserve.** The reserve is able to fully fund this request.

**Recommended Funding Source(s)**

	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
<b>Reserve</b>	Street Improvement Reserve	1,092,258	5,000	0	37,000	1,050,258	N/A
	2011-12 Prior Authorized Use of this reserve: \$5,000 for 520 Tolling Impact Traffic Counts						
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							

**Other Information**

Prepared By	Neil Kruse, Senior Financial Analyst	Date	July 21, 2011
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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:** David Snider, P.E., Interim Capital Projects Manager  
Ray Steiger, P.E., Public Works Director

**Date:** July 21, 2011

**Subject:** NE 85<sup>TH</sup> STREET VIDEO DETECTION - AWARD CONTRACT

### RECOMMENDATION:

It is recommended that City Council award the construction contract for the NE 85<sup>TH</sup> Street Video Detection Project to Valley Electric of Everett, Washington, in the amount of \$36,389.00.

### BACKGROUND DISCUSSION:

The NE 85<sup>th</sup> Street Video Detection Project is included within the NE 85<sup>th</sup> Street Corridor Improvements; the corridor improvements combine several capital projects and provide various enhancements for the entire NE 85<sup>th</sup> Street corridor, between 114<sup>th</sup> and 132<sup>nd</sup> Avenue NE (Attachment A). The improvements for the overall corridor include providing continuous sidewalks and pedestrian improvements on both sides of NE 85<sup>th</sup> Street, and along 124<sup>th</sup> Avenue NE between NE 80<sup>th</sup> Street and NE 90<sup>th</sup> Street, traffic signal upgrades and additional capacity improvements at key intersections, storm water quality improvements, and the undergrounding of a significant portion of the overhead utilities. The right-of-way acquisition process for the aerial utility conversion project (Undergrounding) that will go to bid within the coming weeks is nearing completion. In advance of that work, and to maintain traffic flow throughout the corridor, construction of the Video Detection Project is the first order of work and is intended to proceed all subsequent phases.

The Video Detection Project will replace the existing in-pavement traffic loop detection system with the installation of signal pole mounted video camera detection equipment. The video equipment allows traffic signals to function properly under the disturbances of construction activities. It also allows the traffic signals to operate properly as traffic lanes are shifted for construction work; the video equipment can quickly (within minutes) be adjusted to accommodate shifting traffic patterns. The pre-purchased equipment includes cameras and signal cabinet apparatus that has been designed for, and will remain a part of, all future traffic signal updates along the corridor.

With an engineer's estimate of \$41,600, the Project was first advertised for contractor bids on June 16<sup>th</sup>. On June 30, 2011, the City received four contractor bids with Valley Electric being the lowest responsive bidder, as listed below:

Contractor	Total Bid
<b>Valley Electric</b>	<b>\$36,389</b>
Prime Electric	\$36,812
American Electrical Services	\$40,599
<i>Engineers Estimate</i>	<i>\$41,600</i>
Aaac Electric Corporation	\$48,962

As the various elements of the overall Corridor Project Improvements continue to come to fruition, staff remains busy keeping residents, business owners, and other interested parties well informed on the different elements of the Project. The most recent form of communication to be distributed is the *NE 85<sup>th</sup> Corridor Project Newsletter* (Attachment C). The *Newsletter* provides in-depth information regarding the overall general scope, individual project locations, the different stages, and general Project scheduling. The *Newsletter* also invites those who are interested to participate in a to-be-formed Construction Advisor Group (CAG). It is anticipated that the CAG will be made up of business members and impacted stakeholders along the NE 85th Street corridor in order to keep information flowing freely, as we all to work together towards options for effective mitigation of construction impacts. A key goal of the CAG will be to keep stakeholders directly involved in the discussion of difficult issues, leading to cooperative solutions as the much larger Project elements begin to occur; staff expects to return to City Council for actions on both the Undergrounding Phase and the 124<sup>th</sup> Avenue NE Sidewalk Phase of the Corridor Project during the next couple of months.

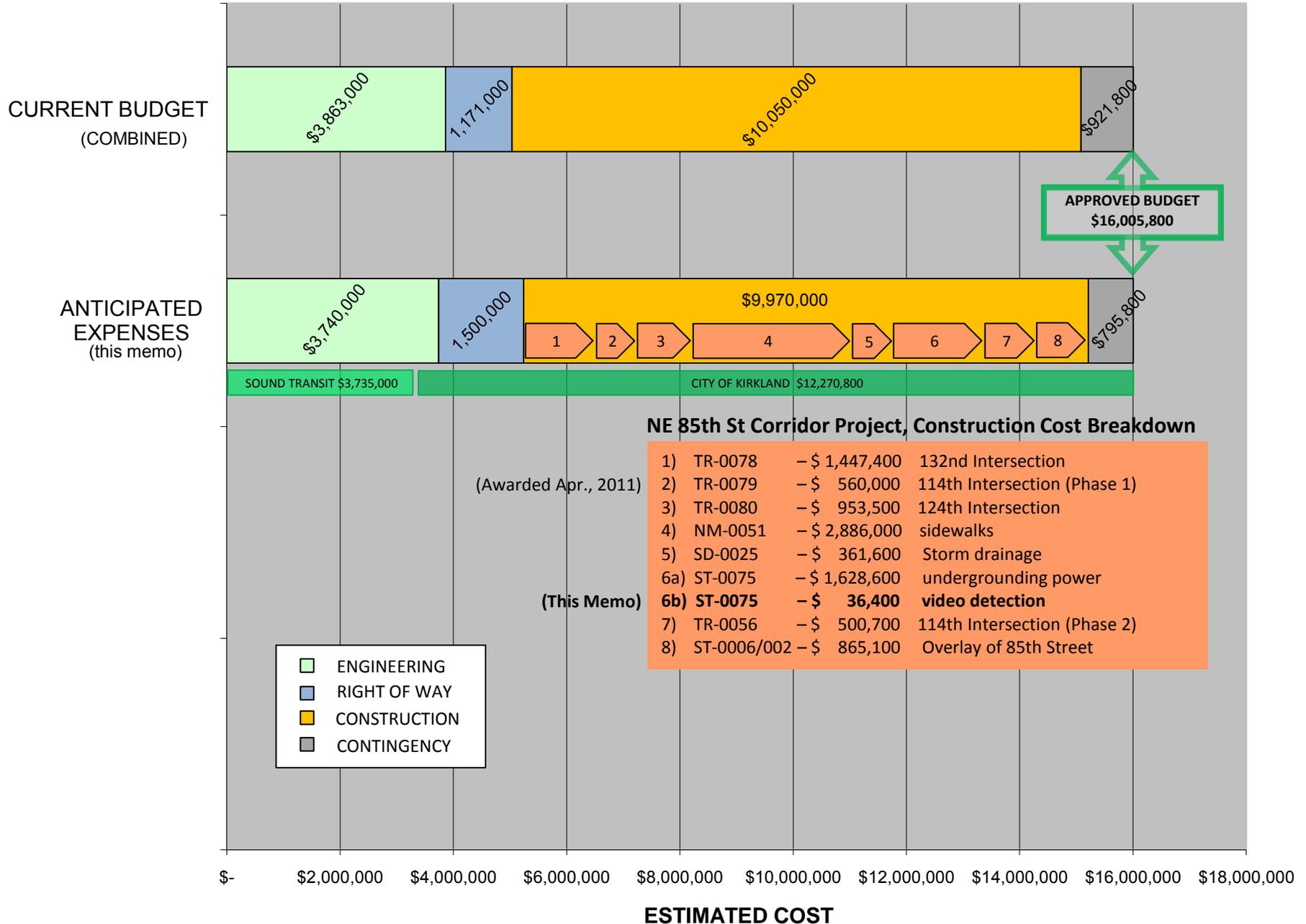
Staff has also been closely coordinating with the various utility companies regarding their facilities within the right-of-way and, starting in August, PSE will be relocating their existing poles to locations that will be behind the planned sidewalk improvements along 124<sup>th</sup> Avenue NE, between NE 80<sup>th</sup> and NE 90<sup>th</sup> Streets. This work is expected to take four weeks with an anticipated completion in September, ahead of when that Phase of the City's Project is scheduled to begin.

By City Council awarding the contract for the NE 85<sup>th</sup> Street Video Detection Project at their August 2<sup>nd</sup> meeting, the Contractor will begin work in late August followed by a completion in October, 2011. This particular element of work is limited to the mounting of cameras on existing signal pole mast arms, and to adding computer hardware within existing signal controller cabinets. As a result, the work efforts will have only minor impacts to local businesses, pedestrians and the motoring public.

Attachments: (3)



## NE 85th STREET CORRIDOR IMPROVEMENTS PROJECT BUDGET REPORT



### Key Stakeholders Needed for Advisory Group.

A Construction Advisory Group (CAG) for business members along NE 85th Street corridor will be formed as a means of involving impacted stakeholders on construction impacts and options for mitigation.

The key goals of the CAG will be to facilitate information from the community, City and the contractor to increase understanding of problems to be addressed during construction. The CAG will work cooperatively on solutions.

If you are interested in serving on the CAG, please contact Kari Page before August 15, 2011.



Kari Page  
 Neighborhood Outreach Coordinator  
 KPage@kirklandwa.gov  
 425-587-3011



City of Kirkland  
 Public Works Department  
 Capital Improvement Program  
 123 Fifth Avenue  
 Kirkland, WA 98033



## NE 85th STREET CORRIDOR IMPROVEMENT PROJECT



July 2011

### Transforming NE 85th Street into a more efficient, pedestrian friendly, and visually pleasing corridor.

#### Project Goals:

- ◆ Reduce traffic congestion and increase capacity at key intersections.
- ◆ Provide continuous sidewalks and landscape planter strips.
- ◆ Underground overhead utility lines.
- ◆ Resurface and stripe street.

**Location:** The NE 85th Street Corridor is located east of the City's downtown and Interstate 405. Planned improvements to reduce traffic congestion and enhance pedestrian safety will begin construction summer 2011 and continue into 2013.

**Subarea Plan:** The NE 85th Street Corridor Improvements Project originated from Kirkland's NE 85th Street Subarea Plan adopted by the City Council in April 2001. The Plan goals include improving the visual character of the Rose Hill commercial area, strengthening economic vitality of the business district, encouraging redevelopment of under-utilized commercial centers, and enhancing amenities for pedestrians, automobiles, and transit.

**Project Objectives:** The Project addresses specific elements of the Subarea Plan by enhancing the overall pedestrian safety and aesthetics, and increasing access, speed, reliability, and ridership of transit. Sound Transit contributed to Phase 1 and 3. The remaining funding comes from the City's Capital Improvement Program (CIP).



Vision for NE 85th Street Corridor

**Project Timeline:** The Project has been phased both in time and location to minimize impacts during construction. Construction on the first phase starts July 2011 (after completion of the intersection improvements at 6th Street and Central Way) and will continue through 2013.



Vicinity Map



**The City of Kirkland is committed to keeping you informed.**

See Project information and subscribe to receive Project updates via email. Web site: [www.Kirklandwa.gov/85thStreet](http://www.Kirklandwa.gov/85thStreet)

Watch for quarterly newsletters highlighting each construction phase.

Call the Construction Hot Line: 425-587-3838

Talk with Project Contacts:  
 Rod Steitzer  
 Project Engineer  
[rsteitzer@kirklandwa.gov](mailto:rsteitzer@kirklandwa.gov)  
 425-587-3825

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

# NE 85th STREET CORRIDOR IMPROVEMENT PROJECT

July 2011

## Projected Construction Phases

Construction phases will be staggered to minimize traffic congestion and reduce construction impacts. Map colors indicate phases described in chart below.

Phase	Description	2011			2012			2013		
		S	F	W	S	F	W	S	F	W
Phase 1	<b>NE 85th Street Intersection Improvements</b> •114th Ave NE: install additional southbound 114th Ave NE to eastbound NE 85th St left turn lane. •124th Ave NE: add traffic island at NE 124th Ave NE for future eastbound to northbound turn lane. •132nd Ave NE: add northbound 132nd Ave to eastbound NE 85th St right turn lane.									
Phase 2	<b>Undergrounding Powerlines</b> •120th Ave NE to 128th Ave NE: underground utility wires. •128th Ave NE to 132nd Ave NE: install conduit for future undergrounding of utility wires.									
Phase 3	<b>Sidewalks with landscape planter strips where there are none</b> •124th Ave NE: provide continuous sidewalks on both sides of 124th Ave NE between NE 80th St and NE 90 St. •NE 85th St: provide continuous sidewalk on both sides of NE 85th St between 120th Ave NE and 132nd Ave NE.									
Phase 4	<b>Resurface Street</b> •NE 85th St Corridor: preserve the City's infrastructure and reduce costly repairs by overlaying street.									



Vision for NE 85th Street Corridor

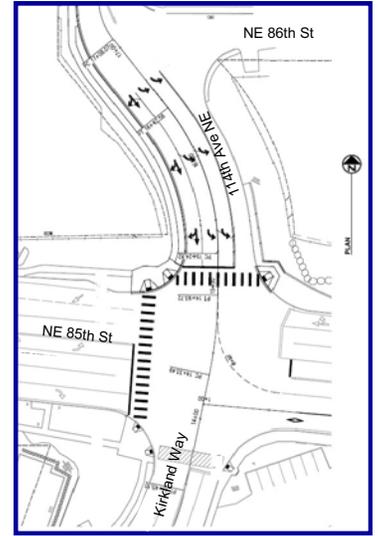


## NE 85th Street Intersection Improvements 114th Ave NE: Construction scheduled to begin end of July 2011

**What:** We are pleased to announce that the construction of 114th Avenue NE and NE 85th Street Intersection improvements is about to begin; kicking off Phase I of the NE 85th Street Corridor Improvements. As the first of three intersection improvements, this Project builds a second southbound-to-eastbound left turn lane at the 114th Ave NE/NE 85th Street intersection. The Project also improves traffic signal controller equipment and adds Intelligent Transportation System elements to coordinate signal timing along the corridor and create a pathway for connection to the future Traffic Control Center.

**When:** Construction for this intersection is scheduled to begin late July 2011 and is expected to be complete by winter 2011. Work hours are scheduled between 7:00 am and 6:00 pm each week day.

- What to Expect:**
- Traffic will be reduced to one lane northbound and one lane southbound on 114th Ave NE north of NE 85th Street.
  - Traffic control and flagging operations will be in effect.
  - Pedestrians and bicycles will be accommodated but should use precautions when traveling in the vicinity and follow all signed detours.
  - Adjacent properties will be notified in advance of utility shutdowns, if any.
  - No-parking signs will be posted 24 hours in advance of all parking restrictions.
  - Emergency vehicle access will be maintained throughout construction.
  - Trenches will be backfilled and/or covered at the end of each day so there will be no open trenches over night.



114th Ave NE/NE 85th Street Planned Configuration

- Easy access to information:**
- Obtain current information: go to [www.kirklandwa.gov/85thStreet](http://www.kirklandwa.gov/85thStreet).
  - Call the 24 hour construction hotline for updates: (425) 587-3838.
  - Contact the Engineer with questions or comments: Don Anderson, P.E. (425) 587-3826 [danderson@Kirklandwa.gov](mailto:danderson@Kirklandwa.gov)

*Thank you for your patience and cooperation as we make improvements to this important intersection.*



Watch for quarterly newsletters highlighting each new construction phase.





**CITY OF KIRKLAND**  
**Department of Finance & Administration**  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

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## MEMORANDUM

**To:** Kurt Triplett, City Manager

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

**Date:** July 22, 2011

**Subject:** BOND ORDINANCE ADOPTION

### RECOMMENDATION:

Council adopts the attached ordinance authorizing the issuance of Limited Tax General Obligation (LTGO) bonds for refunding the 1999 and 2001 LTGO Bonds.

### BACKGROUND:

The ordinance proposed for adoption by the Council on August 2 is the central legal document defining the Series 2011 Refunding Bonds and the various elements of security to bondholders and technical matters regarding payment of the Bonds over time. The following provides a summary of key items addressed in the ordinance:

- Authorizes the issuance of the Bonds
- Authorizes a "not-to exceed" principal amount
- Describes the purpose for which Bond proceeds are to be used
- Describes the Bond structure and term of years
- Provides for the system of bond registration
- Provides redemption provisions and the manner of redemption notice
- Provides for the form of Bonds
- Covenants the City to include debt service on the Bonds in its annual budget
- Provides for the manner of sale of the Bonds
- Provides for authorization of a Designated Representative to act on behalf of the Council
  - Decisions regarding market timing
  - Decisions regarding manner of sale
  - Acceptance of bids/purchase offer

- Provides for a system of ongoing disclosure
  - Financial statement
  - Material event notices

The draft bond ordinance provided as part of the packet contains placeholder information based on current conditions. The final ordinance will be completed shortly before the August 2 meeting and will be provided to the City Council at that time. The current financing assumptions are:

- The bonds will be used to refund the 1999 and 2001 LTGO Bonds,
- The total debt issuance is expected to be no more than \$4.7 million for the refunding,
- The term of the bonds will be 10 years.

SDM Advisors has provided the following schedule to accomplish a bond sale for this refunding:

<u>DATE</u>	<u>KEY TASK</u>
8/2	City Council approval of Bond Ordinance (tentative)
8/4	S&P Rating Update Call
8/10	Ratings Received
8/12	Official Statement Distributed
8/23*	Bond Sale
9/7*	Bond Closing

\*Subject to change based on market conditions.

CITY OF KIRKLAND, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2011

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ORDINANCE NO. 4317

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,700,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY, AND PAY FOR COSTS OF ISSUANCE OF THE BONDS; PROVIDING THE FORM AND TERMS OF THE BONDS; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF SUCH BONDS.

APPROVED ON AUGUST 2, 2011

PREPARED BY:

K&L GATES LLP  
Seattle, Washington

CITY OF KIRKLAND  
ORDINANCE NO. 4317  
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\* This Table of Contents and the cover page are not a part of the following ordinance and are included only for the convenience of the reader.

ORDINANCE NO. 4317

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,700,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY, AND PAY FOR COSTS OF ISSUANCE OF THE BONDS; PROVIDING THE FORM AND TERMS OF THE BONDS; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF SUCH BONDS.

WHEREAS, the City of Kirkland, Washington (the "City") now has outstanding its Limited Tax General Obligation Bonds, 1999, issued pursuant to Ordinance No. 3712, under date of November 1, 1999, in the original principal amount of \$1,025,000 (the "1999 Refunding Candidates"), maturing in the remaining principal amounts and bearing interest as follows:

Maturity Years (December 1)	Principal Amounts	Interest Rates
2011	\$55,000	5.45%
2012	55,000	5.55
2013	60,000	5.65
2014	65,000	5.75
2015	65,000	5.80
2016	70,000	5.85
2017	75,000	5.90
2018	80,000	5.95
2019	85,000	6.00

; and

WHEREAS, the 1999 Refunding Candidates are callable for redemption at any time on or after December 1, 2009, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, the City now has outstanding its Limited Tax General Obligation Refunding Bonds, 2001, issued pursuant to Ordinance No. 3790, under date of July 1, 2001, in the original principal amount of \$11,060,000 (the "2001 Refunding Candidates"), maturing in the remaining principal amounts and bearing interest as follows:

Maturity Years (December 1)	Principal Amounts	Interest Rates
2011	\$795,000	4.50%
2012	830,000	4.65
2013	860,000	4.75
2014	905,000	4.85
2015	165,000	4.95
2016	175,000	5.00
2017	180,000	5.00
2018	190,000	5.00
2019	200,000	5.00
2020	210,000	5.125
2021	220,000	5.125

; and

WHEREAS, the 2001 Refunding Candidates are callable for redemption at any time on or after December 1, 2011, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, as a result of changed market conditions, it appears that debt service savings may be obtained by refunding all or a portion of the 1999 Refunding Candidates and 2001 Refunding Candidates through the issuance of limited tax general obligation refunding bonds of the City in the aggregate principal amount of not to exceed \$4,700,000 (hereinafter defined as the "Refunding Bonds"); and

WHEREAS, the City Council has determined to delegate authority to the Designated Representative (defined herein) to designate the 1999 Refunding Candidates and 2001 Refunding Candidates to be refunded and to approve the final principal amounts, interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities of the Refunding Bonds for a limited time;

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

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

**Approved Bid** means the winning bid submitted for each series of the Bonds if the Bonds are sold by Competitive Sale.

**Beneficial Owner** means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

**Bond Fund** means the City's LTGO Bond Fund maintained pursuant to Section 10 of this ordinance.

**Bond Purchase Contract** means, if the Bonds shall be sold by Negotiated Sale, the purchase contract or contracts relating to the Bonds between the City and the Underwriter.

**Bond Register** means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

**Bond Registrar** means, initially, the fiscal agency of the State of Washington, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

**Bonds** means the City of Kirkland, Washington Limited Tax General Obligation Refunding Bonds, 2011, to be issued in one or more series in the aggregate principal amount of not to exceed \$4,700,000 pursuant to this ordinance.

**Bond Year** means each one-year period that ends on the date selected by the City. The first and last Bond Years may be short periods. If no day is selected by the City before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

**Call Date** means the date or dates designated by the Designated Representative as the date or dates on which each series of the Refunded Bonds will be paid and redeemed.

**City** means the City of Kirkland, Washington, a municipal corporation of the State of Washington.

**Code** means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

**Competitive Sale** means the process by which the Bonds are sold through the public solicitation of bids from underwriting firms.

**Council** means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

**Designated Representative** means the City Manager or the Director of Finance and Administration of the City and shall include any successor in function to either of them and any additional employee or officer of the City appointed in writing by either of them.

**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 hereof.

**Escrow Agreement** means the Escrow Deposit Agreement to be dated as of the date of closing and delivery of the Bonds.

**Escrow Agent** means the financial institution selected by the Designated Representative pursuant to Section 8 of this ordinance.

**Government Obligations** means those obligations now or hereafter defined as such in chapter 39.53 RCW.

**Letter of Representations** means the blanket issuer letter of representations from the City to DTC.

**Negotiated Sale** means the process by which the Bonds are sold by negotiation to one or more underwriting firms selected by the Designated Representative.

**Net Proceeds**, when used with reference to the Bonds, means the principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

**MSRB** means the Municipal Securities Rulemaking Board or any successor to its functions.

**Official Notice of Sale** means, if the Bonds shall be sold by Competitive Sale, the notice(s) of bond sale authorized to be given in Section 12 of this Ordinance.

**Private Person** means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

**Private Person Use** means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

**Refunded Bonds** means the 1999 Refunding Candidates and 2001 Refunding Candidates that are designated by the Designated Representative pursuant to Sections 8 and 12 of this ordinance.

**1999 Refunding Candidates** means the Limited Tax General Obligation Bonds, 1999 of the City issued under date of November 1, 1999, as more particularly described in the recitals of this ordinance.

**2001 Refunding Candidates** means the Limited Tax General Obligation Refunding Bonds, 2001 of the City issued under date of July 1, 2001, as more particularly described in the recitals of this ordinance.

**Registered Owner** means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

**Rule** means the Securities and Exchange Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Term Bonds** means any Bonds of a series designated as "Term Bonds" in the Bond Purchase Contract or Approved Bid for such series of Bonds.

**Underwriter** means the initial purchaser or representative of the purchasers (if more than one firm acts collectively with one or more additional underwriting firms) for the Bonds.

(b) *Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(5) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

**Section 2. Authorization of Bonds.** The City is hereby authorized to issue limited tax general obligation refunding bonds (the "Bonds") in an aggregate amount of not to exceed \$4,700,000 for the purpose of providing the funds necessary to refund the Refunded Bonds and pay all or a portion of the costs incidental to the foregoing and to the issuance of the Bonds.

Section 3. Description of Bonds. The Bonds shall be issued in one or more series and may be designated as necessary; shall be dated as of their initial date of delivery; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond shall represent more than one series or maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control; and shall bear interest from their date, payable on June 1, 2012, and semiannually thereafter on the first days of each December and June and shall mature on December 1 in the years and principal amounts set forth and approved in the Approved Bid or Bond Purchase Contract, pursuant to Section 12 of this ordinance. The Bonds of any of the series or maturities may be combined and issued as term bonds ("Term Bonds"), subject to mandatory redemption as provided in the Approved Bid or Bond Purchase Contract.

Section 4. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. The City shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Designated Representative upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Designated Representative. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 13 of this ordinance), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners

under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the series and maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Representative pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the Designated Representative, issue a single new Bond for each series and maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Designated Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Representative determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Designated Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the Designated Representative to the Bond Registrar, new Bonds shall be issued in the

appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration or Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding any interest payment or principal payment date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

Section 5. Redemption Prior to Maturity and Purchase of Bonds.

(a) *No Optional Redemption.* The Bonds are not subject to optional redemption prior to their stated maturities.

(b) *Mandatory Redemption of Term Bonds, if any.* The Bonds designated as Term Bonds may be called for redemption at any time prior to scheduled maturity under terms approved by the Designated Representative in the Official Notice of Sale, Approved Bid or Bond Purchase Contract pursuant to Section 12 of this ordinance, and the manner of selection of Bonds for redemption shall be as set forth in the Official Notice of Sale or Bond Purchase Contract.

(c) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the Designated Representative.

(d) *Effect of Purchase.* To the extent that the City shall have purchased any Term Bonds since the last scheduled mandatory redemption of such Term Bonds, the City may reduce the principal amount of the Term Bonds to be redeemed in like principal amount. Such reduction may be applied in the year specified by the City.

(e) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held in uncertificated form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the series and maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 25 days before the redemption date to each party entitled to receive notice pursuant to Section 13, and to the Underwriter and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF KIRKLAND

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2011

INTEREST RATE:       %                               MATURITY DATE:                               CUSIP NO.:

REGISTERED OWNER:       CEDE & CO.

PRINCIPAL AMOUNT:

The City of Kirkland, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from \_\_\_\_\_, 2011, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on June 1, 2012, and semiannually thereafter on the first days of each succeeding December and June. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC. The fiscal agency of the state of Washington is acting as the registrar, authenticating agent and paying agent for the bonds of this issue (the "Bond Registrar").

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. \_\_\_\_ duly passed by the City Council on August 2, 2011 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$ \_\_\_\_\_ and is issued pursuant to the Bond Ordinance for providing funds to refund certain outstanding limited tax general obligation bonds of the City and to pay costs of issuance.

The bonds of this issue are not subject to optional redemption prior to their stated maturities. The bonds of this issue are subject to mandatory redemption as stated in the Official Notice of Sale and Approved Bid/Bond Purchase Contract.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The bonds of this issue have been designated by the City as "qualified tax-exempt obligations" for investment by financial institutions under Section 265(b) of the Code.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Kirkland, Washington has caused this bond to be executed by the manual or facsimile signatures of the Mayor and City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this \_\_\_\_ day of \_\_\_\_\_, 2011.

CITY OF KIRKLAND, WASHINGTON

By \_\_\_\_\_ /s/ manual or facsimile  
Mayor

ATTEST:

\_\_\_\_\_/s/ manual or facsimile  
City Clerk

[SEAL]

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Refunding Bonds, 2011 of the City of Kirkland, Washington, dated \_\_\_\_\_, 2011.

WASHINGTON STATE FISCAL AGENCY, as  
Bond Registrar

By \_\_\_\_\_

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may be signed and attested on behalf of the City by such persons who at the date of the actual execution of such Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Section 8. Refunding Plan; Application of Bond Proceeds.

(a) *Designation of Refunded Bonds.* As outlined in the recitals to this ordinance, the Refunding Candidates may be called for redemption prior to their scheduled maturities. All or some of these bonds may be refunded and refinanced with the proceeds of the Refunding Bonds authorized by this ordinance. As provided in Section 12, the Designated Representative may select some or all of the Refunding Candidates and designate those Refunding Candidates as the "Refunded Bonds" in the Official Notice of Sale or Bond Purchase Contract if and to the extent that the net present value aggregate savings with respect to Refunded Bonds to be realized as a result of the refunding of the Refunded Bonds, after payment of all costs of issuance of the allocable Bonds, is at least equal to 5% of the Refunded Bonds.

(b) *Refunding.* The net proceeds of sale of the Bonds in the dollar amount certified by the City to the Escrow Agent shall be delivered to the Escrow Agent for the purpose of defeasing the Refunded Bonds and paying costs of issuance.

Money received by the Escrow Agent from Bond proceeds and other money provided by the City, shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the Escrow Agreement to defease the Refunded Bonds as authorized by Ordinance No. 3712 and Ordinance No. 3790. The City shall defease the Refunded Bonds and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain government obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of each of the following bonds that have been designated as "Refunded Bonds":

(1) interest on the Refunded Bonds coming due on each date on which interest is due and payable, to and including the Call Date; and

(2) the redemption price of the Refunded Bonds (100% of the principal amount thereof) on the Call Date.

Such obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Appointment of Escrow Agent.* The Council hereby authorizes the Designated Representative at his/her option to solicit proposals for and select a financial institution to act as the escrow agent for the Refunded Bonds (the "Escrow Agent"). The Refunding Bond proceeds designated in the foregoing subsection together with a cash contribution, if any, from the City may be transferred to the Escrow Agent or may be retained by the City in order to implement the refunding plan. A beginning cash balance, if any, and government obligations may be deposited irrevocably with the Escrow Agent, if one is retained, in an amount sufficient to defease the Refunded Bonds. The proceeds of the Refunding Bonds remaining after acquisition of such obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of such obligations and expenses of the issuance of the Refunding Bonds and/or returned to the City for the payment of such expenses.

(d) *Call For Redemption of the Refunded Bonds.* The City hereby irrevocably sets aside sufficient funds out of the purchase of government obligations from proceeds of the Refunding Bonds to make the payments described in subsection (b) above.

The City hereby irrevocably calls the Refunded Bonds for redemption on the Call Date in accordance with terms of Ordinance No. 3712 and Ordinance No. 3790 authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be effective and irrevocable after the final establishment of the escrow account and delivery of the government obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of Ordinance No. 3712 and Ordinance No. 3790. The Designated Representative of the City is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the bond registrar for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this section of this ordinance. All such sums shall be paid from the moneys and government obligations deposited with said Escrow Agent pursuant to this section of this ordinance, and the income therefrom and proceeds thereof. All moneys and government obligations deposited with said bank and any income therefrom shall be credited to a refunding account and held, invested (but only at the direction of the Designated Representative) and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

(e) *Escrow Agreement.* The Designated Representative is authorized and directed to execute and deliver to the Escrow Agent an Escrow Deposit Agreement.

The City hereby irrevocably sets aside for and pledges to the payment of the Refunded Bonds the moneys and obligations to be deposited with the Escrow Agent pursuant to the Escrow Agreement to accomplish the plan of refunding and defeasance of the Refunded Bonds set forth herein and in the Escrow Agreement. When all of the Refunded Bonds shall have been redeemed and retired, the City may cause any remaining money to be transferred to the Bond Fund for the purposes set forth above.

#### Section 9. Tax Covenants.

(a) *Arbitrage Covenant.* The City hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said section and said Regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and the applicable Regulations thereunder throughout the term of the Bonds.

(b) *Private Person Use Limitation for Bonds.* The City covenants that for as long as the Bonds are outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bonds to be used for any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be

used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bonds are to be used for any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the project financed or refinanced with Bond proceeds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental use portion of the projects to which the Private Person Use of such portion of such project relates. The City further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to comply with the requirements of the Code. The covenants of this section are specified solely to assure compliance with the Code.

(c) *Designation under Section 265(b) of the Code.* The Designated Representative shall be authorized to determine and execute a designation, if applicable, of Bonds under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions. The City does not anticipate issuing more than \$10,000,000 in qualified tax-exempt obligations during 2011 (excluding obligations permitted by the Code to be excluded for purposes of the City's qualification as a qualified small issuer).

Section 10. Bond Fund and Provision for Tax Levy Payments. The Designated Representative is hereby authorized and directed to maintain a fund to be used for the payment of debt service on the Bonds, to be designated as the "LTGO Bond Fund" (the "Bond Fund"). No later than the date each payment of principal of and/or interest on the Bonds matures or becomes due and payable, the City shall transmit sufficient funds, from the Bond Fund or from other legally available sources to the Bond Registrar for the payment of such principal and/or interest. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in legal investments for City funds.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance.

The City shall give written notice of defeasance to the owners of all Bonds so provided for and to each party entitled to receive notice in accordance with Section 13 of this ordinance.

Section 12. Sale of Bonds. The Council has been advised that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Council. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to designate the Refunded Bonds by selection from the Refunding Candidates as described in Section 8 of this ordinance and approve the manner of sale, number of series, series designation, final interest rates, aggregate principal amount, principal amounts of each maturity of the Bonds and redemption rights. The Designated Representative is hereby authorized to designate the Refunded Bonds by selection from the Refunding Candidates as described in Section 8 of this ordinance and approve the manner of sale, number of series, series designation, final interest rates, aggregate principal amount, principal maturities and redemption rights for the Bonds in the manner provided hereafter so long as (a) the aggregate principal amount of the Bonds does not exceed \$4,700,000; (b) the true interest cost for the Bonds does not exceed 2.5%; and (c) the net present value aggregate savings with respect to Refunded Bonds to be realized as a result of the refunding of the Refunded Bonds, if Refunding Bonds are issued, after payment of all costs of issuance of the allocable Bonds), is at least equal to 5% of the Refunded Bonds.

In designating the Refunded Bonds and determining the number of series, series designation, final interest rates, aggregate principal amounts, principal maturities and redemption rights, the Designated Representative, in consultation with City staff and the City's financial advisor, shall take into account those factors that, in his/her judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current

financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds.

Initially, the Designated Representative is hereby authorized to determine whether the Bonds shall be sold by Negotiated Sale or by a Competitive Sale. If the Bonds are sold by Negotiated Sale, the Designated Representative shall select one or more underwriting firms to underwrite the Bonds through a process of soliciting proposals for underwriting. Upon the selection of one or more underwriters, the Designated Representative shall negotiate the terms of sale for the Bonds, including the terms described in this section, in a contract or contracts of sale (the "Bond Purchase Contract"). If the Bonds are sold by Competitive Sale, sealed bids will be received by the Designated Representative or the Competitive Sale will be undertaken by electronic means, in the manner and on such date and time as the Designated Representative hereafter shall determine. The Designated Representative will approve the bid offering to purchase each series of Bonds at the lowest true interest cost to the City at such price as shall be determined at the time of sale by the Designated Representative, plus accrued interest to the date of delivery, on all the terms and conditions set out in the applicable Official Notice of Sale.

All bids submitted for the purchase of the Bonds shall be as set forth in the applicable Official Notice of Sale or otherwise as established by the Designated Representative which will be furnished upon request made to the Designated Representative. The Designated Representative is authorized to request that a good faith deposit be paid by the purchaser submitting the Approved Bid. The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

Subject to the terms and conditions set forth in this Section 12, the Designated Representative is hereby authorized to accept an Approved Bid for each series in a Competitive Sale and/or execute the final form of a Bond Purchase Contract in a Negotiated Sale, upon his/her approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities and redemption rights set forth therein. Following the sale of the Bonds, the Designated Representative shall provide a report to the Council, describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 12 shall expire 90 days after the date of approval of this ordinance. If a Bond Purchase Contract or Approved Bid for the Bonds has not been executed or accepted within 90 days after the date of final approval of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 12.

Upon the passage and approval of this ordinance, the proper officials of the City including the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Official Notice of Sale, Approved Bid and/or Bond Purchase Contract.

The Designated Representative is hereby authorized to review and approve on behalf of the City the preliminary and final Official Statements relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them. The Designated Representative is hereby further authorized to deem final the Preliminary Official Statement for the Bonds for purposes of compliance with the Rule.

Section 13. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing in 2012 for the fiscal year ended December 31, 2011):

1. Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City's general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund";
2. The assessed valuation of taxable property in the City;
3. Ad valorem taxes due and percentage of taxes collected;
4. Property tax levy rate per \$1,000 of assessed valuation; and
5. Outstanding general obligation debt of the City.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before nine months after the end of the City's fiscal year, with the first such report of information and data to be provided no later than September 30, 2012. The City's current fiscal year ends December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents available to the public on the MSRB's internet website and, if such document is a final official statement within the meaning of the Rule, available from the MSRB or filed with the Securities and Exchange Commission.

If not provided as part of the annual financial information discussed above, the City shall provide the City's audited annual financial statement prepared in accordance with the

Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to the MSRB.

(c) *Material Events.* The City agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not in excess of ten business days after the occurrence of the event:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Solely for purposes of information, and not intending to modify this undertaking, the City advises that no credit enhancement or property secures payment of the Bonds and that there is no trustee for the Bonds.

(d) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided, in a timely manner to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) *EMMA; Format for Filings with the MSRB.* Until otherwise designated by the MSRB or the Securities and Exchange Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at [www.emma.msrb.org](http://www.emma.msrb.org). All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under subsection (c), and (ii) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Section.* The right of any bondowner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations under this section, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds. For purposes of this section, "Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

(h) *No Default.* The City is not in default in the performance of its obligations of any prior undertaking for ongoing disclosure with respect to its obligations.

Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond or Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 15. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 16. Effective Date. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Kirkland Municipal Code 1.08.017.

Passed by a majority vote of the Kirkland City Council in regular, open meeting this 2nd day of August, 2011 and approved by the City Council as required by law.

Signed in authentication thereof this 2nd day of August, 2011.

\_\_\_\_\_  
MAYOR

ATTEST:

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

Approved as to Form:

\_\_\_\_\_  
City Attorney

CERTIFICATE

I, the undersigned, City Clerk of the City of Kirkland, Washington (the "City") and keeper of the records of the City Council (the "City Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. 4317 of the City Council (the "Ordinance"), duly passed at a regular meeting thereof held on the 2nd day of August, 2011.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of August, 2011.

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City Clerk

## CITY OF KIRKLAND

Summary of Ordinance No. 4317 passed August 2, 2011

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,700,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY, AND PAY FOR COSTS OF ISSUANCE OF THE BONDS; PROVIDING THE FORM AND TERMS OF THE BONDS; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF SUCH BONDS.

Section 1 (Definitions) defines certain capitalized terms used in the Ordinance.

Section 2 (Authorization of Bonds) authorizes the City's Limited Tax General Obligation Refunding Bonds, 2011" in the one or more series in the aggregate amount of not to exceed \$4,700,000 (the "Bonds") to provide funds to refund certain outstanding limited tax general obligation bonds of the City and pay costs of issuance.

Section 3 (Description of Bonds) describes the bonds, designation, denominations, interest payment dates and authorizes the maturities, interests rates and term bonds, if any, to be set forth and approved in the Approved Bid by the Designated Representative.

Section 4 (Registration, Exchange and Payments) adopts a system of registration and exchange for the Bonds and describes the arrangements for paying principal of and interest on the Bonds.

Section 5 (Redemption Prior to Maturity and Purchase of Bonds) provides information regarding mandatory redemption of any Term Bonds prior to their scheduled maturity.

Section 6 (Form of Bonds) describes the form of the Bonds.

Section 7 (Execution of Bonds) authorizes procedures for execution and authentication of the Bonds.

Section 8 (Application of Bond Proceeds; Designation of Refunded Bonds) authorizes the application of the Bond proceeds for capital projects and provides for designating the Refunded Bonds and procedures for refunding the Refunded Bonds.

Section 9 (Tax Covenants) covenants that the City will not cause interest on the Bonds to become taxable.

Section 10 (Bond Fund and Provision for Tax Levy Payments) provides for the Bond Fund for the payment of debt service on the Bonds and provides for tax levies, if needed, as required to pay such debt service.

Section 11 (Defeasance) provides conditions under which the Bonds may be defeased.

Section 12 (Sale of Bonds) authorizes the sale of the Bonds pursuant to the bond purchase contract or approved bid to be approved by the Designated Representative and authorizes the approval of the final and preliminary Official Statement.

Section 13 (Undertaking to Provide Ongoing Disclosure) provides an undertaking for disclosure as required by the Securities and Exchange Commission.

Section 14 (Lost, Stolen or Destroyed Bonds) makes provision in case Bonds are lost, stolen or destroyed.

Section 15 (Severability) provides that other covenants and agreements in the ordinance are not affected if one is made invalid.

Section 16 (Effective Date) provides that the ordinance shall become effective five days after adoption and publication.

The full text of Ordinance No. 4317 will be mailed without cost to any party requesting it from:

Ms. Kathi Anderson  
City Clerk  
City of Kirkland  
123 Fifth Avenue  
Kirkland, WA 98033-6189  
Phone: 425-587-3197  
Fax: 425-587-3198

**CITY OF KIRKLAND**123 Fifth Avenue, Kirkland, WA 98033 425.587.3000  
www.kirklandwa.gov

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Ellen Miller-Wolfe, Economic Development Manager

**Date:** July 20, 2011

**Subject:** Cultural Council Budget Adjustment

**Recommendation**

That City Council authorizes \$25,000 in Council special projects reserve funds to cover costs of Cultural Council staffing and the implementation of current programs, together with an analysis of future Cultural Council options.

**Background**

At its July 19, 2011 meeting, the City Council discussed providing up to \$25,000 in Council contingency funds with the intent of covering the costs of the Kirkland Cultural Council from now through the end of 2012. The Council contemplated the potential use of these funds as one-time, transitional funds to support Cultural Council staffing and programs. In addition, the Council wanted further analysis to guide a permanent decision regarding the future operation of the Cultural Council (e.g. nonprofit, city commission, etc.) be accomplished during this time period. Staff was asked to return to the next Council meeting with a proposal. Accordingly, staff is seeking approval from the City Council to execute a budget adjustment to move funds into the Cultural Council account.

**Workplan**

A formal work plan describing the 2011-12 program of the Cultural Council will be presented to the City Council in October, 2011. The work plan will be reviewed by the Cultural Council at its September 21, 2011 meeting prior to forwarding the work plan to the City Council. In brief, the work plan will stipulate that no staff time be used for fundraising. It also will assume that the Cultural Council work plan for 2011 will remain essentially unchanged for 2012, with primary attention given to monthly meetings, private and public art consultation, downtown art walk oversight, and CACHET, (communications and meetings that foster collaboration among arts organizations). Staff duties will include: support for monthly Cultural Council meetings and for meetings of the Public Art Committee and oversight of the work that may result from these meetings. Staff also will oversee the analysis of different operational models for the future of the Council. Of the \$25,000 that the City Council has appropriated for the Cultural Council, \$15,800 will be used to fund a Special Projects Coordinator for 5 hours of work a week for the duration of 2011 and 2012. This is the current level of staffing beyond the support provided by the Economic Development Manager. The remaining funding will be used to cover the costs associated with implementing Cultural Council programs and analyzing alternative operating models.

**FISCAL NOTE**

CITY OF KIRKLAND

**Source of Request**

Ellen Miller-Wolfe, Economic Development Manager

**Description of Request**

Request for \$25,000 from the Council Special Projects Reserve to provide one-time funding for the Cultural Council program work plan as directed by the City Council at the meeting of July 19, 2011.

**Legality/City Policy Basis**

**Fiscal Impact**

**One-time use of \$25,000 of the Council Special Projects Reserve. The reserve is able to fully fund this request.**

**Recommended Funding Source(s)**

	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
<b>Reserve</b>	Council Special Projects Reserve	251,534	18,000	0	25,000	208,534	N/A
	2011-12 Prior Authorized Use of this reserve: \$5,000 for the Eastside Severe Weather Shelter, \$10,000 for Green Kirkland, and \$3,000 for the King County Development Block Grant (CDBG) consortium program.						
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							

**Other Information**

Prepared By	Neil Kruse, Senior Financial Analyst	Date	July 20, 2011
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**CITY OF KIRKLAND**  
Department of Public Works  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Stacey Rush, P.E., Senior Surface Water Engineer  
Jenny Gaus, P.E., Surface Water Engineering Supervisor  
Ray Steiger, P.E., Public Works Director

**Date:** July 21, 2011

**Subject:** NPDES PERMIT SIGNATURE AUTHORITY DELEGATION

### **RECOMMENDATION:**

It is recommended the Council authorize the Mayor to sign the attached letter to the Washington State Department of Ecology (DOE). The letter delegates signature authority to the City Manager for all necessary reports and documents relating to Kirkland's National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit (the Permit).

### **BACKGROUND DISCUSSION:**

DOE requires documents related to the Permit be signed by "...either a principal executive officer or ranking elected official" or a "duly authorized representative" (Condition G.19, page 43 of the Western Washington Phase II Municipal Stormwater Permit). In the past, the City Manager has signed these documents, however, this letter to DOE would memorialize the existing process wherein staff reports to Council on Permit compliance, but Council action is not required in order to submit associated documentation.

Delegation of signature authority to the City Manager is recommended by DOE, and provides staff more flexibility in preparing and submitting documentation which will help to maintain Permit compliance. For example, if Ecology reviews our annual report and requests further information, staff would need to make changes and get a signature on the revised report – the City could be deemed as being out of compliance during the period between Ecology notification and re-submittal. This period of time would be minimized if the City Manager was authorized to sign the report, and thus there would be less time when the City is considered to be out of compliance with the Permit.

If you have questions regarding the signature delegation or other issues relating to the NPDES Permit, please see the April 28, 2011 NPDES reading file memo or contact Stacey Rush at 425-587-3854. Thank you.

Attachment 1: Letter to Ecology Delegating NPDES Signature Authority

**DRAFT**

August 3, 2011

Department of Ecology  
Water Quality Program  
Municipal Stormwater Permits  
P.O. Box 47696  
Olympia, WA 98504-7696

RE: NPDES PERMIT SIGNATURE AUTHORITY

Dear Anne Dettelbach:

This letter delegates signature authorization to the position of City Manager for all necessary reports and documents relating to Kirkland's National Pollutant Discharge Elimination System Municipal Stormwater General Permit.

Please contact Jenny Gaus, Surface Water Engineering Supervisor, at (425) 587-3850 if you have any questions regarding this authorization. Thank you.

Sincerely,

KIRKLAND CITY COUNCIL

By Joan McBride, Mayor

Cc: Kurt Triplett, City Manager  
Ray Steiger, P.E., Public Works Director

**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Noel Hupprich, P.E., Senior Project Engineer  
Ray Steiger, P.E., Public Works Director

**Date:** July 22, 2011

**Subject:** TOTEM LAKE FLOOD CONTROL MEASURES -- FUNDING REQUEST

**RECOMMENDATION:**

It is recommended that City Council authorize the use of \$218,000 from the Surface Water Construction Reserve to complete maintenance work on the conveyance system for the Totem Lake Flood Control Measures. Revisions to this project will be included in the 2011-16 CIP Update process. Council is being asked to approve additional funding now since expenditures will occur before the update to the CIP is adopted.

**BACKGROUND DISCUSSION:**

At their regular meeting on July 19, 2011, City Council received an update on the Totem Lake Flood Control Measures project (Attachment A). The update described work completed to-date by staff and the City's design consultant, CH2MHill of Bellevue, WA, as part of the Capital Improvement Project (CSD-0059). The update provided current findings and specific maintenance activities that were recommended to be completed this year that will alleviate seasonal flooding in the area. Those recommendations include removal of sediment and invasive vegetation along the Juanita Creek drainage channel in Washington State Department of Transportation (WSDOT) right-of-way, and the removal of an active beaver dam further downstream.

At the time the City Council update was prepared, permitting and details of the maintenance work were being finalized. Staff has secured permitting for sediment and invasive vegetation removal through an expedited Hydraulic Project Approval (HPA) from Washington Department of Fish and Wildlife (WDFW). In addition, the HPA allows for sediment removal in a settling basin located in the Totem Lake Mall parking lot upstream of the WSDOT right-of-way drainage channel. This additional work was identified during the permitting process and is recommended to be completed this year as well (Attachment B).

The criteria under the City's programmatic permit, which governs normal operations and maintenance activities, restricts removal of beaver dams that have been active *for more than one year*. After recent review by WDFW and City Staff, this appears to be the case for this dam. Staff is continuing to work to resolve this issue expeditiously, and once permitting is secured, City Maintenance staff will complete the downstream dam removal.

The work can be completed this summer due to extremely cooperative permitting process by the WDFW, access granted by the WSDOT, and the availability and agreement by the King County "Rivers Team" to perform the work under an existing interlocal with the City.

Funding for the Project comes from the King County Flood Control Zone District's Sub-Regional Opportunity Fund. The total Project budget is \$117,000 in 2011 as identified in the 2011-2016 CIP (Table 1). Based on the work done by CH2MHill earlier this year in identifying the scope of work and estimates to complete the improvements, staff has updated the costs for the project, and pending Council approval later this fall, the revised CIP includes an additional \$218,000 in the 2011 budget from surface water funds and \$168,000 in 2012 from the annual King County Flood Control Zone District's Sub-Regional Opportunity Fund resulting in a total project budget of \$503,000.

The amount estimated to complete the planned work in 2011 exceeds the 2011 budget by \$218,000. Staff request Council authorization to use \$218,000 from the Surface Water Construction Reserve to fully fund the planned work this year. The table below shows a breakdown of the budget and additional funding needed to complete work planned for 2011.

Table 1. Current and requested funding for SD-0059

<b>Current CIP</b>			
<b>2011</b>	<b>2012</b>	<b>Total</b>	<b>Funding Source</b>
117,000	-	117,000	King County Flood Control
<b>Revised CIP</b>			
<b>2011</b>	<b>2012</b>	<b>Total</b>	<b>Funding Source</b>
117,000	168,000	285,000	King County Flood Control
<b>218,000</b>	-	<b>218,000</b>	Surface Wtr. Construction Rsv.
335,000	168,000	503,000	

With City Council approval, the County services contract will be finalized and work will begin mid August. Prior to construction, the City's website will be updated with schedule information, project signs will be placed to identify the work to be done, and information regarding the Project will be included in the upcoming Totem Lake newsletter update. With Council concurrence and based on the community's interest in the ongoing Totem Lake revitalization process, a "ground breaking" ceremony is anticipated to be done immediately prior to actual construction. The work is anticipated to be completed by the end of September 2011. Design work and monitoring for future Totem Lake drainage improvements will continue after construction and Staff will include subsequent improvements in the upcoming CIP update process.

Attachments: (3)



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Ray Steiger, P.E., Public Works Director

**Date:** July 7, 2011

**Subject:** TOTEM LAKE FLOOD CONTROL MEASURES UPDATE

### **RECOMMENDATION:**

It is recommended that City Council receive this update of the ongoing Totem Lake Boulevard Flood Control Measures Project – CNM 0059.

### **BACKGROUND DISCUSSION:**

The Totem Lake area has experienced a number of flood events during the fall and winter months over the past few years. Development in the basin, natural erosion, and surface water runoff, combined with the growth of vegetation, accumulation of sediment, and other factors along the watercourse downstream of Totem Lake are restricting its natural flow (Attachment A). The City has been required to close roads in the vicinity of Totem Lake with regular frequency, and this has had a profound impact on commerce and travel in the Totem Lake neighborhood (Attachments B, C, D). In response to these issues, a City sponsored capital improvement project was developed with the majority of funding provided by the King County Flood Control Zone District's Sub-Regional Opportunity Fund.

In early 2011, the City contracted with the consulting firm CH2M Hill, of Bellevue, WA, to undertake a detailed survey of the drainage system from Totem Lake, downstream (and west) to approximately Juanita High School. The drainage system includes piped conveyance and natural open channels for this Juanita Creek tributary that eventually enters Lake Washington at Juanita Beach Park. Using GIS and survey techniques, the Consultant worked with City staff to measure the water surface level along the Project limits, to ascertain the system and watercourse geometry, and to locate the stream/watercourse channel bottom. The survey also confirmed specific locations of considerable accumulations of sediment along the watercourse, the presence of significant invasive vegetation, and a number of beaver dams. The identification of these "stream barriers" indicates that there are a finite number of locations along the drainage course that appear to impact the entire Totem Lake basin (Attachment E).

From the Consultant's findings, two locations along the drainage course, #1 and #4, appear to be critical and are being addressed immediately; their impacts appear to be such that their removal will likely alleviate future area flooding. In association with the Consultant's findings, staff is proceeding with securing all appropriate State permitting for addressing these locations.

Memorandum to Kurt Triplett  
July 7, 2011

Location #1 is adjacent to I-405, immediately upstream of twin culverts that cross I-405 (Attachment E). Due to the density of the grasses and vegetation along this drainage channel there is a significant accumulation of sediment blocking the flow of water. Working closely with the Washington State Department of Transportation (WSDOT), the City has been granted access through the WSDOT right-of-way west of Totem Lake Boulevard. Further, because the City does not have large enough equipment to access Location #1, staff has been in conversation with the King County Rivers Group to have the work performed under an existing 2008 Interlocal Agreement with the City. The County crews are uniquely qualified for watercourse work, as it is their primary focus for King County, and they are available to immediately proceed with this maintenance activity.

Location #4, further to the west, is an active beaver dam for which the City has had a State Department of Fish and Wildlife programmatic permit for dam removals in the past. The activities to do away with this barrier require hand removal of the various materials used to build the dam. The permit lapsed in 2010; however, it has already been renewed by the State.

The Consultant's recommendation is to address locations #1 and #4 immediately and, by doing so, the hydraulic modifications may result in minimizing or eliminating the other known downstream barriers. Staff will be monitoring the water level upon removal of the barriers and will also prepare additional measures to remove other barriers, as needed and as future funding for this Project becomes available. Initial estimates are that the removal of these two initial barriers will provide up to three feet of additional storage capacity to Totem Lake – this will become valuable as we approach the next fall and winter rainy seasons.



# City of Kirkland 2011 Totem Lake Flood Control Feasibility Analysis



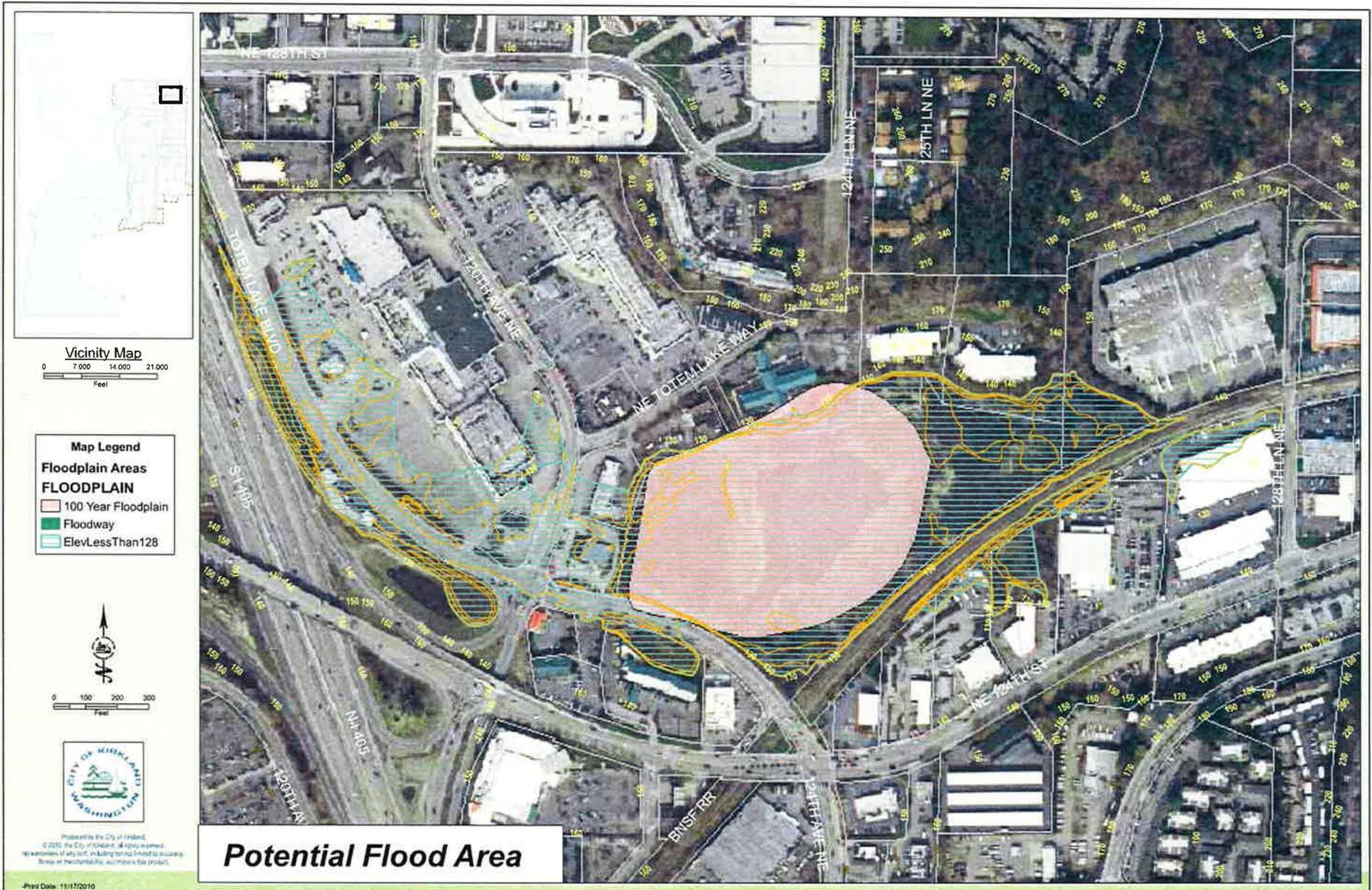


Photo Date: 11/17/2010  
Location: I:\SRV\FLE2\users\U\Garc\DATA\WORD\CPI\Totem Lake Flooding\Totem Lake Road Flooding.mxd



Figure 13: Intersection of Totem Lake Blvd and NE 120<sup>th</sup> Street, Facing South



Figure 14: Totem Lake Blvd and Totem Lake Mall, Facing East

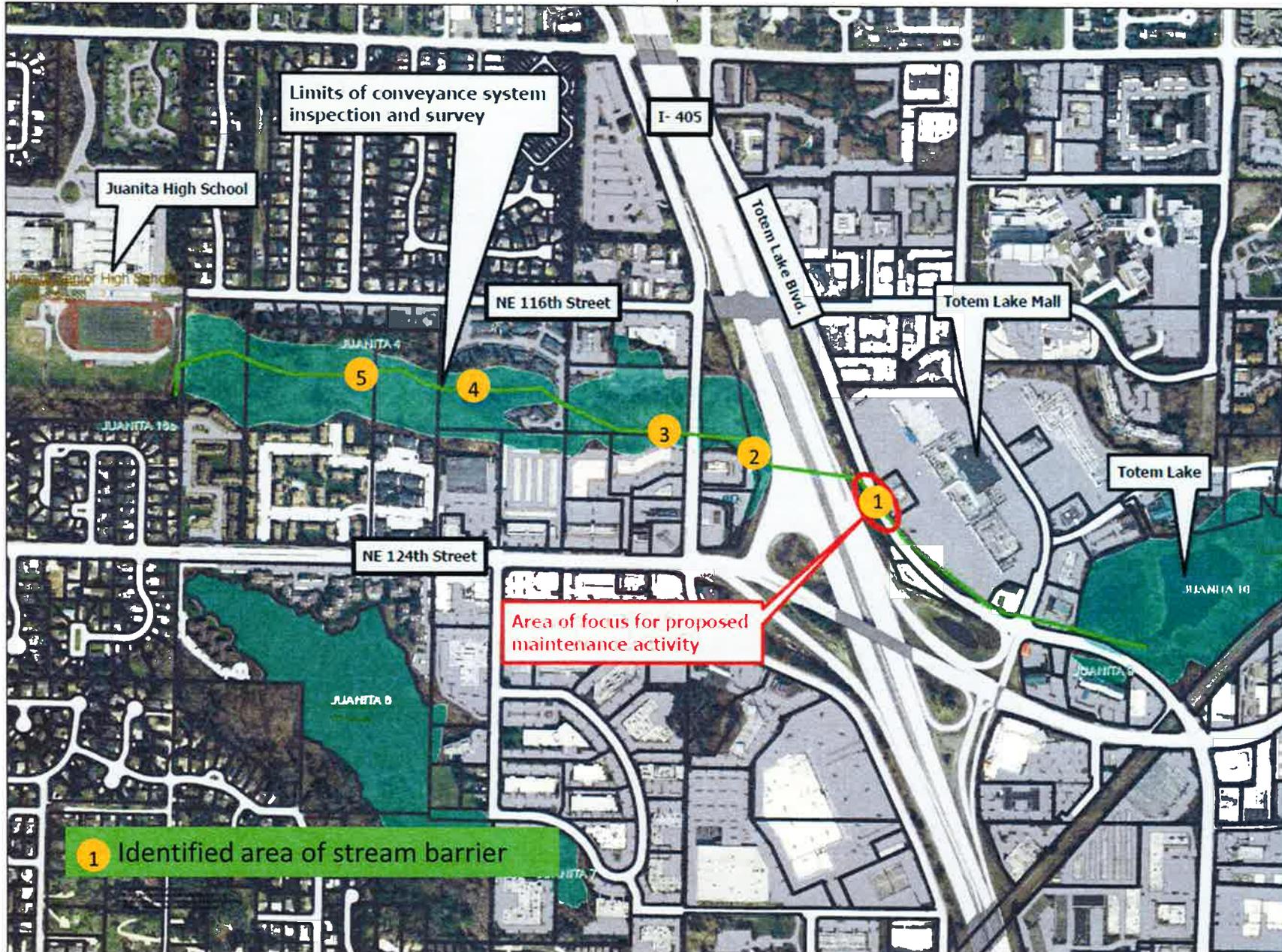


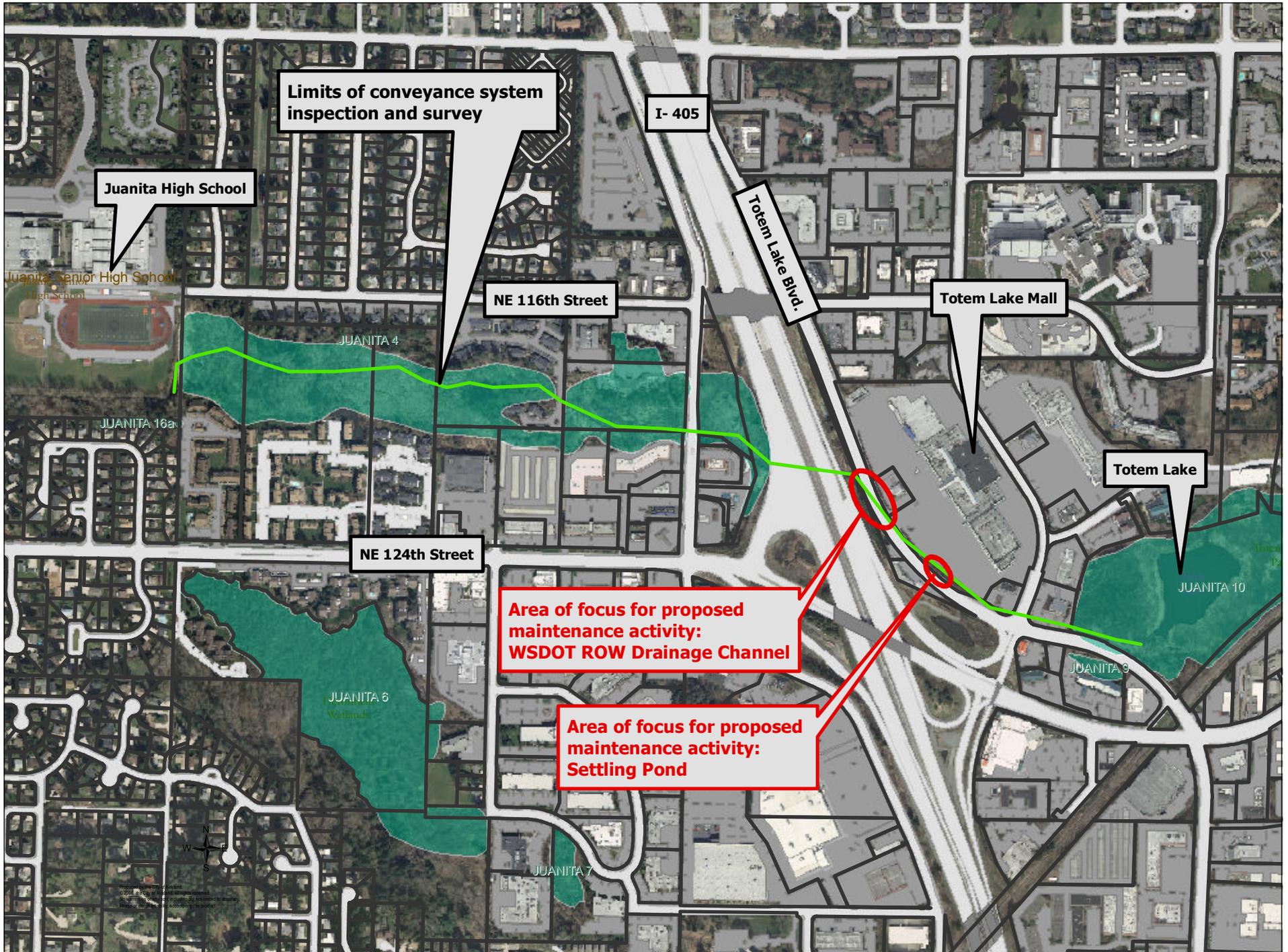
Figure 5: Pizza Hut Entrance and Totem Lake Blvd, Facing East



Figure 6: Pizza Hut Entrance and Totem Lake Blvd, Facing North

Totem Lake Flood Control and Feasibility Analysis  
Site Map





**FISCAL NOTE**

*CITY OF KIRKLAND*

**Source of Request**

Ray Steiger, Public Work Director

**Description of Request**

Request for \$218,000 from the Surface Water Construction Reserve to provide funding for Totem Lake Boulevard Flood Control Measures project (CSD 0059). Budget revisions for this project are included in the 2011-16 CIP Update, however expenditures are expected to occur in 2011 prior to Council approval of the CIP update.

**Legality/City Policy Basis**

**Fiscal Impact**

**Recommended Funding Source(s)**

	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
<b>Reserve</b>	Surface Water Construction	3,376,431	0	0	218,000	3,158,431	N/A
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							

**Other Information**

Prepared By	Neil Kruse, Senior Financial Analyst	Date	July 25, 2011
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**CITY OF KIRKLAND**  
**Department of Finance & Administration**  
**123 Fifth Avenue, Kirkland, WA 98033 425.587.3100**  
**www.kirklandwa.gov**

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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Director of Finance and Administration

**Date:** July 20, 2011

**Subject:** **SELF INSURED MEDICAL PROGRAM FINANCIAL STATUS REPORT**

### **RECOMMENDATION:**

Council receives an update on the status of the self insured medical program.

### **BACKGROUND DISCUSSION:**

At the July 19 City Council meeting, Council requested staff to prepare a status report on the financial performance of the self insured medical program ("Kirkland Prime") to date. The City implemented a self-insured health care program at the beginning of 2011. The City receives monthly financial reports from Clearpoint, the third party administrator (TPA), and the reports through June are included as Attachment A. The following observations are based on the information received to date:

- "Kirkland Prime" package costs were set to substantially match the cost of the AWC package. Budgeted 2011 benefit costs included assumption of a 10% AWC rate increase for medical; the actual AWC increase was 10.23%.
- Third Party Administrator (TPA) and stop-loss insurance costs are also included in the premium equivalent analysis.
- The budget and medical plan rates also included the assumption of an additional \$500,000 rate stabilization reserve accumulation in 2011, over and above the required reserve amount calculated by the TPA stop-loss carrier and Clearpoint (the "basic" claims reserve).
- The June Clearpoint assessment indicates full funding of the "basic" claims reserve for 2011, which represents half the reserve amount required by the end of 2012. This means we are already making progress on accumulating the 2012 required balance.
- Budget for 2012 benefit rates assumes an aggregate 9.3% increase (10% medical, 5% dental, 0% vision) based on the anticipated 2011 AWC rates.
- 2011 "Kirkland Prime" rates include an additional \$500,000 in rate stabilization contributions in the cost. Depending on the year-end 2011 results, staff will evaluate whether the additional \$500,000 in rate stabilization reserve for 2012 is necessary.
- These results are based on 6-months of actual medical and pharmacy claims data, so it is difficult to assess the long-term trend (this usually takes at least 18 months of data). A full actuarial analysis will take place this fall to determine a more accurate assessment of the fund reserves and to set "premium equivalent" amounts for 2012.

In summary, the City's self-insured medical program appears to be performing well from a financial perspective after the first 6 months. If the early trends continue, we may consider adjusting the budget and rates for 2012, which may help compensate for some of the impacts of inflation coming in higher than projected (3.7%). Further information on the program status will be included in the mid-biennial budget update.



**Executive Summary – City of Kirkland**

**Enrollment Summary**

For June 2011, there were 487 employees enrolled in the Medical/Vision plan, and 10 subscribers enrolled in the Medical/Vision plan under COBRA.

**Claims Summary**

Claim Type	Paid in Current Month	Average Paid (past 12 months)
Medical	\$244,692	\$265,664
Rx (Caremark)	\$63,249	\$60,249

**Claims per Member per Month (Updated Monthly)**

PMPM*	Through Mar. '11	Prior Year
Medical	\$279.80	n/a

\*Based on incurred dates.

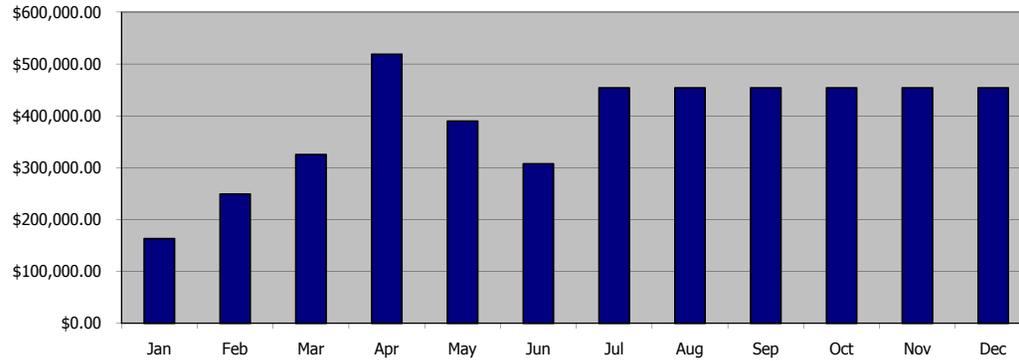
**Administrative Fees and Stop Loss**

Administrative fees paid during the month totaled \$19,185. Stop loss fees paid during the month totaled \$61,695. Retroactive fees totaled \$1,860. There was \$0 in stop loss recoveries received in the month of June. There is currently 1 member with claims totaling more than half of the individual stop loss deductible amount for the current contract year.

**City of Kirkland  
Estimated Self-Funded Claims Reserves  
Fully Insured Transition to Self-Insured Health Plan  
2011 Year Plan**

Participating Employees	472		
	PEPM	Per Month	Per Year
Fixed Costs	\$168.54	\$79,609.38	\$955,312.57
Expected Claims	\$825.52	\$389,920.61	\$4,679,047.36
Maximum Claims	\$990.62	\$467,904.74	\$5,614,856.83
Total Maximum Liability	\$1,159.17	\$547,514.12	\$6,570,169.40
Target Eight Weeks Reserve	\$127.00	\$59,987.79	\$719,853.44

**Projected Claims Pattern**



Month	Claims Funding	Expected or Actual Claims	Net Claims Funding (Reserves)	Cumulative Reserves	Percent Annual Target Reserves	Amount Toward Rate Stab. Res.
Jan	\$467,904.74	\$163,348.00	\$304,556.74	\$304,556.74	42%	\$0.00
Feb	\$467,904.74	\$249,404.97	\$218,499.77	\$523,056.50	73%	\$0.00
Mar	\$467,904.74	\$325,372.05	\$142,532.69	\$665,589.19	92%	\$0.00
Apr	\$467,904.74	\$518,914.46	(\$51,009.72)	\$614,579.46	85%	\$0.00
May	\$467,904.74	\$389,896.48	\$78,008.26	\$692,587.72	96%	\$0.00
Jun	\$467,904.74	\$307,725.48	\$160,179.26	\$852,766.98	118%	\$132,913.54
Jul	\$467,904.74	\$454,064.32	\$13,840.42	\$866,607.39	120%	\$146,753.95
Aug	\$467,904.74	\$454,064.32	\$13,840.42	\$880,447.81	122%	\$160,594.37
Sep	\$467,904.74	\$454,064.32	\$13,840.42	\$894,288.22	124%	\$174,434.78
Oct	\$467,904.74	\$454,064.32	\$13,840.42	\$908,128.64	126%	\$188,275.20
Nov	\$467,904.74	\$454,064.32	\$13,840.42	\$921,969.06	128%	\$202,115.62
Dec	\$467,904.74	\$454,064.32	\$13,840.42	\$935,809.47	130%	\$215,956.03
<b>Total</b>	<b>\$5,614,856.83</b>	<b>\$4,679,047.36</b>	<b>\$935,809.47</b>			
Fixed Costs	\$955,312.57	\$955,312.57				
Total Cost	\$6,570,169.40	\$5,634,359.93				

Actual Experience      Fixed Values



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

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## MEMORANDUM

**To:** Kurt Triplett, City Manager  
Tracey Dunlap, Director of Finance and Administration

**From:** Lorrie McKay, Intergovernmental Relations Manager

**Date:** July 27, 2011

**Subject:** STATE LOBBYIST FOR INTERIM SESSION WORK 2011

### **RECOMMENDATION:**

It is recommended that the City Council concur with the City Manager's decision to extend the City's contract for state lobbying services with Waypoint Consulting Group and increase the monthly compensation to \$4,000 for the remainder of 2011. The cost for the remainder of 2011 is \$20,000 and can be funded using part of \$36,000 in one-time funds that were set aside in the 2011-12 Service Package for this purpose for 2012. Services provided would begin immediately in August with interim session work and preparing a draft legislative agenda for 2012. However it should also be noted that this will leave only \$16,000 in one-time money available for lobbying assistance in 2012. If Kirkland continues to contract for a lobbyist at a similar amount in 2012, the estimated cost would be \$48,000, leaving a potential funding gap of \$32,000. Staff will propose funding options to the Council for 2012 lobbying as part of the mid-biennial budget process later this year.

### **BACKGROUND:**

The City contracted with a state lobbyist (Waypoint Consulting Group) to represent our interests in Olympia during the 2011 Legislative Session. The term of the contract was from September 15, 2010 ending on June 15, 2011. The compensation paid for services was not to exceed \$3,000 per month for a total of \$30,000.

The Waypoint Consulting Group met the scope of services outlined in the contract. They were responsive, timely, respectful and professional in the delivery of their services. With Waypoint's consultation, the City went into the 2011 legislative session with an agenda that included 11 top priorities. The legislature concluded its 2011 session work on Wednesday, May 25, 2011.

Kirkland's 2011 legislative achievements were substantial.

1. **Annexation Area Census** – Law effective May 12, 2011 (Saving Kirkland tax payers over \$225,000)
2. **REET Flexibility** – Law effective July 22, 2011. This bill frees up a potential of \$700,000 allowing Kirkland to help protect our investments and our quality of life.
3. **Express Lane Tolling on I-405** – Law effective July 22, 2011. Running through the middle of Kirkland, it is important to the City that I-405 be operated efficiently and that the master plan be completed. This bill helps accomplish both of these goals.

4. **Fiscal Relief & Regulatory Reform** – Law effective July 22, 2011. Offering hundreds of thousands of dollars in the form of deferred costs.
5. **The Annexation Sales Tax Credit** incentive program was left intact.
6. **\$150,000 for athletic fields in Kirkland was awarded.**

In June, the City Manager met with Waypoint Consulting Group to wrap-up the session work and debrief. The parties agreed that both the relationship and the session were successful and discussed the possibilities of extending the contract or entering into a new contract for services.

Should the City choose to continue working with Waypoint Consulting Group, Waypoint requested an increase in their monthly compensation from \$3,000 to \$4,000 to more closely reflect the current market for legislative advocacy.

With the City of Kirkland's population having increased to 80,000 residents, the City Manager compared what six cities with populations between 50,000 and 90,000 paid their legislative consultants in 2010, as well as in the first quarter of 2011.

**Table 1:** What other cities paid for state lobbying services (1<sup>st</sup> quarter 2011 and in 2010)

City	Population	1 <sup>st</sup> Quarter 2011	Full yr 2010
Federal Way	88,000	\$4,750 per mo (\$14,235 quarter)	2010 @ \$4,533 per mo
Kent	83,000	No reports filed yet for 2011	\$5,428 per mo for three quarters of 2010 (\$16,286 quarter)
Renton	84,000	\$4,600 per mo + expenses (\$13,800 quarter)	\$ 4,400/mo during 2010 session and between \$3,600 and \$3,800 per month in the interim. Expenses totaling \$2,800 also paid
Bellingham	77,000	\$10,000 per mo (\$30,000 quarter)	\$120,000 for 2010
Kennewick	68,000	\$3,000 per mo (\$9,000 quarter)	\$36,000 2010
Shoreline	54,000	\$5,000 for second quarter	first quarter 40% Staff time @ \$9,600 plus Contract Lobbyist @ \$5,000 per mo

Source: L-5 filings to the PDC for 2010 and 1<sup>st</sup> Quarter of 2011.

NOTE: With a population of 121,000, the City of Bellevue paid legislative consultant \$3,566 per month in 2010. In the first quarter of 2011, Bellevue paid \$4,750 per month.

The six cities in table 1 paid an average of \$5,363 per month during the session. The average paid by these cities during the interim was \$3,500. The average paid for the first quarter of 2011 was roughly \$5,400.

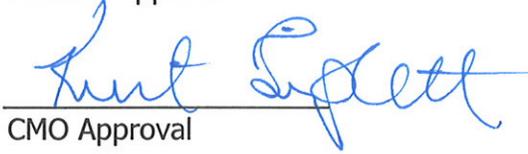
Considering Kirkland's legislative achievements in 2011, the \$3,000 per month paid for services preparing for the session and throughout the 2011 session, Waypoint Consulting Group's monthly fee appears to have been a tremendous value for the City. As stated above, Waypoint is requesting the City consider increasing its fee for service to \$4,000 per month, should the City choose to extend its contract through 2011. Based on the research by staff, this amount is also a good value to the City.

**CITY MANAGER'S OFFICE RECOMMENDATION:**

Because of their excellent service, the City Manager's Office is requesting your concurrence to proceed with extending a Professional Services Agreement with Waypoint Consulting Group with an increased monthly compensation of \$4,000 for the remainder of 2011. To achieve this, one-time funds that were set aside in the 2011-12 Service Package for this purpose for 2012 will be used in 2011. With Council concurrence, staff will proceed with finalizing the agreement with the contractor.



Finance Approval



CMO Approval

**CITY OF KIRKLAND**

City Attorney's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3030

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

**To:** Kurt Triplett, City Manager

**From:** Robin Jenkinson, City Attorney

**Date:** July 21, 2011

**Subject:** Hearing on Medical Marijuana Collective Garden Moratorium

**RECOMMENDATION:**

The City Council holds a public hearing on the medical marijuana collective garden moratorium authorized by Ordinance 4316 and then after conducting the hearing chooses among the following options:

- Take no action and allow the moratorium to continue for six months;
- Request additional findings of fact be prepared;
- Vote to end the moratorium imposed by Ordinance 4316

The staff recommendation is to take no action and allow the moratorium to continue for six months.

**BACKGROUND DISCUSSION:**

On July 19, 2011, the City Council passed Ordinance 4316 imposing a six-month moratorium within the City of Kirkland on the establishment, location, operation, licensing, maintenance or continuation of medical marijuana collective gardens. Under RCW 35A.63.220 and RCW 36.70A.390, the City Council must hold a public hearing on the adopted moratorium within 60 days of its adoption. Ordinance 4316 set August 2, 2011, as the date for a public hearing.

Under RCW 35A.63.220 and RCW 36.70A.390, the City Council must also adopt findings of fact justifying its action imposing the moratorium. Section 1 of Ordinance 4316 adopted preliminary findings in support of the moratorium. Based upon the public hearing, the City Council may request that additional findings be prepared and returned at the Council's next regular meeting.

Attachment – Ordinance 4316

ORDINANCE NO. 4316

AN INTERIM ORDINANCE OF THE CITY OF KIRKLAND ADOPTING A MORATORIUM ON THE ESTABLISHMENT OF MEDICAL MARIJUANA COLLECTIVE GARDENS, DEFINING "MEDICAL MARIJUANA COLLECTIVE GARDENS"; PROVIDING FOR A PUBLIC HEARING; ESTABLISHING AN EFFECTIVE DATE, AND PROVIDING THAT THE MORATORIUM, UNLESS EXTENDED, WILL SUNSET WITHIN SIX (6) MONTHS OF THE DATE OF ADOPTION.

WHEREAS, the possession or distribution of marijuana has been and continues to be a violation of state law pursuant to Chapter 69.50 RCW (Washington's Uniform Controlled Substances Act), and federal law, through the Controlled Substances Act ("CSA"); and

WHEREAS, in 1998 the voters of Washington State approved Initiative 692, now codified as Chapter 69.51A RCW, which created a limited defense to marijuana charges under state, not federal, law if the person charged could demonstrate that he or she was a qualifying patient or designated provider as those terms are defined in Ch. 69.51A RCW; and

WHEREAS, in 2011, the state legislature passed Engrossed Second Substitute Senate Bill (E2SSB) 5073 making significant amendments to the medical marijuana law in Washington; and

WHEREAS, the Governor signed the E2SSB 5073, but vetoed several portions expressing her reservations about provisions that involved state employees in activities that could be interpreted as in violation of federal laws; and

WHEREAS, E2SSB 5073 will be effective on July 22, 2011; and

WHEREAS, E2SSB 5073 authorizes "collective gardens" where up to ten qualifying patients may join together to produce, grow and deliver up to 45 marijuana or cannabis plants for medical use; and

WHEREAS, under E2SSB 5073 there is no limit to the number of medical marijuana collective gardens that may be located at any site nor restrictions as to where collective gardens may be located in relation to other uses; and

WHEREAS, medical marijuana collective gardens are not currently addressed in the Kirkland Zoning Code and under Section 1102 of E2SSB 5073 cities may adopt zoning requirements for collective gardens; and

WHEREAS, unless a zoning moratorium is imposed, medical marijuana collective gardens may be located within the City of Kirkland while the City lacks the necessary tools to ensure the location is appropriate and that the potential secondary impacts of collective gardens are minimized and mitigated; and

WHEREAS, the City Council deems it to be in the public interest to establish a zoning moratorium pending consideration of land use regulations to address medical marijuana collective gardens; and

WHEREAS, under RCW 35A.63.220 and RCW 36.70A.390 a public hearing must be held within 60 days of the passage of this Ordinance,

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

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

Section 1. The recitals set forth above are hereby adopted as the Kirkland City Council's preliminary findings in support of the moratorium imposed by this Ordinance. The Kirkland City Council may, in its discretion, adopt additional findings at the conclusion of the public hearing referenced in Section 4 below.

Section 2. Pursuant to the provisions of RCW 35A.63.220 and RCW 36.70A.390, a zoning moratorium is hereby enacted in the City of Kirkland prohibiting the licensing, establishment, maintenance or continuation of any medical marijuana collective garden. A "medical marijuana collective garden" is an area or garden where qualifying patients engage in the production, processing, transporting and delivery of marijuana for medical use as set forth in the E2SSB 5073 and subject to the limitations therein.

Section 3. Medical marijuana collective gardens as defined in Section 2 are hereby designated as prohibited uses in the City of Kirkland. In accordance with the provisions of RCW 35A.82.020 and Kirkland Municipal Code 7.02.290, no business license shall be issued to any person for a collective garden, which are hereby defined to be prohibited uses under the ordinances of the City of Kirkland.

Section 4. As provided in RCW 35A.63.220 and RCW 36.70A.390, the City Council sets a public hearing for August 2, 2011, which begins at 7:30 p.m. or as soon thereafter as the business of the City Council shall permit in order to take public testimony and to consider adopting further findings justifying the imposition of the moratorium set forth in Section 2 above.

Section 5. The moratorium set forth in this Ordinance shall be in effect for a period of six months from the date this Ordinance is passed 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. The City Manager is hereby authorized and directed to develop draft regulations regarding collective gardens. The regulations shall be referred to the Kirkland Planning Commission for review and recommendation for inclusion in the Kirkland Zoning Code.

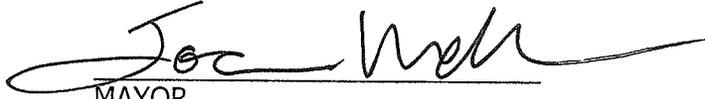
Section 7. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the

ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 8. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 19<sup>th</sup> day of July, 2011.

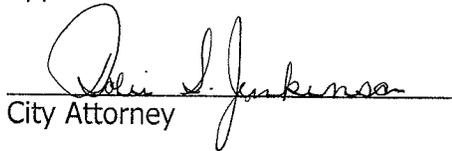
Signed in authentication thereof this 19<sup>th</sup> day of July, 2011.

  
MAYOR

Attest:

  
City Clerk

Approved as to Form:

  
City Attorney

**CITY OF KIRKLAND**123 Fifth Avenue, Kirkland, WA 98033 425.587.3000  
www.kirklandwa.gov

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Ellen Miller-Wolfe, Economic Development Manager

**Date:** July 21, 2011

**Subject:** Summary of Urban Land Institute (ULI) Presentation on Totem Lake Business District

Purpose

Staff seeks Council comment on ULI preliminary findings and confirmation of next steps.

Background

The City of Kirkland retained the Urban Land Institute (ULI) to undertake a Technical Assistance Panel (TAP) to review City policies and plans for the Totem Lake Business District with a focus on the southeast quadrant of the district that includes the Totem Lake and BNSF railroad corridor. The City prepared briefing materials for the ULI on many aspects of the Totem Lake Business District. ULI assembled a panel of experts including land use, transportation, finance and real estate professionals to vet city plans and provide their own suggestions as to what best to focus on for the near and long term repositioning of the Totem Lake Business District. The ULI presented initial findings at a July 20, 2011 public meeting at Northwest University. A final ULI written report will be available at the end of October.

Preliminary suggestions by the ULI panel were as follows:

- The City's vision for the Totem Lake Business District including the mall plan is on target. However, given the recessionary economy, anticipate no large development taking place in Totem Lake over the next several years.
- Adjust development regulations to incent smaller developments including relieving developers of infrastructure requirements and providing more flexibility in ground floor uses.
- Expect that the individual quadrants of the district will redevelop independent of each other, as the implementation of connections over I-405 will be difficult and costly.
- Work with Evergreen Hospital to ensure that its growth needs are met.
- Consider acquiring properties around the lake, enlarging and deepening the lake, and programming surrounding areas for active and passive park use.
- Take control of the railroad corridor. It has recreational value as a trail (including access to a larger lake park) and also for transit and as a vehicular connector that could compensate for the lack of other connector options.

Next Steps

Staff plans to revise its Totem Lake workplan in light of ULI findings including reprioritization of items based on ULI and Council input. These revisions will include potential reprioritizing of CIP dollars for both stormwater and roads projects in the Totem Lake area, as well as proposed expenditures to continue due diligence of acquiring the BNSF Corridor and to develop a park master plan for Totem Lake.

City of Kirkland Technical Assistance Panel



Totem Lake Business District Redevelopment

Technical Assistance Panel

July 20, 2011



City of Kirkland Technical Assistance Panel

**Panelists**

Al Levine, *Panel Chair, Seattle Housing Authority*

Christopher Bitter, *University of Washington - College of Built Environments*

Chris Cole, *Sher Partners*

Grace Crunican, *Crunican Consulting*

Susie Delmer, *Cushman & Wakefield*

Chris Fiori, *Heartland*

Scott Matthews, *Vulcan Inc.*

Kerry Nicholson, *ULI Seattle Chair, Legacy Partners*

Pete Stone, *Trinity Real Estate*



## City of Kirkland Technical Assistance Panel

### *City of Kirkland*

Ellen Miller-Wolfe

Eric Shields

Kurt Triplett

### *Support Team*

Clair Enlow, *Freelance Journalist*

Kelly Mann, *ULI Seattle*

Miguel Solano, *University of Washington*

Karli Taubeneck, *ULI Seattle*



## City of Kirkland Technical Assistance Panel

### *Introduction*

The City of Kirkland's objective for the ULI Technical Assistance Panel (TAP) is to obtain practical advice on methods to achieve the vision of transforming the Totem Lake Business District into a high-density, mixed-use Urban Center.



## City of Kirkland Technical Assistance Panel

### *Overview*

*The overall vision and intent for Totem Lake is close to the mark, but completing it will take time. Be flexible in thinking and responsive to the market. Impatience is not a good thing to have now.*

## City of Kirkland Technical Assistance Panel

### *Market Segments: Retail*

- *This is a very desirable market for particular types of retail. Regional demand is excellent.*
- *Look for "medium box" and second-tier anchors in the next 10 years. Rents at \$15/sf are not high enough for construction now.*
- *Not a market for fashion tenants. Development capital focused on urban areas.*
- *Lunch spots can expand, but sit-down must wait for cinema.*
- *General grocery will not work. "The freeway is a raging river." Grocery is a 180 degree market.*
- *Rents unlikely to support new development in near future, especially with structured parking.*

## City of Kirkland Technical Assistance Panel

### *Market Segments: Residential*

- *Development is now center-city oriented.*
- *This market is very cost-sensitive; this area must compete on price.*
- *Capitalize on access to employment centers, and transit to Bellevue.*
- *Amenities such as trails and open space are critical.*
- *Southwest quadrant offers potential for residential development due to trail access.*
- *Difficult to envision anything over 5-6 stories.*

## City of Kirkland Technical Assistance Panel

### *Market Segments: Office*

- *Office market is soft. Development unlikely in near term.*
- *Pros: proximity to executive housing along Lake Washington, competes well against Bothell and Woodinville.*
- *Cons: in Bellevue's shadow.*
- *Encourage expansion of the hospital, the current largest employer.*
- *Near term development would likely demand surface parking—probably for 4.0/1000 sf ratio “commodity office.”*

## City of Kirkland Technical Assistance Panel

### 1) Scale of Development

Consistent with the Urban Center vision, zoning regulations allow high intensity development to be designed with an urban form and be served by an urban level of infrastructure.

#### Question A:

Is this type of development realistic in the foreseeable future, given regional economic conditions?

- The current economic environment has stalled the desired transformation of suburban hubs into higher-density forms of development.
- Less likely today. Rents will not support higher-density development in suburban markets.
- The vision may be realistic in the long term but must be coupled with transit capacity improvements to reach full potential. Need to prioritize transit investment in this corridor.

## City of Kirkland Technical Assistance Panel

### 1) Scale of Development

#### Question B:

Are there appropriate intermediate forms of development that would support and preserve options for long term urban development?

- The mall and the hospital are critical for success for the entire district.
- City resources need to make the Totem Lake Mall work.
- Continue to support the growth of the hospital and ancillary uses, including medical office and assisted living uses.
- The mall development is the most transformational and should be the first focus.
- Secondly, outside the mall, focus on one quadrant and within a quadrant, a smaller scale development to act as a catalyst for future development.
- Invest in place making and transformational projects such as the trail, a Totem Lake revitalization plan, and connectivity.



## City of Kirkland Technical Assistance Panel

### 2) Transportation Improvements

The study area is bisected by arterial streets carrying high traffic volumes and creating large blocks. Plans call for a limited number of traffic capacity improvements, improving street connections and breaking up blocks with internal street grids. Greater reliance on transit service is anticipated. City funds for transportation improvements are limited.

#### Question A:

Given limited funds, what are the best ways of maintaining vehicular access while improving walkability and transit use?

- Arterial capacity is generally sufficient; wayfinding may be needed.
- Connectivity to employment bases is critical.
- Grid system: If City is anxious to break super blocks into street grids, it should consider this on its own. Grids are good, but creating these is a burden on development that would prolong the lack of development in the area. Thus, City can decide to incentivize to assist a developer to put in street grids. Be patient or call it the "Rip Van Winkle quadrant."
- Potential flyer stop: some addition to 405 as a pullover for buses from expressways on 116<sup>th</sup>. Similar to Montlake station on 520.

## City of Kirkland Technical Assistance Panel

### 2) Transportation Improvements

#### Question B:

Are there suggested ways to improve the connectivity among the four quadrants of the TLBD formed by the intersection of I-405 and NE 124th Street?

- Purchase and develop the railroad ROW, which would connect 3 of the 4 quadrants. This is the cheapest solution with significant connection value.
- Create walkway and amenities through the Totem Lake Park connecting to Totem Lake Mall.
- Not realistic to expect a lot of walking across quadrants.
- Need to integrate the north/south quadrants, especially on the east of 405.

## City of Kirkland Technical Assistance Panel

### 3) Burlington Northern Railroad right of way

The unused railroad right-of-way (ROW) cuts through the TLBD and extends southward through Kirkland to the City of Bellevue. The ROW is now owned by the Port of Seattle, but acquisition by either Kirkland or King County is a possibility. There is particular interest in developing a pedestrian and bicycle trail, and the ROW could also be used for future regional rail transit.

#### Question:

Would acquisition and development of the railroad ROW be considered an asset to attract development? How could the City maximize this potential?

- Yes, acquiring and developing the railroad ROW is a key asset to attract development.
- To maximize the ROW's potential, one idea is to allow alternative transportation users such as electric vehicles, scooters, Segways, etc. to use the trail.
- There is potential to brand Kirkland as progressive on transportation.
- This will attract office employees and commuters to use the trail to access retail and recreation.

## City of Kirkland Technical Assistance Panel

### 4) Amenities

The City seeks to make the TLBD a more pedestrian-oriented people place. To do so, a mix of well-designed parks, plazas and open spaces is desired. As an example, a master plan for Totem Lake and the areas that surround it is expected to get underway following the ULI TAP.

#### Question:

What investments in amenities could the City make that would be most effective in attracting new development?

- Trail: acquire and improve ROW, leverage connections
- Totem Lake: "Go big or go home."
- Potential streetscape improvement on new streets.
- Daylighting is least attractive of potential investments.



## City of Kirkland Technical Assistance Panel

### 5) Totem Lake and surrounding properties

Totem Lake is a significant natural open space that could be an amenity, but is inaccessible and not very visible. Surrounding properties are subject to strict environmental regulations. Water exiting the west side of the lake is currently piped to the west side of I-405 where it becomes a tributary of Juanita Creek.

#### Question A:

Is the lake a potential amenity to attract development?

- Yes, it can help modestly. The amount of money spent on it needs to be balanced against the amount of value it will create.
- Not a game changer, but a branding strategy.



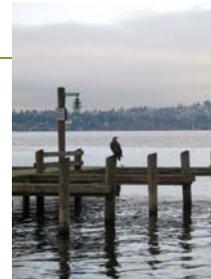
## City of Kirkland Technical Assistance Panel

### 5) Totem Lake and surrounding properties

#### Question B:

Would improvement of the lake as a nature park be an asset?

- Yes, creating an upland, active park could be good for the City at large.
- Placemaking is important; opportunity for an oasis along the trail.



## City of Kirkland Technical Assistance Panel

### 5) Totem Lake and surrounding properties

#### Question C:

Would day-lighting of the stream be desirable?

- Con: it's a political quagmire. Also, this is right along 405.
- Pro: Make a green, wet corridor. Green makes it livable.
- Daylighting will not have a major bearing on development.
- Tie it into flood control strategy; if it helps City on that, then do it.
- Thoughtfully weigh this; learn from Thornton Creek.



## City of Kirkland Technical Assistance Panel

### 5) Totem Lake and surrounding properties

#### Question D:

What can the City do to maximize the potential of the lake?

- Acquire adjoining parcels under the right circumstances.
- Walking corridors, playfields, dog walking.
- Recognize financial constraints here; acquiring these properties may cost a great deal. Wrap this effort into the trail. Rails to trails offers access to federal funds.
- Invest in design vision to explore possibilities, build support, etc.
- Can this lake/park be an amenity for the City at large? Thus, the costs can be spread across many stakeholders.
- Investigate expansion of Totem Lake as stormwater detention area/recreation area for Mall and sector 2.



## City of Kirkland Technical Assistance Panel

### 5) Totem Lake and surrounding properties

#### Question E:

What kinds of development are appropriate surrounding the lake?

- Residential on property between ROW and NE 124<sup>th</sup>.
- Purchase land for lake access and park activities. This creates an entry to the park.



## City of Kirkland Technical Assistance Panel

### 6) Area West of 124<sup>th</sup> Avenue NE

The area lying between 124<sup>th</sup> Avenue NE and I-405 has been envisioned as a future urban village, with upper story office or residential used, ground floor retail uses, and an internal street grid. Regulations for this area are structured to limit the height of buildings unless certain internal streets are improved and a master plan is approved for an area of at least 4 acres. Floor area ratio limits are established to limit traffic on a constrained street network.

#### Question A:

Is this a realistic vision? Is it reasonable to insist on ground floor retail given the retail focus at Totem Lake Mall?

- Realistic vision in the long term, but not the near term.
- Retail demand is market-driven. Do not insist on ground floor retail. Developers will include retail if it makes economic sense.
- You can require that ground floor space be built with higher ceilings and other infrastructure to accommodate future conversion to retail.
- Be flexible on your definition of retail to include services, financial, and medical/dental uses.
- Consider relaxing the 4 acre requirement to allow smaller, incremental development near-term that is still compatible with the greater vision.

City of Kirkland Technical Assistance Panel

6) Area West of 124<sup>th</sup> Avenue NE

Question B:

Are regulations tying permitted height to land aggregation and improvement of an internal street grid appropriate?

- We don't believe zoning is the best mechanism in today's market to reach your goals.
- For example, the street grid concept is a desirable urban design approach, but is economically difficult to achieve today.

City of Kirkland Technical Assistance Panel

6) Area West of 124<sup>th</sup> Avenue NE

Question C:

Are FAR limits (2.0) a serious inhibition to redevelopment?

- Yes, FAR limits are a serious inhibition.
- If market improves, City will need a higher FAR. It is not an inhibition now; keep it in your back pocket.

City of Kirkland Technical Assistance Panel

6) Area West of 124<sup>th</sup> Avenue NE

Question D:

Are there better ways to promote desired redevelopment?

- We suggest the City facilitate a negotiated development proposal that provides flexibility on FAR, street grid, retail, height, etc. that could more realistically meet market reality.

City of Kirkland Technical Assistance Panel

*Executive Summary*

- *Trail: Invest in the railroad ROW trail to serve as catalyst and major connector.*
- *Lake: "Go big or go home." Invest in a vision to win support.*
- *Transportation: Let centers develop before investing in major transportation changes.*
- *Multi-family: Relax requirements for retail in multi-family development.*
  - *"First, do no harm": Concentrate retail in the mall.*
- *Retail: "The freeway might as well be a raging river."*

City of Kirkland Technical Assistance Panel

*Many thanks to:*

- *The City of Kirkland for presenting this exciting opportunity to help maximize the potential for its Totem Lake Business District*
- *Our esteemed panelists for contributing their time, energy, and expertise*
- *Our volunteers and support team for keeping us on track and informed throughout this process*

*It could not have happened without each of you!*



City of Kirkland Technical Assistance Panel



*ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.*



**CITY OF KIRKLAND**

Department of Planning and Community Development  
123 Fifth Avenue, Kirkland, WA 98033 425-587-3225  
www.kirklandwa.gov

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Dawn Nelson, Planning Supervisor, Planning and Community Development  
Sharon Anderson, Human Services Coordinator, Parks and Community Services  
Michael Cogle, Interim Deputy Director, Parks and Community Services  
Jennifer Schroder, Director, Parks and Community Services

**Date:** July 28, 2011

**Subject:** FINAL COMMUNITY DEVELOPMENT BLOCK GRANT DETERMINATION

**RECOMMENDATION**

Authorize the Mayor to sign the attached letter to King County and the Department of Housing and Urban Development (HUD). The letter acknowledges the City of Kirkland's intent to remain part of the King County Community Development Block Grant (CDBG) Consortium as a member of the urban county, rather than as a joint agreement city. Because King County is in the process of requalifying as an urban county with HUD, they must receive the City's decision by August 8, 2011. **There are ongoing conversations between Kirkland, King County and HUD that may modify this recommendation prior to the Council meeting on August 2<sup>nd</sup>. If any change is proposed, it will be sent out to the Council as soon as possible.**

**BACKGROUND**

On May 17, 2011 the City Council adopted Resolution [R-4880](#), identifying the City's intent to participate in the King County CDBG Consortium as a joint agreement city if it was eligible to do so, or as a member of the urban county if it was not. (Background information for that decision is contained in the [May 3, 2011 Council agenda item](#).) HUD informed staff in early July that the City is not eligible to participate as a joint agreement city because the City's population on the official determination date used by HUD did not exceed the 50,000 threshold.

Staff has reviewed and requested reconsideration of this determination with both the HUD Region X office in Seattle and with HUD headquarters in Washington DC. The issue is that the population information that HUD is required by law to use is the official US Census Bureau data that is available on June 30, 2011. As of that date, the Census Bureau had not updated Kirkland's population to acknowledge the June 1<sup>st</sup> annexation; instead it is still using the April 1, 2010 census data. It is anticipated that the Census Bureau's next update, to be released in the summer of 2012, will reflect the June 1, 2011 annexation.

The City is exploring two options at this time:

- Remain part of CDBG consortium for the next three years. A copy of the existing agreement which is set for automatic renewal is included as Attachment 2. It may not be possible for Kirkland to withdraw from this agreement. This is one of the items under continued discussion that staff hopes to clarify before the Council meeting.
- Not participate for in the King County CDBG consortium in 2012 and see if the population determination comes in to allow joint agreement status for 2013. (This option offers an opportunity to seek CDBG funding from the State of Washington in FY2012.)

The pros and cons of these options are identified briefly below.

***Advantages of Remaining in CDBG Consortium***

- Kirkland residents with low and moderate incomes have access to the Housing Repair and Housing Stability programs administered by King County.
- Kirkland public service agencies can apply to King County for CDBG operating funding.
- Kirkland public service agencies can apply to King County for CDBG capital facilities funding.
- Kirkland continues to receive credit for a portion of the capital funding that is allocated to ARCH for its housing trust fund.
- Kirkland staff can continue to participate in making funding recommendations to the Joint Regional Committee (JRC).

***Disadvantages of Remaining in CDBG Consortium***

- Based on HUD regulations, the City would be required to remain in the consortium for the entire three year period (2012 through 2014) regardless of official population determination from HUD and eligibility to receive CDBG funds directly (which would allow joint agreement status).

***Advantages of Not Participating in CDBG Consortium***

- Would be able to enter in a joint agreement interlocal with King County in 2013 or 2014, when HUD determines that Kirkland is eligible to receive CDBG funds directly.
- Would be able to receive CDBG funding from Washington State for FY2012. However, there is no direct funding that would come to the City through this program. Instead, the City would be required to compete with other jurisdictions and agencies across the state for funding for specific projects.

***Disadvantages of Not Participating in CDBG Consortium***

- There are no guarantees that the Census Bureau will issue an updated population in time for the City to be determined eligible to receive funds directly in 2013.
- All of the items identified as advantages of remaining in the consortium would be unavailable for at least one year and possibly more.
- The overall CDBG consortium allocation would be reduced by about \$80,000 and, more significantly, the allocation of capital funds to ARCH would be reduced by about \$80,000 (or 20% of the anticipated funding to ARCH) because of the way the funds are split

between the North/East and South subregions based on percentage of low and moderate income persons. *This would be a significant loss in 2012 because of the number of large projects that ARCH is anticipating will make application this funding cycle, including the South Kirkland Park and Ride.*

### ***CDBG Funding Issues***

A further consideration is the long term fate of the federal CDBG program. The recently approved federal spending bill for 2011 included a 15% reduction in funding from 2010 levels. The allocation for 2012 has not yet been determined, but is assumed to be a 16.2% reduction from 2010 levels. In addition, Redmond recently decided to become a joint agreement city but was informed at the beginning of July that its allocation is projected to be only 55% of what they had anticipated, with the potential for further reductions. The allocation is based on a formula that HUD uses that takes into account the total population, the low and moderate income population and the age of the housing in the city. Kirkland would not have information about its potential CDBG allocation until the population adjustment is made next summer by the Census Bureau and HUD. It is anticipated that, based on Redmond's experience, that the number will be significantly lower than the estimate we had been basing our calculations on in May.

### ***Summary and Recommendation***

With the information that is currently available, staff believes the advantages of remaining in the King County CDBG consortium for the next three years outweigh the disadvantages and uncertainties associated with not participating in the consortium. Therefore, staff is recommending that the City remain in the consortium through 2014.

### **ATTACHMENTS**

1. Draft letter to King County and HUD
2. CDBG Interlocal Agreement for 2009-2011

**INTERLOCAL COOPERATION AGREEMENT  
REGARDING THE  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

THIS AGREEMENT is entered into by and between King County (hereinafter the "County") and the City of Kirkland (hereinafter the "City") said parties to this Agreement each being a unit of general local government in the State of Washington.

**WITNESSETH:**

WHEREAS, the federal government, through adoption and administration of the Housing and Community Development Act of 1974 (the "Act"), as amended, will make available to King County Community Development Block Grant funds, hereinafter referred to as "CDBG", for expenditure during the 2009-2011 funding years; and

WHEREAS, the area encompassed by unincorporated King County and all participating cities, has been designated by the United States Department of Housing and Urban Development ("HUD"), as an urban county for the purpose of receiving CDBG funds; and

WHEREAS, the Act directs HUD to distribute to each urban county a share of the annual appropriation of CDBG funds based on formula, taking into consideration the social and economic characteristics of the urban county; and

WHEREAS, the Act allows participation of units of general government within an urban county in undertaking activities that further the goals of the CDBG program within the urban county; and

WHEREAS, the CDBG Regulations require the acceptance of the consolidated housing and community development plan ("Consolidated Plan") by participating jurisdictions; and

WHEREAS, King County shall undertake CDBG/HOME Program-funded activities in participating incorporated jurisdictions as specified in the Consolidated Plan by granting funds to those jurisdictions and to other qualifying entities to carry out such activities; and

WHEREAS, King County is responsible to the federal government for all activities undertaken with CDBG funds and shall ensure that all CDBG assurances and certifications King County is required to submit to HUD with the Annual Action Plan are met; and

WHEREAS, King County and the participating jurisdictions agree that it is mutually desirable and beneficial to enter into a consortium arrangement pursuant to and authorized by the National Affordable Housing Act of 1990, as amended, 42 USC 12701 et. seq. and 24 CFR Part 92 for purposes of the HOME Investment Partnerships Program, hereinafter referred to as "HOME Program", and to cooperate in undertaking HOME Program activities; and

WHEREAS, King County and the participating jurisdictions are committed to targeting CDBG and HOME Program funds to ensure benefit for very low to moderate-income persons as defined by HUD; and

WHEREAS, King County and the participating jurisdictions recognize that needs of very low to moderate-income persons may cross jurisdictional boundaries and therefore can be considered regional and sub-regional needs as well as local needs; and

WHEREAS, King County, in conjunction with the participating jurisdictions, must submit an Annual Action Plan to HUD, which is a requirement to receive CDBG funds; and

WHEREAS, the purpose of this Interlocal Cooperation Agreement, entered into pursuant to and in accordance with the State Interlocal Cooperation Act, RCW Chap. 39.34, is to form an urban county consortium, ("Consortium"), for planning the distribution and administration of CDBG, HOME Program, and other federal funds received on behalf of the Consortium from HUD, and for execution of activities in accordance with and under authority of the Act:

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING CIRCUMSTANCES AND IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, IT IS AGREED THAT:

**I. GENERAL AGREEMENT**

King County and participating jurisdictions agree to cooperate to undertake, or assist in undertaking, activities which further the development of viable urban communities, including the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate income, through community renewal and lower income housing assistance activities, funded from annual CDBG and HOME Program funds from federal Fiscal Years 2009, 2010 and 2011 appropriations, from recaptured funds allocated in those years, and from any program income generated from the expenditure of such funds.

**II. GENERAL DISTRIBUTION OF FUNDS**

The annual distribution of CDBG and HOME Program funds for the King County urban county Consortium shall be governed by the following provisions:

- A. The amount needed for administration of the Consortium's CDBG, HOME Program and related federal programs that benefit the Consortium shall be reserved by the County. This amount (hereinafter referred to as the "Administrative Setaside") is contingent upon review by the Joint Recommendations Committee ("JRC"), as provided in Section IV, and approval by the Metropolitan King County Council, as provided by Section V. To the extent that is reasonable and feasible, the County and the Committee shall strive to ensure that some portion of the allowable 20 percent of CDBG for planning and administration remains available for the purposes outlined in II. D. below.

- B. Five percent of the funds available from the CDBG entitlement and program income shall be reserved for the Housing Stability Program, a public service activity in support of homeless prevention and in support of the affordable housing requirements under the implementation of the state Growth Management Act (RCW Chapter 36.70A).
- C. Twenty-five percent of the funds available from the CDBG entitlement and program income shall be reserved for the Consortium-wide Housing Repair program. The JRC may periodically review and recommend increases or decreases to this percentage if, in its judgment, there has been a substantial change in the Consortium's overall funding or in the need for housing repair that justifies an increase or decrease.
- D. The remaining entitlement and program income funds, including any remaining balance of the 20 percent allowable for planning and administration, as well as any recaptured or prior year funds, shall be divided between two sub-regions of the county—the north/east sub-region and the south sub-region. These funds shall be made available on a competitive basis for a variety of eligible activities consistent with the Consolidated Housing and Community Development Plan.
  - 1. The north/east sub-region shall include those cities in the north and east and those portions of unincorporated King County that lie north of Interstate 90. The cities of Mercer Island, Newcastle, Issaquah, and North Bend, which are at or near the Interstate 90 border, along with their designated potential annexation areas, also shall be included in the north/east sub-region.
  - 2. The south sub-region shall include those cities south of Interstate 90 and those portions of unincorporated King County that lie south of Interstate 90, except for the cities of Mercer Island, Newcastle, Issaquah, and North Bend and their potential annexation areas, which are part of the north/east sub-region.
  - 3. The formula for dividing the funds between the two sub-regions shall be based on each sub-region's share of the Consortium's low-and moderate-income population.

### **III. USE OF FUNDS: GENERAL PROVISIONS**

- A. Funds shall be used to support the goals and objectives of the Consolidated Plan.
- B. Funds shall be used in accordance with the CDBG regulations at 24 CFR Part 570, Home Program regulations at 24 CFR Part 92, and all other applicable federal regulations.

#### **IV. JOINT RECOMMENDATIONS COMMITTEE**

An inter-jurisdictional Joint Recommendations Committee (“JRC”) shall be established.

- A. **Composition**—The JRC shall be composed of three county representatives and eight cities representatives.
1. The three county representatives shall be King County Executive staff with broad policy responsibilities and/or department directors. County representatives shall be specified in writing and, where possible, shall be consistently the same persons from meeting to meeting.
  2. Four of the cities representatives shall be from those cities signing this interlocal cooperation agreement, two from each sub-region.
  3. The remaining four cities representatives shall be from cities that qualify to receive CDBG entitlement funds directly from HUD and that are not signing this agreement, but are signing either Joint agreements or HOME Program-only agreements. These latter four representatives shall have no vote on matters specific to the jurisdictions that are parties to this agreement.
  4. The chairperson and vice-chairperson of the JRC shall be chosen from among the members of the JRC by a majority vote of the members for a term of one year beginning with the first meeting of the calendar year. Attendance of five members shall constitute a quorum.
- B. **Appointments**—The King County Executive shall appoint the three county representatives. The participating cities shall provide for the appointment of their shared representatives in a manner to be determined by those cities through the Suburban Cities Association or other agreed-upon mechanism for the execution of shared appointing authority. The Suburban Cities Association or other agreed mechanism will select four jurisdictions of varying size from among those signing this agreement, two from the north/east sub-region and two from the south sub-region. The cities representatives shall be elected officials, chief administrative officers, or persons who report directly to the chief administrative officer and who have broad policy responsibilities; e.g., planning directors, department directors, etc. Members of the JRC shall serve for two years, or at the pleasure of their respective appointing authorities.
- C. **Powers and Duties**—The JRC shall be empowered to:
1. Review and recommend to the King County Executive all policy matters concerning the Consortium CDBG and HOME Program, including but not limited to the Consolidated Plan and related plans and policies.

2. Review and recommend to the King County Executive the projects and programs to be undertaken with CDBG funds and HOME Program funds, including the Administrative Setaside.
  3. Monitor and ensure that all geographic areas and participating jurisdictions benefit fairly from CDBG and HOME Program funded activities over the three-year agreement period, so far as is feasible and within the goals and objectives of the Consolidated Plan.
- D. Advisory Committees to JRC—In fulfilling its duty to review and recommend projects and programs to be undertaken with the CDBG and HOME Program funds, the JRC shall consider the advice of inter-jurisdictional advisory committees. Sub-regional advisory committees, made up of one representative from each participating jurisdiction in a sub-region that wishes to participate, shall be convened to assist in the review and recommendation of projects and programs to be undertaken in that sub-region. The JRC may also solicit recommendations from other inter-jurisdictional housing and community development committee

**V. RESPONSIBILITIES AND POWERS OF KING COUNTY**

- A. Notwithstanding any other provision contained in this Agreement, the County as the applicant and grantee for CDBG and HOME Program funds has responsibility for and assumes all obligations in the execution of the CDBG and HOME Programs, including final responsibility for selecting and executing activities, and submitting to HUD the Consolidated Plan, Annual Action Plans, and related plans and reports, including the Analysis of Impediments to Fair Housing Choice and the Fair Housing Action Plan. Nothing contained in this Agreement shall be construed as an abdication of those responsibilities and obligations.
- B. The Metropolitan King County Council shall have authority and responsibility for all policy matters, including the Consolidated Plan, upon review and recommendation by the JRC.
- C. The Metropolitan King County Council shall have authority and responsibility for all fund allocation matters, including approval of the annual CDBG and HOME Program Administrative Setasides and appropriation of all CDBG and HOME Program funds.
- D. The King County Executive, as administrator of the CDBG and HOME Programs, shall have authority and responsibility for all administrative requirements for which the County is responsible to the federal government.
- E. The King County Executive shall have authority and responsibility for all fund control and disbursements.
- F. The King County Executive shall have the authority and responsibility to staff the JRC and provide liaison between HUD and the urban county Consortium. County

Executive staff shall prepare and present to the JRC evaluation reports or recommendations concerning specific proposals or policies, and any other material deemed necessary by the JRC to help it fulfill its powers and duties in IV. C., above.

- G. King County Executive staff shall have the authority and responsibility to communicate and consult with participating jurisdictions on CDBG and HOME Program policy and program matters in a timely manner.
- H. King County Executive staff shall have the authority and responsibility to convene sub-regional advisory committees made up of representatives from participating jurisdictions in the sub-region, to advise the JRC on the allocation of the sub-regional funds.
- I. King County Executive staff shall provide periodic reports on clients served by jurisdictions in the Housing Stability and Housing Repair programs and on the status of CDBG and HOME Program funded projects and make them available to all participating jurisdictions and the JRC.
- J. King County Executive staff shall solicit proposals, administer contracts, and provide for technical assistance, both in the development of viable CDBG and HOME Program proposals and in complying with CDBG and HOME Program contractual requirements.
- K. King County shall have environmental review responsibility for purposes of fulfilling requirements of the National Environmental Policy Act, under which King County may require the local incorporated jurisdiction or contractor to furnish data, information, and assistance for King County's review and assessment in determining whether an Environmental Impact Statement is required.

## **VI. RESPONSIBILITIES OF THE PARTICIPATING CITIES**

- A. All participating cities shall cooperate in the development of the Consolidated Plan and related plans.
- B. All participating cities shall assign a staff person to be the primary contact for the County on CDBG/HOME Program issues. The assigned CDBG/HOME Program contact person is responsible for communicating relevant information to others at the participating city, including any representative the city may choose to send to the sub-regional advisory committee, if that representative is not the CDBG/HOME Program contact person.
- C. At its discretion, a participating city may assign a representative to attend meetings of the sub-regional advisory committee. This representative may or may not be the City's CDBG/HOME Program contact person. It may be the CDBG/HOME Program contact person, a different staff member, an elected official, or a citizen.

- D. If and when a participating city deems necessary or advisable, it may prepare applications for CDBG or HOME Program funds to address the needs of its residents, consistent with the Consolidated Plan.
- E. Each participating city shall obtain its council's authorization for any CDBG or HOME Program application submitted.
- F. All participating cities shall carry out CDBG or HOME Program funded projects in a manner that is timely and consistent with contractual requirements.
- G. All participating cities owning community facilities or other real property acquired or improved in whole or in part with CDBG or HOME Program funds shall comply with use restrictions as required by HUD and as required by any relevant policies adopted by the JRC.
  - 1. During the period of the use restriction, the participating cities shall notify King County prior to any modification or change in the use of real property acquired or improved in whole or in part with CDBG or HOME Program funds. This includes any modification or change in use from that planned at the time of the acquisition or improvement, including disposition.
  - 2. During the period of the use restriction, if the property acquired or improved with CDBG or HOME Program funds is sold or transferred for a use which does not qualify under the applicable regulations, the participating city shall reimburse King County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of funds other than CDBG or HOME Program funds).

**VII. RESPONSIBILITIES OF ALL PARTICIPATING JURISDICTIONS**

- A. All participating jurisdictions shall be considered to be those jurisdictions that have signed this Agreement.
- B. All participating jurisdiction shall fulfill to the County's reasonable satisfaction all relevant requirements of federal laws and regulations that apply to King County as applicant, including assurances and certifications described in Section VIII below.
- C. Each participating jurisdiction or cooperating unit of general local government certifies that it has adopted and is enforcing:
  - 1. a policy that prohibits the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. a policy that enforces applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdiction.
- D. Pursuant to 24 CFR 570.501(b), all participating units of local governments are subject to the same requirements applicable to subrecipients when they receive CDBG funds to implement an activity. The applicable requirements include, but are not limited to, a written agreement with the County that complies with 24 CFR 570.503 and includes provisions pertaining to: statement of work; records and reports; program income; uniform administrative items; other program requirements; conditions for religious organizations; suspension and termination; and reversion of assets.
  - E. All participating units of local government understand that they may not apply for grants under the federal Small Cities or State CDBG Programs that receive separate entitlements from HUD during the period of participation in this Agreement.
  - F. All units of local government participating in the CDBG urban county consortium through this interlocal cooperation agreement understand that they are also part of the urban county for the HOME Program and that they may not participate in a HOME Program consortium except through the urban county, regardless of whether the urban county receives a HOME formula allocation.
  - G. All participating units of local government hereby agree to affirmatively further fair housing and to ensure that no CDBG or HOME Program funds shall be expended for activities that do not affirmatively further fair housing within its jurisdiction or that impede the County's actions to comply with its fair housing certification. For purposes of this section, "affirmatively furthering fair housing" includes participation in the process of developing an Analysis of Impediments to Fair Housing Choice and a Fair Housing Action Plan. While King County has the primary responsibility for the development of these reports to HUD pursuant to Section V(A) of this Agreement, upon request, the City shall provide assistance to the County in preparing such reports.
  - H. Participating jurisdictions undertaking activities and/or projects with CDBG funds distributed under this Agreement shall retain full civil and criminal liability as though these funds were locally generated.
  - I. Participating jurisdictions retain responsibility in fulfilling the requirements of the State Environmental Policy Act under which King County has review responsibility only.

## **VIII. GENERAL TERMS**

- A. This Agreement shall extend through the 2009, 2010 and 2011 program years, and shall remain in effect until the CDBG funds, Home Program funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funded activities completed. This Agreement shall be automatically renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice that it wishes to amend this agreement or elects not to participate in the new qualification period by the date set forth by the United States Department of Housing and Urban Development in subsequent Urban County Qualification Notices. King County, as the official applicant, shall have the authority and responsibility to ensure that any property acquired or assisted with CDBG funds or HOME Program funds is disposed of or used in accordance with federal regulations.
- B. Pursuant to 24 CFR Part 570.307(d)(2), during the period of qualification no included unit of general local government may terminate or withdraw from the cooperation agreement while it remains in effect.
- C. It is understood that by signing this Agreement, the City shall agree to comply with the policies and implementation of the Consolidated Plan.
- D. Parties to this Agreement must take all required actions necessary to assure compliance with King County's certification required by Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, (Title III of the Civil Rights Act), the Fair Housing Act as amended, Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, the Americans with Disabilities Act of 1990, and other applicable laws.
- E. This Agreement shall be executed in three counterparts, each of which shall be deemed an original, by the chief executive officers of the County and the City, pursuant to the authority granted them by their respective governing bodies. One of the signed Agreements shall be filed by the County with the Region X office of HUD, one shall be filed with the City and one shall be filed with the County. Prior to its taking effect, the fully executed Agreement shall be filed with the County Auditor, or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source.
- F. It is recognized that amendment to the provisions of this Agreement may be appropriate, and such amendment shall take place when the parties to this Agreement have executed a written amendment to this Agreement. The City and the County also agree to adopt any amendments to the Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year qualification period, and to submit such amendment to the United States Department of Housing and Urban Development. Failure to adopt such required

amendment shall void the automatic renewal of the Agreement for the subsequent qualification period.

G. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based on any provision of this Agreement.

KING COUNTY, WASHINGTON

CITY OF KIRKLAND

Jackie MacLean  
for King County Executive

David Ramsay  
By: Signature

Jackie MacLean  
Printed Name

David Ramsay  
Printed Name

Director, Department of Community and  
Human Services  
Title

Kirkland City Manager  
Title

5/22/08  
Date

8/6/08  
Date

Approved as to Form:  
OFFICE OF THE KING COUNTY  
PROSECUTING ATTORNEY  
[Signature]

Approved as to Form:  
CITY OF KIRKLAND  
CITY ATTORNEY

[Signature]  
City Attorney

ATTEST:  
CITY OF KIRKLAND

[Signature]  
City Clerk

August 3, 2011

**D R A F T**

King County Housing and Community Development Program  
Attn: Cheryl Markham, Program Manager  
401 Fifth Avenue, Suite 510  
Seattle, Washington 98104-1818

Re: Kirkland's Final Community Development Block Grant Status

Dear Ms. Markham;

On June 1, 2011 the City of Kirkland annexed the neighborhoods of Juanita, Finn Hill and Kingsgate thereby increasing the City's population from roughly 49,000 to approximately 80,000. In anticipation of its increased population, on May 17, 2011 the City Council adopted Resolution 4880, identifying the City's intent to participate in the King County CDBG Consortium as a Joint Agreement City, if it was eligible to do so, or as a member of the urban county if it was not.

In July, HUD informed the City that it is not eligible to participate as a joint agreement city because the City's population, on the official determination date used by HUD, did not exceed the 50,000 threshold. Unfortunately, the population information that HUD is required by law to use is the official US Census Bureau data that is available on June 30, 2011. As of that date, the Census Bureau had not updated Kirkland's population to acknowledge the June 1st annexation; instead it is still using the April 1, 2010 census data. It is anticipated that the Census Bureau's next update, to be released in the summer of 2012, will reflect the June 1, 2011 annexation.

With this letter, the City of Kirkland is informing you of its decision to remain part of the regular King County CDBG Consortium. We understand that the interlocal agreement that was signed for the 2009 – 2011 period will automatically renew to cover the years 2012 – 2014.

Thank you for all of the work that you and your staff do to administer the CDBG program on behalf of the cities in King County. Kirkland recognizes the great value that is gained when jurisdictions work cooperatively in support of common goals.

Sincerely,

KIRKLAND CITY COUNCIL

By Joan McBride  
Mayor

Cc: John W. Peters, Director, Office of Community Planning and Development, U.S.  
Department of Housing and Urban Development, 909 First Avenue, Suite 300, Seattle,  
Washington 98104-1000



## CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

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

### MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Kari Page, Neighborhood Outreach Coordinator

**Date:** July 21, 2011

**Subject:** City Council Meetings in the Neighborhoods Schedule

### RECOMMENDATION:

City Council approves the proposed schedule for the City Council Meetings with the Juanita, Finn Hill, Moss Bay and Lakeview Neighborhoods.

### BACKGROUND:

As part of the City Council's continuing effort to remain in touch with the interests and needs of the community, the following schedule for the City Council Meetings in the Neighborhoods is being proposed:

Neighborhood	Date	Location	Confirmed with Neighborhood Association	On Council Calendar
Finn Hill Neighborhood	Wednesday, October 19, 2011 6:45 -8:45 p.m.	Finn Hill Junior High	Yes	Pending Council Approval
Juanita Neighborhoods	Wednesday, November 10, 2011 6:45 -8:45 p.m.	TBD	Yes	Pending Council Approval
Lakeview Neighborhood	Thursday, March 29, 2012 6:45 -8:45 p.m.	Houghton Fire Station 6602 108 <sup>th</sup> Ave NE	Neighborhood Association is dormant	Pending Council Approval
Moss Bay Neighborhood	Monday, May 21, 2012 6:45 -8:45 p.m.	Heritage Hall 203 Market Street	Not Yet	Pending Council Approval

The first two meeting dates were picked by the Finn Hill Neighborhood Organizing Committee, and the Juanita Neighborhoods Board of Directors. There is currently no leadership for the Lakeview Neighborhood. The City Council meeting with the Lakeview Neighborhood could serve as a catalyst to stimulate interest in rejuvenating this dormant association. The Moss Bay Neighborhood date is on their regular meeting schedule and will be coordinated with the neighborhood after the Council has tentatively approved the date.

Unless otherwise instructed by Council, staff will continue to structure the format of the meeting and invitations similar to the last City Council Meeting with the Central Houghton Neighborhood.

The agenda for the meetings is as follows:

6:45-7:00 p.m.	Informal Casual Conversations
7:00-7:05 p.m.	Welcome and Introduction—Mayor Joan McBride
7:05-7:10 p.m.	Comments from the Neighborhood Association Chair
7:10-7:30 p.m.	Introductions from City Council members
7:30-8:45 p.m.	General Discussion and Questions from Audience
8:45 p.m.	Social Time

Attachment A outlines the timeline for receiving the questions and answers in advance of the meeting and a map of the areas. If you have any questions, suggestions or changes to this schedule, please contact Kari Page, Neighborhood Outreach Coordinator at (425) 587-3011 or [kpage@kirklandwa.gov](mailto:kpage@kirklandwa.gov).

## 2011

January	February	March
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

April	May	June
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July	August	September
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October	November	December
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Proposed Fall 2011 and Spring 2012 City Council Meetings in the Neighborhoods	
	<b>Finn Hill Neighborhood:</b> Thursday, October 19, 2011
	<b>Juanita Neighborhoods:</b> Thursday, November 10, 2011
	<b>Lakeview Neighborhood:</b> Thursday, March 29, 2012
	<b>Moss Bay Neighborhood:</b> Monday, May 21, 2012

## 2012

January	February	March
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

April	May	June
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July	August	September
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October	November	December
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	Milestone
	Residents receive mailing and submit questions
	Regular Council meeting to finalize agenda
	Directors answer questions from residents
	City Council receives Q & As
	City Council meeting with the Neighborhood



**CITY OF KIRKLAND****Department of Public Works**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

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

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Juliana Elsom, Sr. Operations and Finance Analyst  
Ray Steiger, P.E., Public Works Director

**Date:** July 28, 2011

**Subject:** TRANSPORTATION BENEFIT DISTRICT UPDATE

**RECOMMENDATION:**

City Council review previous decisions regarding implementation of a Transportation Benefit District (TBD) for Kirkland and comment on staff recommendations for a public education and outreach plan to the community regarding a potential TBD.

**BACKGROUND DISCUSSION:**

A Transportation Benefit District (TBD) is a funding mechanism authorized by the State in 2007 to assist cities in funding critical transportation infrastructure such as roads, bridges and sidewalks, as well as related investments such as traffic lights and other transportation management systems. The boundaries of a TBD are designated by the City Council and the TBD provides several revenue options. The City Council, acting as the TBD Board of Directors, may adopt up to a \$20/vehicle license fee. A public vote by residents of the TBD can authorize up to a \$100 license fee or 0.2% local sales tax option, and under some circumstances, tolling within the TBD.

On February 17, 2009, Public Works staff presented the 2008 State of the Streets report to the City Council outlining the funding deficiencies in the Street Preservation Program and recommending several options to provide additional funding. One such option was the formation of a TBD.

Staff worked on street preservation funding issues throughout 2009 and 2010 with both the Transportation Commission and the City Council. The Council has taken a variety of actions related to additional street preservation funding during 2010.

At a study session on May 18, 2010, the Council directed staff to include the assumption of revenues from a \$20 car tab fee (estimated at \$750,000 annually for the pre-annexation city boundaries) in the 2011-2016 Preliminary CIP list but also asked that staff develop a public education and outreach plan for Kirkland residents.

On June 15, 2010, Council was presented with a public outreach process for the fall of 2010 to inform the upcoming budget deliberations. However in summer of 2010 Kirkland's budget situation worsened and staff had to focus on developing 5% budget reductions as well as an increased effort on annexation-related initiatives and the outreach plan was not able to be implemented.

In the fall of 2010, during the final 2011-2012 Budget deliberations, due to the need for public outreach and the uncertainties associated with the upcoming annexation, the City Council concluded that proceeding with the TBD should be delayed until 2011. However the City Council concurred with the staff recommendation to keep the revenue assumptions of a TBD in the 2011-2016 adopted CIP.

The Council will be reviewing the adopted CIP at the Council meetings in September of 2011 and the Council will need to decide whether to implement a TBD to fund the projects or to remove the assumption of TBD revenues and make reductions to the CIP.

This memo highlights some of the issues related to the timing of implementing a local TBD, and it concludes with a draft outreach proposal on how to advance the issue with the Kirkland community. More information regarding the State of the Streets will be presented at the Council meeting.

### **Issues**

Since adoption of the City's 2011-2012 Budget, a number of regional issues have moved forward that are likely to compete with the limited supply of citizen funds: the WSDOT has begun construction of their tolling facilities along SR 520 and, pending resolution of problems with the vendor's collection system, \$3.50 tolls will be soon implemented along this heavily used route; King County Metro is looking at ways to stem a significant loss of revenue and keep transit service at existing levels, and now with the approval of recent State legislation, they are considering a \$20 per vehicle car tab for congestion mitigation funding for a two year period. Locally, Community conversations with the Kirkland City Council are advancing a potential Park Bond; the exploratory committee and outreach effort are moving ahead. Advancing the park and open space infrastructure of the City is important, and should be done in a coordinated manner so as not to detract from critical transportation infrastructure needs.

Now that annexation is completed and multiple upcoming forums are being developed to begin dialogue regarding needs in the annexation area, transportation needs are an essential part of that discussion. Outreach to the new neighborhoods will involve the "civics academy" in the fall of 2011, the semi-annual community telephone survey in February of 2012, budget focus groups in the spring of 2012, a full assessment of the entire street pavement network by staff in 2012, and additional community meetings still to be determined. Information regarding the needs and priorities for the new neighborhoods will then be included in the 2013-2018 CIP process that will be formulated in the fall of 2012. Therefore, the approach recommended by Staff is to utilize the current CIP update process to inform the community of the TBD rationale and impacts; Council could adopt a \$20 per vehicle car tab fee this year with boundaries drawn to include the entire new City.

Revenue from this approach would begin in approximately spring of 2012 and is anticipated to be approximately \$1,130,000 for all City residents including the new neighborhoods. Because of annexation, the revenue generated is significantly higher than originally anticipated in 2010; the effects of this increased potential revenue on the overall PCI are not yet known as the assessment of the annexation area PCI has not yet been modeled. However there are projects such as safety improvements to Juanita Drive that could be identified for implementation in 2012. Attachment A indicates the effect of the \$20 car tab TBD on the 2010 City streets.

### **Focus First on Council Action**

Given all the other initiatives discussed above, staff recommends that rather than evaluate all the potential voter approved TBD options, the City should explore first with the public the utilization of

existing City Council authority to create the TBD and authorize a \$20 car tab. The outreach plan included in this memo is based on that premise. Further, in order to recognize the feedback from the 2010 process that indicated the need for a focused effort on existing community infrastructure, the scope of TBD improvements should be targeted to demonstrate immediate results.

### **Scope**

Kirkland City Councils have historically supported the preservation and maintenance of existing street infrastructure with steady increases in funding for the street preservation program; Councils have consistently recognizes the value of investment in the infrastructure and dependable infrastructure is one of the current Council's adopted goals. This support is related to expectations reflected by the Community in various public forums and in surveys, such as in the *2010 Citizen Survey*, supporting more spending on street maintenance. The proposed funding from the TBD would supplement the existing street preservation funds. However staff also feels it is appropriate to consider utilizing a portion of TBD revenues to restore funding for two other key transportation needs that were cut in the last budget: pedestrian safety and neighborhood traffic calming.

The State of the Streets reports that are done approximately every three years have concluded that significant additional funds are needed in order for the Community to realize their established Pavement Condition Index (PCI) goals. Other transportation maintenance systems have begun to be neglected due to reduced funding in the general fund (Street fund) and the reduction in the neighborhood traffic control program. Staff is recommending that safety enhancement typically done from the street operating fund: crosswalk maintenance and installation of street lights be funded with TBD revenues. Additionally, due to 2011/2012 reductions, staff is recommending that Council consider elements of the neighborhood traffic control program be reinstated with funds from the TBD. One example of how the anticipated revenue for the TBD could be assigned as follows:

~90%	Street preservation program	(\$1,010,000)
~5%	Pedestrian safety and lighting	(\$60,000)
~5%	neighborhood traffic control	(\$60,000)

### **Public Involvement**

Staff intends to build on the TBD outreach plan done in 2010 which continues to be available to the community through the City's web site, ([Kirkland- TBD](#)). Staff is proposing to utilize that approach to the public involvement process in August, September and October concurrent with the 2011 update of the CIP. The 2011 public involvement process will be consistent with the "consult" level of public participation to seek public feedback on the proposal. This level will afford opportunities for the *entire* Community, including the new neighborhoods, to learn about the importance of the various street maintenance programs, the status of their system, and the consequences of not investing in robust maintenance funding. It will provide staff a mechanism to communicate the level of financial commitment that will be made using the TBD, feedback will be taken and the information will be provided to the City Council in their decision process regarding the CIP update.

### **Communication Plan**

Depending on the City Council's desire to proceed, below is a draft Communication Plan for the TBD. Staff is seeking Council input on the Plan which has the following goals:

- Describe the existing Street Preservation Program
- Outline Kirkland's pavement condition scores (now and over time)
- Chart the need for sustainable funding (now and over time)

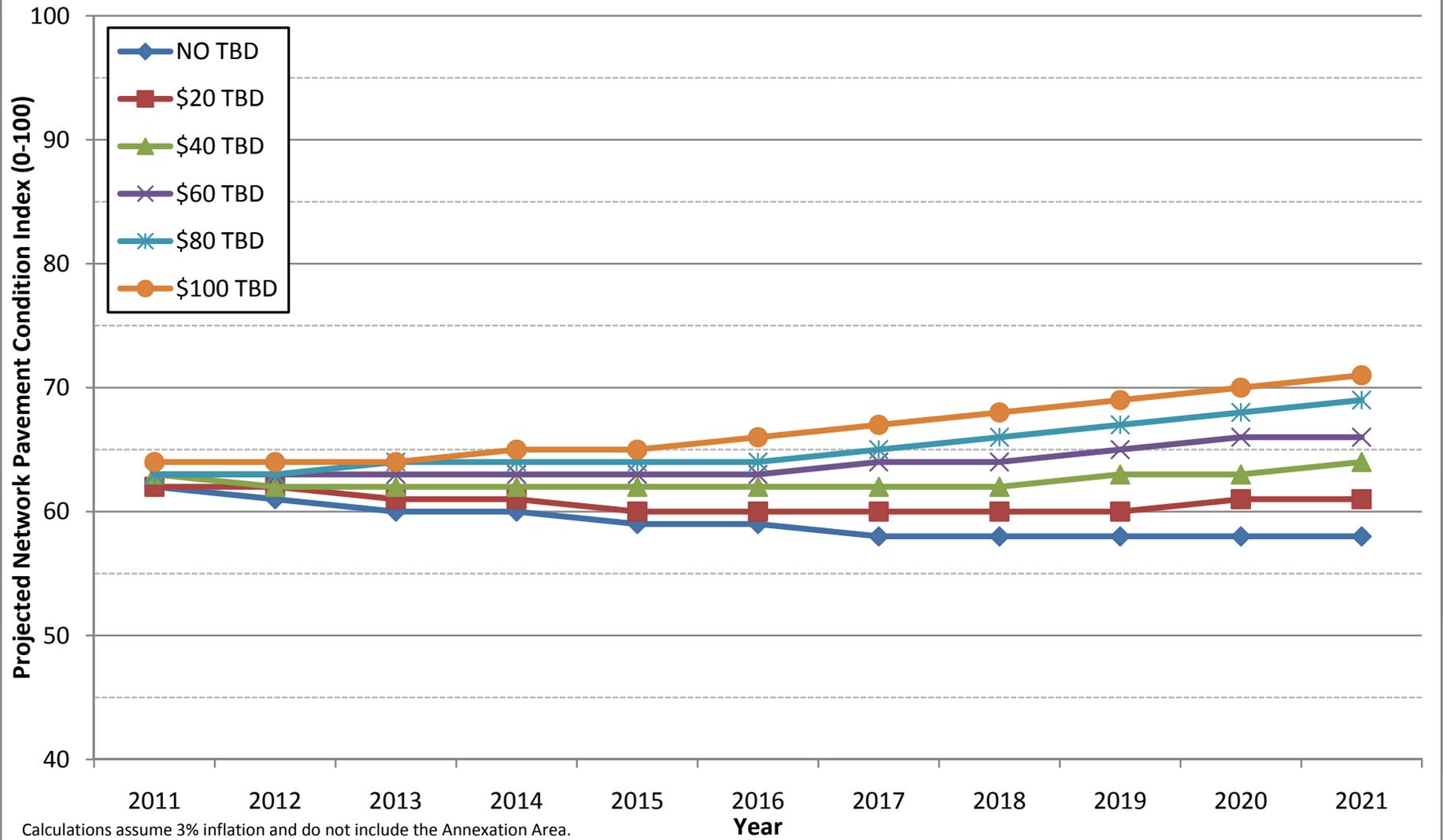
- Explain the Transportation Benefit District (TBD)
- Gather public feedback

#### Communication Methods and target audiences:

1. Webpage (exists) update	1. <a href="http://www.kirklandwa.gov/depart/PublicWorks/TransportationStreets.htm">http://www.kirklandwa.gov/depart/PublicWorks/TransportationStreets.htm</a> (created in October 2010)	1-5. All stakeholders
2. Fact Sheet	2. To be created for public distribution	
3. List Serv (exists)	3. Email updates sent to subscribers (Budget Annexation, Neighborhood, CIP List Serves) Includes Kirkland Alliance of Neighborhoods and the Chamber	
4. City newsletter	4. Published quarterly, 1 printed, 4 online	
5. Multimedia/Video	5. Create informational video of the street maintenance programs. Post online; highlight in Currently Kirkland TV program	
6. Totem Lake On Track bulletin	6. Article on TBD. Produced 4/year with limited hard copies	6. Totem Lake Stakeholders
7. Editorials	7. Published at the discretion of local media	7. All stakeholders
8. Public Survey	8. Have information and survey cards available at public facilities and community & special events. Electronically send link to list serves and community groups	8. General public, existing organizations, and active citizens on existing list serves
9. Farmers Markets	9. Have information and survey cards available at Friday Juanita Beach Market and Kirkland Wednesday Market	9. General public
10. Boards and Commissions	10. Presentation to Boards/Commissions	10. 10.Boards and Commissions
11. Speakers Bureau	11. Speakers Bureau: Presentations to community, business and neighborhood groups in September and October	11. Community, business and neighborhood Groups

**Additional outreach efforts or suggestions from Council will also be incorporated.**

## TBD's Effect on Kirkland's Pavement Condition





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

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## MEMORANDUM

**To:** Kurt Triplett, City Manager **QUASI-JUDICIAL**

**From:** Jon Regala, Senior Planner  
Eric Shields, AICP, Planning Director

**Date:** July 21, 2011

**Subject:** Alexander Graham Bell Elementary School  
Master Plan and Preliminary and Final Planned Unit Development (PUD)  
File No. ZON11-00003

### **RECOMMENDATION**

Staff recommends that the City Council consider the Process IIB and PUD application for the Alexander Graham (A.G.) Bell Elementary School project and pass the enclosed ordinance to grant the application as recommended by the Hearing Examiner. Prior to voting on the ordinance, the Council must pass a motion to allow the vote to occur at the August 2 meeting, rather than at the following (September 6) meeting.

### **BACKGROUND DISCUSSION**

#### ***City Council Rules of Procedure***

Under the Council Rules of Procedure, Section 26, the City Council shall consider a Process IIB application at one meeting and vote on the application at the next or a subsequent meeting. The City Council may, by a vote of at least five members, suspend the rule to vote on the matter at the next meeting and vote on the application at this meeting.

#### ***Quasi-Judicial Decisions***

This application is reviewed under Process IIB in which the Hearing Examiner holds a public hearing and then makes a recommendation to the City Council for the final decision. It is a quasi-judicial process. Quasi-judicial processing is for permits that:

- Require a hearing (held by the Hearing Examiner);
- Involve discretionary criteria for approval; and
- Require the decision-maker to review the facts and applicable code in order to issue a decision (similar to a judge).

#### ***City Council Consideration***

The City Council must consider the Process IIB and PUD application based on the record before the Hearing Examiner and the recommendation of the Hearing Examiner. Process IIB does not provide for testimony and oral arguments at the Council meeting. However, the City Council, in

its discretion, may ask questions of the applicant and the staff regarding facts in the record, and may request oral argument on legal issues.

The City Council has four options when reviewing a Process IIB application:

- Grant the application; or
- Modify and grant the application; or
- Deny the application; or
- If the Council determines that the record compiled by the Hearing Examiner is incomplete or inadequate for the Council to make a decision, direct that the application be considered at a reopening of the hearing before the Hearing Examiner and specify the issues to be considered at the rehearing.

***A.G. Bell Elementary School Project Background***

A.G. Bell Elementary was originally constructed in 1967. The previous school Master Plan was approved by the City Council in 1991. The Lake Washington School District is proposing a new Master Plan to phase construction of a new elementary school on the subject property over the next several years with a completion target date of Fall 2013. The project includes the following items (see also Enclosure 1):

- Construction of a new elementary school totaling approximately 65,305 square feet, followed by demolition of the existing elementary school totaling approximately 52,760 square feet and.
- Revised student pickup/drop-off area separate from bus and trash/recycling access.
- New surface parking layout for 68 parking stalls.
- NE 112<sup>th</sup> Street frontage improvements including 23 new street parking stalls, curb, gutter, landscape strip, and sidewalk.

As part of the PUD request, the applicant is requesting the following:

- Approval of minor portions of the new school building that exceeds the maximum height limit.
- Approval of building facades that exceed the maximum width for structures where adjoining single-family uses.
- Retention of existing pedestrian trails located within a wetland and wetland buffer that are currently non-conforming as to the City's drainage basin regulations.

***Public Comment***

The School District held two community meetings regarding the project at which neighbor's questions and concerns were addressed. During the City's public comment period, one citizen who resides in the neighborhood provided written comment. The major concerns of the citizen were regarding the location of future portables, the size of the new school relative to existing neighborhood development, and the proposed deviations from zoning code standards.

***Public Hearing***

The Hearing Examiner held an open record public hearing on July 7, 2011. City staff, the applicant, and two citizens testified during the hearing (see Enclosure 2 for minutes of the Hearing). One of the neighbors who testified at the hearing resides north of the school and

stated that he is willing to work with the School District if tree removal on his property is needed with the installation of the required fencing. The other neighbor that testified was the same person who submitted written public comment to staff during the public comment period and he restated his key concerns at the hearing.

The staff report can be found in Exhibit A to the Hearing Examiner's recommendation at the following link under the July 7, 2011 meeting date. Due to its size, the staff report is posted in five separate parts. The staff recommendation is included in Part 1. Staff recommended conditions are included as Enclosure 4 to this memo.

[http://www.kirklandwa.gov/depart/Planning/Hearing\\_Examiner\\_Meeting\\_Information.htm](http://www.kirklandwa.gov/depart/Planning/Hearing_Examiner_Meeting_Information.htm)

With a PUD request, the applicant is required to provide one or more of the eight benefits listed in KZC Section 125.35.3. The PUD benefits proposed by the applicant are summarized below.

- *Superior Circulation Patterns and Location of Parking*
  - Keep existing wetland trails that connect to identified neighborhood walking routes
  - Create separate parent pickup and drop-off area from school bus access
  - Create separate bicycle pathway
  - Locate the majority of parking stalls internal to the site
- *Preservation of Significant Woodlands*
  - Preserve 1.13 acres of significant woodlands at southwest corner of the property
- *Increased Provision for Open Space*
  - 30% lot coverage in a zone which allows 70% lot coverage
- *Minimum use of Impervious Surfacing Materials*
  - Reduce building footprint by 7% from existing footprint
  - Reduce impervious walkways, driveways, and parking area coverage by 1.8% from existing conditions

Key recommendations made by staff include requiring easements to memorialize the PUD public benefits proposed by the applicant such as the pedestrian trails identified in the Juanita Neighborhood Walking Loop map and the significant woodlands being preserved. To address zoning criteria for schools, other recommendations included providing additional landscaping near the proposed northern bus loop and design criteria for future portables.

On July 12, 2011 the Hearing Examiner recommended approval of the application, per Staff's recommended Conditions of Approval (see Enclosure 3). The Conditions of Approval referenced by the Hearing Examiner can be found in Enclosure 4.

## **ENCLOSURES**

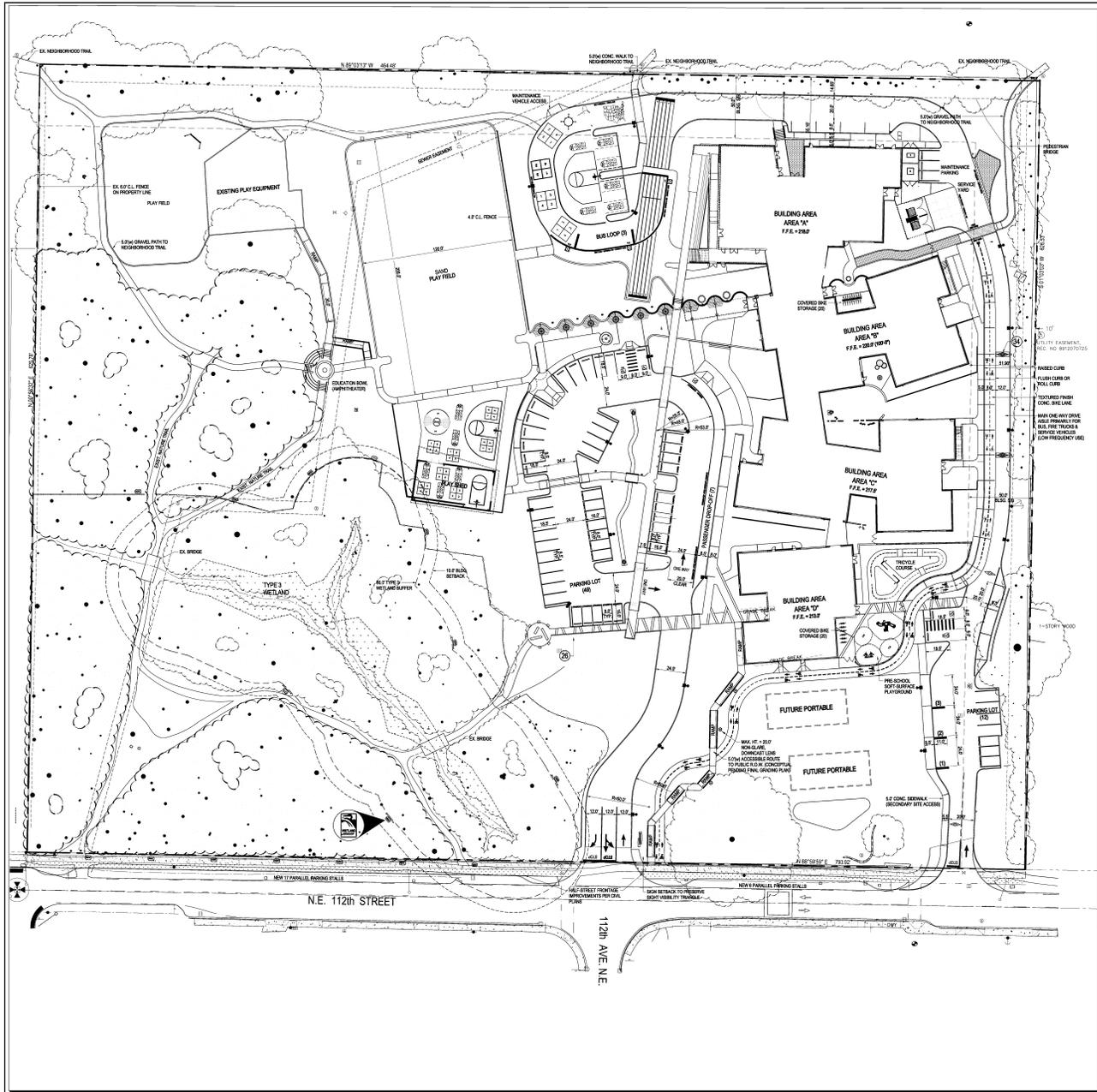
1. Site Plan
2. Hearing Minutes - July 7, 2011 Public Hearing
3. Hearing Examiner Recommendation dated July 12, 2011 (without Exhibit A)
4. Recommended Conditions of Approval
5. Ordinance Approving the Application

PUD  
RESUBMITTAL

OVERALL SITE PLAN  
ALEXANDER GRAHAM BELL ELEMENTARY SCHOOL  
LAKE WASHINGTON SCHOOL DISTRICT

L:1.0  
25-10000  
000001

DLR Group  
Architectural Engineering Planning Interiors  
10000 1st Avenue, Seattle, WA 98108



BUILDING DATA	
EXISTING BUILDING AREA:	53,001 S.F. (184 Feet)
TOTAL PROPOSED BLDG. AREA:	43,500 S.F. (134 Feet)
AREA OF COVERED PLAY:	22,500 S.F. (Covered Area)
AREA OF UNCOVERED PLAY:	12,500 S.F. (Uncovered Area)
ALLOWABLE HEIGHT OF BLDG.:	ALLOWABLE 35'-0" (Per 11.12.000)
ACTUAL HEIGHT OF BUILDING:	32'-0" (Per 11.12.000)
ALLOWABLE HEIGHT OF BLDG.:	ALLOWABLE 35'-0" (Per 11.12.000)
ACTUAL HEIGHT OF BLDG.:	32'-0" (Per 11.12.000)
ALLOWABLE HT. OF UNCALCULATED NOT APPLICABLE	
BLDG. WITHIN 10' SETBACK	
ACTUAL HT. OF UNCALCULATED NOT APPLICABLE	
BLDG. WITHIN 10' SETBACK	
CONSTRUCTION TYPE:	300-308 TYPE I/B "C" OCCUPANCY

PROJECT INFORMATION	
PROJECT NAME:	ALEXANDER GRAHAM BELL ELEMENTARY SCHOOL
OWNER:	LAKE WASHINGTON SCHOOL DISTRICT
PROJECT ADDRESS:	121ST STREET ATM RALPH BROWNE FOR BELL13 N.E. BELL BELL BELL SCHOOL
TAX PARCEL NUMBER:	131116 121ST STREET
PARCEL NUMBER:	131116 121ST STREET
CURRENT / PROPOSED USE:	ELEMENTARY SCHOOL

SITE DATA	
TOTAL SITE AREA:	497,498 A.C. (11.42 ACRES)
ARABDORION:	CITY OF IRVINGLAND
NEIGHBORHOOD:	TOTAL LAND SOUTH JAVANA
CURRENT ZONING:	P.U.D. - PLANNED UNIT DEVELOPMENT COMPLETED WITH AN INTERZONING ZONE
ADJACENT USE:	"R" S. SINGLE FAMILY RESIDENTIAL "R" S. SINGLE FAMILY RESIDENTIAL SOUTH CITY STREET RESIDENTIAL 33 TEACHERS AND SUPPORT STAFF 400 STUDENTS

ENVIRONMENTAL DATA	
WIND EXPOSURE:	80 MPH 3-SECOND WIND GUSTS
SEISMIC DESIGN CATEGORY:	CATEGORY "D"
DRINKING WATER ZONE:	YES, PER PERMITS AND OTHERS
LANDSLIDE HAZARD ZONE:	YES, PER PERMITS AND OTHERS
SENSITIVE URNANINE ZONE:	NO
FORM FLOOD ZONE:	ZONE "X" (OUTSIDE 600 YD FLOOD PLAIN)
WELFARE CORRIDOR:	NO
GEOLOGICAL HAZARD AREA:	NO
SOIL SHALE (HAWAII):	NO
WETLANDS:	YES, CLASS B WETLAND W/ 50' BUFFER W/ 10' BUFFER TO BLDG.
URBAN GROWTH AREA:	YES, SEE TOPOGRAPHIC SURVEY AND TREE RETENTION PLAN

LEGAL DESCRIPTION	
THE SOUTH HALF OF THE WEST 1/4 OF THE N.E. 1/4 OF THE E. 1/4 OF SECTION 32, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M. KING COUNTY, WASHINGTON, EXCEPT FOR THE SOUTH 30 FEET THEREOF; AND THE SOUTH 1/2 OF THE N.W. 1/4 OF THE N.E. 1/4 OF SECTION 32, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M. KING COUNTY, WASHINGTON EXCEPT THE WEST 80 FEET THEREOF; EXCEPT THE SOUTH 30 FEET THEREOF.	

PARKING STATISTICS	
EXISTING PARKING:	STANDARD STALLS = 64 ACCESSIBLE STALLS = 4
TOTAL EXISTING PARKING:	68
REQUIRED PARKING:	PLANNING OFFICE TO DETERMINE ON A CASE BY CASE BASIS
PROPOSED PARKING:	STANDARD 8' x 18' STALLS = 26 COMPACT 8' x 16' STALLS = 28 STD. ACCESSIBLE STALLS = 2 VAN ACCESSIBLE STALLS = 2
TOTAL PROPOSED PARKING:	68
INCLUDED IN TOTAL:	COMPACT STALL ALLOWANCE = 34 (50%) COMPACT STALLS PROVIDED = 28 (42%)
ADDITIONAL:	STANDARD 8' x 18' STALLS = 4 CARPOOL (COMPACT) STALLS = 4
EVENT PARKING:	STANDARD 8' x 18' STALLS = 6 (NOT INCLUDED IN 68 STALLS)
LARGE BUS PARKING:	EXISTING & PROPOSED = 4
MINIBUS PARKING:	PROPOSED = 4
H.C. PASS DROP-OFF:	PROPOSED EXIST. NOT DEFINED = 1
PARENT DROP-OFF:	PROPOSED EXIST. NOT DEFINED = 1
ON-STREET PARKING:	PROPOSED (NO EXIST. STALLS) = 23

LOT COVERAGE-IMPERVIOUS AREA	
IMPERVIOUS BUILDING FOOTPRINT:	45,800 A.C. IMPERVIOUS
COVERED PLAY (ROOF AREA):	2,250 A.C. IMPERVIOUS
FUTURE PORTABLES (STANDARD FRAME):	4,306 A.C. IMPERVIOUS
STANDARD ASPHALT PAVEMENT:	15,854 A.C. IMPERVIOUS
POROUS CONCRETE PAVEMENT:	52,204 A.C.
WOOD RESISTANT DECKING:	100 A.C. IMPERVIOUS
CONCRETE SIDEWALKS:	25,483 A.C. IMPERVIOUS
SAND FIELD:	24,200 A.C.
WOOD CARPET PLAY SURFACING:	6,800 A.C.
REINFORCED CONCRETE PAVEMENT:	1,500 A.C.
GRAVEL/ SOFT SURFACE PATHS:	3,971 A.C.
UNDISTURBED ZONES + NATIVE AREA:	208,500 A.C.
NEW DEVELOPED LANDSCAPE AREA:	86,212 A.C.
TOTAL SITE AREA:	497,498 A.C. (11.42 ACRES)
BLDG. & PAVEMENT IMPERVIOUS AREA:	95,383 A.C.
IMPERVIOUS AREA COVERAGE:	19.30%
BUILDINGS & HARD-SURFACE WALKS, DRIVEWAYS, BRIDGES, ETC.:	150,815 A.C.
TOTAL LOT COVERAGE:	30.2%

DESIGN CONSULTANT	
ASPEN DESIGN GROUP ARCHITECTURE SITE PLANNING STATE OF WASHINGTON REGISTERED LANDSCAPE ARCHITECT CERTIFICATE NO. 630	LANDSCAPE ARCHITECTURE STATE OF WASHINGTON REGISTERED LANDSCAPE ARCHITECT CERTIFICATE NO. 630

SHEET TITLE	
OVERALL SITE PLAN	
SCALE 1" = 30.0'	
GRAPHIC SCALE (IN FEET)	

BUILDING DATA	
EXISTING BUILDING AREA:	53,001 S.F. (184 Feet)
TOTAL PROPOSED BLDG. AREA:	43,500 S.F. (134 Feet)
AREA OF COVERED PLAY:	22,500 S.F. (Covered Area)
AREA OF UNCOVERED PLAY:	12,500 S.F. (Uncovered Area)
ALLOWABLE HEIGHT OF BLDG.:	ALLOWABLE 35'-0" (Per 11.12.000)
ACTUAL HEIGHT OF BUILDING:	32'-0" (Per 11.12.000)
ALLOWABLE HEIGHT OF BLDG.:	ALLOWABLE 35'-0" (Per 11.12.000)
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BLDG. WITHIN 10' SETBACK	
CONSTRUCTION TYPE:	300-308 TYPE I/B "C" OCCUPANCY

**KIRKLAND HEARING EXAMINER**

July 07, 2011

**1. CALL TO ORDER (7:00PM)**

Hearing Examiner, Anne Watanabe, called the meeting to order at 7:00 p.m.

Members Present: Anne Watanabe - Hearing Examiner.

Members Absent: None.

Staff Present: Jon Regala - Senior Planner, Dawn Nelson - Planning Supervisor, and Susan Hayden ~ Recording Secretary.

**2. PUBLIC HEARINGS****A. A.G. Bell Elementary School Master Plan & Planned Unit Development, FILE NO. ZON11-00003, Address 11212 NE 112th Street**

Ms. Watanabe opened the hearing at 7:00 p.m. and provided file number ZON11-00003, and address 11212 NE 112th Street.

The applicant is requesting approval of a Master Plan and Planned Unit Development (PUD) to build a new school building for A.G. Bell Elementary School.

Ms. Watanabe described hearing procedures, advising that she would issue a written decision within eight calendar days of the meeting.

Ms. Watanabe swore in Senior Planner, Jon Regala.

Mr. Regala presented information on the proposal and staff's recommendation. Ms. Watanabe entered the Staff Report dated June 22, 2011 as Exhibit A.

Ms. Watanabe invited the applicant to speak at this time. There were no comments from the applicant.

Mr. Regala responded to Ms. Watanabe's questions.

Ms. Watanabe swore in George Braslaw, 11011 112th Avenue NE, Kirkland. Mr. Braslaw expressed concern about the bulk, mass and facade treatment of the current design, the addition of portables and the lack of ADA access.

Ms. Watanabe swore in Lance Babcock, 11411 111th Place NE, Kirkland. He expressed concern about the trees on his property in regard to the fence line and also storm drainage issues at the bus area.

Mr. Regala responded to Mr. Babcock's concerns.

Ms. Watanabe asked the applicant to respond to Mr. Braslaw's concerns.

Ms. Watanabe swore in Ralph Rohwer who represents the applicant. He spoke briefly on the project.

Ms. Watanabe swore in Noah Greenberg, 901 5th Avenue, Suite 700, Seattle. He also represents the applicant and responded to Mr. Braslaw's concerns.

Ralph Rohwer returned to speak further on Mr. Braslaw's concerns.

Mr. Braslaw returned to comment on the applicant's response.

Mr. Regala responded to Ms. Watanabe's questions.

Ms. Watanabe closed the hearing at 7:46 p.m.

3. **ADJOURNMENT (7:46PM)**

Ms. Watanabe adjourned the meeting at 7:46 p.m.



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Planning Staff

**CITY OF KIRKLAND  
HEARING EXAMINER  
FINDINGS, CONCLUSIONS AND RECOMMENDATION**

---

**APPLICANT:** Sean Ryan for Lake Washington School District

**FILE NUMBER:** ZONO11-00003

**APPLICATION:**

1. Site Location: Alexander Graham (A.G.) Bell Elementary School, located at 11212 NE 112<sup>th</sup> Street
2. Request: The Applicant seeks approval of a Master Plan and Planned Unit Development (PUD) to build a new school building for A.G. Bell Elementary School.

Major elements of the proposal include the following:

Demolition of the existing elementary school totaling approximately 52,760 square feet and construction of the new school totaling approximately 65,305 square feet. This represents an increase in size of approximately 12,545 square feet with the new school building.

Construction phasing and site plan layout designed to allow the elementary school to remain in operation during construction. The new building is proposed to be constructed east of the existing school. Completion of the new school is anticipated prior to the 2013 – 2014 school year. Exhibit A, Attachment 3, pages A7.1 – A7.4 contains the proposed phased construction plan for the new school.

Revised student pickup/drop-off area separate from bus and trash/recycling access.

New surface parking layout for 68 parking stalls.

NE 112<sup>th</sup> Street frontage improvements including 23 new street parking stalls, curb, gutter, landscape strip, and sidewalk.

The applicant is requesting approval of the following as part of a PUD:

Approval of minor portions of the new school building that exceed the maximum height limit

Approval of building facades that exceed the maximum width for structures where adjoining single-family uses.

**Hearing Examiner Recommendation**  
**File ZONO11-00003**  
**A.G.Bell Master Plan and PUD**  
**Page 2 of 5**

Retention of existing pedestrian trails located within the wetland and wetland buffer that are currently non-conforming as to the City's drainage basin regulations.

3. Review Process: Process IIB; Hearing Examiner conducts a public hearing and makes a recommendation to the City Council. The City Council will make the final decision on this application. The District is requesting that the preliminary and final PUD applications be reviewed concurrently.
4. Key issues: Compliance with Planned Unit Development (PUD) criteria and with zoning standards for a school use.

**RECOMMENDATION:**

Planning and Community Development: Approve with conditions  
Hearing Examiner: Approve with conditions

**PUBLIC HEARING:**

The Hearing Examiner held a public hearing on the application on July 7, 2011, in City Council Chambers, Kirkland City Hall, 123 Fifth Avenue, Kirkland, Washington. A verbatim recording of the hearing is available at the City Clerk's office. The minutes of the hearing and the exhibits are available for public inspection at the Planning and Community Development Department. The Examiner viewed the site on July 7, 2011, prior to the hearing.

**FINDINGS OF FACT AND CONCLUSIONS:**

Having considered the evidence in the record and after viewing the site, the Hearing Examiner enters the following Findings of Fact and Conclusions:

1. The Findings of Fact and Conclusions set forth in Section II of Exhibit A, PCD Advisory Report, are adopted by reference as the Hearing Examiner's Findings and Conclusions.
2. If and when the School District determines that it is necessary to place portables on the site, it would be required to obtain a building permit. At that time, the design of the portables would be reviewed for consistency with recommended Condition 4 (Exhibit A, Section I.B).
3. A property owner who resides a block away from the site submitted written comments (Exhibit A, Attachments 8 and 9) and testified at hearing, objecting to the proposal and identifying a number of concerns with the project. Although the proposal obviously represents a change from the current development at the site, the proposal's

**Hearing Examiner Recommendation**  
**File No. ZONO11-00003**  
**A.G. Bell Master Plan and PUD**  
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impacts are reasonably addressed by the project's design, the City's Codes, and the conditions placed on the project.

4. A property owner directly north of the site noted at hearing that he would like the City to contact him regarding the project's fencing along that property line. He noted that there are some trees on his property near the property line that he would be willing to have removed, if removal of the trees would allow the school to install a new fence rather than utilizing the existing chain link fence. The Department noted that the City could contact the owner prior to the installation of the fence.

5. The proposal would meet the applicable criteria and should be approved.

**RECOMMENDATION:**

Based on the foregoing findings of fact and conclusions, the Hearing Examiner recommends that the City Council approve the Master Plan and PUD with the conditions set forth in Section I.B of Exhibit A, PCD Advisory Report.

Entered this 12<sup>th</sup> day of July, 2011.



\_\_\_\_\_  
Anne Watanabe  
Hearing Examiner

**SUBSEQUENT MODIFICATIONS**

Modifications to the approval may be requested and reviewed pursuant to the applicable modification procedures and criteria in effect at the time of the requested modification.

**CHALLENGES AND JUDICIAL REVIEW**

The following is a summary of the deadlines and procedures for challenges and appeals. Any person wishing to file or respond to a challenge or appeal should contact the Planning Department for further procedural information.

**A. CHALLENGE**

Section 152.85 of the Zoning Code allows the Hearing Examiner's recommendation to be challenged by the applicant or any person who submitted written or oral comments or testimony to the Hearing Examiner. A

**Hearing Examiner Recommendation****File ZONO11-00003****A.G. Bell Master Plan and PUD****Page 4 of 5**

party who signed a petition may not challenge unless such party also submitted independent written comments or information. The challenge must be in writing and must be delivered, along with any fees set by ordinance, to the Planning Department by 5:00 p.m., \_\_\_\_\_, seven (7) calendar days following distribution of the Hearing Examiner's written recommendation on the application. Within this same time period, the person making the challenge must also mail or personally deliver to the applicant and all other people who submitted comments or testimony to the Hearing Examiner, a copy of the challenge together with notice of the deadline and procedures for responding to the challenge.

Any response to the challenge must be delivered to the Planning Department within seven (7) calendar days after the challenge letter was filed with the Planning Department. Within the same time period, the person making the response must deliver a copy of the response to the applicant and all other people who submitted comments or testimony to the Hearing Examiner.

Proof of such mail or personal delivery must be made by affidavit, available from the Planning Department. The affidavit must be attached to the challenge and response letters, and delivered to the Planning Department. The challenge will be considered by the City Council at the time it acts upon the recommendation of the Hearing Examiner.

**B. JUDICIAL REVIEW**

Section 152.110 of the Zoning Code allows the action of the City in granting or denying this zoning permit to be reviewed in King County Superior Court. The petition for review must be filed within twenty-one (21) calendar days of the issuance of the final land use decision by the City.

**LAPSE OF APPROVAL**

The applicant must submit to the City a complete building permit application approved under KZC Chapter 125 within four (4) years after approval of the Final PUD, or the lapse provisions of Section 152.115 will apply. Furthermore, the applicant must substantially complete construction approved under Chapter 125 and complete the applicable conditions listed on the Notice of Approval within six (6) years after approval of the Final PUD, or the decision becomes void.

**TESTIMONY:**

The following persons testified at the public hearing:

Jon Regala, Senior Planner  
Ralph Rohwer, Lake Washington School District  
Noah Greenburg, Project Architect  
George Braslaw  
Lance Babcock

**Hearing Examiner Recommendation**  
**File No. ZONO11-00003**  
**A.G. Bell Master Plan and PUD**  
**Page 5 of 5**

**EXHIBITS:**

The following exhibits were entered into the record:

Exhibit A, Department's Advisory Report with Attachments 1-25

**PARTIES OF RECORD:**

Lake Washington School District: Sean Ryan and Ralph Rohwer  
Noah Greenberg, DLR Group

Citizens on Parties of Record list

Department of Planning and Community Development

Department of Public Works

Department of Building and Fire Services

**HEARING EXAMINER RECOMMENDED CONDITIONS OF APPROVAL**  
**BASED ON SECTION I.B – RECOMMENDATIONS**  
**OF EXHIBIT A - DATED JUNE 22, 2011**

Based on Statements of Fact and Conclusions (Section II), and Attachments in this report, I/we recommend approval of this application subject to the following conditions:

1. This application is subject to the applicable requirements contained in the Kirkland Municipal Code, Zoning Code, and Building and Fire Code. It is the responsibility of the applicant to ensure compliance with the various provisions contained in these ordinances. Attachment 4, Development Standards, is provided in this report to familiarize the applicant with some of the additional development regulations. This attachment does not include all of the additional regulations. When a condition of approval conflicts with a development regulation in Attachment 4, the condition of approval shall be followed (see Conclusion II.I.b).
2. As part of the application for a Building Permit and/or Grading Permit the applicant shall submit plans and/or documents which reflect the identified benefits as depicted in Attachments 2 and 3 and revised as follows (see Conclusion II.F.2.d.2):
  - 1) The pedestrian trails located within the wetland and wetland buffer shall remain as natural walking trails. The portion of the trails which are shown on the City of Kirkland Juanita Neighborhood Walking Loop Map shall be recorded on the property with King County as a public pedestrian easement. The walkways shall be signed to reflect that they are public walkways and shall include a pedestrian map.
  - 2) The applicant shall install wetland interpretive signage near the wetland and wetland trails. The location, number, and information to be placed on the signs shall be approved by the Department of Planning and Community Development and installed prior to occupancy of the new school.
  - 3) The applicant shall record a Native Growth Protection Easement on the property which encompasses the woodlands to be preserved in addition to the existing wetland and wetland buffer area.
3. As part of the application for a Building Permit and/or Grading Permit the applicant shall submit:
  - a. A revised landscape plan that includes:
    - Additional landscaping along the northern driveway and bus loop to fill any gaps between the top of the wooden fence and bottom of the existing tree canopy. The additional landscaping shall provide a visual screen from bus traffic to adjoining properties to the north (see Conclusion II.G.2.b).

- Additional plantings where Landscape Buffer Standard 2 is currently not being met along the north and east property lines (see Conclusion II.G.5.b).
  - A six-foot tall solid screening wooden fence installed on the north and east property lines. Privacy slats in the existing chain link fence shall be allowed in cases where installation of a new wooden fence will significantly impact existing mature trees. The City Urban Forester shall review and approve such situations on a case-by-case basis (See Conclusion II.G.5.b).
- b. A site plan that shows a minimum of 62 onsite parking stalls during construction and 68 onsite parking stalls at project completion (see Conclusion II.G.4.b).
- c. Landscape, site, and grading plans that are consistent with the approved Tree Retention Plan in Attachment 5. The applicant's arborist shall be on-site for root pruning/monitoring when improvements are being installed within the limits of disturbance of retained trees (see Conclusion II.G.6.b).
- d. A site plan and detailed plans that shows compliance with KZC Section 105.18.2 (Pedestrian Access) and KZC Section 105.19.3 (Public Pedestrian Walkways). The through-block pathway location and design shall be designed as recommended by Public Works in Attachment 4 (see Conclusion II.G.8.b).
4. When portables are installed, their design shall be consistent with the architectural style of the new school buildings in terms of color and materials. In addition, the roof form of the portables shall be similar to the roof form of the main school building as viewed from the NE 112<sup>th</sup> Street right-of-way. Alternatively, the portable buildings shall be relocated elsewhere on the subject property where they are not visible from NE 112<sup>th</sup> Street (see Conclusion II.G.1.b).
5. Building and grading permit plans shall be consistent with the proposed parking and student drop-off/pickup configuration shown in Attachment 2, Sheet L1.0. In addition, the school is required to do the following (see Conclusion II.G.2.b):
- Notify parents about the vehicular circulation changes prior to the 2011-2012 school year
  - Provide additional staff/flagger in the temporary parking lot/drop-off and pickup area during the first three weeks of school
  - Provide an off-duty police officer during the first two weeks of school
  - Implement alternative measures if the school determines there is too much congestion or if the City receives complaints as a result of the new temporary driveway design. Alternate measures include: having parents drop off their children earlier, having more children take the bus, and/or having parents walk their children to school during the construction period

ORDINANCE NO. 4318

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE APPROVAL OF A PRELIMINARY AND FINAL PUD AS APPLIED FOR BY THE LAKE WASHINGTON SCHOOL DISTRICT IN DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. ZON11-00003 AND SETTING FORTH CONDITIONS OF SAID APPROVAL.

WHEREAS, the Department of Planning and Community Development has received an application, pursuant to Process IIB, for a Preliminary and Final Planned Unit Development (PUD) filed by the Lake Washington School District as Department of Planning and Community Development File No. ZON11-00003 to demolish an existing elementary school and then construct a new elementary school with associated parking at the Alexander Graham Bell Elementary School site, all within an RS 8.5 zone; and

WHEREAS, pursuant to the City of Kirkland's Concurrency Management System, Kirkland Municipal Code ("KMC") Title 25, a concurrency application has been submitted to the City of Kirkland, reviewed by the responsible Public Works official, the concurrency test has been passed, and a concurrency test notice issued; and

WHEREAS, pursuant to the State Environmental Policy Act, RCW 43.21C and the Washington Administrative Code Chapter 197-11, the Lake Washington School District, serving as lead agency, reviewed the environmental checklist and issued a determination of non-significance on this action; and

WHEREAS, said environmental checklist and determination have been available and accompanied the application through the entire review process; and

WHEREAS, the application was submitted to the Kirkland Hearing Examiner who conducted a public hearing at a regular meeting on July 7, 2011; and

WHEREAS, the Kirkland Hearing Examiner after the public hearing and consideration of the recommendations of the Department of Planning and Community Development adopted certain Findings, Conclusions and Recommendations and recommended approval of the Process IIB Permit subject to the specific conditions set forth in said recommendations; and

WHEREAS, the City Council, in regular meeting, considered the environmental documents received from the responsible official, together with the recommendation of the Hearing Examiner; and

WHEREAS, the Kirkland Zoning Ordinance requires approval of this application for PUD to be made by ordinance.

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

Section 1. The Findings, Conclusions, and Recommendations of the Kirkland Hearing Examiner as signed by her and filed in the Department of Planning and Community Development File No. ZON11-00003 are adopted by the Kirkland City Council as though fully set forth herein.

Section 2. After completion of final review of the PUD, as established in Sections 125.50 through 125.75 of the Kirkland Zoning Code ("KZC"), the Process IIB Permit shall be issued to the applicant subject to the conditions set forth in the Recommendations hereinabove adopted by the City Council.

Section 3. Nothing in this ordinance shall be construed as excusing the applicant from compliance with any federal, state or local statutes, ordinances or regulations applicable to this project, other than expressly set forth herein.

Section 4. Failure on the part of the holder of the permit to initially meet or maintain strict compliance with the standards and conditions to which the Process IIB Permit is subject shall be grounds for revocation in accordance with the KZC.

Section 5. This ordinance shall be in full force and effect five (5) days from and after its passage by the Kirkland City Council and publication, pursuant to KMC Section 1.08.010.

Section 6. A complete copy of this ordinance, including Findings, Conclusions and Recommendations adopted by reference, shall be certified by the City Clerk, who shall then forward the certified copy to the King County Department of Assessments.

Section 7. A certified copy of this ordinance, together with the Findings, Conclusions, and Recommendations herein adopted shall be attached to and become a part of the Process IIB Permit.

PASSED by majority vote of the Kirkland City Council in open meeting this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

SIGNED IN AUTHENTICATION THEREOF on this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to Form:

\_\_\_\_\_  
City Attorney