



CITY OF KIRKLAND CITY COUNCIL

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

Vision Statement

Kirkland is one of the most livable cities in America. We are a vibrant, attractive, green and welcoming place to live, work and play. Civic engagement, innovation and diversity are highly valued. We are respectful, fair, and inclusive. We honor our rich heritage while embracing the future. Kirkland strives to be a model, sustainable city that values preserving and enhancing our natural environment for our enjoyment and future generations.

123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • TTY Relay Service 711 • www.kirklandwa.gov

AGENDA KIRKLAND CITY COUNCIL MEETING City Council Chamber Tuesday, August 16, 2016 6:00 p.m. – Study Session 7:30 p.m. – Regular Meeting

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

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

PLEASE CALL 48 HOURS IN ADVANCE (425-587-3190) if you require this content in an alternate format or if you need a sign language interpreter in attendance at this meeting.

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

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
 - a. Utility Rates – Part 1
4. *EXECUTIVE SESSION*
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
 - a. StormReady
8. *CONSENT CALENDAR*
 - a. *Approval of Minutes:* July 19, 2016

***QUASI-JUDICIAL MATTERS**

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

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

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

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

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

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

- c. General Correspondence*

- d. Claims*

- e. Award of Bids*

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

- (1) 2015 Pedestrian Safety Improvements Project, Sierra Pacific Construction, LLC, Maple Valley, WA

- g. Approval of Agreements*

- h. Other Items of Business*

- (1) Resolution R-5202, Adopting the 2014 Streets Levy Accountability Report for Proposition 1 – Streets and Pedestrian Safety Levy.
- (2) Resolution R-5203, Adopting the 2015 Park Levy Accountability Report for Proposition 2 – Parks Maintenance, Restoration and Enhancement Levy.
- (3) 2015 Annual Transportation and Park Impact Fees Report
- (4) Building and Property Reserve Use
- (5) City Hall South Parking Lot - Reject Bids
- (6) Resolution R-5204, Relinquishing Any Interest the City May Have, Except for a Utility Easement, in an Unopened Right-Of-Way as Described Herein and Requested by Property Owners Anatolie Gavriiuc and Angela Baltaga.
- (7) Library Board Resignation
- (8) Report on Procurement Activities

- 9. PUBLIC HEARINGS*

- 10. UNFINISHED BUSINESS*

- 11. NEW BUSINESS*

- a. Ordinance O-4528, Relating To Land Use and Zoning and Amending Kirkland Zoning Code Chapter 115. (marijuana buffer requirements)*
- b. Ordinance O-4529, Prohibiting Parking in Bicycle Lanes.*

CITY COUNCIL COMMITTEE

agendas and minutes are posted on the City of Kirkland website, www.kirklandwa.gov.

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.

c. Kirkland Community Foundation Feasibility Study

12. REPORTS

a. *City Council Regional and Committee Reports*

b. *City Manager Reports*

(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

MEMORANDUM

To: Kurt Triplett, City Manager

From: John MacGillivray, Solid Waste Programs Supervisor
Nancy Otterholt, Senior Accountant
Kathy Brown, Public Works Director
Tracey Dunlap, Deputy City Manager

Date: August 4, 2016

Subject: UTILITY RATES, PART I

RECOMMENDATION

City Council receives an overview of the rate-setting process and major assumptions applying to all utilities as background for the Part II rate setting discussions that will follow in September.

BACKGROUND

Overview

In preparation for the budget process, City staff has been updating the utility rate projections for 2017-2018 for all four City utilities (water, sewer, surface water and solid waste). Consultants assisted with the process as needed and the recommendations for each utility will be presented to the City Council at the September 20, 2016 meeting. At the August 16, 2016 study session, a general overview of the rate-setting process will be presented as context for all of the rate results. A copy of the PowerPoint slides for the process overview is included as Attachment A. In addition, staff will present information on the major assumptions that apply to all utilities, as described below.

2017-2018 UTILITY RATE ASSUMPTIONS

Wholesale Price Increases Passed Through to Customers

Water:

- **Cascade Water Alliance (CWA):** Rate increases proposed by CWA for Kirkland are 2.73% in 2017 and 2.5% in 2018. Key factors contributing to the rate increases are debt service and operating costs. A copy of the PowerPoint prepared by CWA is included as Attachment B.

Sewer:

- **King County Metro (KC):** Rate increases adopted by KC are 5.21% in 2017 and no increase in 2018. A key factor contributing to the rate increase is the goal of reducing outstanding debt. A letter from King County Executive Dow Constantine to the King County Council addressing the rate increase is included as Attachment C.

Solid Waste:

- **Disposal Fee Increase:** The King County Council is proposing an increase in its cost-per-ton disposal fee paid to King County of 14.6%. Key factors contributing to the rate increase includes debt service on the new Factoria Transfer Station, landfill development and reserve, and a demand management study. A summary of the rate proposal which was transmitted to the Metropolitan King County Council is included as Attachment D.
- **Solid Waste Cost-of-Living Increase:** The 2017 rates include a 1.99% cost-of-living increase paid to WMI for collection per the terms of our solid waste contract. The cost-of-living increase estimated for 2018 is 2.46%.

Capital Funding

The rates that will be proposed for Water, Sewer, and Surface Water include system reinvestment funding to provide reserves for current and future infrastructure needs, as described in Attachment A. The recommended rates will continue to make progress toward the target funding.

Service Package for Water and Sewer

There is one service package under consideration that would apply to the water and sewer utilities (the figures shown would be additive to the budget of both utilities):

- Currently new employee Commercial Driver License (CDL) training is provided in-house on an as-needed basis by an employee who has other regular job duties. Providing training in this manner takes time away from the trainer to do their regular job duties and less maintenance is accomplished. This service package allows the training and testing to be done by an external 3rd party contractor, which has the added benefit of reducing the City's risk associated with any future issues with the CDL. The impact would be ongoing at \$5,000 in 2017 and 2018.

This service package does not change the proposed rates the Council will see in September, but because it is a change of practice and an efficiency, we wanted the Council to be aware of the change.

Maintain or Reduce the Commercial/Multifamily to Residential Cross Subsidization

Periodically, in-depth reviews of how costs should be allocated to customer classes given their demands and service needs are done. These reviews show that Kirkland's existing rate structure generates revenue from multifamily/commercial customers that exceeds the multifamily/commercial cost of service, creating a subsidy for single family residential customers. This cross subsidy has been in existence for many years. The Council has adopted

previous utility rates with the goal of reducing this subsidy gradually over time. The proposed Water, Sewer, and Solid Waste 2017-18 rate increases continue progress towards this goal. The rates are proposed to be higher for residential customers compared to commercial and multifamily customers in order to further reduce the cross-subsidy.

SUMMARY AND NEXT STEPS

Initial rate projections were presented to the Finance and Administration Committee on July 22, 2016. The proposed rates will be presented to the Council at the September 20, 2016 meeting.

Based on Council feedback and direction, the final rates will be brought to the Council for adoption at the October 4, 2016 meeting. Please note that, based on customer notification requirements established by state law, Council action must be taken on Solid Waste rates on or before the October 18 City Council meeting in order for the rates to be effective January 1, 2017.

Rates Adoption Timeline

<u>Month/Date</u>	<u>Task</u>	<u>Status</u>
July 22	Finance & Administration Committee	Complete
August 16	City Council Study Session, Utility Rates Part I	Pending
September 20	City Council Meeting, Proposed Utility Rate Review	Pending
October 4	City Council Meeting, Utility Rate Ordinance/Adoption	Pending
October 18	Deadline to pass Solid Waste rates ordinance	Pending

Attachment A: Utility Rate Process Review PowerPoint

Attachment B: CWA Rate Proposal PowerPoint

Attachment C: King County Metro Rate Letter

Attachment D: King County Disposal Fee Rate Proposal

Utility Rates 101

Purpose

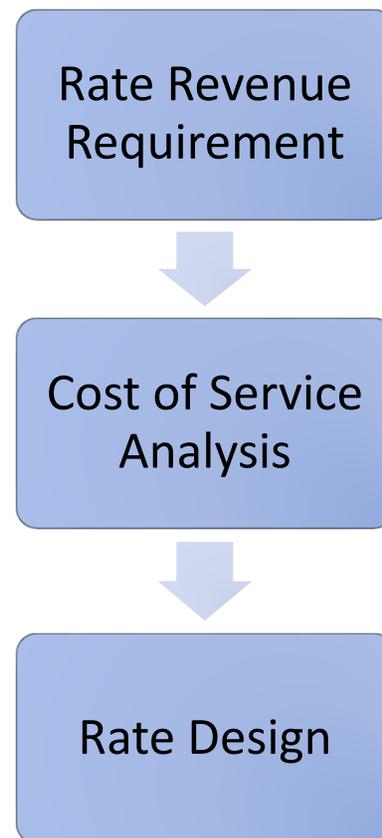
Overview of Process Applied to All Utilities:

- Solid Waste
- Surface Water
- Sewer
- Water

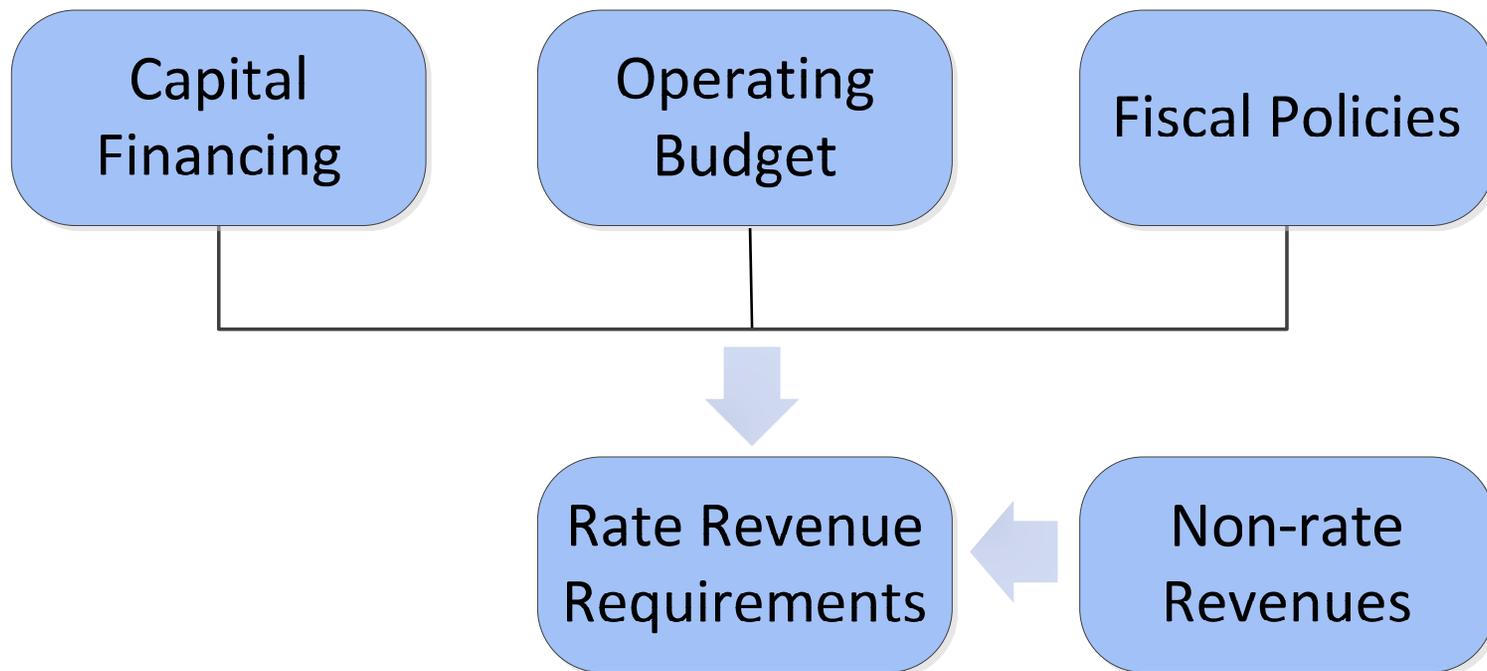
Review Assumptions that Apply to All Utilities

Provide Context for Results for each Utility

Key Process Steps



Rate Revenue Requirements



Capital Financing

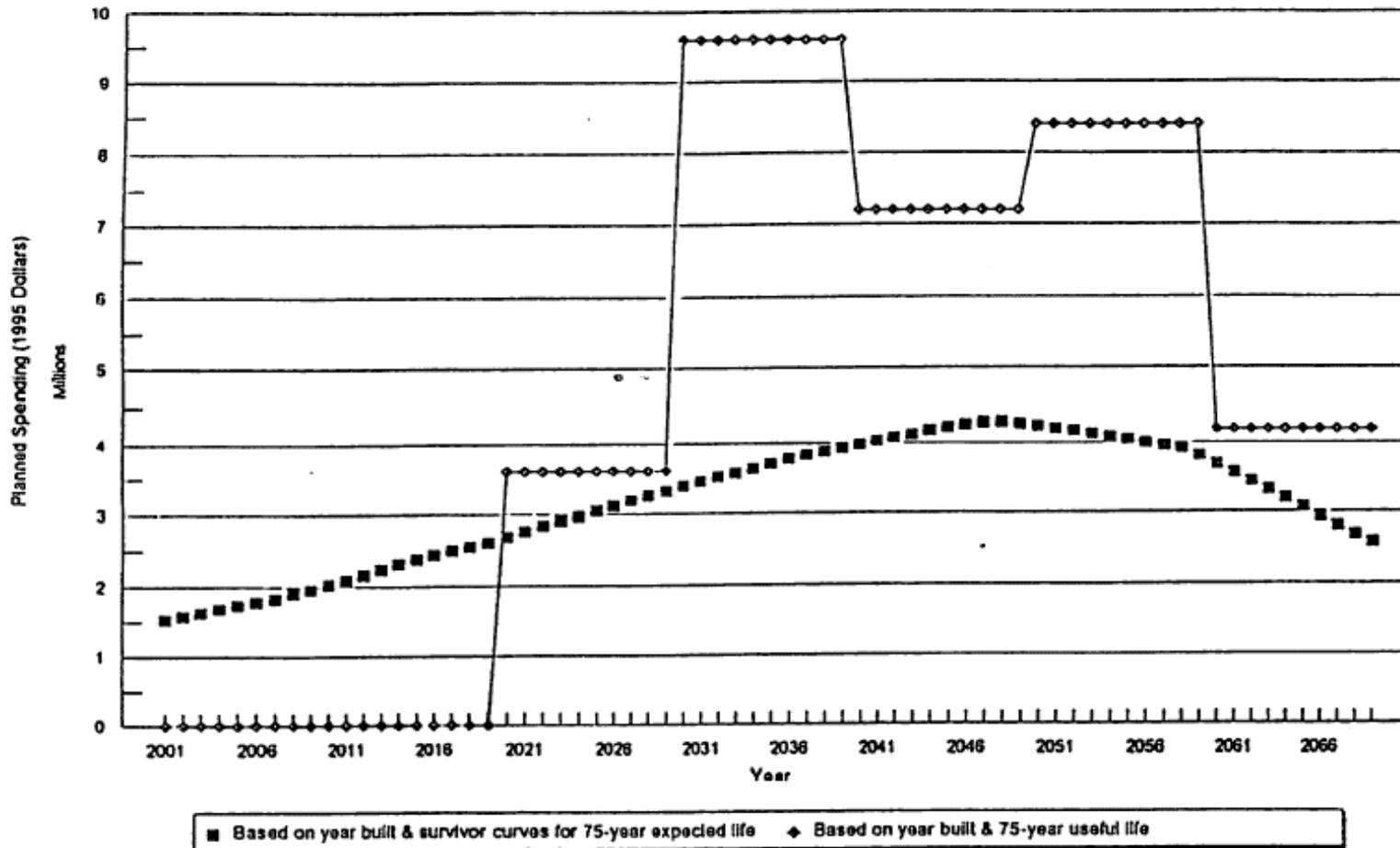
Depreciation is an accounting measure of the “consumption” of assets; generating capital funding capacity using depreciation as a base helps keep capital impacts on rates regular and predictable

Based on 2008 study, minimum system reinvestment target for each utility (except solid waste, which has no capital assets) is based on a multiplier of the annual depreciation expense (2016 projection shown):

- Water – 1.25 times annual depreciation expense of \$1.45 million
- Sewer – 1.65 times annual depreciation expense of \$1.44 million
- Surface Water – 1.0 times annual depreciation expense of \$1.48 million

These funding rates have been phasing in over time and the long-term financing plan assumes that up to 25% of system reinvestment could be funded by debt

Water Main Replacement Spending Example



Capital Facilities Charges

Capital facilities charges (CFCs) on new development also help to fund system expansion

CFC is a one-time charge to new development based on the utilities' existing and planned investment in plant-in-service

Revenues are applied to projects as part of the capital financing analysis

CFCs are for funding capital projects in the City's utilities; there are also regional connection charges that are passed through to wholesale service providers:

- RCFCs for water supply to Cascade Water Alliance
- Capacity charge for wastewater treatment to King County Wastewater Division

Fiscal Policies - Reserves

	Water	Sewer	Surface Water	Solid Waste
Working Capital To recognize normal cyclical fluctuations in annual cash flow	45 days of O&M expense	45 days of O&M expense	180 days of O&M expense	30 days of O&M expense
Operating Contingency To protect against adverse financial performance due to revenue/expense variations	12% of O&M expense	12% of O&M expense	Not Applicable	Not Applicable
Capital Contingency To provide a hedge against unanticipated system failure/cost over-runs	10% of 6-year CIP	10% of 6-year CIP	10% of 6-year CIP	Not Applicable

Operating Budget & Non-Rate Revenue

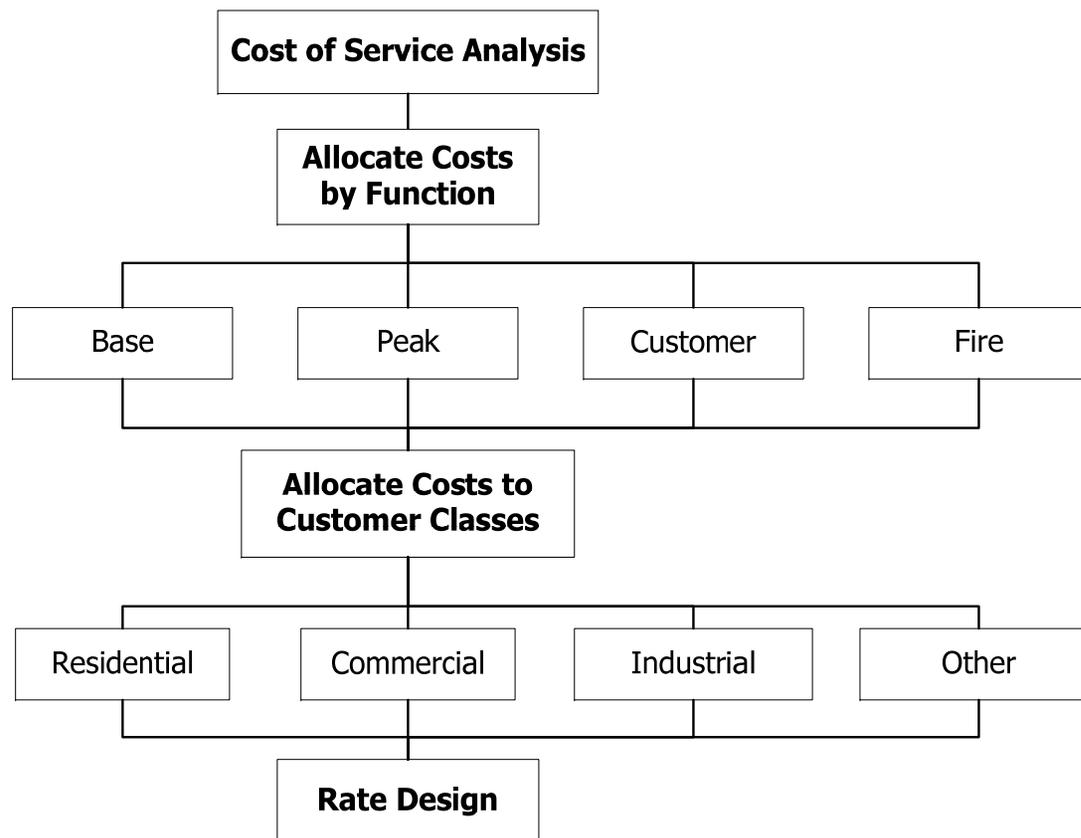
Preliminary rate results reflect the operating budget, recommended service packages, and debt service (if applicable)

To determine the amount of revenue needed from rates, non-rate revenues are subtracted from the total needs, including:

- Operating grants
- Interest earnings on operating balances
- Penalties
- Miscellaneous fees and charges

The rate revenue requirement is then compared to the revenue generated by current rates to determine the overall percentage rate increase needed

Cost of Service Analysis & Rate Design



Functional Cost Allocation

Cost of service analysis allocates costs to the functions they serve based on the system design criteria and cost causation.

As an example, for water:

- Base usage
- Peak usage
- Customer costs
- Fire protection

Allocation to Customer Classes

Functional costs are then allocated to customer classes by the demand they place on those functions, for example:

- Base costs are allocated based on year-round demands
- Residential and irrigation customers contribute most to peak period usage
- Customer costs are generally distributed by number of customers and/or meter size
- Fire protection costs are allocated based on the design of facilities to provide the different flow and duration for different types of land use

Functional allocation is simpler for sewer: collection (City costs) and treatment (King County Wastewater charge)

Surface water rates are collected on an equivalent service unit basis

Solid waste rates are not based on the cost of service, but instead reflect a conservation pricing signal

Rate Design

Rate design is how the costs are collected from customers within each customer class

Generally,

- Water rates consist of fixed charges and volume based charges
- Sewer rates consist of fixed charges and volume based charges
- Surface water rates are collected by equivalent service unit (based on the average impervious surface area of single family)
- Solid waste rates vary based on container size and frequency of pick up

Summary

The total revenue to be collected from rates is based on operating costs, capital funding, and fiscal policy choices

The percentage increase in overall rate revenue might vary from the rate increases individual customers might experience due to:

- Differences in demands that each customer class put on the system
- Differences in rate structures
- Policy decisions reflected in rates



Board of Directors
2017-2018 Budget & Rates Presentation
June 22, 2016

2015-2016 budget process

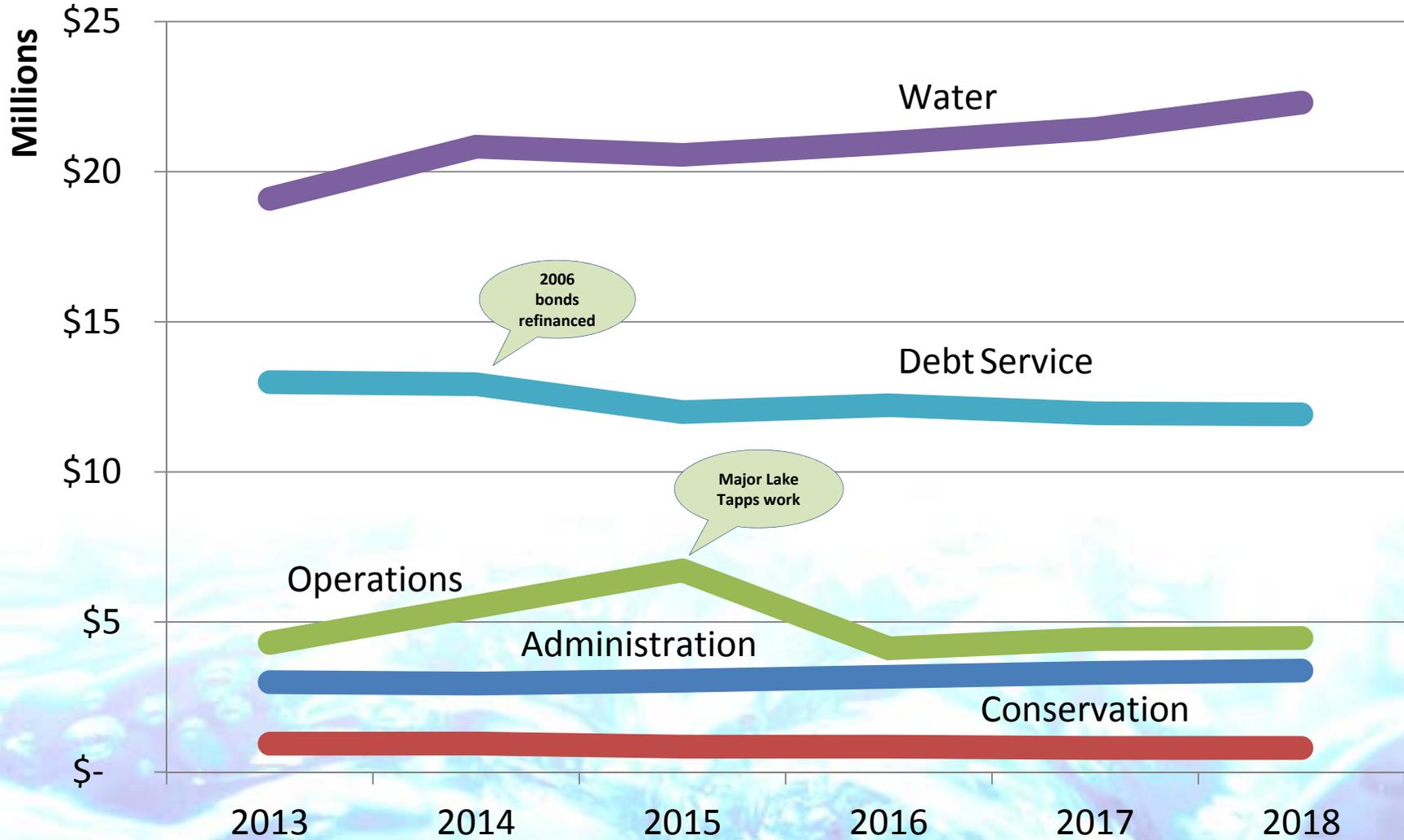
Feb.	March	April	May	June	July	Aug.	Sept.
	Staff identifies budget drivers, prepares draft budget, and develops performance measures			Presentation to Board of policies, forecast, and high-level budget & rates		Reviews and refinements with member staff	Budget & rates adoption
	Strategic plan review with Board; set general policy directions	Review fiscal policies with Board	Finance & Management Committee and member staff budget & rates reviews			Finance & Management Committee final review and Board update	
			Member data due				

2017-2018 budget process

Feb.	March	April	May	June	July	Aug.	Sept.
2015 through Feb. 2016: update of strategic goals & performance measures	Staff identifies budget drivers and prepares draft budget			Presentation to Board of policies, forecast, and high-level budget & rates		Reviews and refinements with member staff; budget & rates "locked in" July 1	Budget & rates adoption
	Strategic plan review with Board; set general policy directions	Review fiscal policies with Board (Comm. of the Whole)	Finance & Management Committee and member staff budget & rates reviews		Finance & Management Committee final review and Board update		
	Member data due March 15						



Operating Budget Trends





Operating Budget Cumulative Trend 2013 to 2018

Area	5-Yr Change	Drivers
Administration	12.8% <i>(6.1% if Contingency not included)</i>	Legal fees – added complexity (up \$79k) Additional insurance coverage (up \$80k) Local office rent market increases (up \$78k) Contingencies – vacation buyout & merit (up \$200k)
Conservation	-15.0%	Program reductions (down \$142k)
Operations	3.7%	White River – Lake Tapps operator contract (up \$700k; other costs down \$375k)
Water contracts	16.7%	Seattle water contract (up \$3.2m)
Debt service	-8.3%	Reduction following 2006 bonds refinancing in 2014 (down \$1.1m)
TOTAL	6.3%	Net change over five years: up \$2.7 million



Member Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017-2022	2023-2025	2026
Actual	7.5%	7.5%	6.0%	6.0%	3.75%	3.0%	2.75%	2.75%			
Projected									3.0%	4.0%	3.0%

Administrative Charges as Percent of All Charges (except RCFC)

2013	2014	2015	2016	2017	2018
8.2%	8.7%	8.5%	8.3%	8.8%	8.7%

Note: Policy limit is 9.0%.



Capital Improvement Program (CIP)

CIP Projects	2017	2018	2019	2020	2021	2022	2023	2017 - 2023 Total
Upper conveyance projects			\$ 285,000	\$ 500,000				\$ 785,000
Lake Tapps reservoir ongoing piezometers & dike improvements	\$ 200,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 900,000
Lower conveyance projects	\$ 100,000	\$ 240,000				\$1,950,000		\$ 2,290,000
Security and SCADA	\$ 300,000	\$ 100,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,100,000
Facilities: roofs, planking, decking, etc.	\$ 65,000	\$ 70,000	\$ 100,000	\$ 275,000	\$ 190,000			\$ 700,000
Equipment	\$ 95,000	\$ 50,000	\$ 50,000		\$ 50,000		\$ 50,000	\$ 295,000
Bellevue-Issaquah Pipeline improvements		\$ 50,000		\$ 100,000		\$ 100,000		\$ 250,000
Capital risk	\$ 550,000	\$ 750,000	\$ 1,000,000	\$ 1,450,000	\$ 1,500,000	\$ 750,000	\$1,500,000	\$ 7,500,000
SUBTOTAL	\$1,310,000	\$ 1,460,000	\$ 1,835,000	\$ 2,525,000	\$ 1,940,000	\$3,000,000	\$1,750,000	\$13,820,000
Tacoma agreement	\$5,412,161	\$ 5,520,404	\$ 5,630,812	\$ 5,743,428	\$ 5,858,297	\$5,630,812	\$5,743,428	\$39,539,343
Seattle contract		\$12,000,000						\$12,000,000
TOTAL CIP	\$6,722,161	\$18,980,404	\$ 7,465,812	\$ 8,268,428	\$ 7,798,297	\$8,630,812	\$7,493,428	\$65,359,343



Breakdown of Cascade Rate Increase 2016 to 2017

Item	Dollars	Percent
Seattle water	\$ (23,558)	-0.06%
Operating expenses	306,954	0.84%
Administration	129,417	0.35%
Conservation	(46,276)	-0.13%
Rate-funded R&R	36,110	0.10%
Increased debt service from rates	840,740	2.30%
Rate smoothing	(146,816)	-0.40%
TOTAL	\$ 1,096,491	3.00%

Note: Increase in rate-funded debt service is primarily a consequence of the transition in use of RCFCs from debt repayment to direct capital funding. This is also consistent with meeting capital needs without borrowing during the next 5 years.



2017 Charges

2016 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total
Bellevue	\$ 1,272,906	\$ 347,005	\$ 17,740,677	\$ 19,360,588
Issaquah	\$ 229,060	\$ 62,444	\$ 969,015	\$ 1,260,518
Kirkland	\$ 364,378	\$ 99,332	\$ 4,663,342	\$ 5,127,052
Redmond	\$ 596,715	\$ 162,670	\$ 5,619,909	\$ 6,379,294
Sammamish Plateau WSD	\$ 421,245	\$ 114,835	\$ 928,732	\$ 1,464,811
Skyway Water & Sewer District	\$ 71,468	\$ 19,483	\$ 341,881	\$ 432,831
Tukwila	\$ 147,740	\$ 40,275	\$ 2,336,590	\$ 2,524,605
Total	\$ 3,103,511	\$ 846,043	\$ 32,600,146	\$ 36,549,700

2017 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total	Increase Over 2016 Charges
Bellevue	\$ 1,325,012	\$ 320,766	\$ 17,746,629	\$ 19,392,407	0.16%
Issaquah	\$ 279,842	\$ 67,746	\$ 1,362,252	\$ 1,709,839	35.65%
Kirkland	\$ 377,698	\$ 91,435	\$ 4,798,055	\$ 5,267,189	2.73%
Redmond	\$ 635,220	\$ 153,777	\$ 5,935,965	\$ 6,724,962	5.42%
Sammamish Plateau WSD	\$ 450,658	\$ 109,098	\$ 940,516	\$ 1,500,271	2.42%
Skyway Water & Sewer District	\$ 75,624	\$ 18,307	\$ 368,039	\$ 461,971	6.73%
Tukwila	\$ 159,606	\$ 38,638	\$ 2,391,306	\$ 2,589,551	2.57%
Total	\$ 3,303,661	\$ 799,767	\$ 33,542,762	\$ 37,646,190	3.00%

Note: The service area transfer (with corresponding charges and revenues) between Bellevue and Issaquah materially alters their respective increases. Absent that transfer, total increases would have been 1.8% for Bellevue and 12.5% for Issaquah, with the remainder of the adjustments attributable to the transfer.

**King County****Dow Constantine**

King County Executive
401 Fifth Avenue, Suite 800
Seattle, WA 98104-1818

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TTY Relay: 711
www.kingcounty.gov

April 26, 2016

Pam Carter
Chair, Metropolitan Water Pollution
Abatement Advisory Committee
c/o King County Wastewater Treatment Division
201 S Jackson St., MS KSC-NR-0501
Seattle, WA 98104

Dear Ms. Carter:

Thank you for your March 23, 2016, letter on behalf of the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC), which provided recommendations on the Wastewater Treatment Division's (WTD) 2017 sewer rate proposal.

Over the last year, at MWPAAC's suggestion, WTD's Finance staff evaluated financial debt practices to assess levels of debt and the impacts to ratepayers. The 2017 sewer rate proposal incorporates MWPAAC's recommendations regarding WTD's capital financing and levels of current and future debt.

On April 20, the 2017 sewer rate proposal was submitted to the County Council, which will result in less future debt. This proposal not only reduces total debt by \$582 million by 2030; the proposed 5.2 percent rate increase is also the lowest two-year rate increase since 2001. While implementing these changes, WTD projects an average annual rate increases of only 2.6 percent from 2017 through 2030.

With your continued involvement and support, I am confident that we can successfully sustain WTD's environmental mission while also carefully managing costs and strengthening its financial capacity for future challenges. MWPAAC's continued commitment to a partnership with WTD for effective wastewater management is very important.

Pam Carter
April 26, 2016
Page 2

If you have any questions regarding the 2017 rate and capacity charge proposal, please contact Sharman Herrin, Government Relations Administrator in the WTD in the Department of Natural Resources and Parks, at 206-477-5376 or sharman.herrin@kingcounty.gov.

Sincerely,

A handwritten signature in black ink that reads "Dow Constantine". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

Dow Constantine
King County Executive

cc: Metropolitan Water Pollution Abatement Advisory Committee Members
Dwight Dively, Director, Office of Performance, Strategy and Budget
Christie True, Director, Department of Natural Resources and Parks (DNRP)
Gunars Sreibers, Acting Division Director, Wastewater Treatment Division (WTD),
DNRP
Tim Aratani, Finance Manager, WTD, DNRP

Executive Proposed Solid Waste Disposal Fees for 2017-2018

June 30, 2016

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Executive Proposed Solid Waste Disposal Fees for 2017 and 2018

Executive Summary

The King County Solid Waste Division operates eight transfer stations, the Cedar Hills regional landfill, and waste prevention and recycling programs for the unincorporated area and 37 partner cities. The division is proposing an increase in its basic rate (tipping fee) from \$120.17 to \$137.75 per ton for 2017 and 2018. Other King County solid waste rates and fees are unchanged except for those set as a percent of the basic rate. The system wide average effect on single-family curbside customers would be about \$0.94 per month, representing a five percent increase on a \$20 monthly bill, which is in the mid-range of bills charged in partner cities and the unincorporated area.

The current rate was adopted for 2013-2014, with an increase scheduled for 2015-2016. While the impacts of the recent recession were reverberating through the economy, the Solid Waste Division pursued efficiencies and deferred facility maintenance and equipment replacement to make the two-year rate last four years, and give the economy and consumers time to more robustly and sustainably recover. Had rates increased as planned in 2015, customers would have paid \$22 million more during the 2015-2016 biennium. The cost of current services has increased over the past four years and further deferral of investments in equipment and operations would have significant adverse impacts to the solid waste system. The proposed 2017-2018 rate will provide revenue needed to sustain current services, help catch-up on deferred system investments, and adapt to a rapidly changing industry.

The new rate will primarily fund the increased cost of current services, including waste transfer, disposal, and waste prevention and recycling programs, while maintaining fundamental support services, such as human resources, finance, and system-wide planning conducted in conjunction with partner cities. The rate also repays new debt for construction of previously approved new transfer stations at Factoria and South County.

In addition to sustaining current services, new spending is proposed to:

- **Enhance service reliability** including upgrading the transfer station cashiering system, improving wastewater systems at Cedar Hills to ensure continued regulatory compliance, education costs and operational changes required to implement new recycling requirements for transfer station self-haulers, and completing new development in Area 8 to extend the life of Cedar Hills.
- **Implement the Equity and Social Justice (ESJ) Initiative and the Strategic Climate Action Plan** through the “Recicla Más. ¡Es Facilísimo!” program, installing Spanish language signs at transfer stations and establishing an opportunity fund for

staff-generated actions to advance ESJ goals. Initiatives like piloting compressed natural gas/diesel hybrid technology within the division fleet support the goals of the Strategic Climate Action Plan.

- **Position for the Future** by conducting a demand management pilot project in 2018 to test changes to services, hours, and prices at existing transfer stations. If the demand management pilot program meets its goals, it could alleviate the pressure to build new transfer stations or alternatively, reduce the costs of a new station currently estimated at \$97 million, reducing future rate increases.

The proposed 2017-2018 basic fee of \$137.75 per ton is slightly lower than the \$140.00 per ton fee projected for 2017 in the last rate proposal. It is also in line with rates for comparable solid waste providers in the region – lower than Pierce County, but higher than Snohomish County.

Introduction

King County has provided reliable, environmentally responsible solid waste services for fifty years. Since introducing recycling programs in the 1980s, King County has been a leader in diverting waste from the landfill with residents and businesses recycling 54 percent of their waste in 2013, the last year for which State-collected data is available. The *2015 Strategic Climate Action Plan* set higher goals – striving for a recycling rate of 70 percent by 2020 as a crucial step toward the long-term goal of zero waste of resources by 2030.

Interlocal agreements require the division to provide disposal for signatory cities through 2040, yet low-cost capacity at the Cedar Hills Regional Landfill (Cedar Hills) is finite. The adopted 2001 *Comprehensive Solid Waste Management Plan* (Comp Plan) states, “the policy of King County shall be to monitor and analyze conditions impacting the appropriateness, feasibility, and timing of waste export on a continuous basis.” The 2006 *Solid Waste Transfer and Waste Management Plan* calls for waste to be exported when Cedar Hills reaches capacity and for the division to maximize the capacity of Cedar Hills “subject to environmental constraints, relative costs to operate, and stakeholder interests.” Development of Cedar Hills Area 8, approved in the *2010 Cedar Hills Project Program Plan*, provides capacity into 2027. Cost-effective capacity through 2040 could be provided through development beyond Area 8.

After avoiding a previously planned rate increase for 2015-2016, the division is proposing a rate increase effective January 1, 2017, to continue providing safe, sustainable, and environmentally sound management of the region’s solid waste, and to reach the county’s goals for recycling. Under this proposal, the basic fee would increase from \$120.17 per ton to \$137.75 per ton for the two-year period of 2017 and 2018, which is consistent with the rate forecast in 2012. The system-wide average effect on single-family curbside customers would be about \$0.94 per month, representing a five percent increase on a \$20 monthly bill, which is in the mid-range of bills charged in partner cities and the unincorporated area.

Proposed Fees

The following fees are proposed to change on January 1, 2017:

- **Basic Fee:** A fee charged to commercial curbside collection companies and to residential and business self-haulers who bring solid waste to division transfer facilities. The basic fee accounts for more than 95 percent of revenues. The division proposes an increase in the basic fee from \$120.17 to \$137.75 per ton for 2017 and 2018.

As a consequence of the increase in the basic fee, the other fees that are meaningfully impacted by the increase in the basic fee are the Regional Direct

Fee, the Special Waste Fee, and Special Waste Extra Handling Fee. Collectively, these fees make up approximately one percent of total revenue.

- **Regional Direct Fee:** A discounted fee charged to commercial collection companies that haul solid waste to Cedar Hills from their own facilities, thus bypassing division transfer stations. The fee is approximately 85 percent of the basic fee; this fee will increase by approximately 13 percent, to \$117 per ton.
- **Special Waste Fee:** Special wastes are non-hazardous waste materials that require special handling and/or record-keeping. Special waste must be cleared through the division's waste clearance program. The special waste fee will increase by approximately 14 percent to \$165 per ton.
- **Special Waste Extra Handling Fee:** Some special wastes, such as asbestos, are more expensive to manage due to handling and record-keeping requirements beyond the waste clearance process. The special waste extra handling fee will increase by 10 percent to \$193 per ton.

All other King County solid waste rates and fees will be unchanged. **Table 1** compares current and proposed fees charged by the division.

Table 1: Comparison of current and proposed tipping fees

	Last Change	Current Fee (\$)	Proposed Fee (\$)	Change in Fee (\$)	Percent Change
Basic	2013	120.17	137.75	17.58	15%
Regional Direct	2013	103.50	117.00	13.50	13%
Yard Waste and Clean Wood	2013	75.00	75.00	---	---
Special Waste	2013	145.00	165.00	20.00	14%
Special Waste - extra handling	2013	175.00	193.00	18.00	10%
Appliances CFC	2013	30.00	30.00	---	---
Appliances Non-CFC	2013	10.00	10.00	---	---
Unsecured loads	2013	25.00	25.00	---	---

The proposed 2017-2018 rate of \$137.75 per ton is lower than projected in the last rate proposal (**Figure 2**). It is in line with rates for comparable solid waste providers in the region – lower than Pierce County and Seattle, but higher than Snohomish County (**Table 2**).

Figure 2: 2017-2018 Rate proposal compared to 2013-2014 rate proposal projections

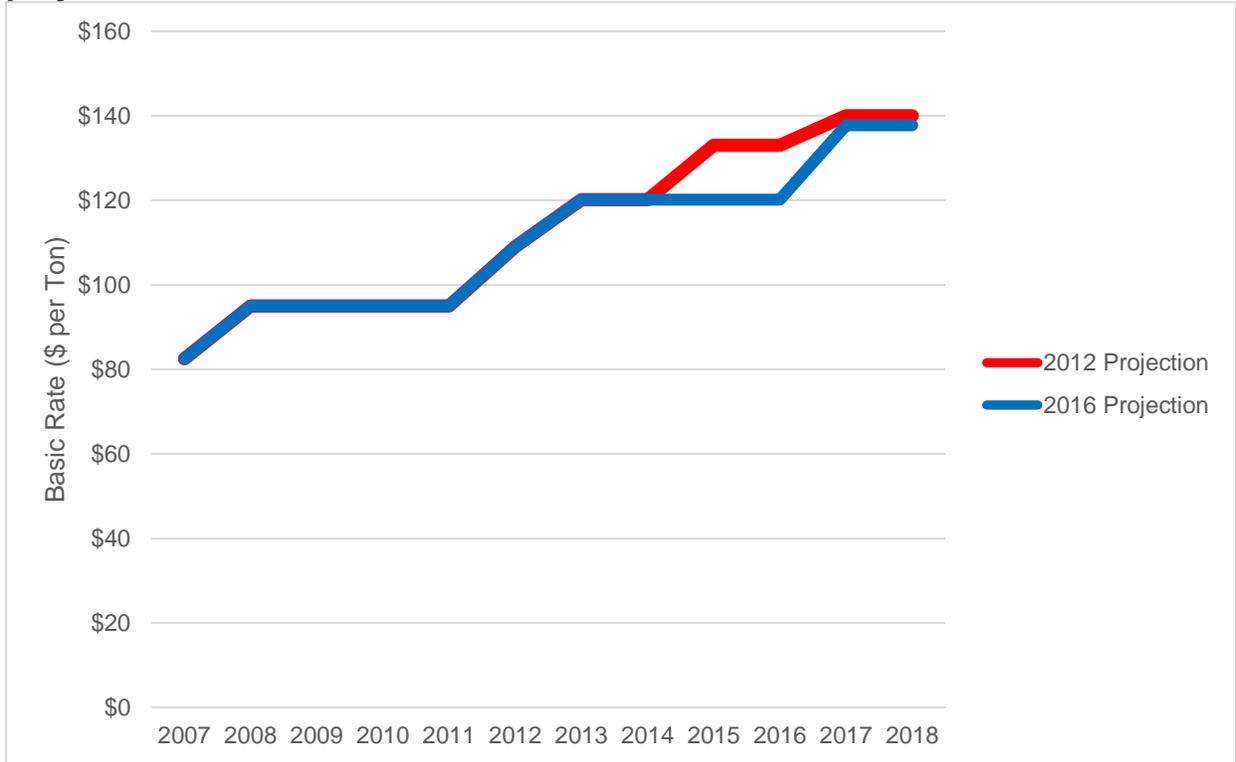


Table 2: Proposed King County solid waste fee compared to peer jurisdictions

Jurisdiction	Basic Fee ¹
Clark County	\$87.56
King County proposed	\$137.75
Pierce County	\$145.84
Seattle City	\$145.00
Snohomish County	\$105.00
Spokane County (includes city)	\$101.00
Thurston County	\$119.00

¹ As of 2016

Financial Context

The division uses an enterprise fund, managing nearly all of its expenses with revenues earned through fees (called tipping fees) paid for disposal of waste at its transfer facilities and Cedar Hills. Services supported by the fees include:

- Transfer - Build and operate convenient and efficient transfer stations and drop boxes where many small loads of waste and recyclables are combined into larger loads. Transport waste from stations to Cedar Hills.
- Disposal - Develop and operate Cedar Hills where more than 880,000 tons of solid waste is disposed each year and landfill gas is used to produce energy and fuel. Monitor and maintain seven closed landfills to meet regulatory requirements.
- Recycling - Conduct waste prevention and recycling programs for curbside customers and at transfer stations to protect the environment and quality of life.
- Support Services - Meet customer needs and provide support functions needed to operate the solid waste system including human resources, finance, and system-wide planning.

Beginning in late 2007, a nationwide financial crisis triggered a precipitous, years-long decline in the amount of waste being disposed. Tonnage and rate revenue declined substantially, resulting in service reductions including suspension of recycling services at transfer stations, delaying regular facility maintenance, and deferring equipment replacement, in a bid to reduce expenses and mitigate a need to increase rates.

A rate increase that partially restored service and maintenance levels was adopted for 2013-2014, with a second increase planned for 2015-2016. By pursuing further efficiencies, the division was able to manage a seven percent increase in waste tonnage, wage and services inflation, and new debt service for transfer station construction without the planned 2015-2016 rate increase. Had rates increased as planned in 2015, customers would have paid \$22 million more during the 2015-2016 biennium. A fee increase can no longer be deferred if the division is to sustain its current services, enhance service reliability, and keep up with a rapidly changing industry.

Additional revenue from the fee increase will sustain current services, ensure service reliability, fund county strategic priorities, and position the division for the future. The rate proposal also accounts for the County's increasing recycling rate which is projected to reduce solid waste disposal tons and associated disposal fees. **Error! Reference source not found.** summarizes the projected spending, per ton rate impact, and new required positions related to the rate proposal. In total, the rate proposal will increase the basic fee by \$17.58 per ton from \$120.17 to \$137.75 with approximately 80 percent of the rate increase directed to fund the rising costs of current services.

Table 3: Components of 2017-2018 Rate Increase

	2017-18 Expenditures (\$ in millions)	2017-2018 Rate Impact (\$ per ton)	New FTEs/TLTs required
Current Basic Fee		\$120.17	
Sustain Current Services			
Cover Inflationary Increases	\$12.5 M	\$5.49	10.25 / 0
Debt Service for New Transfer Stations	\$7.1 M	\$3.10	
Replace Aging Equipment	\$ 6.8 M	\$2.98	
Fortify Cedar Hills Landfill Reserve Fund	\$3.6 M	\$1.59	
Maintain Closed Landfills	\$2.5 M	\$1.07	
<i>Subtotal Sustain Current Services</i>	<i>\$32.5 M</i>	<i>\$14.23</i>	<i>10.25 / 0</i>
Ensure Service Reliability	\$3.6 M	\$1.58	1 / 3
Address County Strategic Priorities	\$1.1 M	\$0.46	1 / 0
Position for the Future	\$2.0 M	\$0.88	0 / 10
Adjustment for Increased Recycling Rate	\$0.7 M	\$0.43	
Total		\$137.75	12.25 / 13

The new spending categories within the 2017-2018 rate proposal include:

Sustain Current Services by funding current services and their increased cost including waste disposal at the Cedar Hills Regional Landfill, operation of eight transfer stations and two drop boxes, maintenance of closed landfills, waste prevention and recycling programs, and paying for support services (such as human resources, finance, and system wide planning) that are fundamental to system operations.

Functions and projects include:

- **Cover Inflationary Increases.** Pay primarily for inflationary increases in division activities, rent, taxes, insurance, FTEs required to process increased tonnage and other factors.
- **Debt Service for New Transfer Stations** including the new Factoria transfer station, the planned South County transfer station, and other projects. Construction of new recycling and transfer stations is financed through General Obligation (GO) bonds. The new Factoria and South County stations will be under development during the 2017-2018 rate period, in accordance with the 2006 Solid Waste Transfer Plan. No funding is allocated for a new Northeast Station, which remains an option for 2019 or beyond.

- **Replace Aging Equipment.** Begin to catch up on replacing equipment through the Capital Equipment Recovery Fund. The rate proposal will allow the division to accelerate replacement of equipment to normal life-cycles, reduce ongoing maintenance costs, and improve efficiency of the waste management system.
- **Fortify Cedar Hills Landfill Reserve Fund.** Increase the contribution to pay for landfill capacity to meet disposal needs into 2027, and maintain sufficient balances to meet regulatory requirements. As approved in the *2010 Cedar Hills Site Development Plan*, new disposal capacity called Area 8 is being developed. To cover increased landfill development costs associated with development of Area 8 and to maintain reserve funding requirements, contributions to the Landfill Reserve Fund need to increase from the amount in the last rate proposal.
- **Maintain Closed Landfills.** Pay for ongoing monitoring and maintenance of 7 closed landfills to meet regulatory requirements. Current federal and state regulations prescribe a strict monitoring and maintenance regime for up to 30 years after a landfill closes. Funds for monitoring and maintenance during the regulatory period must be set aside in the landfill Post-Closure Maintenance Fund (PCMF). Six of the seven closed landfills that the division monitors and maintains are beyond the regulatory period during which funds must be set aside in a separate fund. However, pollutants at those sites still exceed levels at which monitoring can be discontinued. There is no known date when monitoring and maintenance will no longer be necessary. Funds to monitor and maintain closed landfills that are beyond their regulatory period are included as an ongoing operational cost and are increased from the last rate proposal

Ensure Service Reliability by funding upgrades to the transfer station cashiering system; new rate structure to sustain revenue while recycling rates increase; improving wastewater systems at Cedar Hills to ensure continued regulatory compliance; purchasing an additional tipper; and other means.

Address County Strategic Priorities by funding efforts to implement Equity and Social Justice (opportunity fund); Best Run Government (employee engagement and business planning); and Strategic Climate Action Plan (compressed natural gas pilot project study) initiatives.

Position for the Future by funding a transfer station demand management pilot program in 2018 to explore methods for reducing customer wait times, encouraging use of stations during off-peak hours, and shifting use to less busy stations.

Demand management strives to make better use of existing transfer stations by moving customers more swiftly through the station or reducing the number of customers in a station at one time. Analytical models have been developed to explore methods for reducing customer wait times, encouraging use of stations during off-peak hours, and

shifting use to less busy stations. The proposed rate includes a 2018 demand management pilot project to test the practical effectiveness of the modeled actions at urban transfer stations. If the demand management pilot program meets its end goals, it could alleviate the pressure to build new transfer stations or, alternatively, reduce the costs of new facilities currently estimated at \$97 million, reducing future rate increases.

Consistent with the modeling results of a 2015 transfer station study, the scope of the demand management pilot program focuses on the Factoria and Shoreline Recycling and Transfer Stations. The pilot project would run for 12 months beginning in 2018. During the pilot project, the per-ton fee for self-haulers at the Factoria station would be increased during peak hours on weekdays and on weekends. The current assumed peak hours are a four-hour period between 11 a.m. and 3 p.m. Operating hours would be extended on weekdays until 10 p.m. and on weekends until 7:30 p.m. Additionally, temporary staff would be added to assist customers at the Shoreline station. The use of the Houghton station during the pilot remains under evaluation.

The Metropolitan Solid Waste Management Advisory Committee (MSWMAC) suggested that demand management be tested at all urban stations for a 12-month period to provide an equitable distribution of potential impacts of the pilot measures to the County solid waste system users. While the proposed scope for the pilot project will not affect all transfer stations, it is designed to provide information on equity, service levels and effectiveness that may be incorporated at other stations in the future. Adding additional stations to the pilot is possible, however, it would present a significant cost increase to the study and may not add significant benefit to the ability to evaluate the measures.

Revenue from peak pricing was not included in this rate proposal due to the uncertainty of the pilot results at this time. Following the conclusion of the pilot in 2018, the division will evaluate the effectiveness of demand management and consider including peak pricing revenue in future rate proposals.

Additional Regular and Temporary Positions

The proposed rate increase will fund 12.25 FTEs and 13 temporary TLT positions for a total of 25.25 new positions in 2017-2018. Many of the new positions (10 TLTs) will be assigned to the demand management pilot program. An additional 10.25 positions will provide additional support at transfer stations and for transportation services to respond to increased solid waste tonnage, new station design and expanded recycling services. Two FTE positions and one TLT position would support new stormwater engineering requirements, county strategic priorities related to improved employee engagement and business planning, and the division's planned rate restructure. Two TLT positions will be added to manage the post-closure landfills and Cedar Hills landfill capital projects.

Determining the Rate

The basic fee is calculated using the tonnage forecast, projected costs, projections of revenue from all sources (including the fund balance), and fund balance requirements. The rate model comprises five economic and financial components:

- Tonnage
- Landfill Reserve Fund
- Construction
- Capital Equipment Recovery Program
- Operating Fund

Fees are calculated to ensure that revenues are sufficient to reliably:

- Cover the cost of operations and services,
- Fund capital investment projects and landfill closure and maintenance, and
- Maintain a target Operating Fund balance.

The division's expenditures over the rate period are estimated, including operating and support service costs and transfers to reserve funds. Anticipated revenues from all non-fee sources, such as grants, interest income, landfill gas sales, and available fund balance are subtracted from the total expenditures to arrive at the fee revenue that will be needed to support the system over the rate period. That amount is divided by the forecasted tonnage to determine a per-ton basic fee. Other fees are determined using both the basic fee as a foundation and factors specific to the fee categories. The fee is then adjusted to account for non-tip fee revenue and use of available fund balance for a final basic fee.

Financial Assumptions

Key financial assumptions in the division's rate model include inflation, interest, and the potential date of closure for Cedar Hills. Forecasts for inflation are used in the rate model to help estimate future operational and capital costs, while forecasts for interest earnings are used to calculate revenue that will be earned on fund balances. For more information, see <http://www.kingcounty.gov/business/Forecasting/Forecasts.aspx>.

Table 4: Financial Assumptions

Projected Wage and Services Inflation (OEFA March 2016 CPI-U Forecast)

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 to 2040
2.41%	2.71%	2.72%	3.01%	3.06%	3.04%	2.98%	2.96%	2.91%	2.50%

Projected Investment Pool Nominal Rate of Return (OEFA March 2016 CPI-U Forecast)

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 to 2040
0.80%	1.10%	1.52%	2.07%	2.50%	2.83%	3.08%	3.28%	3.44%	3.00%

The closure date for Cedar Hills determines how much time is available to collect the required funds in the LRF for thirty years of post-closure maintenance. Under current policy, Cedar Hills will close in 2027.

Tonnage Forecast

A fundamental input to the rate model is the projected amount of waste that will be disposed at division facilities during the rate period. The tonnage forecast predicts waste generation over a 20-year period. The forecast relies on established statistical relationships between waste generation and economic and demographic variables that affect it, such as population, employment rates, and income. Although 2016 has started strong, tonnage is expected to decrease when the City of Seattle reopens its North Transfer and Recycling facility sometime this year. Over time, increased waste generation will replace tonnage lost to the Seattle system, returning to current levels by 2019 (Table 1, Appendix A).

Increases in the recycling rate (forecast to reach 57 percent by 2018) will slow increases in waste tonnage. Resource recovery (recycling that takes place after waste is delivered to division transfer stations) is expected to increase dramatically as new recycling and transfer stations are built with the ability to handle more recyclable materials and station-based resource recovery is expanded. Increased curbside recycling is expected in response to new programs. Appendix A describes the tonnage forecasting process and gives the tonnage forecast through 2036.

Table 5: 2017-2018 tonnage forecast by site

Transfer Station	2017	2018
Factoria	122,230	122,424
Houghton	153,495	153,740
Renton	66,049	66,154
Algona	143,138	143,367
Bow Lake	244,459	244,849
Shoreline	52,098	52,181
Enumclaw	21,593	21,627
Vashon	7,328	7,340
Cedar Falls Drop Box	3,811	3,817

Skykomish²	1,100	1,100
Subtotal	810,467	811,759
Cedar Hills Regional Direct		
Regional Direct	6,500	6,500
Special Waste	1,500	1,500
Other Waste	19,000	19,000
Subtotal	27,000	27,000
Total Disposed	837,467	838,759
Yard waste (transferred to a composting facility)	13,500	16,500

Revenue Projections

The division generates about 95 percent of its revenues from tipping fees collected at its transfer facilities and Cedar Hills. Most of the remaining five percent is received from the Local Hazardous Waste Management Program (LHWMP), which pays for the handling of household hazardous waste. Other minor revenue sources include:

- Interest earned on fund balances,
- Income from rental properties,
- Fees for construction and demolition waste,
- Revenue from the sale of recyclable materials received at division transfer facilities,
- Fees on recyclables collected in unincorporated areas,
- Grants to help clean up litter and illegal dumping and to support waste prevention and recycling,
- Revenue from the sale of landfill gas from Cedar Hills.

Revenue from most sources can vary considerably due to economic and market conditions.

² Solid waste collected at the Skykomish drop box is transported to the Houghton transfer station for disposal. Projected tons for Skykomish are shown for illustrative purposes, but are counted in the Houghton tonnage figures.

Expenditure Projections

The division's annual spending over the planning horizon is estimated based on operational factors as well as forecasts for inflation, which are consistent with other County agencies. Expenditures can be divided into broad categories: operating costs, recycling programs, support service costs, debt service, and transfers to other funds.

Operating Costs: Disposal and Transfer

Operating costs, the day-to-day expenses for transfer, transport, and landfill operations, constitute the majority of all division spending. Maintenance of equipment and facilities, management of landfill gas and wastewater, business and occupation (B&O) tax, and Cedar Hills' rent are also included here.

Recycling

This includes grants to the cities and other division waste prevention and recycling programs.

Support Services

This cost category includes functions that support direct services, such as engineering, finance, management, and system-wide planning.

Debt Service

Debt service is the payment of interest and principal on bonds and loans. GO bonds backed by the full faith and credit of the county's General Fund have been issued to pay for development of major transfer facility capital projects. It is anticipated that with approval of the King County Council, GO bonds will continue to be issued for transfer facility capital projects. More information on the Capital Improvement Program is provided in Appendix C: Capital Improvement Program. Capital projects at Cedar Hills are not funded through debt financing, but through the LRF.

Transfers to Other Funds

Transfers from the Solid Waste Operating Fund to reserve funds were established to ensure that the division can meet future expenses, including those mandated by law. Contributions to reserve funds are routinely evaluated to ensure that they are adequate to meet short- and long-term needs. Paying into reserve funds stabilizes the impact of certain expenses on rates by spreading the costs over a longer time period and ensures that customers who use the system pay the entire cost of disposal. The four reserve funds are discussed below.

Construction Fund

The division deposits bond proceeds and contributions from the operating fund into the construction fund to finance new construction and major maintenance of properties owned by the division. Contributions from the operating fund reduce the need to borrow.

Capital Equipment Recovery Program

The CERP is codified in KCC 4.08.280. Its purpose is to provide adequate resources for replacement and major maintenance of solid waste rolling stock (primarily hauling trucks

and trailers) and compactors. New equipment is purchased from the operating fund, but after the initial purchase, replacements are funded from the CERP.

By accumulating funds in the CERP, the division ensures that it is able to cover the variable expenditures that come with replacing needed equipment even while revenue fluctuates. Contributions to the CERP are calculated by projecting future replacement costs, salvage values, and equipment life. Contributions are adjusted to reflect changes in facilities and operations that affect equipment needs. The contributions earn interest in an account until needed. The CERP is discussed in detail in Appendix D: Capital Equipment Recovery Program.

Landfill Reserve Fund

The LRF, codified in KCC 4.08.045, covers the costs of four major accounts maintained for Cedar Hills.

- The *new area development account* covers the costs for planning, designing, permitting, and building new disposal areas, ensuring sufficient funds for these capital projects.
- The *facility improvements account* covers a wide range of capital investments required to sustain landfill infrastructure and operations, such as the landfill gas and wastewater systems.
- Mandated by federal law, the *closure account* covers the cost of closing operating areas (cells) within the landfill that have reached capacity.
- The *post-closure maintenance account*, mandated by federal law, accumulates funds for 30 years of post-closure maintenance of Cedar Hills.

Post-Closure Maintenance Fund

In accordance with federal regulation 40 CFR 258.61, the PCMF pays for the maintenance and environmental monitoring of closed and custodial landfills in the county for thirty years after closure. Custodial landfills beyond their mandated post-closure period continue to be monitored and maintained through this fund until pollution levels drop below mandated levels. Once Cedar Hills closes, the balance of the LRF will be transferred to the PCM for Cedar Hills' 30-year closure care period.

Target Fund Balance

The current policy is to retain an average balance in the operating fund sufficient to cover 30 days of direct operating costs.

Appendix A: Tonnage Forecast Through 2036

Short-term Forecasting

Since 2007, there has been greater uncertainty and unpredictability in variables that inform the division's short-term (up to five years) forecast. The division's short-term forecasting method involves:

- Monitoring daily solid waste tons delivered to the division's facilities.
- Monitoring regional and state-wide economic forecasts (Dick Conway, King County economic forecast, Washington State Economic and Revenue Forecast Council).
- Monitoring state-wide tax revenue streams, particularly in the home improvement sector, furniture store sales, clothing sector, and other key markets.
- Communicating with other jurisdictions about trends in their service areas.

The information gained through these measures is used to forecast short-term tonnage and subsequent revenues for use in critical budgeting, expenditure control, and management of capital projects over the three-to-five year period. By the end of the 2017-2018 budget cycle there will be enough post-recession data to adjust the forecasting model to reflect any long-term changes resulting from the recession.

Long-term Forecasting

The planning forecast model to predict solid waste generation over the long-term (six to 20 years) relies on established statistical relationships between waste generation and various economic and demographic variables that affect it, such as:

- Population in the service area
- Employment rates
- Household size (persons/household)
- Per capita income (adjusted for inflation)

For the long-term planning forecast the following trends are expected:

- Population is expected to grow at a rate of 0.9 percent per year. Population growth is directly correlated with increased waste generation.
- Employment is expected to increase by 1.3 percent per year. Increased employment is generally accompanied by an increase in consumption and waste generation.
- Household size is expected to decrease by 0.3 percent per year. Since "household," regardless of the number of residents, implies a certain minimum level of maintenance, mail, purchasing, etc. A decrease in household size tends to increase waste generation per capita.
- Per capita income is expected to increase by 1.8 percent per year. As with employment activity, increases in income typically lead to an increase in spending, hence more consumption and more waste generation.

For additional information on long-term forecasting, see 2000 King County Comprehensive Solid Waste Management Plan, Technical Appendix (vol. I).

In response to the King County Auditor's report recommendations (2015), the division conducted sensitivity analyses around key assumptions that affect the long-term forecast trends, including changes to the recycling rate projection.

The tonnage forecast is developed in two steps, with waste disposal and waste diversion calculated separately. In the first step, an econometric model is used to relate historical data for waste disposal and recycling to past demographic and economic trends in the region. Once these relationships are established, the model can be used to project future waste generation based on expected trends over the planning period. This produces a baseline disposal forecast, which assumes that the percentage of waste recycled remains constant.

In the second step, goals for waste prevention and recycling are used to calculate how much additional material is expected to be diverted from disposal given the same demographic and economic trends. This information is then used to adjust the baseline forecast. Recycling data are provided by the curbside collection companies, the division's own transfer facilities, and annual surveys by the Washington State Department of Ecology. Table 1-A shows the tonnage forecast through 2036 (as of February 17, 2016).

Table 1-A Tonnage Forecast Through 2036

Year	Basic Fee Tons	Regional Direct	Special Waste	Tons Disposed	Yard Waste	Total System Tons
2015	861,621	6,384	1,797	869,802	11,723	881,525
2016	856,100	6,500	1,500	864,100	12,000	876,100
2017	829,467	6,500	1,500	837,467	13,500	850,967
2018	830,759	6,500	1,500	838,759	16,500	855,259
2019	853,700	6,500	1,500	861,700	16,500	878,200
2020	892,440	6,500	1,500	900,440	16,500	916,940
2021	923,737	6,500	1,500	931,737	16,500	948,237
2022	955,775	6,500	2,000	964,275	16,500	980,775
2023	984,579	6,500	2,000	993,079	16,500	1,009,579
2024	1,012,137	7,000	2,000	1,021,137	16,500	1,037,637
2025	1,037,527	7,000	2,000	1,046,527	16,500	1,063,027
2026	1,058,236	7,000	2,000	1,067,236	16,500	1,083,736
2027	1,079,391	7,000	2,000	1,088,391	16,500	1,104,891
2028	1,095,594	7,000	2,000	1,104,594	16,500	1,121,094

2029	1,084,134	7,000	2,000	1,093,134	16,500	1,109,634
2030	1,053,320	7,000	2,500	1,062,820	16,500	1,079,320
2031	1,067,169	7,000	2,500	1,076,669	16,500	1,093,169
2032	1,088,121	8,000	2,500	1,098,621	16,500	1,115,121
2033	1,104,791	8,000	2,500	1,115,291	16,500	1,131,791
2034	1,121,604	8,000	2,500	1,132,104	16,500	1,148,604
2035	1,138,603	8,000	2,500	1,149,103	16,500	1,165,603
2036	1,155,889	8,000	2,500	1,166,389	16,500	1,182,889

Appendix B: Rate Model Through 2036

	2015	2016	2017	2018	2019	2020	2021
Basic Fee	120.17	120.17	137.75	137.75	142.00	142.00	145.00
Total System Tons	881,525	876,100	850,967	855,259	878,200	916,940	948,237
Revenues							
Disposal Fees	105,553,760	104,865,887	116,461,232	116,889,485	123,957,116	129,454,499	136,759,235
Interest Earnings	177,968	262,350	238,837	214,029	241,587	275,460	284,859
Grants	250,000	250,000	213,000	213,000	215,897	219,146	222,499
Landfill Gas	1,873,000	1,873,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Recycling	563,024	403,024	-	-	-	-	-
Rental Incomes	716,790	1,372,440	620,873	625,783	625,783	625,783	644,932
C&D	50,000	200,000	677,195	696,157	696,157	696,157	717,459
Other Revenue	107,023	107,023	385,000	385,000	395,472	407,376	419,841
Total Revenue	109,291,564	109,333,723	119,596,137	120,023,453	127,132,012	132,678,421	140,048,825
Operating Expenditures							
Public Health Transfer	948,084	941,869	912,839	914,247	964,801	1,008,176	1,075,139
Capital program debt service	8,774,601	11,478,095	13,732,413	13,599,663	13,602,163	16,478,047	16,623,547
Landfill Reserve Fund	12,458,793	14,484,649	25,073,066	15,505,430	16,362,804	17,613,100	18,782,980
Capital Equipment Recovery Program	3,500,000	3,500,000	6,900,000	6,900,000	6,900,000	6,900,000	6,300,000
Construction Fund			3,000,000	-	-	-	1,000,000
Cedar Hills Rent	2,885,000	2,928,000	2,972,000	3,017,000	3,062,000	3,108,000	3,155,000
Post-closure Reserve Fund	-	-	1,225,000	1,225,000	1,258,320	1,296,195	1,335,859
City mitigation			22,080	22,715	460,680	496,572	530,104
CHRLF Environmental Liability Policy			405,000	415,976	427,290	440,151	453,620
Overhead / Fund Management	2,304,974	9,652,579	10,460,983	10,694,476	10,985,366	11,316,025	11,662,295
SWD Admin / SW Directors Office	7,032,331	939,001	981,631	1,011,080	1,041,412	1,072,655	1,104,834
Human Resources		1,054,460	1,079,872	1,109,137	1,139,306	1,173,599	1,209,511
Legal Support	452,014	552,014	565,318	580,638	596,431	614,384	633,184
P&C / Strategy, Comms & Performance	1,915,097	2,650,906	3,356,678	3,305,803	3,395,721	3,497,932	3,604,969
Finance & IT / Enterprise Services	7,357,412	3,801,335	4,121,544	4,233,238	4,348,382	4,479,268	4,616,334
Contract Management		435,984	446,491	458,591	471,065	485,244	500,092
Project Management		1,501,875	1,538,070	1,579,752	1,622,721	1,671,565	1,722,715
Recycling & Environmental Services	6,216,649	7,483,135	8,082,818	8,226,862	8,450,633	8,704,997	8,971,369
WPR City Grants	1,136,309	1,138,228	1,165,659	1,197,249	1,229,814	1,266,831	1,305,596
Engineering / Facility Engineering & Science	5,986,644	2,868,993	3,474,749	3,568,914	3,665,989	3,776,335	3,891,891
Transfer & Transport Operations	28,863,355	28,626,769	30,576,547	33,255,171	34,159,712	35,187,919	36,264,669
Disposal Operations	14,162,058	13,288,032	14,919,654	14,290,022	14,678,711	15,120,540	15,583,229
Waste Export							
B & O Tax	1,583,306	1,572,988	1,746,918	1,753,342	1,859,357	1,941,817	2,051,389
Total SWD Cost	105,576,628	108,898,912	136,759,330	126,864,306	130,682,676	137,649,353	142,378,327
Ending Fund Balance	36,663,779	38,555,692	22,984,586	17,790,008	15,930,452	12,701,529	12,167,329

Target Fund Balance (30-day reserve)	7,287,925	7,308,323	8,068,237	8,284,481	8,517,547	8,976,833	9,223,662
	2022	2023	2024	2025	2026	2027	2028
Basic Fee	145.00	149.00	149.00	151.00	151.00	153.00	153.00
Total System Tons	980,775	1,009,579	1,037,637	1,063,027	1,083,736	1,104,891	1,121,094
Revenues							
Disposal Fees	141,481,399	149,658,613	153,855,332	159,750,921	164,226,746	169,661,758	172,130,568
Interest Earnings	274,116	279,021	285,593	347,898	451,890	606,518	502,313
Grants	225,881	229,247	232,639	236,024	238,975	241,962	244,986
Landfill Gas	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Recycling	-	-	-	-	-	-	-
Rental Incomes	664,538	684,341	704,598	725,101			
C&D	739,270	761,300	783,835	806,645	826,811	847,481	868,668
Other Revenue	432,605	445,496	458,683	472,031	483,831	495,927	508,325
Total Revenue	144,817,809	153,058,018	157,320,680	163,338,620	167,228,252	172,853,645	175,254,860
Operating Expenditures							
Public Health Transfer	1,112,686	1,180,072	1,213,413	1,279,772	1,305,096	1,364,241	1,384,550
Capital program debt service	19,491,156	19,499,706	19,508,581	19,429,831	19,422,081	19,422,031	16,409,481
Landfill Reserve Fund	20,029,860	21,242,895	22,489,637	23,719,550	24,793,643	19,876,189	
Capital Equipment Recovery Program	6,300,000	6,100,000	6,100,000	4,100,000	4,100,000	4,100,000	4,100,000
Construction Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Cedar Hills Rent	3,202,000	3,250,000	3,299,000	3,287,583			
Post-closure Reserve Fund	1,376,469	1,417,488	1,459,446	1,501,915	1,539,463	1,577,950	1,617,399
City mitigation	565,562	266,659	387,912	409,214	431,455	451,008	469,165
CHRLF Environmental Liability Policy	467,410	481,339	495,587	510,008	522,758	535,827	549,223
Overhead / Fund Management	12,016,829	12,374,931	12,741,229	13,111,998	13,439,798	13,775,793	14,120,188
SWD Admin / SW Directors Office	1,137,979	1,172,119	1,207,282	1,243,501	1,280,806	1,319,230	1,358,807
Human Resources 720129	1,246,280	1,283,419	1,321,408	1,359,861	1,393,858	1,428,704	1,464,422
Legal Support	652,432	671,875	691,762	711,893	729,690	747,932	766,631
Strategy, Comms. & Performance	3,714,560	3,825,253	3,938,481	4,053,091	4,154,418	4,258,278	4,364,735
Enterprise Services	4,756,671	4,898,419	5,043,413	5,190,176	5,319,930	5,452,929	5,589,252
Contract Management	515,295	530,651	546,358	562,257	576,314	590,721	605,490
Project Management	1,775,085	1,827,983	1,882,091	1,936,860	1,985,282	2,034,914	2,085,787
Recycling & Environmental Services	9,244,099	9,519,573	9,801,353	10,086,572	10,338,736	10,597,205	10,862,135
WPR City Grants	1,345,286	1,385,376	1,426,383	1,467,891	1,504,588	1,542,203	1,580,758
Facility Engineering & Science	4,010,205	4,129,709	4,251,948	4,375,680	4,485,072	4,597,198	4,712,128
Transfer & Transport Operations	37,367,115	38,480,655	39,619,683	40,772,615	41,791,931	42,836,729	43,907,647
Disposal Operations	16,056,959	16,535,456	17,024,906	17,520,330	17,958,339	14,116,735	
Waste Export						14,911,346	66,547,864
B & O Tax	2,122,221	2,244,879	2,307,830	2,396,264	2,463,401	2,544,926	2,581,959

Total SWD Costs	149,506,160	153,318,457	157,757,701	160,026,863	160,536,660	169,082,090	186,077,619
Ending Fund Balance	9,328,848	9,068,409	8,631,388	11,943,145	18,634,737	22,406,293	11,583,534
Target Fund Balance (30-day reserve)	9,696,448	9,913,417	10,165,332	10,401,843	10,346,453	11,441,028	14,462,632

	2029	2030	2031	2032	2033	2034	2035	2036
Basic Fee	169.00	169.00	171.00	171.00	180.00	180.00	184.00	184.00
Total System Tons	1,109,634	1,079,320	1,093,169	1,115,121	1,131,791	1,148,604	1,165,603	1,182,889
Revenues								
Disposal Fees	188,185,336	183,191,383	193,200,441	197,204,416	204,717,287	207,734,031	216,636,683	219,862,659
Interest Earnings	404,496	425,401	413,457	445,906	477,937	495,113	523,174	559,696
Grants	248,049	251,149	254,289	257,467	260,686	263,944	267,243	270,584
Landfill Gas	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Recycling	-	-	-	-	-	-	-	-
Rental Incomes								
C&D	890,385	912,644	935,460	958,847	982,818	1,007,388	1,032,573	1,058,387
Other Revenue	521,033	534,059	547,411	561,096	575,123	589,501	604,239	619,345
Total Revenue	191,249,299	186,314,636	196,351,058	200,427,732	208,013,850	211,089,978	220,063,913	223,370,672
Operating Expenditures								
Public Health Transfer	1,404,441	1,365,494	1,417,868	1,446,777	1,505,448	1,528,143	1,589,866	1,613,782
Capital program debt service	15,707,431	15,707,331	15,706,681	15,704,681	15,706,646	15,705,471	14,564,311	14,565,791
Landfill Reserve Fund								
Capital Equipment Recovery Program	2,200,000	2,200,000	2,200,000	2,200,000	2,300,000	2,300,000	2,300,000	2,300,000
Construction Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000	1,500,000
Cedar Hills Rent								
Post-closure Reserve Fund	1,657,834	1,699,279	1,741,761	1,785,305	1,829,938	1,875,687	1,922,579	1,970,643
City mitigation	475,905	474,275	492,466	515,070	535,957	557,638	580,161	603,611
CHRLF Environmental Liability Policy	562,954	577,027	591,453	606,239	621,395	636,930	652,854	669,175
Overhead / Fund Management	14,473,193	14,835,023	15,205,898	15,586,046	15,975,697	16,375,089	16,784,466	17,204,078
SWD Admin / SW Directors Office	1,399,571	1,441,558	1,484,805	1,529,349	1,575,229	1,622,486	1,671,161	1,721,296
Human Resources 720129	1,501,032	1,538,558	1,577,022	1,616,448	1,656,859	1,698,280	1,740,737	1,784,256
Legal Support	785,796	805,441	825,577	846,217	867,372	889,057	911,283	934,065
Strategy, Comms. & Performance	4,473,854	4,585,700	4,700,343	4,817,851	4,938,298	5,061,755	5,188,299	5,318,006
Enterprise Services	5,728,983	5,872,208	6,019,013	6,169,488	6,323,725	6,481,818	6,643,864	6,809,961
Contract Management	620,627	636,142	652,046	668,347	685,056	702,182	719,737	737,730
Project Management	2,137,931	2,191,380	2,246,164	2,302,318	2,359,876	2,418,873	2,479,345	2,541,328
Recycling & Environmental Services	11,133,688	11,412,030	11,697,331	11,989,764	12,289,509	12,596,746	12,911,665	13,234,457
WPR City Grants	1,620,277	1,660,784	1,702,303	1,744,861	1,788,482	1,833,194	1,879,024	1,926,000
Facility Engineering & Science	4,829,932	4,950,680	5,074,447	5,201,308	5,331,341	5,464,624	5,601,240	5,741,271
Transfer & Transport Operations	45,005,338	46,130,472	47,283,734	48,465,827	49,677,473	50,919,410	52,192,395	53,497,205
Disposal Operations								
Waste Export	67,503,885	67,272,713	69,853,001	73,059,195	76,021,934	79,097,163	82,291,984	85,618,153
B & O Tax	2,822,780	2,747,871	2,898,007	2,958,066	3,070,759	3,116,010	3,249,550	3,297,940
Total SWD Costs	187,045,451	189,103,966	194,369,920	200,213,159	206,060,995	211,880,558	217,374,521	223,588,747
Ending Fund Balance	15,787,382	12,998,052	14,979,190	15,193,763	17,146,618	16,356,039	19,045,431	18,827,355

Target Fund Balance (30-day reserve)	14,689,249	14,853,995	15,274,670	15,744,525	16,203,892	16,671,906	17,068,643	17,568,566
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Appendix C: Capital Improvement Program

Summary

The Capital Improvement Program (CIP) funded by this rate continues implementation of the transfer system renovation plan as set forth in the collaboratively developed *2006 Solid Waste Transfer and Waste Management Plan (Transfer Plan)*, which was approved by the King County Council in 2007. Since 2007, the division has altered the sizing and timing of projects due to tonnage changes and with consideration of potential rate impacts. Following the *2014 Transfer Plan Review Part II* recommendations, the rate assumes no spending for a new Northeast Recycling and Transfer Station, which remains an option for 2019 and beyond. The division will examine demand management as a strategy to further minimize the need for CIP projects (**Error!**

Reference source not found..

Background

The division works with its advisory committees to determine how best to modernize the transfer system. As part of this process, the division completed construction of new recycling and transfer stations at Shoreline and at Bow Lake. These newer facilities provide more services while processing greater volumes of waste with less traffic congestion, easily accommodating modern garbage trucks and safely separating commercial traffic from self-haul customers. Flexible design ensures adaptability to changes in regional waste generation and in the solid waste industry for decades to come. The buildings achieved the highest possible rating for environmental design and construction – LEED Platinum.

The remaining urban transfer stations, built in the 1960s, are outdated and operating over capacity. The region has experienced major population growth. Commercial collection trucks are larger, making it difficult and inefficient to safely unload them at older transfer stations. Space constraints limit the number of recycling containers and the range of materials that each site can accommodate, resulting in disposal of recyclable materials like yard waste.

The division recently completed a resource recovery pilot project to remove recyclables from targeted garbage loads at the Shoreline Recycling and Transfer Station. Results indicate resource recovery is a cost-effective method for improving the recycling rate and making efficient use of the transfer stations. The division has expanded the resource recovery pilot to the Bow Lake and Enumclaw stations and will plan for integrating larger-scale resource recovery into the county system. Resource recovery at division facilities may not be enough to meet county goals and may require consideration of a dedicated new facility. The division and its partners are still evaluating how much new transfer capacity to build versus modifying service options and using existing stations more intensively.

Ongoing work of the CIP includes:

Factoria: The newly completed main recycling and transfer building at Factoria has begun operations. Deconstruction of the old transfer building will follow in 2016, with

project completion in 2017 with the opening of a new Household Hazardous Waste collection building.

South County: Environmental review under SEPA is ongoing for potential sites for the new facility.

The CIP also includes smaller projects, such as the removal of creosote pilings from the Duwamish River at the division's Harbor Island property, modernization of the environmental controls at the Duvall closed landfill, and replacement of stormwater pumps at Cedar Hills that are nearing the end of their useful life.

Table 1-C Capital Improvement Program - Revenues, expenditures, and fund balances

	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>Interest earnings rate</i>	0.70%	0.80%	1.10%	1.52%	2.07%	2.50%	2.83%	3.08%	3.28%
<i>inflation</i>	2.12%	2.41%	2.71%	2.72%	3.01%	3.06%	3.04%	2.98%	2.96%
<i>cumulative inflation</i>	2.12%	4.53%	7.24%	9.96%	12.97%	16.03%	19.07%	22.05%	25.01%
<i>Beginning fund balance</i>	36,957,193	16,779,970	33,674,623	29,366,836	22,641,637	28,141,546	(8,037,706)	11,368,177	12,484,003
<i>Revenues</i>									
<i>Operating fund transfer</i>		3,000,000	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000
<i>Interest earned</i>	187,424	201,014	344,831	392,283	520,222	248,196	46,469	361,753	421,723
<i>Borrowing - Bonds</i>	-	32,000,000	-	-	40,000,000	-	40,000,000		
<i>Other revenue</i>			8,000,000						
Total	187,424	35,201,014	8,344,831	392,283	40,520,222	1,248,196	41,046,469	1,361,753	1,421,723
<i>Expenditures (with applied inflation or cumulative inflation)</i>									
<i>Bow Lake</i>	\$12,538	-	-	-	-	-	-	-	-
<i>Factoria</i>	16,942,959	11,935,935	919,750	156,812	-	-	-	-	-
<i>South County</i>	798,000	2,509,510	6,275,223	6,441,625	34,153,561	36,260,929	19,583,648	-	-
<i>Northeast</i>									
<i>Cedar Falls</i>	257,375	602,205	-	-	-	-	-	-	-
<i>Harbor Island</i>	370,000	213,346	3,035,216	-	-	-	-	-	-
<i>Algona deconstruction</i>	-	-	-	-	22,620	297,064	1,818,126	-	-
<i>Other projects (placeholder after 2022)</i>	631,775	309,000	318,270	218,545	225,102	231,855	238,810	245,927	253,206
<i>Closed/custodial LF projects</i>	1,352,000	2,736,365	2,104,159	300,500	619,030	637,601	-	-	-
Total	20,364,647	18,306,361	12,652,619	7,117,482	35,020,313	37,427,448	21,640,585	245,927	253,206
Ending fund balance	16,779,970	33,674,623	29,366,836	22,641,637	28,141,546	(8,037,706)	11,368,177	12,484,003	13,652,519

Appendix D: Capital Equipment Recovery Program

The division's CERP model applies life-cycle costing considerations to the division's capital equipment and is used to determine the timing of asset replacement. The CERP fund was codified in 1981 (KCC 4.08.280) to ensure the timely and economical replacement of equipment. The fund serves three main purposes:

- Accumulate the financial resources for the replacement of the division's rolling stock and stationary compactors on a timely and cost-effective basis;
- Stabilize the monetary effects of equipment purchases on the operating fund; and
- Provide stability in the operating budget against the effects of dramatic tonnage decreases.

CERP Inventory

By code, the CERP fund explicitly includes the division's "rolling stock and stationary compactors." However, since the establishment of the CERP fund, business practice and equipment technology have advanced and the division's capital equipment now includes significant fixed assets that are not "rolling stock" or "stationary compactors," but that do have direct operational use, such as power units for the landfill tippers. These major assets are included in the CERP model.

CERP Fund

New equipment is purchased from the division's operating fund. After the initial acquisition, an annual contribution is made to the CERP fund for the eventual replacement or major overhaul in lieu of replacement. All auction, salvage, and buyback income from disposal of division equipment is treated as CERP fund revenue.

CERP Fund Contributions

For each CERP inventory asset, an annual payment to the CERP fund is calculated based on assumptions about the asset's life and net future replacement cost (total estimated replacement cost minus estimated salvage/trade-in/buyback income). These annual payments ensure that adequate funds are available to purchase the replacement for that piece of equipment in the scheduled year.

Funding Policy

Since 2012, the division has based contributions to the CERP on a four-year average of the estimated replacement value of equipment due to be replaced within that timeframe. The estimated replacement value is adjusted for capitalized repairs and factors for inflation and salvage value. The fund balance is maintained between 15 percent and 20 percent of total CERP inventory replacement value. Contributions rise and fall based on expected expenditures, which would increase by 75 percent in 2017 if the division is to bring all capital equipment back into normal lifecycles.

Budgeting

Budget planning for equipment purchases, rebuilds, and replacements occurs early each year. Since the 2007, the division has deferred CERP spending wherever possible, a strategy that is no longer sustainable.

Budget planning for CERP is primarily focused on plans for the following year's budget request. However, it may include the review of purchase plans for the current year's adopted budget and a look ahead to the purchase of some items that can require up to two years' lead-time.

The initial purchase of a new asset (expansion of fleet or new type that is not replacing an outgoing asset) and all equipment repair costs are paid from the operating fund. CERP only pays to replace or rebuild existing equipment.

Life-Cycle Costing Model

The model used for life-cycle costing analysis is a Mean Annual Cost Equivalent (MACE) model, based on one published by the American Public Works Association.

The main components of the SWD MACE Model are:

- Interest rate and inflation assumptions
- Purchase/In-Service dates
- Estimated lifespan
- Estimated salvage values
- Repair and maintenance costs
- Meter readings

Interest and inflation rates are obtained from King County's Office of Economic and Financial Analysis (OEFA). All other equipment data is obtained from the division's CCG Faster database. The use of the CCG Faster software, and therefore accumulation of equipment history data, began in February 2003. Cost and usage data of equipment acquired and placed in service prior to this date, which represents 48 percent of the total inventory, is not represented.

MACE Model Function

The goal of using MACE in the economics of equipment replacement is to minimize the total costs of ownership. MACE considers the alternative-use or time value of money; a dollar spent ten years from now is not equivalent to a dollar spent today. This permits comparisons of alternatives that cover multiple time frames; it reduces expenditures over time to values which can be easily compared. For example, discounting permits comparison of a two-year replacement cycle with a four-year cycle.

This model is focused on yearly periods and because of the discount factor, it can be used for mileage or hour usage if these are converted to time equivalents.

The best estimates available are incorporated in the use of this model.

NOTE: MACER means the mean annual cost equivalent for replacement period R. See formula below.

$$MACE_R = \left[P - \frac{S_R}{(1+i)^R} + \sum_{t=1}^R \frac{X_t}{(1+i)^t} \right] \left[\frac{i(1+i)^R}{(1+i)^R - 1} \right]$$

where:

i = discount rate

P = purchase price at $t=0$

t = year (numeral indicator)

S = resale or salvage value

R = year of replacement

X = sum of the year's costs (excluding depreciation, alternative cost of capital and inflation)

Asset Life Expectancies

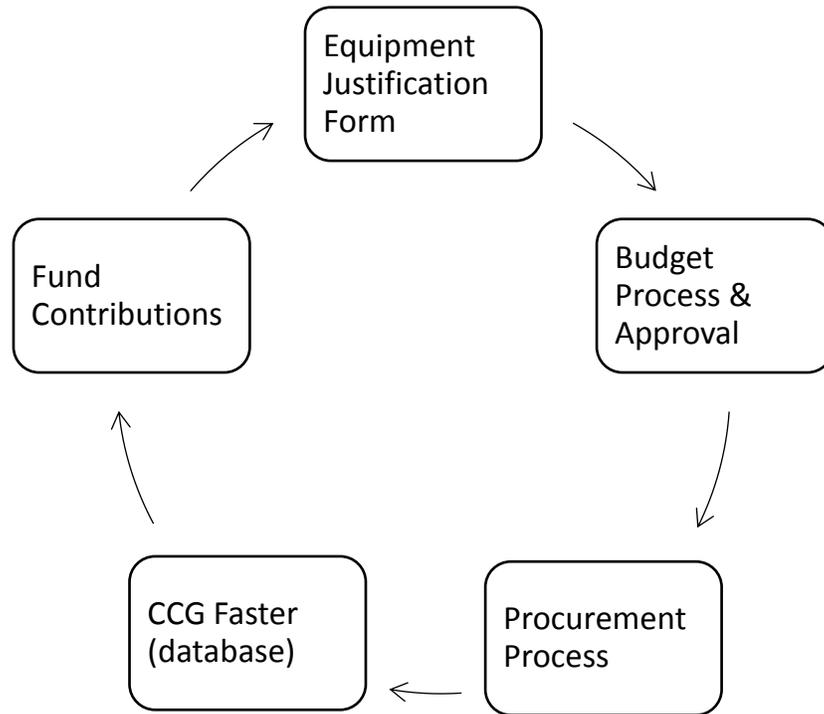
An asset's life expectancy is based on the Original Equipment Manufacturer (OEM) suggested life, which is then adjusted for the division's working conditions and consideration of MACE for that asset. For example, a long-haul tractor's OEM suggested life is one million miles for normal usage. However, the division's use of this type of vehicle is short-haul with heavy urban traffic, plus regular off-road driving at Cedar Hills. Based on assessment of the model for life-cycle costs and actual annual usage of 40,000 miles, the division's life expectancy for long-haul tractors is about 400,000 miles or 10 years.

Some assets may be rebuilt, which will extend their life beyond the OEM suggested life. For example, the original life expectation for a bulldozer is 10,000 hours or 60 months; the expected life extension for a power train overhaul is 10,000 hours, or an additional 60 months. Other assets expected to have an extended life after rebuild work are excavators, refuse trailers, pre-load compactors, and hydraulic power units for tippers. Rebuilding a piece of equipment a second time has not proven cost-effective for extending useful life and, as a result, the division is resetting many of the units to historical replacement schedules.

CERP Process

The division's CERP manual documents processes, procedure, and definitions. The figure below summarizes the process for inventory purchase and replacement.

Figure 1-E: CERP Inventory Purchase and Replacement Process



Appendix E: Landfill Development and Reserve Fund

Table 1-F. Average per ton contribution by account 2017

New area development	\$ 5.92
Facility improvements	\$ 2.08
Closure	\$ 6.52
Post-closure	\$ 3.48
Total	\$ 18.00

Table 2-F. Total landfill reserve fund

Year	Status	Cedar Hills Disposal Tonnage	Revenue ³	Expenditures	Year-end Balance
2016	budgeted	864,100	14,088,081	28,444,784	26,810,229
2017	forecast	837,467	24,623,584	18,761,050	32,672,763
2018	forecast	838,759	14,679,617	20,910,302	26,442,078
2019	forecast	861,700	15,223,682	8,902,236	32,763,524
2020	forecast	900,440	16,042,937	27,210,281	21,596,180
2021	forecast	931,737	16,721,827	14,285,831	24,032,177
2022	forecast	964,275	17,390,982	6,161,766	35,261,393
2023	forecast	993,079	18,039,143	5,756,383	47,544,153
2024	forecast	1,021,137	18,717,799	2,336,518	63,925,435
2025	forecast	1,046,527	19,389,916	4,614,283	78,701,068
2026	forecast	1,067,236	19,878,382	4,862,757	93,716,693
2027	forecast	834,698	15,783,188	7,599,598	101,900,283
2028	closing		700,749	21,177,244	81,423,789
2029	closed		610,936	309,285	81,725,440 ⁴

³ Interest revenue is based on the King County Auditor's report recommendation (2011).

⁴ Ending balance will be transferred to the Post-Closure Maintenance Fund for ongoing monitoring and maintenance.



CITY OF KIRKLAND
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Joe Sanford, Fire Chief
Pattijean Hooper, Emergency Manager
Erin Tramontozzi, Preparedness Coordinator

Date: August 4, 2016

Subject: StormReady Presentation

BACKGROUND:

The National Weather Service created the StormReady program to better prepare communities to respond to their increasing vulnerabilities to severe weather and water events. According to the National Weather Service, 98 percent of all presidentially declared disasters are weather related, leading to around 500 deaths per year and nearly \$15 billion in damage. Being a StormReady community means a community is able to mitigate and/or prevent the effects of such severe weather through communication and safety measures that prevent loss of life and property.

To be officially StormReady, a community must:

- ❖ **Establish a 24-hour warning point and emergency operations center**
 - NORCOM is Kirkland's 24-hour warning point. In addition, Kirkland has instituted "Code Red" alerting capabilities to citizens by designated geographical areas and/or to city employees by group or as a whole. The City has established a dedicated emergency operations center as part of the renovations to City Hall.
- ❖ **Have more than one way to receive severe weather warnings and forecasts and to alert the public**
 - Kirkland has seven (7) different means of receiving pertinent weather information including NOAA weather radios and NOAA Weather Wire (email), and is able to notify the public via radio, internet, cable tv, fire station reader boards and email alerts (E-bulletins). The City can also use Code Red (through King County) to make emergency calls to some or all Kirkland residents if the situation matches the Code Red criteria.
- ❖ **Create a system that monitors weather conditions locally**
 - The city uses stream and river gauges, Doppler radar and flood level notifications from King County to monitor local weather conditions.

- ❖ **Promote the importance of public readiness through community seminars**
 - Both the Emergency Manager and the Emergency Preparedness Coordinator engage in routine outreach to the public to promote preparedness for weather-related events.
- ❖ **Develop a formal hazardous weather plan, which includes training severe weather spotters and holding emergency exercises.**
 - The city's plan for hazardous weather is part of the 2015 Comprehensive Emergency Management Plan (CEMP), which outlines the city's commitment to providing weather preparedness and response-related training and exercises.

In April, the City of Kirkland was certified as a StormReady community by the National Weather Service- Seattle, having met the above requirements, and making the city one of only eight jurisdictions in King County to have such a designation. A representative of the Seattle National Weather Service office will formally acknowledge Kirkland's achievement during the Council meeting on August 16.



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
July 19, 2016

1. CALL TO ORDER

The Kirkland City Council regular meeting of July 19, 2016 was called to order at 6 p.m.

Motion to Suspend the rules to provide for the possibility of an additional meeting of remote attendance by Councilmember Marchione.

Moved by Councilmember Dave Asher, seconded by Councilmember Toby Nixon

Vote: Motion carried 6-0

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

Motion to Approve Councilmember Marchione's remote participation in the executive and closed sessions.

Moved by Councilmember Dave Asher, seconded by Councilmember Penny Sweet

Vote: Motion carried 6-0

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

2. ROLL CALL

Mayor Walen informed those present that Councilmember Marchione was present through remote participation for the executive and closed sessions, but asked that she be considered absent/excused during the remainder of the regular meeting.

Motion to Excuse Councilmember Marchione's absence.

Moved by Councilmember Dave Asher, seconded by Councilmember Penny Sweet

Vote: Motion carried 6-0

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

ROLL CALL:

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

Members Absent: Councilmember Doreen Marchione.

3. STUDY SESSION

None.

4. EXECUTIVE SESSION

Mayor Walen announced that Councilmembers would enter into an executive session to discuss potential litigation followed by a closed session to discuss labor negotiations and would return to regular meeting at 7:30 p.m., which they did.

a. To Discuss Potential Litigation

Also attending the executive session were City Manager Kurt Triplett, Deputy City Managers Marilynne Beard and Tracey Dunlap, Police Chief Cherie Harris, and City Attorney Kevin Raymond.

b. Closed Session to Discuss Labor Negotiations

Also attending the executive session were City Manager Kurt Triplett, Deputy City Managers Marilynne Beard and Tracey Dunlap, Fire Chief Joe Sanford, Director of Finance and Administration Michael Olson, Director of Human Resources and Performance Management Jim Lopez, and City Attorney Kevin Raymond.

5. HONORS AND PROCLAMATIONS

a. Proclamation Reaffirming Partnership between Community and Police

Representatives from the Kirkland community and the Kirkland Police department accepted the proclamation from the entire City Council.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Dana Nunnally
Nathan Rich
Chris Fox

c. Petitions

7. SPECIAL PRESENTATIONS

a. Innovation Triangle Report

Economic Development Manager Ellen Miller-Wolfe provided an update on the partnership between the Cities of Bellevue, Redmond and Kirkland focused on inviting technology and innovation-intensive businesses to experiment, develop and prosper in the partnership communities.

8. CONSENT CALENDAR

a. Approval of Minutes:

(1) July 5, 2016

(2) July 5, 2016

b. Audit of Accounts:

Payroll \$3,176,976.88

Bills \$3,524,989.02

run #1535 checks #603275 - 603392

run #1536 checks #603417 - 603563

run #1537 check #603564

c. General Correspondence

d. Claims

Claims received from Steven Boehm, Andrew Bouchard, Margareta Cross, and Johnny Du were acknowledged via approval of the consent calendar.

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

(1) Ordinance O-4525 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO CODE ENFORCEMENT AND AMENDING CERTAIN SECTIONS OF CHAPTER 1.12 OF THE KIRKLAND MUNICIPAL CODE RELATING TO TREE AND SURFACE WATER CODE VIOLATIONS."

(2) Resolution R-5199, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS."

(3) Surplus Vehicles

Fleet #	Year	Make	VIN/Serial Number	License #	Mileage
P112	2011	Dodge Charger	2B3CL1CTXBH567882	53452D	86,786
P114	2011	Dodge Charger	2B3CL1CT1BH567883	53453D	101,790
P121	2012	Dodge Charger	2C3CDXAT6CH255663	54271D	87,228
PU-40	2006	Chevrolet Silverado 1500 Pickup	1GCEC19V77Z115248	43211D	49,020
PU-41	2006	Chevrolet Silverado 1500 Pickup	1GCEC19V37Z115571	43212D	50,219

Motion to Approve the Consent Calendar.

Moved by Councilmember Dave Asher, seconded by Councilmember Penny Sweet

Vote: Motion carried 6-0

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

9. PUBLIC HEARINGS

None.

10. UNFINISHED BUSINESS

a. Kirkland Municipal Cemetery Update

Finance and Administration Director Michael Olson provided an overview of the Cemetery policy and the status of a records documentation review.

11. NEW BUSINESS

a. Ordinance O-4526 and its Summary, Relating to Land Use, Approving a Preliminary and Final Planned Unit Development Applied for by Craft Architecture on Behalf of Astronics Corporation in Department of Planning and Building File No. ZON15-00875, and Setting Forth Conditions of Approval.

City Attorney Kevin Raymond reviewed the parameters of the quasi-judicial hearing process and asked Councilmembers about any ex parte contacts with opponents or proponents of the application; Councilmember Asher noted contact on the issue several years ago and stated that it would not affect his judgment on the matter. Associate Planner David Barnes then provided Council with an overview of the particulars of the proposed development application, process to date and options for Council consideration, and responded to Council questions.

Motion to Suspend the rules so that Council may act and vote on the application at this meeting.

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Jay Arnold

Vote: Motion carried 6-0

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

Motion to Approve Ordinance O-4526 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE, APPROVING A PRELIMINARY AND FINAL PLANNED UNIT DEVELOPMENT APPLIED FOR BY CRAFT ARCHITECTURE ON BEHALF OF ASTRONICS CORPORATION IN DEPARTMENT OF PLANNING AND BUILDING FILE NO. ZON15-00875, AND SETTING FORTH CONDITIONS OF APPROVAL."

Moved by Councilmember Dave Asher, seconded by Councilmember Penny Sweet

Vote: Motion carried 6-0

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

- b. Ordinance O-4527, Affirming and Clarifying the Power of the Appointing Authority or Designee to Determine Most Qualifications for Civil Service Positions.

City Manager Kurt Triplett provided an introduction on the issue, followed by City Attorney Kevin Raymond who provided background and context for the proposed ordinance, and both responded to Council questions.

Motion to Approve Ordinance O-4527, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AFFIRMING AND CLARIFYING THE POWER OF THE APPOINTING AUTHORITY OR DESIGNEE TO DETERMINE MOST QUALIFICATIONS FOR CIVIL SERVICE POSITIONS."

Moved by Councilmember Toby Nixon, seconded by Councilmember Penny Sweet

Vote: Motion carried 5-1

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

No: Councilmember Dave Asher.

- c. Public Records Disclosure Semi-Annual Report

Public Disclosure Analyst Amy Robles reviewed the report and responded to Council questions and comment.

- d. Cross Kirkland Corridor Art Integration Plan

Cultural Arts Commission Chair Dawn Laurant and Berger Partnership Principal Guy Michaelson shared information about the draft plan which will return for Council consideration in the Fall.

- e. Approving Cross Kirkland Corridor Temporary Art Proposal

Cultural Arts Commission Chair Dawn Laurant described the process for the proposal and reviewed the recommendation for Council consideration.

Motion to Approve Terra Holcomb as the Artist in Residence for a temporary art installation on the Cross Kirkland Corridor.

Moved by Councilmember Dave Asher, seconded by Councilmember Shelley Kloba

Vote: Motion carried 6-0

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

Council recessed for a short break.

- f. Resolution R-5200, Authorizing and Supporting the City's Request for Port of Seattle Economic Development Partnership Program Funds.

Motion to Approve Resolution R-5200, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING AND SUPPORTING THE CITY'S REQUEST FOR PORT OF SEATTLE ECONOMIC DEVELOPMENT PARTNERSHIP PROGRAM FUNDS."

Moved by Councilmember Dave Asher, seconded by Councilmember Penny Sweet

Vote: Motion carried 6-0

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

- g. Resolution R-5201, Approving Amendments to Sections 3.05, 3.09, 3.10, 5.01 and 7.02 of the Kirkland City Council Policies and Procedures, and Readopting All of the Council Policies and Procedures.

Councilmember Asher suggested a change to Section 2.01 for the next update to the City Council Policies and Procedures so that the sentence, "we will refrain from negotiating or making commitments without the involvement and knowledge of the City Manager" be changed to read, "We will refrain from negotiating or making commitments beyond our individual effort."

Councilmember Asher further requested a review of Section 3.24 concerning remote attendance at Council meetings.

Motion to Approve Resolution R-5201, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AMENDMENTS TO SECTIONS 3.05, 3.09, 3.10, 5.01 AND 7.02 OF THE KIRKLAND CITY COUNCIL POLICIES AND PROCEDURES, AND READOPTING ALL OF THE COUNCIL POLICIES AND PROCEDURES."

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Jay Arnold

Vote: Motion carried 6-0

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

12. REPORTS

- a. City Council Reports

- (1) Finance and Administration Committee

Councilmember Arnold reported that the next meeting date is July 22 at 10:00 a.m.

- (2) Legislative Committee
- (3) Planning, and Economic Development Committee

Chair Arnold reported that the next meeting date is August 15 at 3:00 p.m.

- (4) Public Safety Committee
- (5) Public Works, Parks and Human Services Committee

Chair Kloba reported on the addition of the issue of free speech in the parks to the committee's agenda; and a presentation by the Parks Foundation and the Kirkland Chamber of Commerce on the desire to have the City Council fund a feasibility study for the formation of a community foundation.

- (6) Tourism Development Committee
- (7) Regional Issues

Councilmembers shared information regarding the Sound Cities Association Public Issues Committee meeting; a series of meetings with King County Councilmembers in connection with the King County Mental Illness and Drug Dependency Oversight Committee; the King County Regional Policy Committee meeting; a King County Board of Health meeting; an I-405/SR 167 Executive Advisory Group meeting; the Kirkland Uncorked event; the ribbon cutting for the opening of the new 24 hour ballot drop box outside of City Hall; and the reopening of Waverly Beach Park.

b. City Manager Reports

City Manager Kurt Triplett reported on taking the Washington State Recreation and Conservation Funding Board on a drive along the entire Cross Kirkland Corridor; and a meeting with representatives from the Secretary of Transportation's office regarding making the Kingsgate Park and Ride a transit oriented development.

- (1) Calendar Update

City Manager Kurt Triplett reminded the Council that August 16 is the only council meeting in August. Councilmembers discussed attendance at the variety of National Night Out events on Tuesday, August 2nd. Mayor Walen reported that City Manager Kurt Triplett will be appearing in the Studio East Summer Musical presentation of the Wizard of Oz.

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT

The Kirkland City Council regular meeting of July 19, 2016 was adjourned at 10:05 p.m.

City Clerk

Mayor



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: August 5, 2016
Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION

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

POLICY IMPLICATIONS

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

BACKGROUND DISCUSSION

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

- (1) Laura Kerns
7916 124th Ave NE
Kirkland, WA 98033

Amount: \$861.49

Nature of Claim: Claimant states damage to claimant's sewer line resulted from a severed connection to the main line on NE 80th.

- (2) Gratitude Sailing, LLC
Agent Stephen Lamson
9803 NE 123rd Ct.
Kirkland, WA 98034

Amount: \$12,082.41

Nature of Claim: Claimant states damage to boat was sustained when dock timbers broke loose from Kirkland C dock and struck the boat.

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



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kari Page, Neighborhood Outreach Coordinator
 David Snider, P.E., Capital Projects Manager
 Kathy Brown, Public Works Director

Date: August 4, 2016

Subject: NEIGHBORHOOD SAFETY PROGRAM – 2015 PEDESTRIAN SAFETY
 IMPROVEMENT PROJECTS – ACCEPT WORK

RECOMMENDATION:

City Council accepts the work on the 2015 Pedestrian Safety Improvements Project, as completed by Sierra Pacific Construction, LLC of Maple Valley, WA, thereby establishing the statutory lien period.

By taking action on this memo during approval of the consent calendar, City Council is accepting the contract work completed on the 2015 Pedestrian Safety Improvements Project.

BACKGROUND DISCUSSION:

In support of the City Council's 2013/2014 Work Program, City staff, neighborhood leaders, and the Kirkland Alliance of Neighborhoods embarked on a multitude of initiatives to reenergize Kirkland neighborhoods. The Neighborhood Safety Program (NSP) is the cornerstone of these initiatives. After a successful pilot program in 2014, City Council authorized the continuation of the NSP indefinitely with the following program goals:

- Revitalize neighborhoods through partnerships on capital project implementation;
- Provide an incentive for neighborhood participation;
- Address safety needs;
- Foster neighborhood self-help and build a sense of community;
- Increase collaboration within and between neighborhoods, and with City government;
- Leverage funding with match contributions and/or other agency grants;
- Collaborate with businesses, schools, and other organizations including the Parent Teacher Student Associations, Cascade Bicycle Club, Feet First, and Kirkland Greenways; and,
- Create an equitable distribution of improvements throughout the City.

The 2015 program began in the fall of 2014 with neighborhoods identifying projects. At its December 2015 meeting, the City Council approved a budget allocation for both the 2014 and 2015 NSP projects using funds from the 2015 Street Levy School Walk Route, 2015 (biennial) Crosswalk Upgrade Program, Surface Water funding, and the Cross Kirkland Corridor Interim Trail Project.

On December 8, 2015, with a total NSP Program budget of \$776,949, shown on **Table 1** following this memo, City Council awarded the construction contract for the 2015 Pedestrian Safety Improvements Project (Attachment A - Vicinity Map) to Sierra Pacific Construction in the amount of \$181,418.65. The City Council award and budget authorization at that meeting also

included contract work one non-NSP project, the Totem Lake Boulevard Curb and Pedestrian Push Button Improvements Project. The non-NSP project was funded by the Totem Lake Twin Culvert Replacement Project, SD 0075, as a part of a permit requirement with the Washington State Department of Transportation for work performed in the controlled access area of the I-405 access ramps, as it related to a previously completed City storm drainage project.

Construction for the five NSP projects and the Totem Lake Boulevard project element began in early January and were complete on April 28, 2016, with total payments to Sierra Pacific equaling \$243,273.25 including the issuance of seven change orders. Although the change orders exceeded the original estimated amount for the Sierra Pacific contract, they did not exceed the cost estimates and budget appropriations approved by the City Council. **(See Tables on Page 3)**

The total of all change orders was just under \$60,000:

- Four of the seven change orders were the result of a differing site condition due to the discovery of a previously undocumented fiber optics line adjacent to a new stairway between NE 68th and the CKC. The total of these change orders was \$20,310 and included charges for additional geotechnical work, the relocation of part of an existing rockery, and a field-fit realignment of the new stairway to avoid the communications line.
- One change order was issued for adding approximately 150 feet of curb to improve surface water flows on Kirkland Avenue, directing runoff to an existing rain garden. The resultant construction cost increase of \$25,647.
- The two remaining change orders totaled \$12,449 and were issued for upgrades on the Rectangular Rapid Flashing Beacons (RFB's) and radar speed signs needed to bring these new appurtenances to the City's newest and most current specifications (i.e., a specifications update that occurred after the bid award).

The balance of the additional costs came as a result of quantity overruns (\$3,449) representing less than a 2 percent deviation from the original contract quantities; this variance is relatively low by current industry standards.

NSP Update

Progress continues to be made on the last remaining project, the Trail Connection at Forbes Creek Drive (14NSP05 – **Table 1** on next page). Consultants are surveying the trail location for a legal description to accompany the easement. All parties have agreed upon the easement language, and once the easement is executed, the construction of the trail will begin. The project is anticipated to be complete by the end of 2016.

Neighborhood leaders have been kept abreast of the progress on all of the projects as they have been completed. The overall satisfaction of the projects is high and the neighborhoods are planning a celebration later this fall.

Attachment A – Vicinity Map

Table 1: NSP Project Funding and Actual Cost by Funding Source

2014 Neighborhood Safety Program Projects		Actual Cost by Funding Source (including soft costs)							
PJT #	Description	JFK [NM 0073]	CKC [NM 24-4]	Walkable Kirkland [NM 6-201]	Levy - Ped. [NM 6-200]	Crosswalk [NM 0012]	Private Dev.	Levy-School Routes [NM 6- 100]	TOTAL PROJECTS
14NSP01	RFB on NE 132nd St						\$ 120,867		\$ 120,867
14NSP02	RFB on Juanita Drive (grant funded)								
14NSP03	Crosswalk 84th Ave NE	\$ 975							\$ 975
14NSP04	RFB NE 132nd St	\$ 61,174							\$ 61,174
14NSP05	Trail Connection at Forbes Creek Drive	\$ 11,006						\$ 1,794	\$ 12,800
14NSP06	Crosswalk 90th Ave NE	\$ 46,845							\$ 46,845
14NSP07	Crosswalk NE 145th St	\$ 30,000							\$ 30,000
2014 Expense Totals		\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,867	\$ 1,794	\$ 272,661

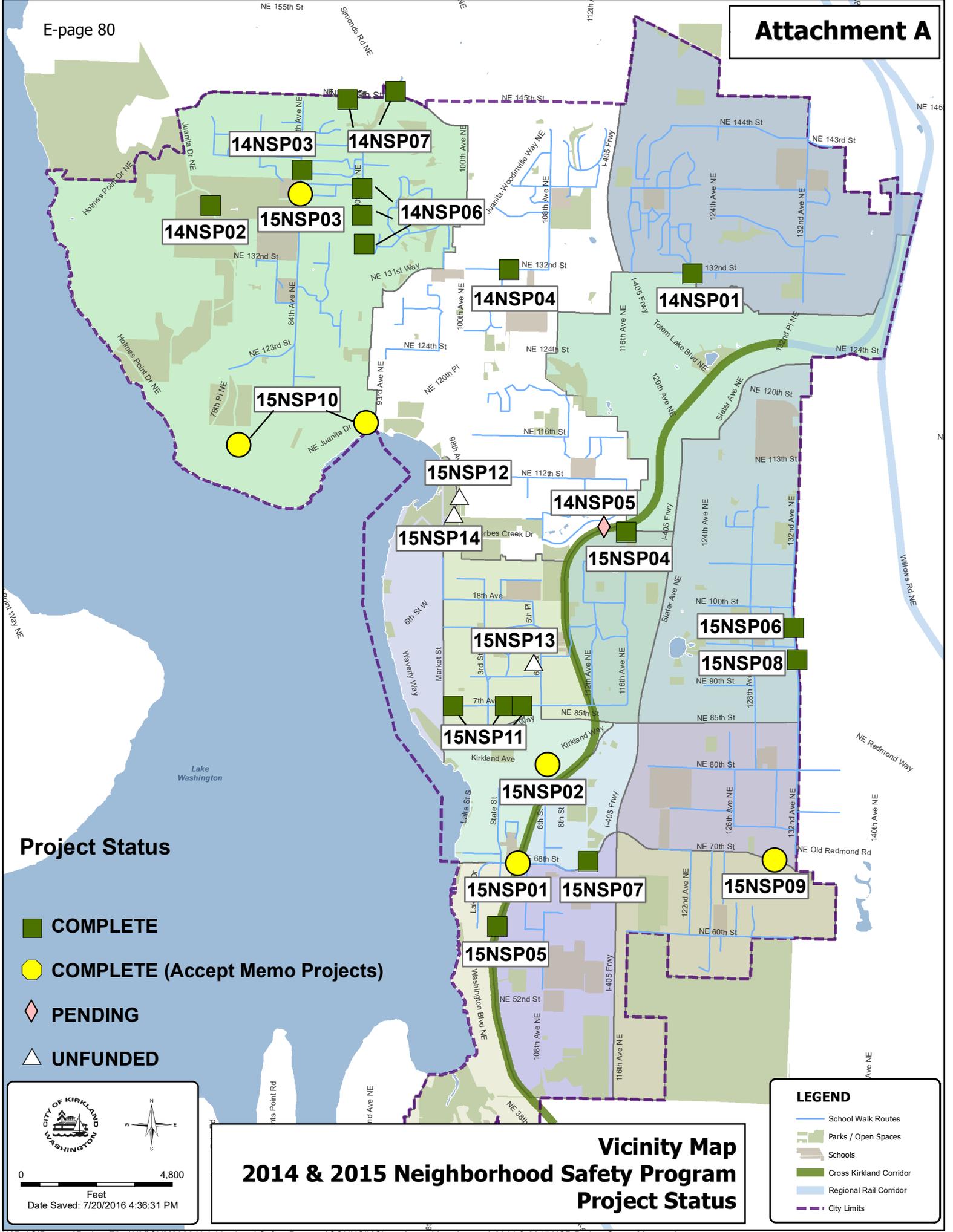
2015 Neighborhood Safety Program Projects		Actual Cost by Funding Source (including soft costs)							
PJT #	Description	JFK [NM 0073]	CKC [NM 24-4]	Walkable Kirkland [NM 6-201]	Levy - Ped. [NM 6-200]	Crosswalk [NM 0012]	Private Dev.	Levy-School Routes [NM 6- 100]	TOTAL PROJECTS
15NSP01	Stairs from NE 68 th St to CKC		\$ 17,500	\$ 66,970				\$ 9,989	\$ 94,460
15NSP02	Sidewalk north side of Kirkland Ave			\$ 78,947				\$ 3,708	\$ 82,655
15NSP03	RFB 84th Avenue NE at NE 138 th St			\$ 37,273				\$ 1,507	\$ 38,780
15NSP04	Stairs & bridge connection 116 th Ave NE			\$ 9,523					\$ 9,523
15NSP05	Improved connection from NE 60th St			\$ 5,320					\$ 5,319
15NSP06	RFB 132 nd Ave NE and 97th				\$ 8,000	\$ 57,029			\$ 65,029
15NSP07	Crosswalk improvements on 112th Ave				\$ 9,016			\$ 331	\$ 9,347
15NSP08	RFB 132 nd Ave NE and 93rd				\$ 17,514	\$ 12,971		\$ 39,952	\$ 70,437
15NSP09	RFB NE 70 th Pl at 130 th Ave NE				\$ 44,350				\$ 44,350
15NSP10	Radar speed signs on Juanita Drive			\$ 1,967	\$ 41,228			\$ 5,164	\$ 48,359
15NSP11	Crosswalk 7 th Ave S.				\$ 29,892			\$ 2,767	\$ 32,659
2015 Expense Totals		\$ 0	\$ 17,500	\$ 200,000	\$ 150,000	\$ 70,000	\$ 0	\$ 63,418	\$ 500,918
2014 Expense Totals		\$ 150,000					\$ 120,867	\$ 1,794	\$ 272,661
2014 + 2015 Expense Totals		\$ 150,000	\$ 17,500	\$ 200,000	\$ 150,000	\$ 70,000	\$ 120,867	\$ 65,212	\$ 773,579
Awarded Funding Allocation (Dec 2015)		\$ 150,000	\$ 17,500	\$ 200,000	\$ 150,000	\$ 70,000	\$ 120,867	\$ 68,582	\$ 776,949
Funding Minus Expense		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,370	\$ 3,370

Note:

14NSP02, RFB at Big Finn Hill Park will be completed with Juanita Drive Quick Wins Project [NM 0090]

Legend: Yellow – Accept Work Memo Projects

Pink – Scheduled to be complete 2016



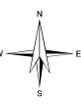
Project Status

- COMPLETE
- COMPLETE (Accept Memo Projects)
- PENDING
- UNFUNDED

LEGEND

- School Walk Routes
- Parks / Open Spaces
- Schools
- Cross Kirkland Corridor
- Regional Rail Corridor
- City Limits

Vicinity Map 2014 & 2015 Neighborhood Safety Program Project Status



0 4,800
Feet

Date Saved: 7/20/2016 4:36:31 PM



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: Kathy Brown, Director of Public Works
Date: August 1, 2016
Subject: PROPOSITION 1 – STREETS & PED SAFETY LEVY ACCOUNTABILITY REPORT

RECOMMENDATION:

City Council approves the attached resolution adopting the Accountability Report for Proposition 1- Streets and Pedestrian Safety.

By taking action on this memo during approval of the consent calendar, City Council is approving the resolution, including any changes to the report that may be needed as a result of this final submittal.

BACKGROUND DISCUSSION:

On November 6, 2012, Kirkland voters approved Proposition 1, a new source of revenue for significant street improvements throughout the City. Proposition 1 funded additional street preservation and pedestrian safety projects. To ensure that Kirkland's residents are able to monitor progress toward the established levy goals, an annual accountability report was to be provided for each levy. The final 2015 Street and Pedestrian Safety report is attached to the resolution incorporated herein.

Separate Resolutions

Proposition 2 - Parks Maintenance, Restoration and Enhancement Levy, was also adopted on November 6, 2012, and also requires an accountability report. Staff recommends adopting each accountability report with a separate resolution since the accountability reports will be annual events in perpetuity. It may be that in future years the readiness of each report might occur at different times during the year or future Councils may request additional information or edits for one or both reports that result in the reports being approved at different Council meetings. Adopting the initial accountability reports as separate resolutions sets a precedent that allows for future flexibility in timing.

Streets and Pedestrian Safety Levy Report

The Streets and Pedestrian Safety Levy Report explains Kirkland's strategy for street preservation and the policy basis of the City's balanced transportation goal. It describes how citizens can nominate capital improvement projects through the interactive Suggest-a-Project

online map and demonstrates the Streets Levy's accomplishments, alongside with street and pedestrian safety work funded through property taxes.

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

Public Outreach

With City Council approval, staff will distribute the report through the City's website and listservs, as well as at community meetings throughout 2016/2017. Staff will have hard copies available at City facilities and notify residents of the availability of the reports through a press release.

RESOLUTION R-5202

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE 2015 STREETS LEVY ACCOUNTABILITY REPORT FOR PROPOSITION 1 – STREETS AND PEDESTRIAN SAFETY LEVY.

1 WHEREAS, in November 2012, Kirkland voters approved
2 Proposition 1 – Levy for City Parks Maintenance, Restoration and
3 Enhancement ("Streets Levy"); and
4

5 WHEREAS, Ordinance No. 4364 adopted by the Kirkland City
6 Council to place Proposition 1 on the ballot described the restricted uses
7 for the funding as well as the requirement to produce an accountability
8 report documenting actions and the status of the programs funded by
9 the Streets Levy; and
10

11 WHEREAS, the submitted 2015 Streets Levy Accountability
12 Report reflects the allocation of Street Levy funds to fund street
13 maintenance and safety improvements for arterial, local and
14 neighborhood streets, including resurfacing, pothole repair, bicycle
15 route enhancements, pedestrian safety improvements, traffic calming
16 projects, school walk routes, sidewalks and crosswalks; and
17

18 WHEREAS, the 20-year targets reported in the 2015 Streets Levy
19 Accountability Report include \$60 million in total spending – roughly
20 \$2.7 million per year toward street preservation and \$300,000 per year
21 to pedestrian safety; and
22

23 WHEREAS, the City Council desires to adopt the 2015 Streets
24 Levy Accountability Report.
25

26 NOW, THEREFORE, be it resolved by the City Council of the City
27 of Kirkland as follows:
28

29 Section 1. The Kirkland City Council adopts the 2015 Streets
30 Levy Accountability Report attached as Exhibit A and incorporated by
31 this reference.
32

33 Section 2. The Kirkland City Council authorizes the posting of
34 the 2015 Streets Levy Accountability Report on the City website and the
35 distribution of the Report through community meetings.
36

37 Passed by majority vote of the Kirkland City Council in open
38 meeting this ____ day of _____, 2016.
39

40 Signed in authentication thereof this ____ day of _____,
41 2016.

DEPUTY MAYOR

Attest:

City Clerk

▶ **LEVY HELPS CREATE CONNECTIONS TO CROSS KIRKLAND CORRIDOR**

Kirkland

AN ACCOUNTABILITY REPORT ON THE 2015 STREET MAINTENANCE AND PEDESTRIAN SAFETY LEVY PROGRAM

MORE VISIBLE

City marks N.E. 144th St. bike lanes with color PG. 10

TAKING REQUESTS

Levy helps fund Neighborhood Safety Program projects PG. 9

A student descends the 116th Avenue stairs to the Cross Kirkland Corridor from the Highlands neighborhood.

R-5202
Exhibit A



MAKING IT CONNECT

The levy is connecting residents to the Cross Kirkland Corridor, which is in turn, connecting them to education, recreation and employment.

Until 2015, Highlands residents' most direct route to the Cross Kirkland Corridor was to descend a steep hillside along stairs that had been slickened by years of erosion.

So Highlands residents decided to rebuild them.

They applied for help from the City's Neighborhood Safety Program, a program that awards up to \$50,000 for small capital projects that improve safety for walking and bicycling. The levy, in turn, helps fund the Neighborhood Safety Program.

With this City-Neighborhood partnership and the \$12,000 grant that resulted from it, Highlands residents contributed 200 hours in volunteer labor to rebuild the stairs. The result: a safe and direct connection to the 5.75-mile-long Cross Kirkland Corridor.

The 116th Avenue stair project is one of four Cross Kirkland Corridor connections funded in 2015 by the City of Kirkland's Neighborhood Safety Program.

Those connections include improved walkways on Northeast 60th Street, 116th Avenue Northeast, and Kirkland Avenue. They also include bicycle-friendly staircases at Northeast 68th Street.

These connections cost less than \$200,000.

"Not a whole lot, considering what we're getting out of it," says Kari Page, Kirkland's coordinator for the Cross Kirkland Corridor and the Neighborhood Safety Program. "The Cross Kirkland Corridor has really become a community project. Residents have contributed their labor, materials and their ideas to create these connections. Our Cross Kirkland Corridor community extends beyond Kirkland's city limits."

See page 9 for a map of Neighborhood Safety Program projects, which the levy made possible.

People with disabilities may request materials in alternate formats. Kirkland's policy is to fully comply with Title VI of the Civil Rights Act by prohibiting discrimination against any person on the basis of race, color, national origin or sex in the provision of benefits and services resulting from its programs and activities. Any person who believes his/her Title VI protection has been violated, may file a complaint with the City. To request an alternate format, file a complaint or for questions about Kirkland's Title VI Program, contact the Title VI Coordinator at (425) 587-3831 (TTY Relay: 711) or titlevicoordinator@kirklandwa.gov.

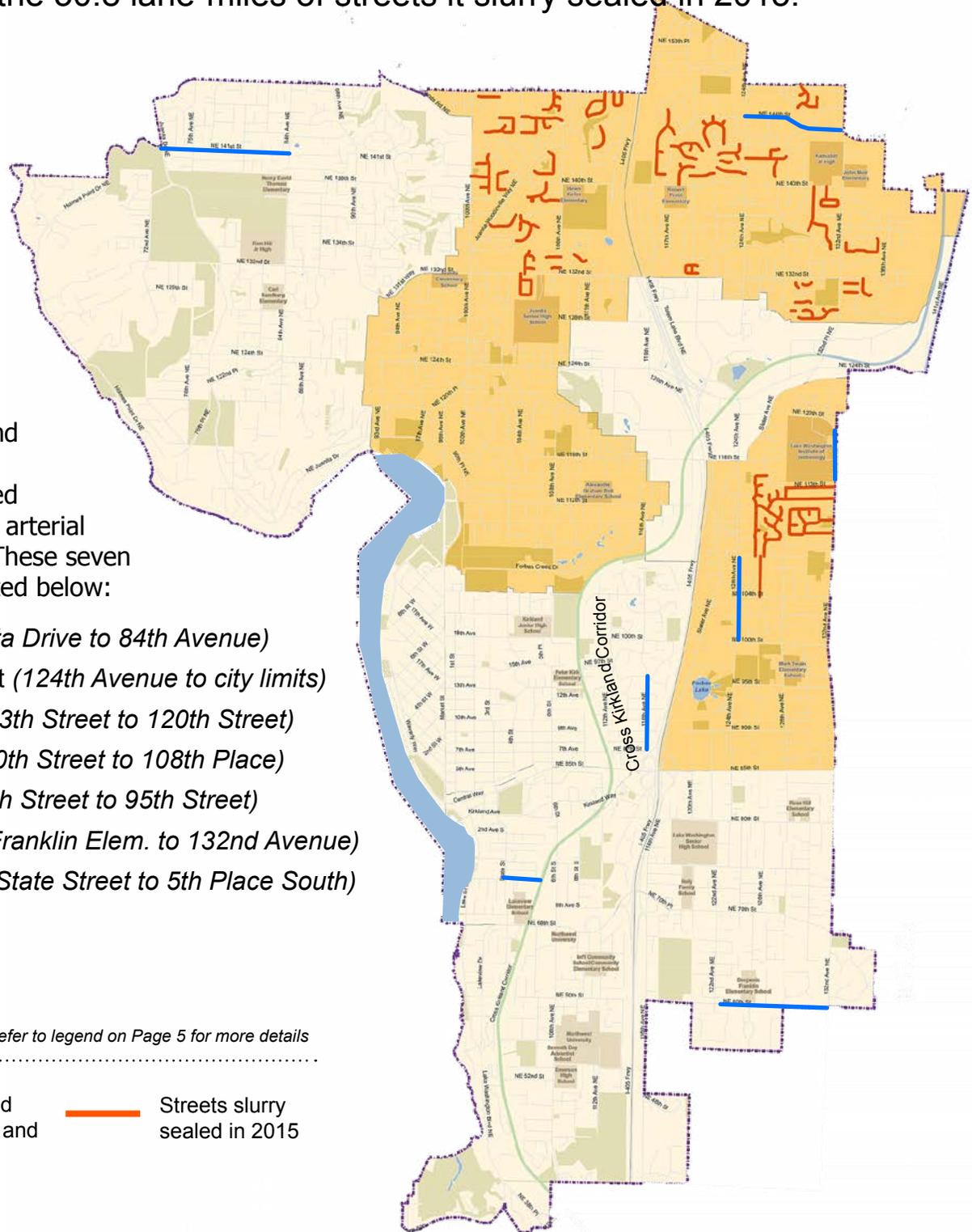
ANOTHER 39 MILES

The levy funded 4.4 of the nine lane-miles Kirkland overlaid in 2015. The levy funded 17.6 of the 30.8 lane-miles of streets it slurry sealed in 2015.

Kirkland added five to eight years of life in 2015 to 30.8 lane-miles of neighborhood roads in three different neighborhoods, thanks largely to the levy. The City sealed residential streets in Juanita, Kingsgate and North Rose Hill.

The levy also helped Kirkland repave nine arterial lane-miles in 2015. These seven road sections are listed below:

- 41st Street (Juanita Drive to 84th Avenue)
- 144th/143rd Street (124th Avenue to city limits)
- 132nd Avenue (113th Street to 120th Street)
- 124th Avenue (100th Street to 108th Place)
- 116th Avenue (87th Street to 95th Street)
- 60th Street (Ben Franklin Elem. to 132nd Avenue)
- Seventh Avenue (State Street to 5th Place South)



LEGEND

Refer to legend on Page 5 for more details

- Streets repaved with 2015 levy and City funds
- Streets slurry sealed in 2015

THE PRICE OF DELAY

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



Weathered: A few superficial cracks
Treatment: Slurry seal
Repair cost: \$1,600/block

Minor: Linear & alligator cracks; rutting
Treatment: Crack seal/resurface
Repair cost: \$17,000/block

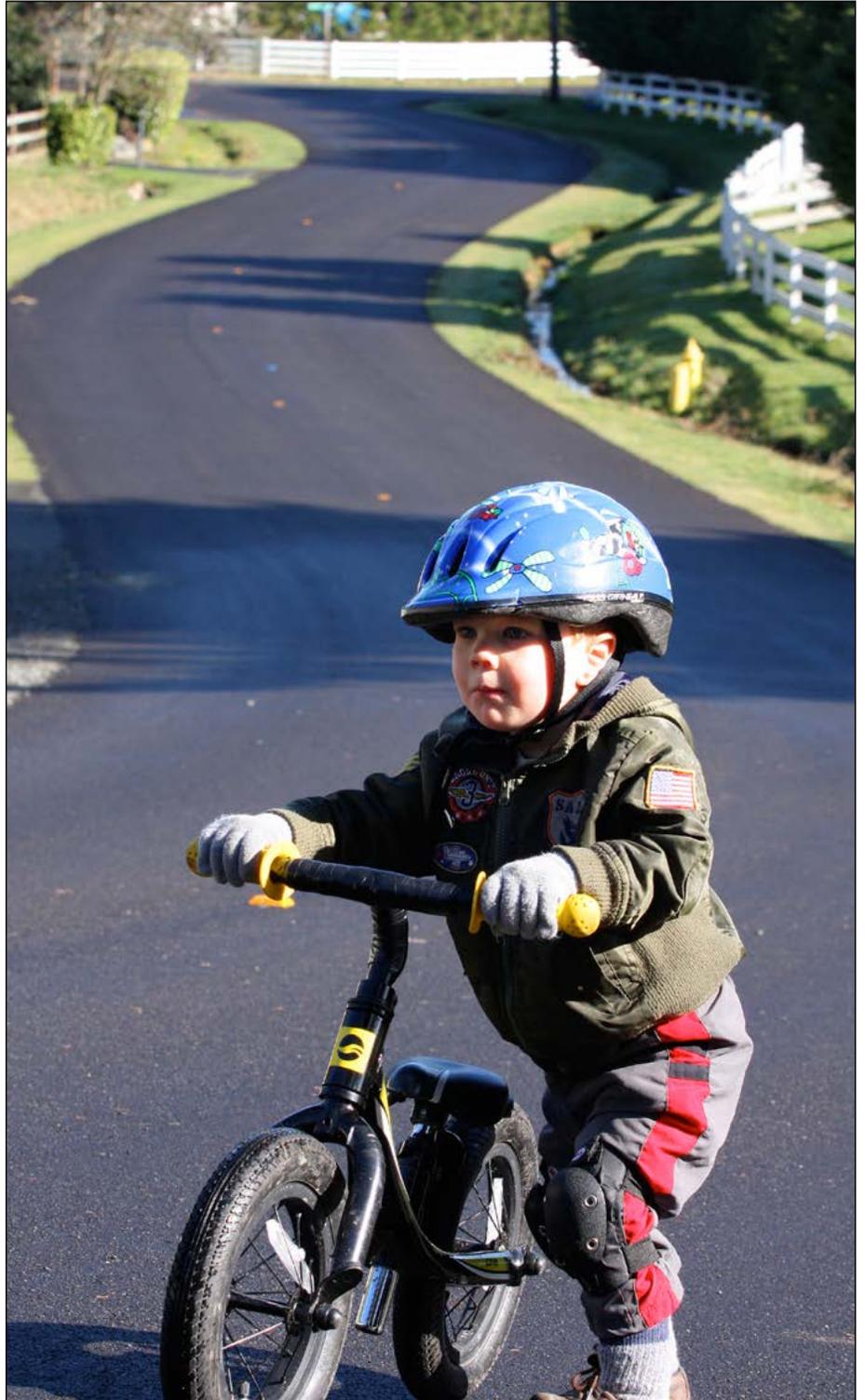
Serious: Extensive alligator cracks, potholes
Treatment: Reconstruct
Repair cost: \$65,000/block

WE DON'T DO WORST FIRST

Kirkland aims to get most roads to good condition—70 PCI—rather than keep a few in perfect condition.

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

To extend the lives of Kirkland's roads, City crews patch potholes and "alligator" cracks. The exception in 2013 was 97th Avenue Northeast from Juanita Drive to 119th Way. Potholes and alligator cracks had destroyed 341 feet of that road. Repaving it wouldn't repair it. The section—less than a City block—required total reconstruction. ◀

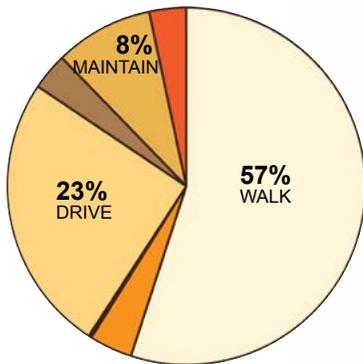
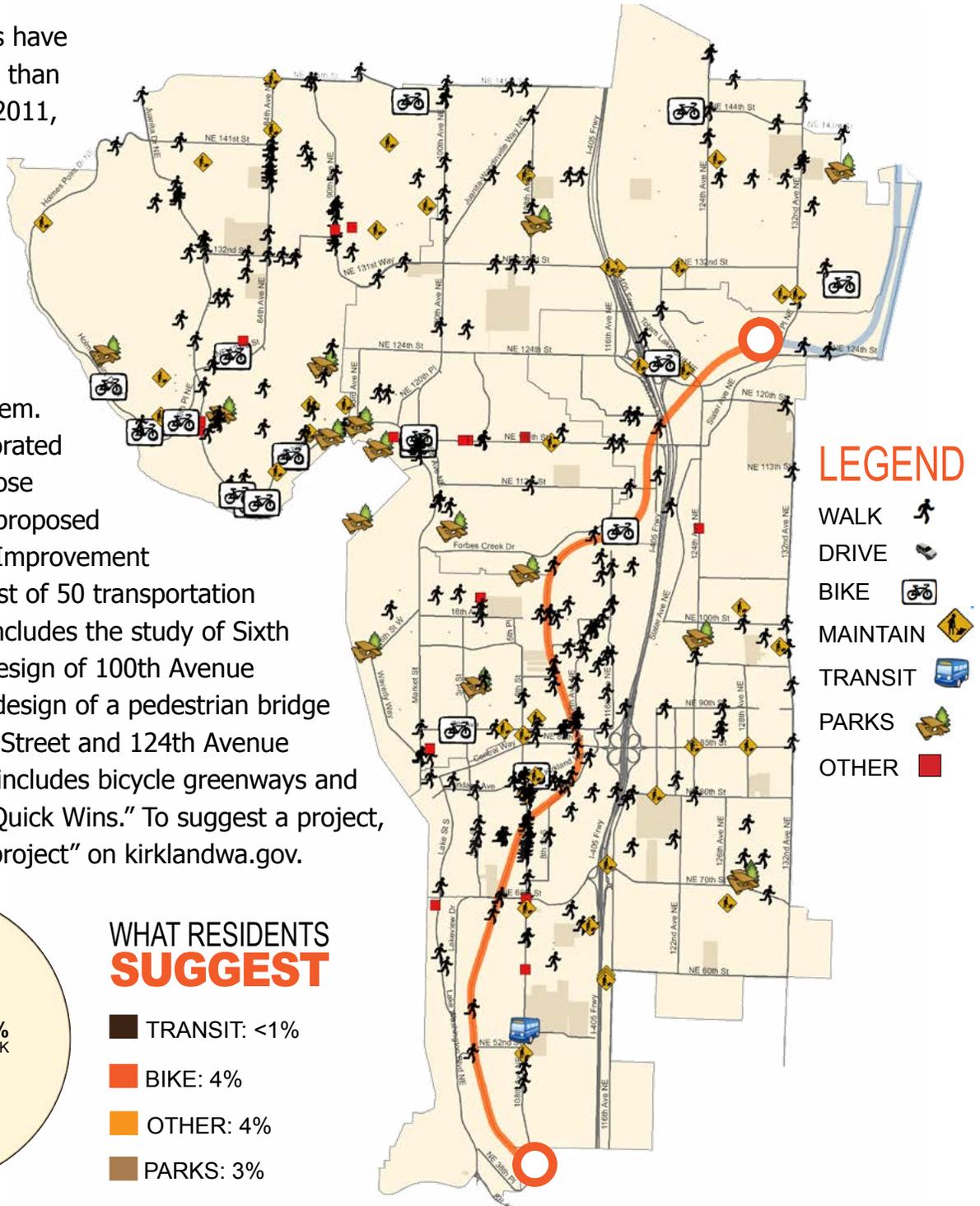


A toddler pushes his balance bike up Bridle Trails neighborhood's Northeast 61st Street in 2012. Residents of the neighborhood said in a pair of focus groups conducted that they were satisfied with their sealed street, though it initially had more friction.

SUGGEST-A-PROJECT

Residents suggested more than 60 percent of the projects included in the Capital Improvement Program's list of funded transportation projects.

Kirkland residents have suggested more than 600 projects since 2011, when Kirkland leaders unveiled an interactive map that invites the public to contribute ideas. The levy is helping the City address many of them. City leaders incorporated more than 30 of those suggestions in the proposed 2015-2020 Capital Improvement Program's funded list of 50 transportation projects. That list includes the study of Sixth Street South, the design of 100th Avenue Northeast and the design of a pedestrian bridge at Northeast 124th Street and 124th Avenue Northeast. The list includes bicycle greenways and the Juanita Drive "Quick Wins." To suggest a project, search "suggest a project" on kirklandwa.gov.



WHAT RESIDENTS SUGGEST

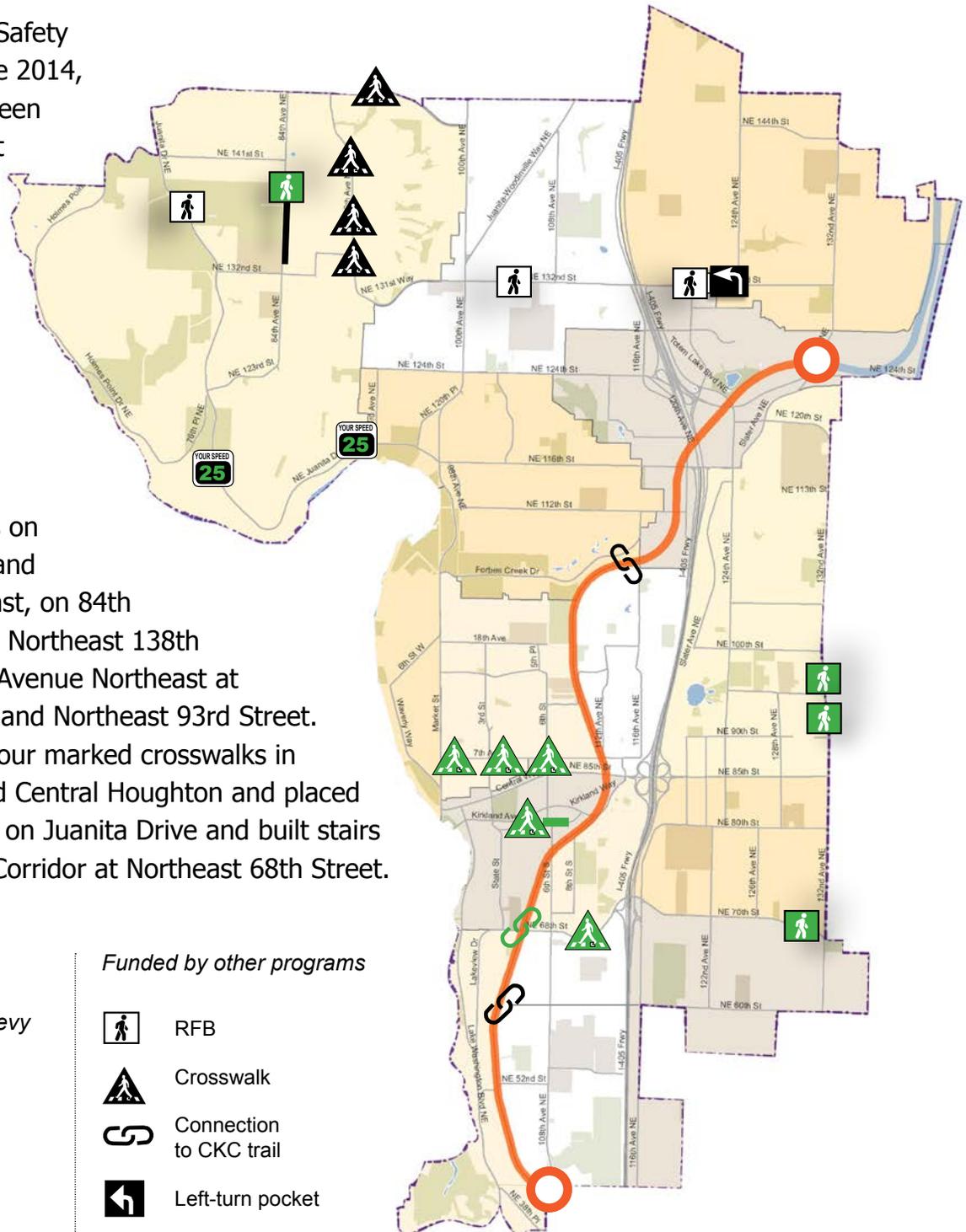
- TRANSIT: <1%
- BIKE: 4%
- OTHER: 4%
- PARKS: 3%

TAKING SUGGESTIONS

The streets levy is helping residents identify and fund projects that improve residents' everyday safety through the Neighborhood Safety Program.

The Neighborhood Safety Program has, since 2014, built fifteen of the sixteen approved projects that residents first requested through the Suggest-A-Project interactive mapping system.

The 2015 levy-funding helped fund nine of those projects: four sets of rapid flashing beacons on Northeast 70th Place and 130th Avenue Northeast, on 84th Avenue Northeast and Northeast 138th Street, and on 132nd Avenue Northeast at Northeast 97th Street and Northeast 93rd Street. It also helped create four marked crosswalks in Norkirk, Moss Bay, and Central Houghton and placed two radar speed signs on Juanita Drive and built stairs to the Cross Kirkland Corridor at Northeast 68th Street.



LEGEND

Funded in part by Street Levy

- RFB
- Speed radar sign
- Crosswalk
- Sidewalk

Funded by other programs

- RFB
- Crosswalk
- Connection to CKC trail
- Left-turn pocket
- Extruded curb



SEEING GREEN

Kirkland is using the repaving process to create a transportation network that helps people drive, walk and ride bicycles more safely and efficiently. In this photo, workers apply green thermoplastic to the Northeast 144th Street bike lane, near its intersection with 124th Avenue Northeast. This first colored bike lane in the City of Kirkland increases the visibility of bicycle riding in the area. ◀



FLASHING BEACONS IN 2015

The levy contributed funds to four of the six Rapid Flashing Beacons Kirkland installed this year.

The Street Levy helped fund in 2015 four sets of Rapid Flashing Beacons throughout the City.

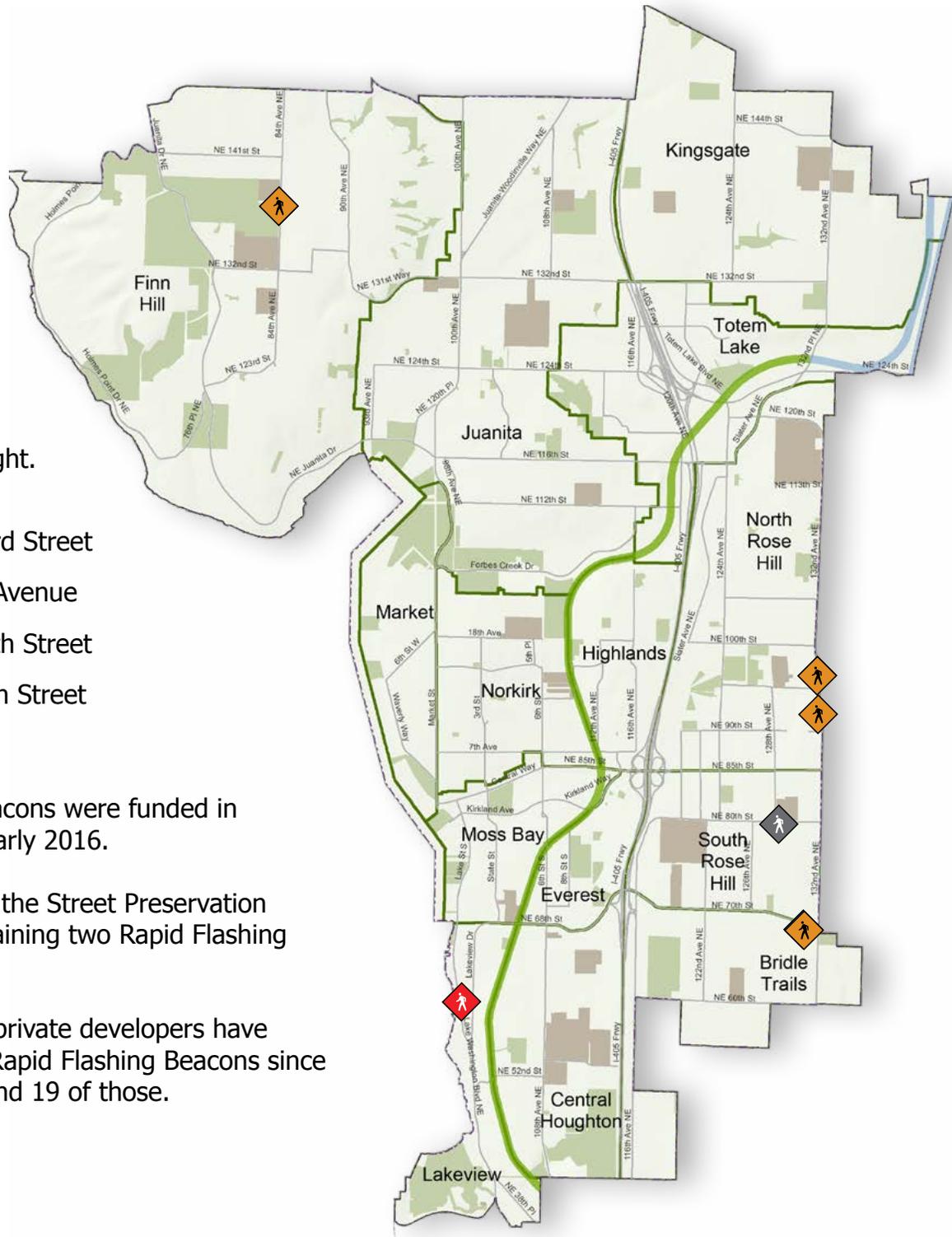
The locations of those Rapid Flashing Beacons are indicated by the orange pedestrian symbols in the list below and on the map to the right.

- ◆ 132nd Avenue at 93rd Street
- ◆ 70th Place at 130th Avenue
- ◆ 132nd Avenue at 97th Street
- ◆ 84th Avenue at 138th Street

These Rapid Flashing Beacons were funded in 2015 and completed in early 2016.

Private development and the Street Preservation Program funded the remaining two Rapid Flashing Beacons.

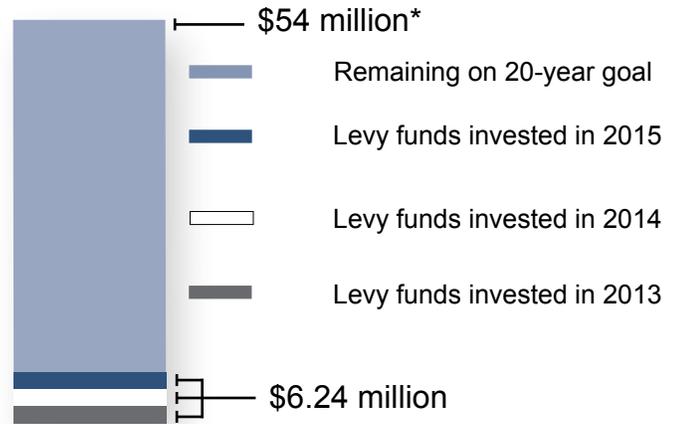
The City of Kirkland and private developers have installed 34 new sets of Rapid Flashing Beacons since 2013. The levy helped fund 19 of those.



MAKING IT ALL POSSIBLE

The levy allows Kirkland to complete pedestrian safety and street preservation projects that it would not otherwise be able to pursue. In 2015, the levy empowered Kirkland to pave more than four lane-miles of arterials, preserve 17.6 lane-miles of neighborhood roads, stripe nine crosswalks and improve sidewalk access at 23 curb ramps. ◀

TOTAL INVESTMENT (Progress toward levy goal)

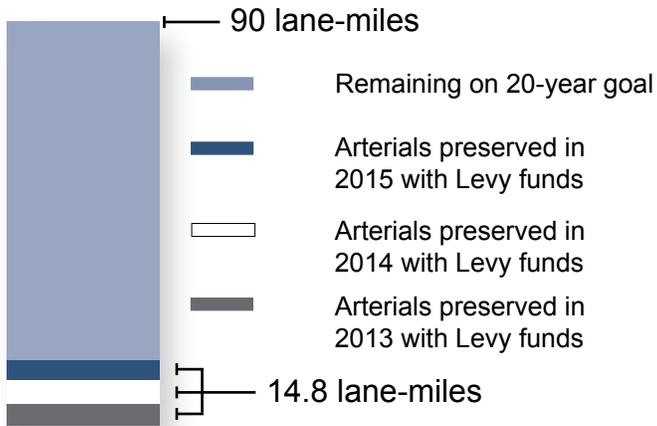


STREET PRESERVATION	ANNUAL AVERAGE PRE-LEVY	LEVY PRIOR YEARS
Investment (in millions of dollars)	\$1.75	\$3.94
Arterials (in lane miles)	6.2	10.4
Neighborhood/collector streets (in lane-miles)	13.7	25.6
Arterial/collector score on the pavement condition index (PCI)	57	62.3
Crosswalk striping (in crosswalks)	19.5	32
Sidewalk access (in curb ramps)	30	52

**Based on 20-year projection of levy budget.*

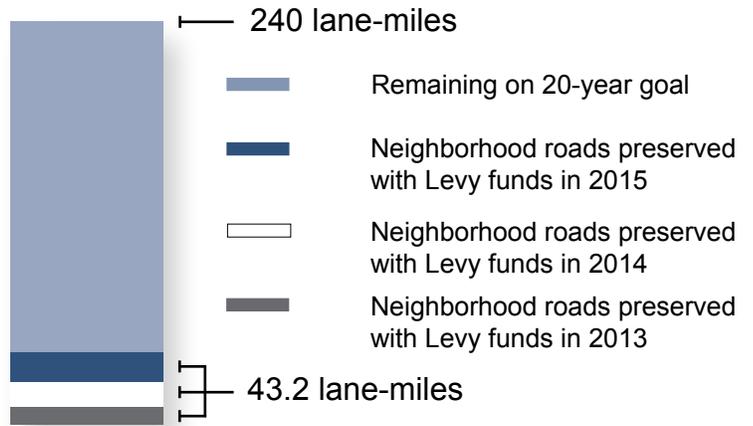
ARTERIAL PRESERVATION

(Progress toward levy goal)



NEIGHBORHOOD STREET PRESERVATION

(Progress toward levy goal)



2015 PROGRAM			LEVY PROGRESS	
LEVY	OTHER FUNDS	TOTAL	20-YEAR TARGET	PROGRESS TO DATE
\$2.3	\$1.8	\$4.1	\$54*	\$6.24
4.4	4.6	9	90	14.8
17.6	13.2	30.8	240	43.2
—	—	65.4	70	65.4
9	13	22	230	41
23	89	112	500	75

SIDEWALKS		LINEAR FEET OF SIDEWALK		INVESTMENT			
Location	Not on school walk route	School walk route	Levy	City	Grants	Total	
85th Street	9,240	-	-	\$633,908	-	\$633,908	
Sixth Street	1,490	-	-	\$333,100	\$220,914	\$554,014	
Kirkland Avenue/ Sixth Street	130	-	\$3,708	\$78,947	-	\$82,655	
2015 Total	10,860	-	\$3,708	\$1,045,955	\$220,914	\$1,270,577	
Previous Years	3,266	640	\$10,000	\$1,914,882	\$450,293	\$2,375,175	
Progress To Date	14,126	640	\$13,708	\$2,960,837	\$671,207	\$3,645,752	
SAFETY IMPROVEMENTS			INVESTMENT				
Location			Levy	City	Grants	Total	
68th Street stairs to CKC			\$9,990	\$84,470	-	\$94,460	
Stairs & bridge from 116th Avenue to CKC			-	\$9,523	-	\$9,523	
Crosswalk at 112th Avenue & 68th Street			\$9,347	-	-	\$9,347	
60th Street to CKC			-	\$5,320	-	\$5,320	
Radar speed sign on Juanita Drive			\$46,392	\$1,967	-	\$48,359	
Crosswalks at 1st, 4th & 5th streets & 7th Avenue			\$32,659	-	-	\$32,659	
Total			\$98,388	\$101,280	-	\$199,668	
Previous Years			-	\$88,826	-	\$88,826	
Progress To Date			\$98,388	\$190,106	-	\$288,494	
RAPID FLASHING BEACONS		SCHOOL WALK ROUTES		INVESTMENT			
Location	No	Yes	School	Levy	City	Grant	Total
80th/128th	-	1	Rose Hill	-	*	-	*
LWB/60th St	1	-	-	-	\$54,747	-	\$54,747
84th/138th	-	1	Thoreau	\$1,507	\$37,273	-	\$38,780
132nd/97th	-	1	Twain	\$8,000	\$57,029	-	\$65,029
132nd/93rd	-	1	Twain	\$57,466	\$12,971	-	\$70,437
130th/70th	1	-	-	\$44,350	-	-	\$44,350
2015 Total	2	4	-	\$111,323	\$162,020	-	\$273,343
Previous Years	12	16	-	\$560,977	\$532,726	-	\$1,093,703
Progress To Date	14	20	-	\$672,300	\$694,746	-	\$1,367,046

* Private Development

Note: Projects are reported in the year they are funded. In some cases, actual project completion may be the following year.



Westwater Construction worker Seth Phonpadith sculpts the concrete around the edges of a tactile warning strip along 100th Avenue Northeast, north of Northeast 125th Street. These tactile warning strips tell the vision-impaired they are about to enter a traffic zone.

IMPROVING ACCESS **FOR ALL**

Rebuilding curb ramps means providing a means of travel for all travelers

Every year, the City of Kirkland improves sidewalk access for those who travel by wheelchair or with the aid of a white cane. Its staff and contracted workers do this every time they rebuild curb ramps that are too steep, too narrow and that too subtly transition from the safety of the sidewalk to the traffic of the street.

Kirkland's workers have rebuilt 236 curb ramps since 2013, the first year Street Levy funds became available to Kirkland's project engineers. The levy paid for nearly half of those.

In 2015 alone the City rebuilt 111 curb ramps—

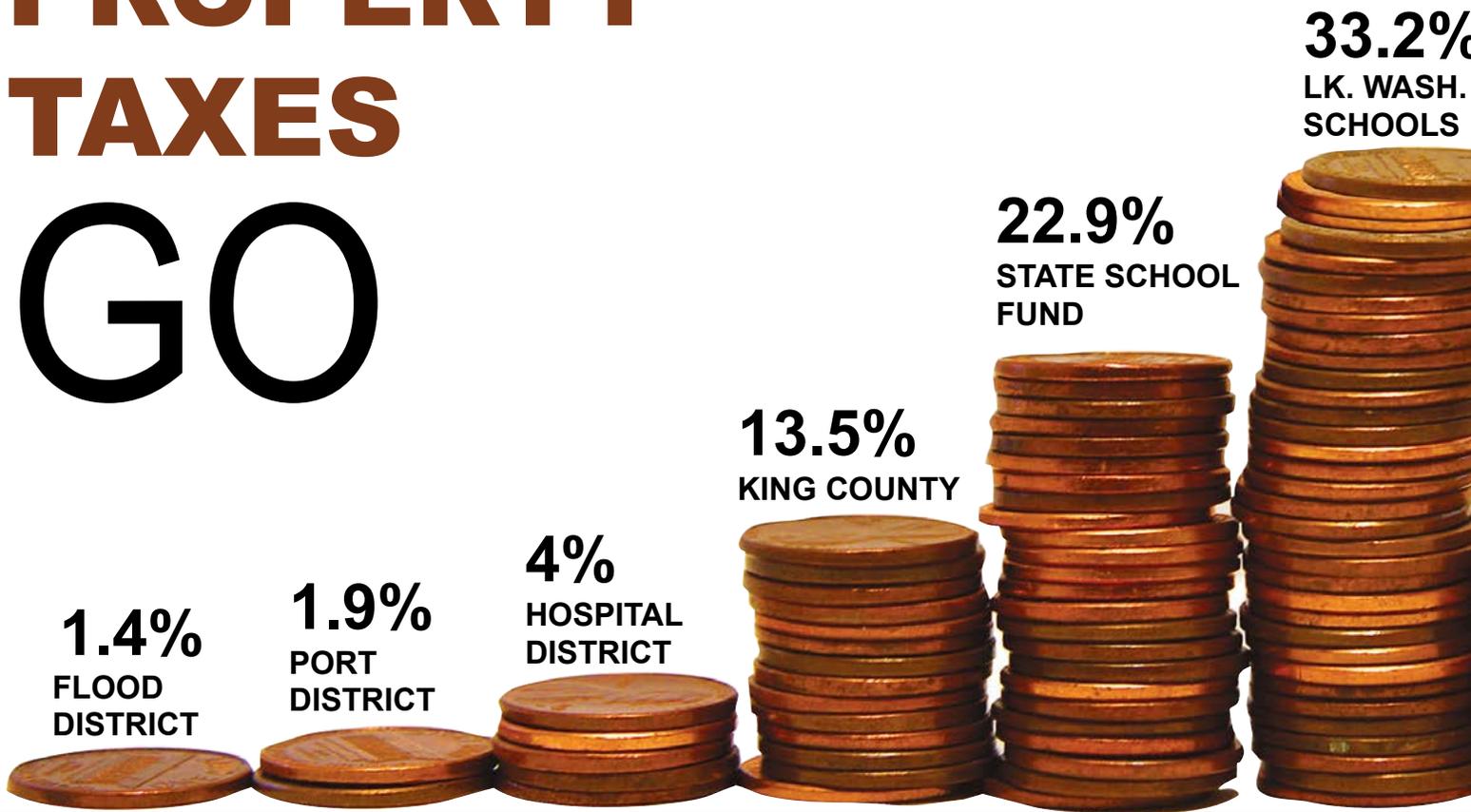
about twice as many as it rebuilt in 2013 or 2014.

This is part of a long-term effort to ensure all travelers can safely ascend and descend each of Kirkland's 3,800 curb ramps.

Fundamental to that effort is mounting the tactile warning strip, which is often the only clue to a vision-impaired traveler that he or she is entering a traffic zone.

And for those who travel by wheelchair, having a landing at the top of the curb ramp—a flat space to turn—can make the difference between traveling along a sidewalk or the street. ◀

WHERE PROPERTY TAXES GO



THE PRICE OF KIRKLAND'S GOVERNMENT

Kirkland's total revenue as a percentage of personal income continues its steady decline. It is now well below four percent in the proposed budget.

The graph at right illustrates Kirkland's Price of Government over the past six years and its projection for this two-year budget cycle.

Some local governments use the Price of Government calculation to help define a range in which residents are willing to pay for government services.

Many jurisdictions aim for a target of five to six percent. Kirkland's is well below that standard. ◀

15.1%
CITY OF
KIRKLAND

12.1%
City of Kirkland

1.3%
Park levy

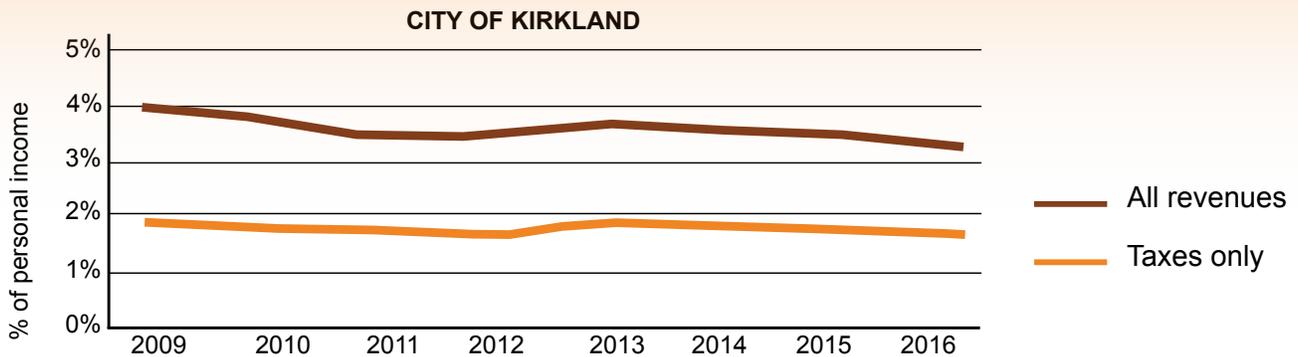
1.7%
Street levy

5%
LIBRARY
DISTRICT

3%
EMERGENCY
SERVICES
(COUNTY)



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



KIRKLAND CITY COUNCIL

(425) 587-3001

Mayor Amy Walen



Deputy Mayor Jay Arnold

Penny Sweet



Dave Asher



Shelley Kloba



Doreen Marchione



Toby Nixon



CITY STAFF

CITY MANAGER'S OFFICE

Kurt Triplett, City Manager 587-3001
 Marilynne Beard, Deputy City Manager 587-3008
 Tracey Dunlap, Deputy City Manager 587-3101

PUBLIC WORKS

Kathy Brown, Director 587-3802

CITY ATTORNEY'S OFFICE

Kevin Raymond, City Attorney 587-3031

FINANCE AND ADMINISTRATION

Michael Olson, Director 587-3146

POLICE

Cherie Harris, Chief 587-3403

FIRE

Joe Sanford, Chief 587-3601

HUMAN RESOURCES & PERFORMANCE MANAGEMENT

James Lopez, Director 587-3212

INFORMATION TECHNOLOGY

Brenda Cooper, Chief Information Officer 587-3051

PARKS & COMMUNITY SERVICES

Lynn Zwaagstra, Director 587-3301

PLANNING & BUILDING

Eric Shields, Director 587-3226

*Enter your project idea in the "Suggest a Project" interactive map at any time during the year.
 Go to: www.kirklandwa.com and search "Suggest a Project."*



CITY OF KIRKLAND
Department of Parks and Community Services
123 Fifth Avenue, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Lynn Zwaagstra, Director, Parks and Community Services
Date: August 2, 2016
Subject: Parks Levy Report

RECOMMENDATION:

It is recommended that the council accept the 2015 Accountability Reports for Proposition 2 – Parks Maintenance, Restoration and Enhancement Levy and approve the corresponding resolution. By adopting the consent calendar, this resolution will be approved.

BACKGROUND:

On November 6, 2012, Kirkland voters approved Proposition 2, a new source of revenue for the preservation, maintenance, and enhancement of Kirkland's parks and natural areas. To ensure that Kirkland's residents are able to monitor progress toward the established levy goals, an annual accountability report was to be provided. A copy of the 2015 report is attached to the resolution incorporated herein.

Separate Resolutions

The Street and Pedestrian Safety Levy (Proposition 1) was also approved by voters on November 6, 2012, and also requires an accountability report. Staff recommends adopting each accountability report with a separate resolution since the accountability reports will be annual events in perpetuity. It may be that in future years the readiness of each report might occur at different times during the year or future Councils may request additional information or edits for one or both reports that result in the reports being approved at different Council meetings. Adopting the initial accountability reports as separate resolutions sets a precedent that allows for future flexibility in timing.

Public Outreach

With City Council approval, staff will distribute the report through the City's website and listservs, as well as at community meetings throughout 2016. Staff will have hard copies available at City facilities and notify residents of the availability of the reports through a press release.

RESOLUTION R-5203

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE 2015 PARK LEVY ACCOUNTABILITY REPORT FOR PROPOSITION 2 – PARKS MAINTENANCE, RESTORATION AND ENHANCEMENT LEVY.

1 WHEREAS, in November 2012, Kirkland voters approved
2 Proposition 2 – Levy for City Parks Maintenance, Restoration and
3 Enhancement ("Park Levy"); and
4

5 WHEREAS, Ordinance No. 4365 adopted by the Kirkland City
6 Council to place Proposition 2 on the ballot described the restricted uses
7 for the funding as well as the requirement to produce an annual
8 accountability report documenting actions and the status of the
9 programs funded by the Park Levy; and
10

11 WHEREAS, the submitted 2015 Park Levy Accountability Report
12 reflects the allocation of Park Levy funds to: 1) park maintenance and
13 operations (\$1.15 million); and 2) annual investment of approximately
14 \$1.2 million for park capital projects; and
15

16 WHEREAS, the City Council desires to adopt the 2015 Park Levy
17 Accountability Report.
18

19 NOW, THEREFORE, be it resolved by the City Council of the City
20 of Kirkland as follows:
21

22 Section 1. The Kirkland City Council adopts the 2015 Park Levy
23 Accountability Report attached as Exhibit A and incorporated by this
24 reference.
25

26 Section 2. The Kirkland City Council authorizes the posting of
27 the 2015 Park Levy Accountability Report on the City website and the
28 distribution of the Report throughout the community.
29

30 Passed by majority vote of the Kirkland City Council in open
31 meeting this ____ day of _____, 2016.
32

33 Signed in authentication thereof this ____ day of _____,
34 2016.

DEPUTY MAYOR

Attest:

City Clerk

Kirkland

2015 ACCOUNTABILITY REPORT ON THE PARK LEVY PROGRAM

City begins improvements
at Waverly Beach Park **PG. 7**



**GREEN KIRKLAND
Partnership**

volunteers and staff remove
over 1,700 invasive trees **PG. 6**

KIRKLAND PARKS



WE CARE FOR:

- 49 Parks
- 22 Open Space Parcels
- 3 Swimming Beaches
- Peter Kirk Pool
- Peter Kirk Community Center
- North Kirkland Community Center
- Heritage Hall
- Kirkland Cemetery
- City/School Partnership Playfields
- Kirkland Performance Center
- Kirkland Teen Union Building (KTUB)

QUALITY OF LIFE

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

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

The levy raises approximately \$2.35 million annually, of which about \$1.15 million is used to restore, maintain and enhance Kirkland parks and natural areas. The remaining \$1.2 million helps fund the Parks Capital Improvement Program (CIP) to complete major repairs and site renovations at parks throughout the community. Priority projects initially identified by the City Council for levy investments include the following:

- Planning for development of the Cross Kirkland Corridor
- Renovations to Waverly Beach Park and Edith Moulton Park
- Park land acquisition for future neighborhood parks
- Docks and shoreline renovations in many of the City's waterfront parks
- Replacement of the Juanita Beach Park bathhouse
- Playfield upgrades at select school sites

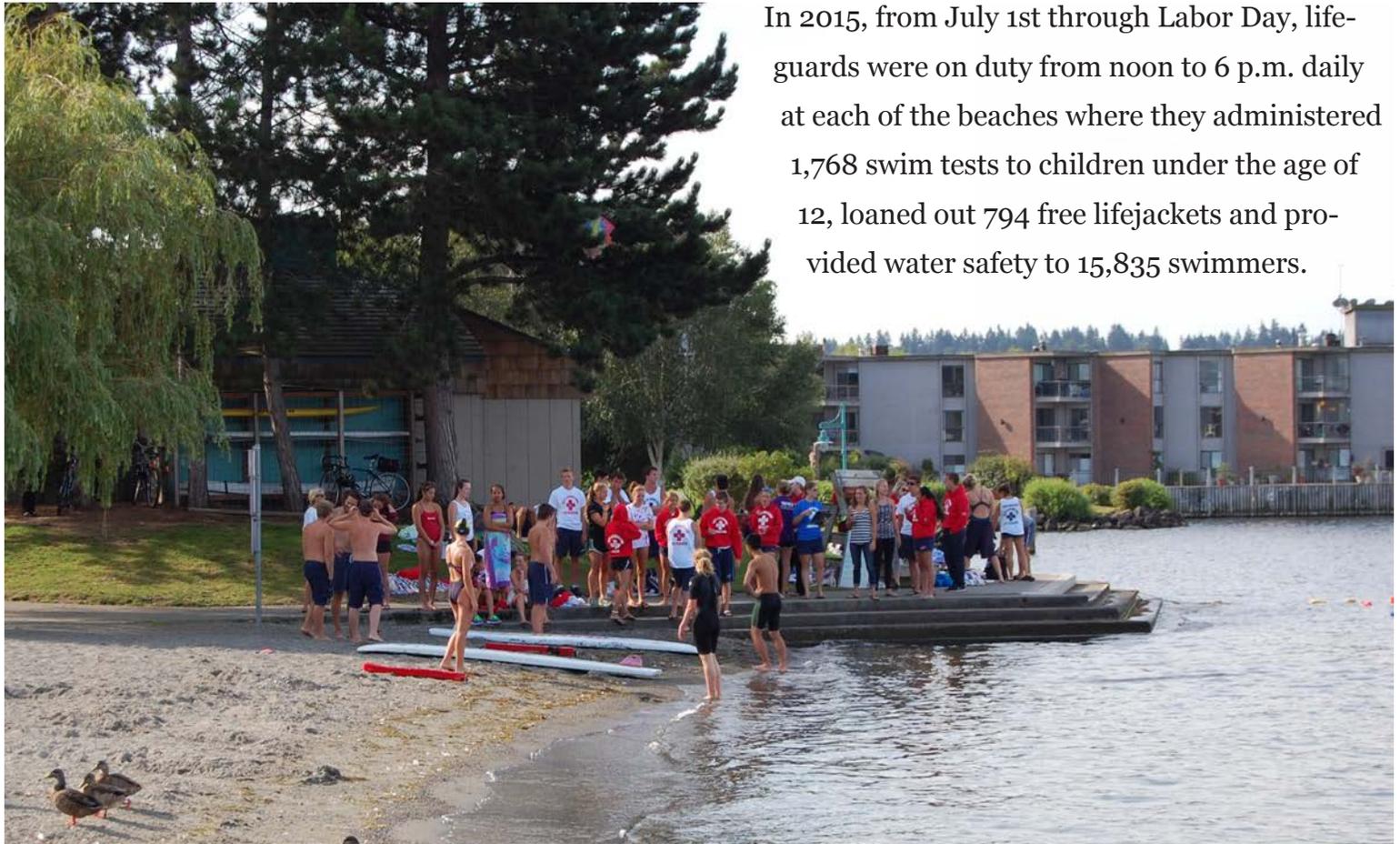
Alternate Formats: Persons with disabilities may request materials in alternative formats. Persons with hearing impairments may access the Washington State Telecommunications Relay Service at 711.

Title VI: It is the City of Kirkland's policy to ensure full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person on the basis of race, color, national origin or sex in the provision of benefits and services resulting from programs and activities. Any person who believes his/her Title VI protection has been violated, may file a complaint with the City of Kirkland.

To request an alternate format or for questions about Kirkland's Title VI Program Coordinator at 425-587-3011 or titlevicoordinator@kirklandwa.gov.

SAFER SWIM BEACHES

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



In 2015, from July 1st through Labor Day, lifeguards were on duty from noon to 6 p.m. daily at each of the beaches where they administered 1,768 swim tests to children under the age of 12, loaned out 794 free lifejackets and provided water safety to 15,835 swimmers.

Lifeguards participate in a skill builder at Houghton Beach.

SWIMMING BEACH	Swimmers (2012-no levy)	Lifejackets Loaned ('12)	Swimmers (2015)	Lifejackets Loaned ('15)
Houghton	4,370	355	4,839	307
Waverly	1,991	93	2,021	217
Juanita	not staffed	not staffed	8,975	270

THRIVING PARKS

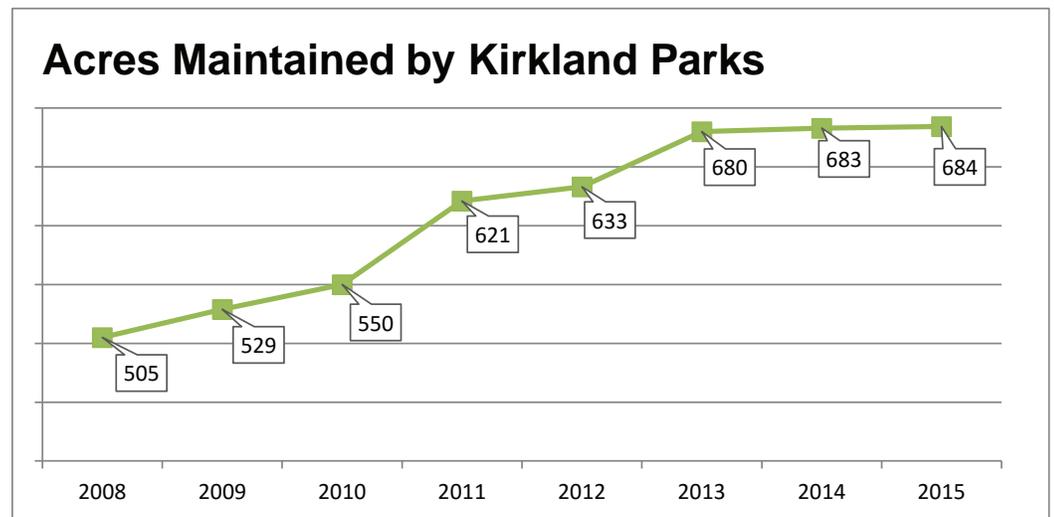
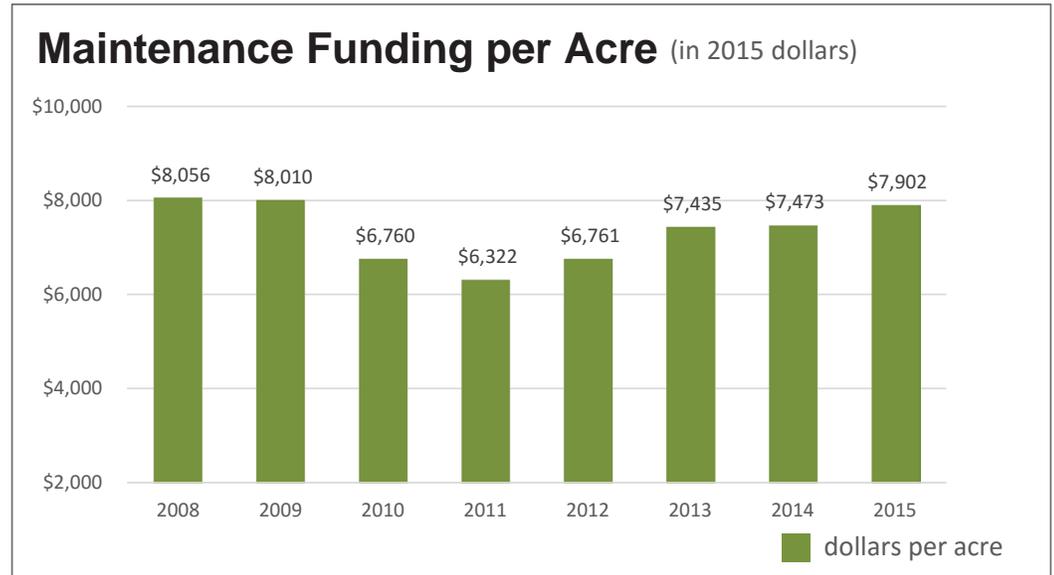
THE 2012 LEVY INCREASED MAINTENANCE LEVELS BY RESTORING LABOR HOURS FOR PARKS MAINTENANCE AND APPROXIMATELY \$156,000 ANNUALLY FOR SUPPLIES, MATERIALS AND UTILITIES.

The impact of the increase in labor can be seen in several areas of the maintenance division's operation.

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

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

Park benches, pathways, picnic shelters, restroom facilities and other site amenities, maintenance of which has been deferred, are one by one getting repaired. In 2015, for example, the levy supported roof repairs, sport court renovations, asphalt walkway maintenance and irrigation system upgrades at Everest, Heritage, Juanita Bay, Marina, McAuliffe, Spinney Homestead and Van Aalst parks.



THE LEVY ENSURES FUNDING FOR THE GREEN KIRKLAND PARTNERSHIP, WHICH RECRUITED MORE THAN 2,000 VOLUNTEERS IN 2012, 2013 AND 2014.

The levy continues Kirkland's commitment to restoring natural green spaces. The purpose of the Green Kirkland Partnership is to conserve and restore Kirkland's natural area park land by removing invasive plants and planting native species for the sustainability of urban forests, wetlands and other habitats. Partnering with citizens, groups and businesses, over **60,000 volunteer hours** have restored approximately 65 acres. Invasive plants such as English ivy and Himalayan blackberry are removed and replaced with native trees, shrubs and groundcover needed to sustain these natural areas.

Between 2005 and 2012, the program was financially at risk of losing sources to fund the necessary staff. Thanks to the passage of the levy, the program has a dedicated funding source for staff to recruit volunteers and businesses, write grants, train volunteers, coordinate restoration events, develop restoration plans, and provide education and outreach to the community on the benefits of healthy forests and other natural areas.

GREEN KIRKLAND	2012 (no levy)	2015 (with levy)
Number of staff	1	3.5
Number of volunteers	2,164	2,342
Volunteered hours	9,401	8,715
Volunteer work parties	168	228
Volunteer stewards	22	25
Acres in restoration	40.3	64.5
Invasive trees removed	336	1,388
Native plants and trees planted	5,979	4,649
Woodchip mulch applied (cubic yards)	315	441

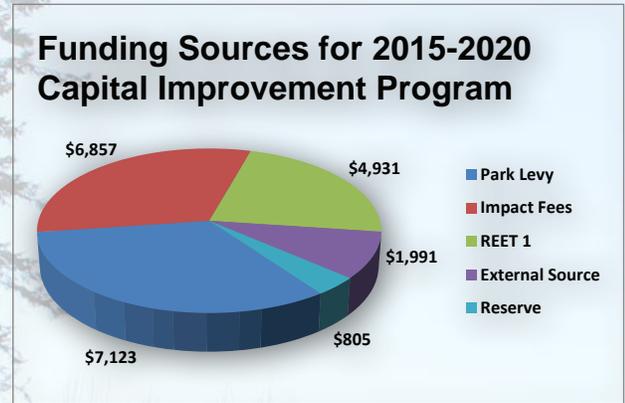


The levy supports natural area restoration activities such as removing invasive plants and planting native plants and trees.

INVESTING IN PARKS

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

The chart at right shows the funding sources for the 2015-2020 Parks Capital Improvement Program (CIP). Anticipated funding for parks projects averages \$3.62 million per year, with approximately \$1.187 million per year coming from the 2012 levy and the remainder primarily coming from Real Estate Excise Tax (REET) and Impact Fees placed on new development.



LEVY-FUNDED PARK CAPITAL IMPROVEMENT PROJECTS INITIATED OR COMPLETED IN 2015 INCLUDE:



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

Known as the CKC, the 5.75 mile Cross Kirkland Corridor traverses Kirkland from the South Kirkland Park & Ride to the City’s northern boundary in the Totem Lake Business District. The City has been actively embracing the community’s energy around the corridor’s future development as a multi-modal transportation corridor and recreation asset. The City has completed construction of an interim recreational trail, while levy funding was used to create an overall Master Plan for the corridor.



WAVERLY BEACH PARK (\$500,000 levy funds)

The levy will help fund a major renovation of Kirkland’s oldest waterfront park. Construction of phase I improvements began in 2015, and will be completed by summer 2016. Additional enhancements to the phase I project are expected due to generous donations by the Kirkland Rotary and Kirkland Parks Foundation. Renovation priorities include the park’s extensive shoreline and beach area, pier, pathways, playground, lawn drainage and picnic pavilion.

CAPITAL PROJECTS

CURRENT STATUS

Items in green reflect the current status of the project.

ONGOING

PARK LAND ACQUISITION (\$2,350,000 levy funds)

Land acquisitions to plan for growth and to protect important natural resources are funded from the levy.



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

Edith Moulton donated her family homestead, a 26-acre heavily wooded property in Juanita, to the public in 1967. Kirkland assumed ownership from King County following annexation in 2011 and completed a park master plan process in 2014. Final design and permitting for park improvements began in 2015 with construction scheduled for 2016/2017.



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

Kirkland’s 13 diverse Lake Washington waterfront parks provide opportunities for public access while balancing the needs for habitat enhancement and maintaining ecological function. In 2014, levy funds were used to complete repairs to Houghton Beach Park and begin engineering for upgrades to the dock and boat launch at Marina Park.



JUANITA BEACH BATHHOUSE REPLACEMENT (\$1,200,000 levy funds)

The levy will fund the replacement of the Juanita Beach Bathhouse. In 2015, the City began the planning and design process for the new bathhouse and picnic shelter structures. Construction is anticipated to take place in 2017

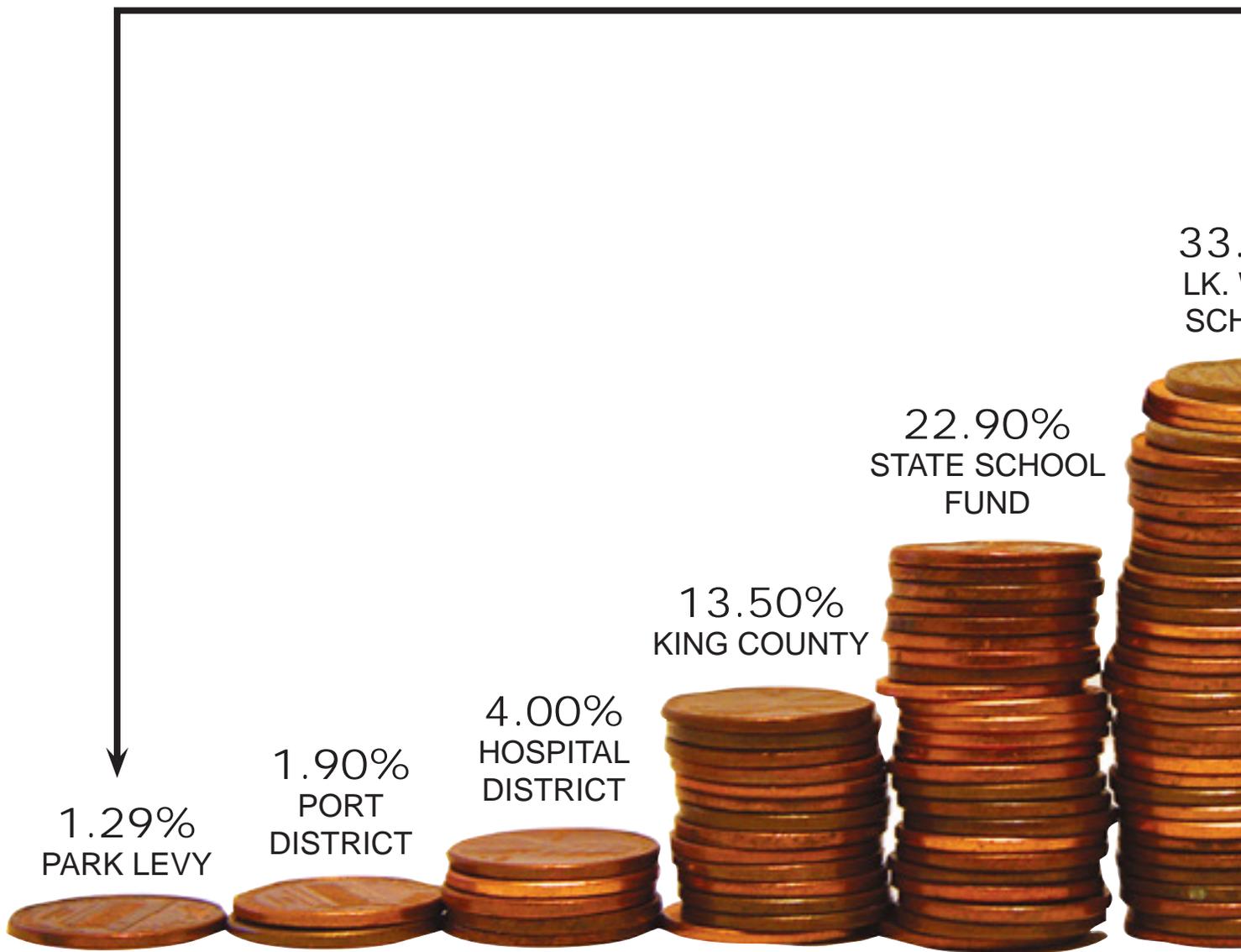
FUTURE LEVY-FUNDED PROJECTS 2016 - 2022

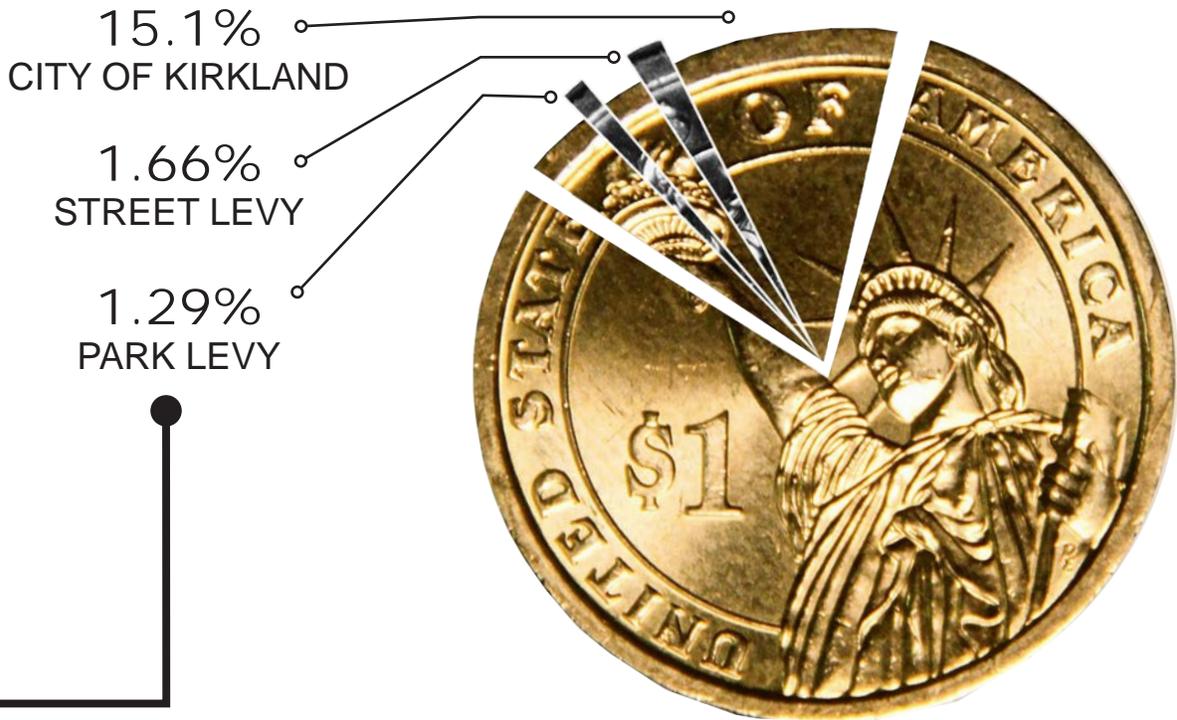
- City/School Partnership Field Improvements
- Everest Park Restroom/Storage Building Replacement
- Neighborhood Park Land Acquisitions

WHERE PROPERTY TAXES GO

ACCOUNTABILITY REPORT ON THE 2012 PARK LEVY PROGRAM: 2015 EDITION

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





20%
WASH.
SCHOOLS



KIRKLAND CITY COUNCIL

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



CITY STAFF

CITY MANAGER'S OFFICE

Kurt Triplett, City Manager.....587-3001

Marilynne Beard, Deputy City Manager.....587-3008

Tracey Dunlap, Deputy City Manager.....587-3101

PARKS & COMMUNITY SERVICES

Lynn Zwaagstra, Director.....587-3300





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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Carol Wade, Senior Accountant

Date: August 1, 2016

Subject: 2015 ANNUAL TRANSPORTATION AND PARK IMPACT FEES REPORT

RECOMMENDATION:

Council accept the 2015 Annual Transportation and Park Impact Fee Report.

BACKGROUND DISCUSSION:

RCW 82.02.070 related to impact fees provides that: "Annually, each county, city or town imposing impact fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees." This report is presented to the City Council in response to that requirement.

The City began collecting impact fees for transportation in June 1999 and for parks in August 1999. Although impact fees are not required to be tracked and applied to projects by zones per the ordinances, impact fees are being tracked by zones for administrative purposes (see Attachment C for map). Tracking the collection and subsequent transfer of impact fees helps to analyze what area(s) of the city development is occurring in and how funding of future capacity projects is related to the amount of development. On June 1, 2011, the North zone was added due to the annexation of the new neighborhoods.

During 2015, \$1,225,155 in transportation impact fees and \$1,210,274 in park impact fees were collected. Attachment A summarizes the 2015 impact fee collections by zone.

The Southwest zone collected 38% of the total 2015 transportation impact fees and 49% of the total 2015 park impact fees. The majority of impact fees collected in the Southwest zone were Multi-Family/Non-Residential. The largest contributor was Kirkland Crossing, LLC, the 185 unit mixed-use project located at the South Kirkland Park and Ride for a total of \$809,892.

The East zone realized the most 2015 single family residential impact fee activity. The largest single family residential impact fee contributor was Toll WA LP's 32 lot Preserve at Kirkland in the amount of \$213,057.

Since June 1, 2010, the Kirkland Municipal Code has provided for the optional deferral of impact fees for single family residences until sale of the property rather than at building permit issuance to assist with economic development. The KMC was amended again as of May 7, 2013, extending the deferral date indefinitely and on November 17, 2015 the deferral was made permanent and the language was updated to be consistent with State legislation passed in 2015. A lien is filed against the title to the property and impact fees are paid upon closing of the sale of property. As of December 31, 2015, the City had 8 applicants who opted to defer transportation impact fees of \$32,487 and park impact fees of \$31,741.

Attachment B is a cumulative report showing total transportation and park impact fees collected by zone since inception. The Southwest zone, at 31%, accounts for the majority of impact fees to date for a total of \$5,485,396. The new neighborhood North zone has generated \$1,587,613 transportation impact fees and \$1,117,395 park impact fees for a total of \$2,705,008.

Park impact fees have continued increasing, while transportation impact fees would be holding steady over the last four years, normalizing out the 2014 Google payment of \$1,373,400. Please see the summary table below.

Year	Transportation	Parks
2009	\$382,549	200,850
2010	\$186,076	161,892
2011	\$327,104	230,248
2012	\$1,192,687	690,487
2013	\$1,332,206	714,395
2014	\$2,347,606	1,029,793
2015	\$1,225,155	1,210,274

Impact fees have been budgeted conservatively in the Capital Improvement Program (CIP) because of the volatility in development activity since impact fees were implemented. The rebound in development activity over the last few years has resulted in the accumulation of reserves. At the June 16, 2015 Council Meeting, Council approved using approximately \$1.5 million of Park Impact Fees to pay off, through defeasance, the remaining 2011 LTGO Bonds (primarily McAuliffe park debt). This action was taken to free up future Park impact fees to be spent under the new standard adopted by Council at the November 17, 2015 Council Meeting.

As part of the Kirkland 2035 efforts in 2015, staff updated the Transportation and Park impact fees charged to new development. Updates to Transportation impact fees included fee increases to be more consistent with Transportation Master Plan. Park impact fee increases were based on the investment per capita approach consistent with the Parks, Recreation and Open Space (PROS) plan.

Council adopted the revised Impact Fee policies and rates at the November 17, 2015 Council Meeting which were effective January 1, 2016. The new policies were incorporated into the 2015-2020 CIP. Additional uses of Impact Fees to fund projects will be included in the upcoming 2017-2022 CIP as the result of revised policies and recent higher revenue trends.

At year-end 2015, the impact fee fund balance after transfers to fund CIP projects and debt was \$6,490,827 (\$4,900,453 for transportation and \$1,590,374 for parks). The City's practice is to allocate impact fee-related revenues to qualifying capital projects in the order that they are received (i.e., first-in, first-out). Note that the Washington State Legislature extended the time

period to expend impact fees to ten years from collection date. The City Council amended the Kirkland Municipal Code to reflect that change on September 20, 2011.

The following table shows impact fee revenues expended on projects and debt service payments since 1999.

Year	Project Name (Project Number)	Transportation	Parks
1999 through 2008		\$4,312,680	\$1,035,623
2009	NE 120th St Roadway Extension (CST0057000)	672,000	
	NE 68th/108th Ave Intersection Improvements (CTR0085000)	562,000	
	Teen Center Debt Service Payment		44,650
	McAuliffe Park Debt Service Payment		231,415
2010	No CIP Projects were funded from impact fees		
	Teen Center Debt Service Payment		44,650
	McAuliffe Park Debt Service Payment		229,803
2011	No CIP Projects were funded from impact fees		
	McAuliffe Park Debt Service Payment		97,500
2012	No CIP Projects were funded from impact fees		
	Teen Center Debt Service Payment		40,185
	McAuliffe Park Debt Service Payment		100,000
2013	100th Ave/NE 132nd Intersection Improvements (CTR0083000)	350,000	
	Teen Center Debt Service Payment		44,650
	McAuliffe Park Debt Service Payment		251,492
2014	6th St/Kirkland Way Traffic Signal (CTR0065000)	1,200,550	
	100th Ave/NE 132nd Intersection Improvements (CTR0083000)	350,000	
	Teen Center Debt Service Payment		49,115
	McAuliffe Park Debt Service Payment		243,380
2015	Lakefront Ped Bicycle Improvement (CNM0089000)	11,000	
	Juanita Drive Quick Wins (CNM0090000)	27,000	
	100th Ave Roadway Corridor (CST0083101)	181,000	
	Teen Center Debt Service Payment		22,325
	McAuliffe Park Debt Service Payment		93,008
	Teen Center Bond Defeasance		230,907
	McAuliffe Park Bond Defeasance		1,135,969
Total impact fee revenues transferred to projects through 2015 *		\$7,666,230	\$3,894,672
	Impact fees collected through 2015	12,104,329	5,345,239
	Interest accrued through 2015	462,353	139,807
Total impact fee collections and interest		\$12,566,683	\$5,485,046
Impact fee balance		\$4,900,453	\$1,590,374

* Includes transfer of interest on impact fee balances

Attachments (3)

cc: Kathy Brown, Public Works Director
 Dave Snider, Capital Projects Manager
 Rob Jammerman, Development Engineering Manager
 Lynn Zwaagstra, Parks & Community Services Director
 Michael Cogle, Parks Planning & Development Manager
 Teresa Swan, Senior Planner
 Tom Mikesell, Financial Planning Manager

City of Kirkland
2015 Impact Fee Report - Summary

Zone Collected	Amount Collected	
	Transportation	Parks
East		
Multi-Family/Non-Residential	\$132,244	\$0
Single Family Residential	\$307,476	\$308,022
Subtotal East	\$439,720	\$308,022
North		
Multi-Family/Non-Residential	\$11,853	\$0
Single Family Residential	\$173,448	\$240,889
Subtotal North	\$185,301	\$240,889
Northeast		
Multi-Family/Non-Residential	\$25,128	\$0
Subtotal Northeast	\$25,128	\$0
Northwest		
Multi-Family/Non-Residential	\$41,084	\$0
Single Family Residential	\$68,374	\$70,167
Subtotal Northwest	\$109,458	\$70,167
Southwest		
Multi-Family/Non-Residential	\$360,746	\$465,275
Single Family Residential	\$104,803	\$125,921
Subtotal Southwest	\$465,549	\$591,196
Total Collected - All Zone	\$1,225,155	\$1,210,274

City of Kirkland Cumulative Impact Fee Report - Summary

1999-2015

Zone Collected	Amount Collected	
	Transportation	Parks
East		
Multi-Family/Non-Residential	\$1,982,903	\$336,854
Single Family Residential	\$1,250,364	\$1,148,898
Subtotal East	\$3,233,267	\$1,485,752
North		
Multi-Family/Non-Residential	\$571,029	\$12,575
Single Family Residential	\$1,016,584	\$1,104,820
Subtotal North	\$1,587,613	\$1,117,395
Northeast		
Multi-Family/Non-Residential	\$1,661,595	\$57,700
Single Family Residential	\$13,485	\$4,457
Subtotal Northeast	\$1,675,080	\$62,157
Northwest		
Multi-Family/Non-Residential	\$1,073,787	\$545,007
Single Family Residential	\$593,244	\$590,870
Subtotal Northwest	\$1,667,031	\$1,135,877
Southwest		
Multi-Family/Non-Residential	\$3,334,025	\$986,402
Single Family Residential	\$607,314	\$557,656
Subtotal Southwest	\$3,941,338	\$1,544,058
Total Collected - All Zone	\$12,104,329	\$5,345,239



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Tracey Dunlap, Deputy City Manager
Date: July 27, 2016
Subject: USE OF BUILDING AND PROPERTY RESERVE

RECOMMENDATION:

Council approve the use of the Building and Property Reserve to purchase land adjacent to the Cross Kirkland Corridor. Through approval by the Council of the consent calendar, the reserve use will be approved.

BACKGROUND DISCUSSION:

Early in 2016, the City of Kirkland became aware of a small parcel adjacent to the Cross Kirkland Corridor (CKC) that was omitted from the original sale of the line to the Port of Seattle and was still owned by BNSF. The property is located near the intersection of NE 116th St. and 120th Ave. NE as shown on the map in Attachment A and the legal description of the subject property is as follows:

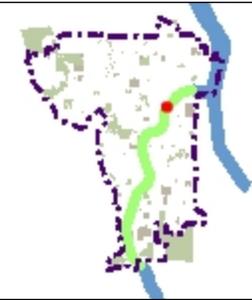
That portion of the Southeast Quarter of the Southwest Quarter of Section 28, Township 26 North, Range 5 East, W.M., in King County, Washington, lying Southwesterly of Southwesterly margin of State Highway #2 as established by Deed to the State of Washington recorded under Recording Number 6488932 and Northwesterly of the Northwesterly margin of the Northern Pacific Railway right-of-way and East the East margin of County Road (known as 120th Avenue Northeast)

The property consists of a single tax lot that contains 5,150 square feet according to Assessor records. Overall, the property is triangular in shape and is unimproved at this time. The City ordered an appraisal and the appraised value of the property is \$67,000. BNSF's willingness to sell represents a rare opportunity to get this parcel into public ownership. The property is one of the few locations that can provide parking along the CKC and could also provide right-of-way in the event a road is extended under I-405 at that location. In addition Puget Sound Energy (PSE) desires to use the northern tip of the property to help complete their upgrade of the electrical line that travels along the CKC and connects to the Juanita substation. PSE does not have easement rights to this property. The City will seek reimbursement for some portion of the purchase price from PSE. The City Manager approved acquisition of the property from BNSF early in July and proposes to use a portion of the Building & Property Reserve to fund the

purchase and related transactions costs of \$2,000 (see attached fiscal note). The 2015-2016 budget projected that the reserve would be at its target balance of \$600,000 at the end of 2016, assuming that the remainder of the balance would be used to finance the renovation of City Hall. The City Hall financing includes the sale of 505 Market St. in an amount that is less than what the actual sale is anticipated to generate, which may result a smaller use of the reserve to fund the project. If this is the case, the reserve may not end 2016 below the target, however, if the reserve is below its minimum balance at the end of 2016, it will be replenished from unallocated cash resources.

RECOMMENDATION:

Approve use of the Building & Property Reserve balance to purchase the referenced parcel adjacent to the CKC.



Legend

- Address
 - <all other values>
 - Current Address
 - ADU Current ADU
 - ▲ Pending Address
- City Limits
- Grid
- QQ Grid
- Cross Kirkland Corridor
- Regional Rail Corridor
- Streets
- Parcels
- Place Names
- Buildings
- Parks
- Schools
- Olympic Pipeline Corridor

1: 974



Notes

0.0 0 0.02 0.0 Miles

NAD_1983_StatePlane_Washington_North_FIPS_4601_Feet

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FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Tracey Dunlap, Deputy City Manager							
Description of Request							
Acquisition of property adjacent to the Cross Kirkland Corridor from BNSF (parcel 2826059115) at the cost of \$69,000 funded from the Building & Property Reserve.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$69,000 of the Building & Property Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	Building & Property Reserve	600,000	0	0	69,000	531,000	600,000
Revenue/Exp Savings							
Other Source							
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	July 26, 2016
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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: Rod Steitzer, PE, Capital Projects Supervisor
David Snider, P.E., Capital Projects Manager
Kathy Brown, Public Works Director

Date: August 4, 2016

Subject: CITY HALL SOUTH PARKING LOT - REJECT BIDS

RECOMMENDATION:

City Council reject all bids for the City Hall South Parking Lot and authorizes staff to re-scope the project and re-advertise for additional contractor bids.

By taking action on this memo during approval of the consent calendar, City Council is rejecting the two recently received bids for the City Hall South Parking lot Project (hereafter referred to as the South lot Project). This action will allow staff to move forward with a re-scoping and re-advertising for new contractor bids during the more bid-favorable fall/winter months.

BACKGROUND DISCUSSION:

On June 7, 2016, City Council approved a [pre-authorization](#) for the City Manager to sign a Public Works contract for the 84-stall South Lot Project (Attachment A), provided that the lowest responsive bid price received from a responsible bidder was an amount not greater than 5% over the engineer's estimate. The recommended 5% above the engineer's estimate would have resulted in a total contract award and a completed project that was still within the established total South Lot Project Budget of \$820,000.

The Project was first advertised for contractor bids on June 22 and on July 8, 2016. Only two bids were received, as follows:

Table 1: Bid Results

Contractor / Engineer's Estimate	Amount
<i>Engineer's Estimate</i>	<i>\$ 590,850</i>
Rodarte Construction	\$ 842,222
A1 Landscaping	\$ 999,626

Staff's preliminary review of the disparity between the engineer's estimate and the lowest bid price identified two major contributing factors: 1) the time of year and, 2) the relatively small size for the specialty porous paving elements of the planned improvement. While the contractors' bid pricing for the porous asphalt was in-line with the estimated costs, the bid pricing for subsurface preparation and imported rock base material costs were significantly higher than estimated. In addition, as outlined in the June 7 memo, public outreach and the environmental permitting process drove the overall project schedule. The result was that permitting was completed in late spring, leading to a

summer bidding period during the peak of the construction season. With the region's booming construction economy, contractors were too busy to respond, resulting in a less-than-competitive result for the Project.

With City Council approval for the rejecting of the bids received, together with authorizing a re-scoping and re-advertising the Project, staff will further evaluate the cost impacts of the current porous pavement design. Staff will complete the design evaluation, along with an evaluation of any applicable associated permit amendments, in time to re-advertise the Project during the more favorable fall/early winter bidding months in an effort to solicit additional and more competitive bids. Staff proposes to re-bid the Project with alternates to more fully account for the costs of a porous pavement versus a more traditional impervious (non-porous) pavement design. The re-advertising of the Project will also be complete in time for a late winter recommendation for further City Council action with the goal of a late spring 2017 construction schedule.

Outreach

Public Works staff, along with the assigned City Planner for the South Lot Project, previously established a construction advisory group (CAG) to solicit input from nearby and interested stakeholders of the South Lot Project. After the design evaluation process, staff will update the CAG, as well as other interested stakeholders about the project.

Attachment A: Vicinity Map



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: Katy Coleman, Development Engineering Analyst
Kathy Brown, Public Works Director

Date: July 25, 2016

Subject: RESOLUTION TO RELINQUISH THE CITY'S INTEREST IN A PORTION OF UNOPENED RIGHT-OF-WAY VAC16-00566

RECOMMENDATION:

Council adopts the attached Resolution.

The Resolution relinquishes interest, except for a utility easement, in a portion of unopened right-of-way abutting the parcel located at 654 10th Avenue. Specifically, the subject right-of-way is identified as the south 8 feet of the unopened alley abutting the north boundary of the following described property: Lots 51, 52, and 53, Block 239, Supplementary Plat to Kirkland, as per plat recorded in Volume 8 of Plats, page 5, records of King County, Washington.

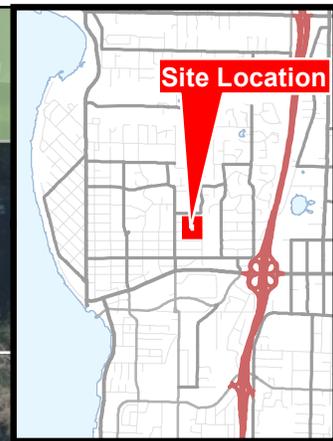
Approval of this memo by adopting the Consent Calendar will authorize relinquishing interest, except for a utility easement, in said right-of-way.

BACKGROUND DISCUSSION:

The unopened portion of the alley abutting the property of 654 10th Avenue (Attachment A) was originally platted and dedicated in 1891 as Supplementary Plat to Kirkland. The Five Year Non-User Statute provides that any street or right-of-way platted, dedicated, or deeded prior to March 12, 1904, which was outside City jurisdiction when dedicated, and which remains unopened or unimproved for five continuous years, is then vacated. The subject right-of-way has not been opened or improved, but it has never formally been vacated and still appears on the City records as unopened right-of-way.

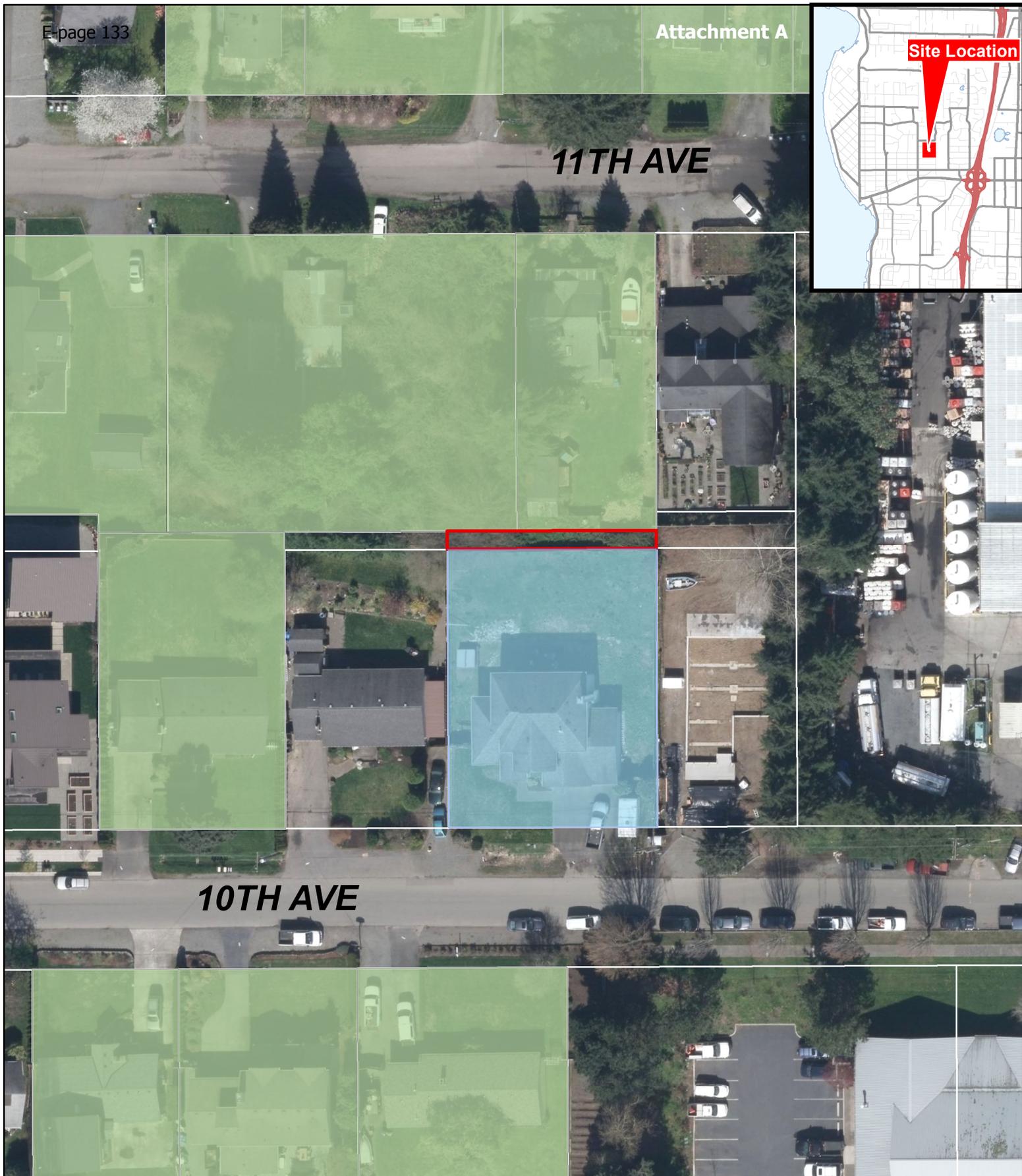
Anatolie Gavriiliuc and Angela Batala, owners of the property abutting this right-of-way, submitted information to the City claiming the right-of-way was subject to the Five Year Non-User Statute (Vacation by Operation of Law), Laws of 1889, Chapter 19, Section 32. After reviewing this information, the City Attorney concurs with the owners, and recommends approval of the enclosed Resolution to bring closure to the matter.

Attachment A: Vicinity Map



11TH AVE

10TH AVE



**Baltaga/Gavriliuc Property
Non-User Vacation Exhibit
654 10th Avenue**

- Baltaga/Gavriliuc Property
- Proposed Vacation
- Granted Non-User Vacations



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RESOLUTION R-5204

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE, EXCEPT FOR A UTILITY EASEMENT, IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS ANATOLIE GAVRILIUC AND ANGELA BALTAGA

1 WHEREAS, the City has received a request to recognize that any
2 rights to the land originally dedicated in 1891 as right-of-way abutting
3 a portion of Supplementary Plat to Kirkland has been vacated by
4 operation of law; and

5
6 WHEREAS, the Laws of 1889, Chapter 19, Section 32, provide
7 that any county road which remains unopened for five years after
8 authority is granted for opening the same is vacated by operation of law
9 at that time; and

10
11 WHEREAS, the area which is the subject of this request was
12 annexed to the City of Kirkland, with the relevant right-of-way having
13 been unopened; and

14
15 WHEREAS, in this context it is in the public interest to resolve
16 this matter by agreement,

17
18 NOW, THEREFORE, BE IT RESOLVED by the City Council of the
19 City of Kirkland as follows:

20
21 Section 1. As requested by the property owners Anatolie
22 Gavriiuc and Angela Baltaga, the City Council of the City of Kirkland
23 hereby recognizes that the following described right-of-way has been
24 vacated by operation of law and relinquishes all interest it may have, if
25 any, except for a utility easement, in the portion of right-of-way
26 described as follows:

27
28 A portion of unopened alley being identified as the south 8 feet of the
29 unopened alley abutting the north boundary of the following described
30 property: Lots 51, 52, and 53, Block 239, Supplementary Plat to
31 Kirkland, as per plat recorded in Volume 8 of Plats, page 5, records of
32 King County, Washington.

33
34 Section 2. This resolution does not affect any third party rights
35 in the property, if any.

36
37 Passed by majority vote of the Kirkland City Council in open
38 meeting this ____ day of _____, 2016

39
40

Signed in authentication thereof this _____ day of _____, 2016.

DEPUTY MAYOR

Attest:

City Clerk



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathi Anderson, City Clerk
Michael Olson, Director of Finance and Administration

Date: August 4, 2016

Subject: Library Board Resignation

RECOMMENDATION:

That Council acknowledges receipt of the resignation of Library Board youth member Lilian Gjertsson and authorizes the attached draft response thanking her for her service. These actions will occur through the adoption of the memo and letter as part of the approved consent calendar.

BACKGROUND DISCUSSION:

Ms. Gjertsson submits her resignation, effective August 31, 2016, noting she is no longer able to participate on the Board as she is moving out of state. The City Clerk's office will begin a recruitment to fill the vacancy for the remainder of the unexpired term.

From: Gjertsson, Lilian S. [<mailto:Lilian.Gjertsson@tufts.edu>]
Sent: Monday, July 11, 2016 10:56 AM
To: City Council <citycouncil@kirklandwa.gov>
Cc: Kathi Anderson <KAnderson@kirklandwa.gov>
Subject: Lilian Gjertsson Resignation from Library Board

Good Morning!

Unfortunately, beginning August 31, 2016, I will no longer be able to serve on the Kirkland Library Board, as I will be moving out of the state for college.

Thank you,
Lilian

D R A F T

August 16, 2016

Lilian Gjertsson
11228 NE 97th Street
Kirkland, WA 98033

Dear Lilian,

We have regretfully received your resignation from the Library Board.

The City Council appreciates your contribution to the Board, and we thank you for volunteering your time and talent to serve the Kirkland Community.

Best wishes in your current and future endeavors.

Sincerely,
Kirkland City Council

By Amy Walen
Mayor



CITY OF KIRKLAND

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Barry Scott, Purchasing Agent

Date: August 4, 2016

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF AUGUST 16, 2016.

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

The City's major procurement activities initiated since the last report, June 23, 2016, are as follows:

	Project	Process	Estimate/Price	Status
1.	Structural Plan Review of Village at Totem Lake Project	A&E Roster Process	\$55,600	Contract awarded to Reid Middleton, Inc. of Everett based on qualifications per RCW 39.80.
2.	Engineering Services for 3 rd St, 4 th St & Kirkland Way Watermain Improvements	A&E Roster Process	\$144,791	Contract awarded to Tetra Tech, Inc. of Seattle based on qualifications per RCW 39.80.
3.	Fire Pumper (Replacement)	Cooperative Purchase	\$656,573.80	Order placed with True North Emergency Equipment of Marysville using HGAC Purchasing Cooperative contract.

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



CITY OF KIRKLAND
Planning and Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3600
www.kirklandwa.gov

MEMORANDUM

Date: August 9, 2016

To: Kurt Triplett, City Manager

From: Dorian Collins, Senior Planner, AICP
Paul Stewart, Deputy Director, AICP

Subject: Planning Commission Recommendation to adopt amendments to the Kirkland Zoning Code, Buffers from Marijuana Retail Uses - Chapter 115, File CAM16-00961

RECOMMENDATION

Adopt enclosed Ordinance 4528, consistent with the recommendation of the Planning Commission and Houghton Community Council (Exhibit A). The Ordinance includes a revision from the text recommended by the Planning Commission that would cause the amendments to not be effective within Houghton.

BACKGROUND DISCUSSION

The Kirkland City Council has expressed interest in allowing greater flexibility in the location of retail marijuana businesses. The Council placed this topic on the Planning Work Program last December following the passage of legislation authorizing local jurisdictions to reduce the buffer from marijuana retailers to restricted uses.

The proposed code amendments include the addition of a new section to Chapter 115 of the Zoning Code that would establish a buffer distance of no less than 600 feet between marijuana retailers and child care centers (see map, Attachment 1). The minimum buffer distance from all other restricted uses (minimum 1,000 feet) would not be affected by these amendments. The amendments are included within the body of the Ordinance.

The Planning Commission and Houghton Community Council (HCC) considered the proposed amendments to the Zoning Code at a joint public hearing on June 23, 2016 ([meeting packet](#)). The Planning Commission recommended approval of the amendments, but the Houghton Community Council did not support any change to buffer distances from marijuana retailers.

At the Council's August 16th meeting, Eric Laliberte will present an overview of the Planning Commission's recommendation on the code amendments. The Planning Commission's recommendation is to reduce the minimum buffer from marijuana retailers to child care centers from 1,000 feet to 600 feet. The recommendation is discussed in Exhibit A.

Staff Recommendation to Incorporate HCC Direction

Since the HCC did not support any reductions in the buffer distances, and the Planning Commission's proposed amendment would likely not result in additional eligible sites for marijuana retailers within the Houghton area, staff recommends that the proposed amendments be written so as not to be effective within Houghton. Ordinance 4528 is drafted to incorporate this change from the Planning Commission's recommendation:

Section 115.155: Marijuana Retail Business – Buffer Requirements from Licensed Child Care Centers (not effective within the Houghton Community Municipal Corporation).

Except as otherwise provided in this Section, the distance requirements of RCW 69.50.331(8)(a) (as it now exists or may subsequently be amended) shall apply to state liquor and cannabis board licensing of all marijuana producers, processors, retailers and research premises. Pursuant to RCW 69.50.331(8)(b), the Washington State Liquor and Cannabis Board may issue a license for a marijuana retail premises located within 1,000 feet of the perimeter of the grounds of a child care center, but no portion of the property on which a state-licensed marijuana retailer is located may be within 600 feet of the perimeter of the grounds of a child care center. For the purpose of this Section, "child care center" shall have the definition set forth in WAC 170-295-0010. This section shall not be effective within the Houghton Community Municipal Corporation.

SEPA COMPLIANCE

An addendum to the Determination of Non-Significance dated March 13, 2014 concerning interim zoning regulations allowing for the interim retail sale of recreational marijuana in various zones and the prohibition of retail sales in other zones, was issued for the proposed amendments on June 9, 2016.

CRITERIA FOR AMENDING THE ZONING CODE

Chapter 135 of the Zoning Code contains four criteria for amending the text of the Zoning Code:

1. The proposed amendment is consistent with the applicable provisions of the Comprehensive Plan; and
2. The proposed amendment bears a substantial relation to public health, safety, or welfare; and
3. The proposed amendment is in the best interests of the residents of Kirkland; and
4. When applicable, the proposed amendment is consistent with the Shoreline Management Act and the City's adopted shoreline master program.

The proposed amendments that would reduce the buffer between marijuana retailers and child care centers are consistent with the Comprehensive Plan. Policy ED-2.4 calls for the City to "provide a regulatory environment that is predictable, fair, responsive and timely". The policy supports a regulatory environment that allows for flexibility without sacrificing community standards. A buffer of

at least 100 feet, or 600 feet under the Planning Commission's recommendation, would be retained between the uses. The proposed amendments support the public health, safety and welfare of the community, and are in the best interests of the residents in the City of Kirkland because they implement the policies of the Comprehensive Plan, and provide expanded eligible sites for the City's four licenses for marijuana retailers, a use supported by the majority of Kirkland voters.

PUBLIC PROCESS

The proposed amendments were discussed at the joint study session of the Planning Commission and Houghton Community Council held on May 12, 2016, and at the joint public hearing held on June 23, 2016. Staff also provided a briefing to the Kirkland Alliance of Neighborhoods at its June 8th meeting.

Public notice was provided in several ways for the study of the proposed amendments and for the public hearing:

- Publication of the hearing notice in the newspaper, posting on official notification boards and posting on the City's website (notice requirements of KZC Chapter 160 for Process IV review).
- Direct mailing of the hearing notice to residents and property owners within 300 feet of the proposed 100-foot buffer from existing licensed child care centers where new parcels would become eligible as a result of the buffer reduction (approximately 6,400 postcards).
- Posting on the [Marijuana Webpage](#).
- Emailed notice to parties of record for the City's earlier study process/public hearing for the adoption of KZC amendments related to the retail, production and processing of marijuana (File number CAM14-02374).
- Emailed notice to all neighborhood groups (includes chairs and vice chairs for all neighborhood groups and representatives of KAN (Kirkland Alliance of Neighborhoods)).
- Emailed notice to all those who had submitted comments prior to distribution of the hearing packet.

Attachment:

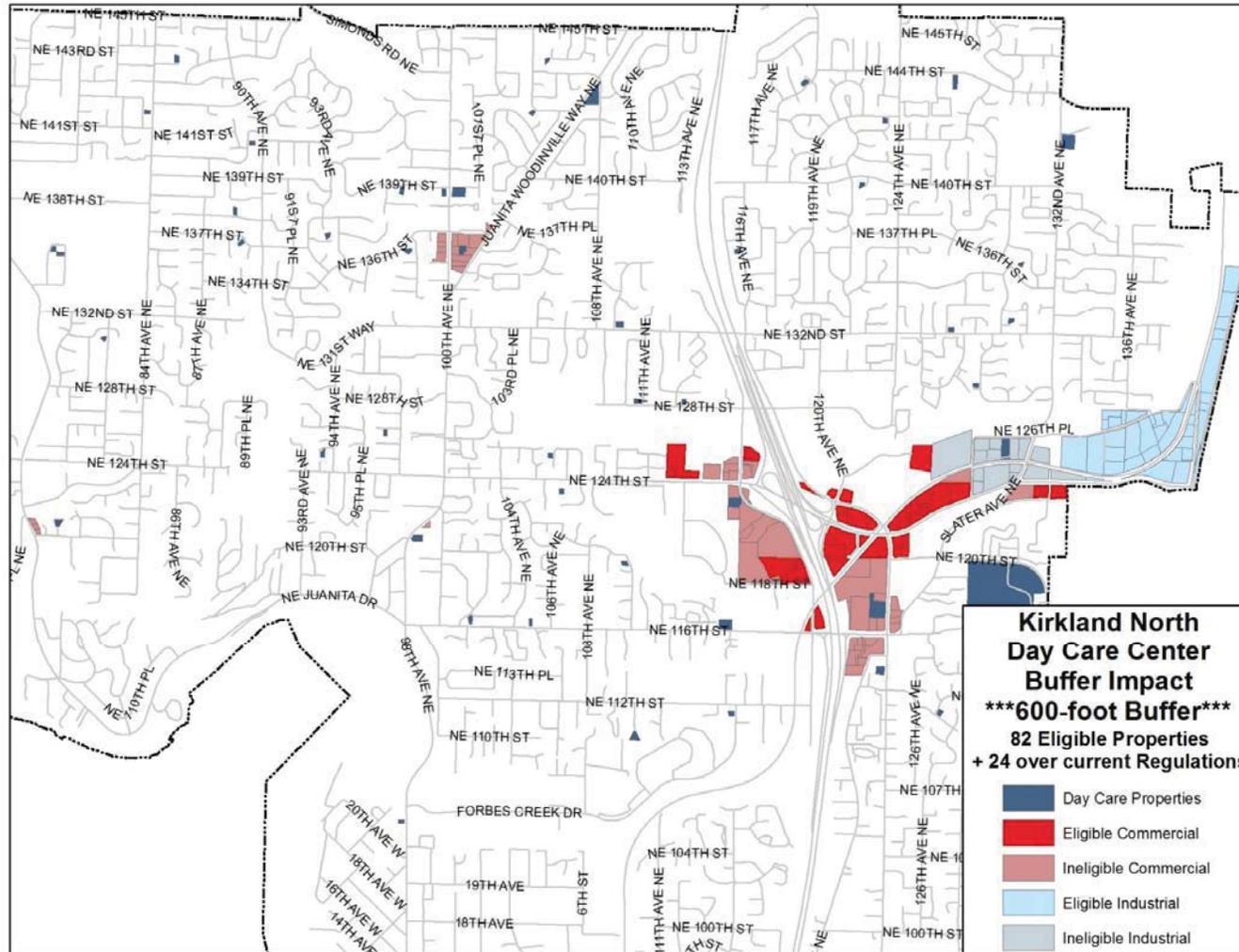
1. Map: Eligible Parcels with 600' Buffer

Exhibit:

- A. Planning Commission recommendation, dated July 25, 2016

cc: CAM16-00961
Planning Commission

600
Foot
Buffer





CITY OF KIRKLAND
Planning and Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3600
www.kirklandwa.gov

MEMORANDUM

Date: July 25, 2016

To: Kirkland City Council

From: Eric Laliberte, Chair, Kirkland Planning Commission

Subject: Planning Commission Recommendation to Adopt Zoning Code Amendments –
Buffers from Marijuana Retail Uses, File CAM16-00961

INTRODUCTION

We are pleased to submit the recommended amendments to the Kirkland Zoning Code for consideration by the City Council.

The proposed amendments are presented below.

BACKGROUND

House Bill 2136, passed in June of 2015, made several amendments to Washington's recreational marijuana law. Among the amendments were new provisions to provide flexibility to local governments to reduce the current 1,000 foot buffer from certain uses, through adopting regulations that establish a buffer of between 100 and 1,000 feet from any of the restricted uses other than schools and playgrounds.

The Kirkland City Council placed the topic of reductions to buffer distances on the Planning Commission's work program for study, and limited the study to possible changes to the buffer from marijuana retailers to child care center uses.

The Planning Commission and Houghton Community Council (HCC) held a joint study session on May 12, 2016 to provide direction to staff in scoping draft amendments for a public hearing. The meeting packet can be viewed [here](#).

The Planning Commission and the HCC also held a joint public hearing on June 23, 2016. The Planning Commission voted to recommend approval of the proposed amendments. The Houghton Community Council, however, voted to reject any modifications to the existing buffer distances. The materials prepared for the public hearing can be viewed [here](#).

We received several written comments (Attachment 1), and heard comments from three speakers at the public hearing regarding changes to the buffer distance. Two of the speakers represented the marijuana retailers currently operating in Kirkland. One expressed support for the buffer reductions, and the other was opposed to any changes. The third speaker discussed her support

for a cap on the number of retail stores, possibly imposed by the City in addition to the maximum established by the State. We also listened to the concerns of the HCC during their deliberations. The HCC passed a motion to reject any modifications to the existing buffers, stating the following concerns:

- Reliable knowledge of impacts from marijuana retailers is not yet available (traffic, parking, etc.)
- Existing marijuana retailers have made investments based on existing regulations and it would be inappropriate to make changes until they have been given time to begin to recover their investment.
- Child care centers under the state definition may accommodate children up to 12 years of age, and should therefore not be treated differently from elementary schools which accommodate children of similar ages.
- No urgency to act now, since the City's maximum of four licenses have already been issued.

We reviewed and considered all correspondence and public comment on the proposed amendments, as well as the comments made by the HCC. The Planning Commission determined that we were generally comfortable with some reduction in the buffer distance, and concluded that we supported a reduction in the buffer from child care centers to 600 feet. With a buffer of 600 feet, approximately 24 additional parcels would become eligible for marijuana retail use (see [public hearing materials](#), pages 4 (table) and 21 (map)). All of the newly eligible parcels would be located within the northern half of the city. While we had some discussion about whether or not a cap should be placed on the number of marijuana retailers to be allowed in Kirkland, we eventually concluded not to recommend that the City limit the number of retail businesses to be allowed in Kirkland at this time.

The proposed amendments would be included in a new section to be added to Chapter 115 of the Kirkland Zoning Code:

115.155: Marijuana Retail Business – Buffer Requirements from Licensed Child Care Centers

Except as otherwise provided in this Section, the distance requirements of RCW 69.50.331(8)(a) (as it now exists or may subsequently be amended) shall apply to state liquor and cannabis board licensing of all marijuana producers, processors, retailers and research premises. Pursuant to RCW 69.50.331(8)(b), the Washington State Liquor and Cannabis Board may issue a license for a marijuana retail premises located within 1,000 feet of the perimeter of the grounds of a child care center, but no portion of the property on which a state-licensed marijuana retailer is located may be within 600 feet of the perimeter of the grounds of a child care center. For the purpose of this Section, "child care center" shall have the definition set forth in WAC 170-295-0010.

Attachment

1. Correspondence

cc: CAM16-00961

Dorian Collins

From: S. Davis <spicker76@yahoo.com>
Sent: Friday, June 17, 2016 3:43 PM
To: Planning Commissioners; City Council; Dorian Collins
Subject: Need to see Bellevue's emergency ordinance for Marijuana retail stores

Follow Up Flag: Flag for follow up
Flag Status: Flagged

HI, I think this is a good step in being conservative in our city. City of Bellevue just made this emergency ordinance. I think Kirkland needs to stop trying to reduce the 1,000 ft buffers. Please talk with the Bellevue officials and get their take on what they have found with how marijuana stores affect a community.

<http://www.codepublishing.com/WA/Bellevue/ords/Ord-6286.pdf>

Please think of the future of our community and the impacts on our youth,
Susan Davis spicker76@yahoo.com Have a GREAT day! :)

Dorian Collins

From: Kirstin Larson <kirstinlarson@hotmail.com>
Sent: Sunday, June 19, 2016 12:12 PM
To: Dorian Collins; Dave Asher; Amy Walen; Toby Nixon; Shelley Kloba; Penny Sweet; Jay Arnold; Doreen Marchione
Subject: FW: Marijuana Zoning Code Amendments Notice of Hearing - CAM16-00961

Follow Up Flag: Flag for follow up
Flag Status: Flagged

City Council & Planning Commission,

Thank you for your thoughtful consideration around reducing the buffers between daycare centers and marijuana retailers. Your willingness to gather input is much appreciated, as it is tricky to balance the needs of homeowners, existing businesses, and new businesses. I would love to be at the meeting on Thursday, but will be out of the country. A few thoughts I would like to share.

First, I am contacted regularly by citizens across municipalities about marijuana retailing and processing in their neighborhoods—most recently by a group of neighbors in Redmond. I share this with you because it seems that although voters did approve marijuana to be sold legally in our state, **no one wants to live near a retailer or processor**. This is mostly due to concerns about crime, parking, traffic, etc.

Most agree that if cannabis were to be dispensed more ubiquitously by pharmacies, grocery, etc. this would be less of an issue. But while distribution is still restricted to a few locations, neighbors welcome cannabis shops as they would welcome a fast-food drive-thru. They are not enthusiastic. I cannot be an advocate for every neighborhood in every town, but I have deep empathy for those who find a high traffic retailer wanting to set up shop next to their home. I hope the planning commission looks carefully the placement of your proposed new MJ retailers and their proximity to houses and apartments.

Second, I recognize the desire to open more locations. I would propose a compromise position of a 500 foot buffer for daycares. It seems that requiring a 500 foot distance would mean that a retailer could be located in the same strip mall, but far enough away from a day care center that they are not fighting for the same parking spaces and not mixing clientele. I reached out to the existing cannabis shops in Kirkland and found that indeed, there are parking requirements that far exceed regular retail. All of the tenants near Higher Leaf have moved out because there was not enough parking to serve their needs. If I owned a day care, I would be also worried that any closer proximity to a marijuana retailer would affect my ability to attract customers. A 500-foot buffer allows more MJ retailing opportunities, but protects existing businesses.

Again, thank you for the opportunity to provide input, and for talking a measured approach to rollout. Although my neighborhood in particular still feels “on guard” about this issue, my hope is that by compromising on some of the buffers, MJ business can roll out in places where they will be welcomed rather than protested.

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Sincerely,

Kirstin Larson, 1835 9th Street W, Kirkland, WA 98033 kirstinlarson@Hotmail.com

From: aamartin@kirklandwa.gov
To: DCollins@kirklandwa.gov
Subject: Marijuana Zoning Code Amendments Notice of Hearing - CAM16-00961
Date: Thu, 2 Jun 2016 16:12:17 +0000

PROPOSAL: The City of Kirkland is studying possible amendments to the Zoning Code to reduce the distance between the property of a licensed marijuana retail business and a licensed child care center. A public hearing to consider potential changes to the buffer requirements will be held jointly by the Planning Commission and Houghton Community Council at **7:00 p.m. on June 23, 2016** in the Council Chambers at 123 5th Avenue.

This study is in response to recent legislation that allows local governments to adjust the buffer zone for marijuana retail businesses by local ordinance to no less than 100 feet around all entities, with the exception of elementary and secondary schools and public playgrounds. The scope of Kirkland's study does not include reductions to buffers from any of the other restricted entities (recreation centers or facilities, public parks, public transit centers, libraries, game arcades, playgrounds and elementary or secondary schools). There is interest on the part of the City Council to allow some more flexibility in the location of retail operations, and the Council placed this topic for study on the Planning Work Program last December. Kirkland has a total allotment of four marijuana retail licenses from the Washington State Liquor and Cannabis Board. Changes to the buffer regulations would not result in more retail stores, but could provide more options and flexibility for businesses looking for locations within the city.

PUBLIC COMMENT: During the hearing, anyone may speak or submit written comments. Before the hearing, written comments may be submitted to the Planning Commission/Houghton Community Council in care of Dorian Collins of the Planning and Building Department, 123 5th Avenue, Kirkland, WA 98033 or to dcollins@kirklandwa.gov. Please indicate your name, mailing address and e-mail address and refer to **File No. CAM16-00961**.

NEXT STEPS: The recommendations of the Planning Commission and Houghton Community Council will be forwarded to the City Council for action at a public meeting. The date of the City Council meeting has not been set. Please visit the [marijuana webpage](#) for updates.

QUESTIONS? Contact project planner, Dorian Collins at (425) 587-3249 or dcollins@kirklandwa.gov.

Angela Martin
Planning & Building Department
Office Specialist
425-587-3237
aamartin@kirklandwa.gov



Please don't print this e-mail unless you really need to. Reduce, Reuse, Recycle

Dorian Collins

From: S. Davis <spicker76@yahoo.com>
Sent: Tuesday, June 21, 2016 7:05 AM
To: Dorian Collins
Subject: Re: Marijuana stores close to daycares, park, and other public places potential city changes to 100 ft
Attachments: Agenda MemoBellevue.pdf
Follow Up Flag: Flag for follow up
Flag Status: Flagged

Hi The attached memo from Bellevue is spot on- it states "Council adopted Ordinance No. 6286 (Attachment A) as an emergency measure to limit the number of retail marijuana outlets to one per subarea where they are allowed in commercial zones. This will allow the number of businesses to grow in the City at a more reasonable pace while the City studies whether there is in fact any evidence that there is a need or desire amongst its citizens for additional recreational marijuana businesses or medical marijuana access in Bellevue and if these types of businesses have an impact on children. Ordinance No. 6286 also imposes a 100-foot separation requirement between a retail marijuana outlet and residentially-zoned land use districts (R-1 – R-30)."

I think Kirkland needs to take their time, we have the 4 stores licensed, we don't need to be making zoning changes. Let's spend the time on more urgent planning commission concerns like seaplanes at Carillon Point, or over making sure we develop our residential lots in a way that our community is not over crowded.

From: Dorian Collins <DCollins@kirklandwa.gov>
To: 'S. Davis' <spicker76@yahoo.com>
Sent: Thursday, May 26, 2016 11:12 AM
Subject: RE: Marijuana stores close to daycares, park, and other public places potential city changes to 100 ft

Dear Susan,

I followed up with the City Attorney regarding the question you posed regarding the process to ask for an advisory vote, and wanted to pass along his response:

Kirkland does not have an general initiative or referendum procedure by which residents can place a local initiative or referendum on the ballot. Kirkland does have a limited referendum procedure, but it only applies to the adoption or increase of certain types of taxes. See KMC Chapter 5.10. Cities have the option of adopting regulations allowing for local initiatives and referenda under RCW 35A.11.080, but, except for KMC Chapter 5.10, Kirkland has not done so.

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There is not a specific procedure for a voter to request a non-binding advisory vote. For example, a concerned citizen could make the request in written correspondence to the Council or during Items from the Audience.

I hope this is helpful. Please let me know if you have any questions.

Thank you,

Dorian

Dorian Collins, AICP

Senior Planner

(425) 587-3249

dcollins@kirklandwa.gov

From: S. Davis [mailto:spicker76@yahoo.com]

Sent: Wednesday, May 18, 2016 7:22 PM

To: Dorian Collins <DCollins@kirklandwa.gov>; Kurt Triplett <KTriplett@kirklandwa.gov>; Kari Page <KPage@kirklandwa.gov>; City Council <citycouncil@kirklandwa.gov>

Subject: Marijuana stores close to daycares, park, and other public places potential city changes to 100 ft

To whom it may concern,

As a 15 year resident to Kirkland with young children, I wanted to take the opportunity to express my concern over the possibility of having pot stores in our neighborhoods.

There were many reasons we decided to purchase a home in Kirkland; safety, security, cleanliness, and city ordinances were among them.

As a resident of Kirkland, I hope that the current laws stay intact such that there are no retail opportunities for cannabis to be sold in our backyards. We have a phenomenal school district that teaches our kids that 'drugs' are detrimental to you as an individual and to society at large. We would have to admit to our own hypocrisy and inconsistency as parents if we allowed cannabis to be sold, even 1,000 steps away.

What's the proper process to initiate/ask for such an advisory vote to be added on this year's Nov . general election ballot?

It would be at minimum cost of the City (if added to general election ballot) and get a truly representative conclusion from the voters on this retail pot shop issue.

I currently do not have to avoid public space like parks and libraries because I know I do not have to explain to my children what does that store sell. Additionally I truly believe that Kirkland has plenty of 1,000 ft buffered parcels that can open the remaining 1 retail marijuana store as I reviewed your current zoning map on the city's website.

I also looked up the sales of the 2 of the 3 licensed retail stores, and actually drove by one of them. They are not busy and it appears they can handle more of a demand if needed. We do not need to reduce this protective distance to get more taxes or improve access for our residents. They have access to 3 stores, and at least 5 more stores w/l 10 miles.

You need to take a survey of the residents feedback like the city of Redmond-

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<http://www.redmond.gov/common/pages/UserFile.aspx?fileId=178463>

We can stay with the 1,000 ft buffer- Local governments have broad authority to regulate within their jurisdictions, and nothing in I-502 limits that authority with respect to licensed marijuana businesses. From

<http://www.atg.wa.gov/ago-opinions/whether-statewide-initiative-establishing-system-licensing-marijuana-producers>

To summarize, I am strongly against the potential zoning change in Kirkland. Many of my neighbors share the same feeling. We love Kirkland as our home, and want to keep it as welcoming and safe as before. Please consider our objection seriously and cancel the proposed zoning code change. Plus the original 502 law was a 1,000 ft buffer. I don't think many people with kids (which is many of our residents) would have voted yes for 502 3 yrs ago if the distance was only 100 ft.

Even Bellevue and Redmond have a 1,000 buffer like the original 502 law we voted on, and Bellevue also has a 1,000 ft buffer between stores.

The city of Seattle has a better buffer zone **of 500 ft for retail** - per a recent press release -"Sets a 500-foot minimum distance between state-licensed marijuana premises that include retail sale of marijuana products and child care centers, game arcades, libraries, public parks, public transit centers, or recreation centers or facilities" and "Allows no more than two state-licensed marijuana premises that include retail sale of marijuana products to be located with 1,000 feet of each other (measured by property lines)", "Our proposal will help to ensure that licensed marijuana-related uses will be appropriately located in places where they are compatible with their surroundings, and operating in ways consistent with City and State rules."

Source - <http://www.seattle.gov/dpd/codesrules/changestocode/marijuanazoning/whatwhy/>

Thanks for your consideration and willingness to listen to communal voices, This is indeed more important than a paper bag ban! an don that why don't we require coffee shops and other large fast food restaurants to only use compostable materials and have compost bins for cups, etc in their store (like Taco Time). Just think of all of the busy coffee shops and fast food places in Kirkland using paper cups/plates/bags/napkins that are not compostable or/and do not offer a compost bin to discard the paper coffee cups. These cups go into the landfills just like the plastic bags.

Susan Davis

June 20, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Public hearing on Ordinance No. 6286 extending interim zoning controls regulating recreational marijuana uses.

FISCAL IMPACT

The fiscal impact of extending the interim zoning control regulating recreational marijuana uses for an additional six-month period is anticipated to be minimal. Due to the small number of permits expected, and that most if not all available locations in subareas throughout the City contain retail marijuana businesses, current budget authority and permit fees will address incremental cost increases. At this time, no material costs are expected.

STAFF CONTACTS

Lori Riordan, City Attorney	452-7220
Bob Hyde, Deputy City Attorney	452-2033
Catherine Drews, Assistant City Attorney	452-6134

City Attorney's Office

Mike Brennan, Director	452-4113
Carol Helland, Land Use Director	452-2724

Development Services Department

Kate Berens, Deputy City Manager	452-4616
----------------------------------	----------

City Manager's Office

POLICY CONSIDERATION

Should the City Council extend the interim zoning control implemented by Ordinance No. 6286 for a six-month period to allow sufficient time for Council consideration and adoption of permanent regulations before the interim regulations expire on November 9, 2016? Under the Growth Management Act, extension of the interim regulations requires a subsequent public hearing. The public hearing scheduled for June 20 satisfies this requirement.

DIRECTION NEEDED FROM COUNCIL

<input checked="" type="checkbox"/>	Action
<input checked="" type="checkbox"/>	Discussion
<input checked="" type="checkbox"/>	Information

BACKGROUND

At the May 9 Study Session, information was presented to Council regarding the process the Washington State Liquor and Cannabis Board undertook to determine additional marijuana retail license allocations for jurisdictions throughout the state, including Bellevue. Information was also presented regarding the status of current marijuana retail outlets operating in Bellevue, and the potential for additional retailers to locate in commercial zones as allowed under the City's

current code. Citizens have testified at previous study sessions regarding concerns about the impacts of marijuana retailers on children and concerns about the growing number licenses.

Council adopted Ordinance No. 6286 (Attachment A) as an emergency measure to limit the number of retail marijuana outlets to one per subarea where they are allowed in commercial zones. This will allow the number of businesses to grow in the City at a more reasonable pace while the City studies whether there is in fact any evidence that there is a need or desire amongst its citizens for additional recreational marijuana businesses or medical marijuana access in Bellevue and if these types of businesses have an impact on children. Ordinance No. 6286 also imposes a 100-foot separation requirement between a retail marijuana outlet and residentially-zoned land use districts (R-1 – R-30).

Under the Growth Management Act, the City may adopt an interim zoning control without first holding a public hearing; however, a public hearing must be held within 60 days of adoption of the interim zoning control. RCW 36.70A.390. The June 20 public hearing satisfies this requirement.

At the conclusion of the public hearing, Staff seeks direction from Council as to whether this topic necessitates that a public hearing on the permanent regulations be held before the City Council without prior review and recommendation from the Planning Commission, or whether this topic should be forwarded to the Planning Commission together with project principles for its consideration.

ALTERNATIVES

Hold the public hearing regarding extension of the interim zoning controls regulating recreational marijuana uses for a six-month period. (There is no alternative because the public hearing is required under the GMA).

RECOMMENDATION

Hold the public hearing regarding extension of the interim zoning controls regulating recreational marijuana uses for a six-month period.

MOTIONS

1. Move to open the public hearing for comments on renewing the interim zoning ordinance regulating recreational marijuana uses.
2. Move to close the public hearing and the record on the interim zoning ordinance.

EFFECTIVE DATE

Ordinance No. 6286 became effective on May 9, 2016.

ATTACHMENTS

- A. Ordinance No. 6286
- B. Affidavit of Publication

AVAILABLE IN COUNCIL OFFICE

N/A

June 21, 2016

Dear Kirkland City Council,

I am writing in concern of File CAM16-00961: the petition to reduce the distance between a marijuana shop and a childcare center. Personally I am shocked this could be considered a smart decision by the City Council.

This sends a poor message to the Families who reside in Kirkland. To propose this change, it says you care more about the marijuana store and its income for the city than you care for those who take their children to the child care center. What will be compromised next; an elementary school? After all, those children are too young to purchase the product so why does it matter how close it is – and besides, most parents take their children to school. . .

Then perhaps middle school, high school can be compromised with distance; and why not sell it on college campuses? After all, substance abuse isn't a problem there or here. Right?

Locating a marijuana facility close to a child care center? Please Kirkland City Council, Don't Do It! Keep the line drawn at 1000 feet, not 100.

Please listen to the families of Kirkland.

Anita Adams

June 20th, 2016

CORE: Cannabis Organization of Retail Establishments
PO Box 45413
Seattle, WA 98145

Dear Kirkland City Council,

I am writing you on behalf of CORE, the Cannabis Organization of Retail Establishments. We are a non-profit trade association representing the legal, I-502 cannabis retailers in Washington State. We advocate for a stable, sustainable, and above all, safe cannabis industry. We thank the Council for their effort to enable and support the legal and safe access to marijuana in the City of Kirkland.

On the issue of reducing the buffers for daycares, we do not recommend the council proceed without a clear analysis of the impact it will have on the licensees in the city. Cannabis businesses operate in an incredibly onerous and volatile regulatory environment and are much more financially precarious than typical small businesses due to federal and state tax rates 2-4 times higher than other industries. With state regulatory changes already significantly reshaping the industry this year, adding additional changes at the city level could negatively impact the ability of cannabis licensees to effectively operate and plan for the future.

With the existing Kirkland regulations only 15 months old, we ask that you consult with and analyze the impact on the licensees in your jurisdiction before passing changes. Consensus is critical amongst the stakeholders given the outsized impact your actions have due the highly regulated nature of the industry.

Thank you for your consideration on this issue and we look forwards to working with the council to ensure a safe and healthy cannabis industry in both the city of Kirkland and in Washington State.

Sincerely,

A handwritten signature in black ink that reads "Logan Bowers". The signature is written in a cursive, flowing style.

Logan Bowers
Board President, CORE

Dorian Collins

From: Anita Adams <anitaadams10@gmail.com>
Sent: Wednesday, June 22, 2016 3:25 PM
To: Dorian Collins
Subject: Re: File CAM16-00961

Dear Dorian,

Thank you for your response to my letter.

Yes , I would like my letter sent to each of the Kirkland City Council members ASAP.

As you have given me more information of what the law states, I would like to add one more point to my letter: Just because recent legislation allows this reduction by a city ordinance; it states it is not to be reduced around elementary or secondary schools. There are elementary age children dropped off at day care centers as well as preschoolers. Also during the summer break there will be even more children in day care centers. It is not a good choice to allow marijuana retailers closer than 1000 feet to daycare facilities. It is wrong for the families of Kirkland.

Respectfully,
Anita Adams

Sent from my iPhone

On Jun 22, 2016, at 11:16 AM, Dorian Collins <DCollins@kirklandwa.gov> wrote:

Dear Ms. Adams,

Thank you for your comments. I will add your letter to the materials that will be submitted to the Planning Commission and Houghton Community Council for their review when this topic is considered at the public hearing tomorrow evening (June 23rd). That meeting will be held in the City Council Chambers at 123 5th Avenue, and will begin at 7:00 p.m. Your letter will also be transmitted to the City Council as part of the hearing materials and recommendations from the Planning Commission and Houghton Community Council for their consideration of this topic for final action on August 16th. ***Please let me know if you would like for your letter to be sent to the City Council prior to that time.***

As you may know, the Planning Commission and Houghton Community Council will be considering potential amendments to the Zoning Code to reduce the buffer from licensed child care centers to marijuana retail businesses. This study is in response to recent legislation that allows local governments to adjust the buffer zone for marijuana retail businesses by local ordinance to no less than 100 feet around all entities, with the exception of elementary and secondary schools and public playgrounds. The scope of the study does not include reductions to buffers from any of the other restricted entities (recreation centers or facilities, public parks, public transit centers, libraries, game arcades, playgrounds and elementary or secondary schools).

If you have any questions, please contact me at (425) 587-3249 or dcollins@kirklandwa.gov.

Dorian

Dorian Collins, AICP
Senior Planner

ORDINANCE O-4528

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE AND ZONING AND AMENDING KIRKLAND ZONING CODE CHAPTER 115.

1 WHEREAS, the City Council has received a recommendation
2 from the Kirkland Planning Commission to amend Chapter 115 of the
3 Kirkland Zoning Code, as set forth in the report and recommendation of
4 the Planning Commission dated July 25, 2016 and bearing Kirkland
5 Planning and Building Department File No. CAM16-00961; and
6

7 WHEREAS, prior to making the recommendation, the Kirkland
8 Planning Commission, following notice as required by RCW 36.70A.035,
9 on June 23, 2016, held a public hearing, on the amendment proposals
10 and considered the comments received at the hearing; and
11

12 WHEREAS, prior to making the recommendation, the Houghton
13 Community Council, following notice as required by RCW 36.70A.035,
14 on June 23, 2016, held a courtesy hearing at a joint hearing with the
15 Planning Commission, on the amendment proposals and considered the
16 comments received at the hearing; and
17

18 WHEREAS, pursuant to the State Environmental Policy Act
19 (SEPA), there has accompanied the legislative proposal and
20 recommendation through the entire consideration process, a SEPA
21 Addendum to Existing Environmental Documents issued by the
22 responsible official pursuant to WAC 197-11-625; and
23

24 WHEREAS, in regular public meeting the City Council considered
25 the environmental documents received from the responsible official,
26 together with the report and recommendation of the Planning
27 Commission; and
28

29 NOW, THEREFORE, the City Council of the City of Kirkland do
30 ordain as follows:
31

32 Section 1. Chapter 115 of the Kirkland Zoning Code is hereby
33 amended by the addition of a new Section 115.155 to read as follows:
34

35 **115.155: Marijuana Retail Business – Buffer Requirements**
36 **from Licensed Child Care Centers (not effective within the**
37 **Houghton Community Municipal Corporation).**
38

39 Except as otherwise provided in this Section, the distance requirements
40 of RCW 69.50.331(8)(a) (as it now exists or may subsequently be
41 amended) shall apply to state liquor and cannabis board licensing of all
42 marijuana producers, processors, retailers and research premises.
43 Pursuant to RCW 69.50.331(8)(b), the Washington State Liquor and
44 Cannabis Board may issue a license for a marijuana retail premises
45 located within 1,000 feet of the perimeter of the grounds of a child care
46 center, but no portion of the property on which a state-licensed

47 marijuana retailer is located may be within 600 feet of the perimeter of
 48 the grounds of a child care center. For the purpose of this Section,
 49 "child care center" shall have the definition set forth in WAC 170-295-
 50 0010. This section shall not be effective within the Houghton
 51 Community Municipal Corporation.

52
 53 Section 2. If any section, subsection, sentence, clause, phrase,
 54 part or portion of this ordinance, including those parts adopted by
 55 reference, is for any reason held to be invalid or unconstitutional by any
 56 court of competent jurisdiction, such decision shall not affect the validity
 57 of the remaining portions of this ordinance.

58
 59 Section 3. This ordinance shall be in full force and effect five
 60 days from and after its passage by the Kirkland City Council and
 61 publication, as required by law.

62
 63 Section 4. A complete copy of this ordinance shall be certified
 64 by the City Clerk, who shall then forward the certified copy to the King
 65 County Department of Assessments.

66
 67 Passed by majority vote of the Kirkland City Council in open
 68 meeting this ____ day of _____, 2016.

69
 70 Signed in authentication thereof this ____ day of
 71 _____, 2016.

 DEPUTY MAYOR

Attest:

 City Clerk

Approved as to Form:

 City Attorney



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

To: Kurt Triplett, City Manager
From: Joel Pfundt, AICP CTP Transportation Manager
Kathy Brown, Public Works Director
Date: July 19, 2016
Subject: NO PARKING IN BIKE LANES

RECOMMENDATION:

City Council receives a briefing on an ordinance prohibiting parking in bike lanes in preparation for adoption of the ordinance at the September 6, 2016 City Council meeting.

BACKGROUND DISCUSSION:

The Transportation Element of the Comprehensive Plan calls for adding new, and improving existing, on-street bicycle facilities (Policy T-2.2), as well as making existing bicycle facilities safer (Policy T-2.1) and more convenient (Policy T-2.4). When cars park in bike lanes, or the area for biking is effectively narrowed, the result is less comfortable and safe for cyclists. In some cases, parked cars in the bike lane force people riding bicycles to move into the vehicle lanes. Bicyclists and drivers typically do not expect cars to be parked in bike lanes, and drivers do not always anticipate a cyclist's maneuver into or near the driving lane to avoid a parked car. These circumstances can create hazardous situations for all users of the City's transportation network.

Parking in bike lanes continues to be a routine complaint from people who ride bikes, although these complaints are generally confined to a handful of recurring areas. Currently, the Kirkland Police Department is unable to cite vehicles parking in bike lanes because the Kirkland Municipal Code (KMC) does not prohibit parking in bike lanes. So, these problem areas persist. Therefore, a change to the KMC is being proposed that will specifically prohibit such parking in order to improve the bicycling environment.

Proposed Ordinance

The attached ordinance would amend KMC 12.45.320 to make it illegal to park a vehicle in a designated bike lane. Violators would be cited with a \$45-fine.

The ordinance defines bike lanes as an on-street path or bike lane designated by official signs or markings. The City does not sign all bike lanes because the additional

signage significantly increases visual clutter and maintenance costs, while not significantly increasing awareness or effecting behavior. In unique cases, the City does include signage when needed.

The ordinance also includes an exception for “minor incidental encroachment from adjacent designated parking.” This exception is included to provide Police with discretion when enforcing the ordinance because, in some cases, the vehicle encroachment may be so minor as to not be a factor in the cyclist’s experience while using the bike lane. In other instances, the vehicle may not fit entirely within the adjacent on-street parking stall. An example of minor encroachment is shown in Figure 1.



Figure 1. Example of minor encroachment in the bike lane

Additionally, much like a vehicle travel lane or a sidewalk, bike lanes can be closed for special events or construction if a permit is issued by the City.

Examples of Vehicle Parking in Bike Lanes

The most common situation where people park vehicles in bike lanes are locations where there is no curb and gutter to define the edge of the roadway. This allows vehicles to park and block most of the bike lane, which forces the bicycle rider to choose between passing uncomfortably close to the parked vehicle and passing in the vehicle travel lane. Sections of 124th Ave NE, 132nd Ave NE and NE 80th St are in this category. Figure 2 below shows examples of this situation.



There are also a few locations where people habitually park their vehicles in the bike lane, forcing cyclists to weave into the vehicle travel lane. One location where this occurs is on a portion of eastbound NE 144th St between 124th Ave NE and 132nd Ave NE. This section is particularly uncomfortable for cyclists because they are riding uphill at a slower speed where there is a curve. Figure 3 shows an example of NE 144th St.



Restriping to Add Bike Lanes

In some cases the City restripes (rechannelizes) streets to remove on-street parking

and add bike lanes to meet the City's multimodal transportation policy goals. It is most frequently done as part of the City's pavement resurfacing program because new pavement means there is no need to remove the existing pavement markings, which is typically done by grinding, which in turn can damage the pavement. Rechannelizing streets is a low-cost way to maximize the multimodal capacity of the City's existing infrastructure because it does not necessitate costly street widening in order to add bike lanes. A recent example of a rechannelization projects that added bike lanes and removed parking is NE 144th/143th St from 124th Ave NE to 132nd Ave NE. This project was completed in 2015.

Adding bike lanes within an existing roadway surface is done in locations where adjacent land uses have other parking options available. To add bike lanes, there must be enough width to accommodate standard bike lanes or buffered bike lanes within the paved area, including roadway shoulders that people have used at times for parking. City staff does outreach to ensure neighbors are informed prior to implementation. This year 84th Avenue NE from NE 136th Street to NE 145th Street will be rechannelized to add bike lanes as part of the resurfacing program. This will result in a more connected network of bicycle lanes on Finn Hill.

Community Outreach

In order to ensure that people are informed about the proposed no parking in bike lane ordinance, the City mailed an information postcard to 84th Ave NE residents and the residents of more than 200 homes along streets with existing bike lanes. The red ovals on Figure 4 show the locations where these postcards were distributed. This was based locations identified by staff where there was previously a shared shoulder or parking area converted to a bike facility, or there is currently a small undesignated area adjacent to the bike lane and a parked vehicle would likely impede travel in the bike lane.

Additional outreach has been done along NE 144th/145th to make sure residents and businesses along this recently added stretch of bike lanes are aware of the proposed ordinance. A press release was also distributed on June 29, 2016 to inform the community about the proposed ordinance. The press release was also published by local media outlets and distributed on social media.

Next Steps

Unless staff receive different direction from the Council, staff will bring the ordinance back for final action on September 6, 2016. If adopted by the City Council, the initial focus would be on educating the public on the importance of keeping bike lanes clear and safe. As part of this education effort, the City would send out information to the community about the new ordinance in the form of a press release, issue warnings instead of citations to violators, and inform cyclists of what they should do in order to report a problem.

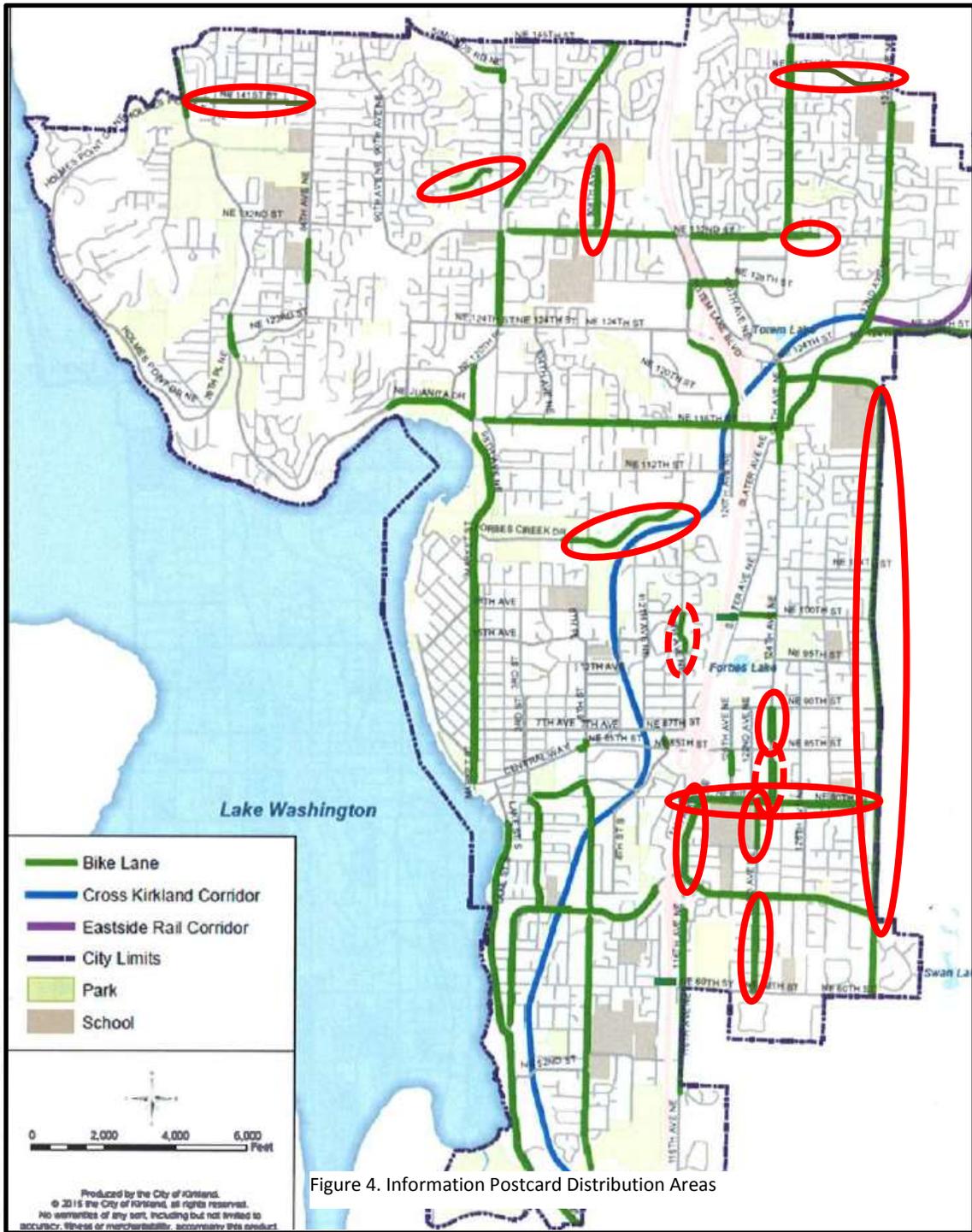


Figure 4. Information Postcard Distribution Areas

ORDINANCE O-4529

AN ORDINANCE OF THE CITY OF KIRKLAND PROHIBITING PARKING IN BICYCLE LANES.

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

Section 1. Section 12.45.320 of the Kirkland Municipal Code is amended to read as follows:

12.45.320 Stopping, standing, or parking prohibited in specified places—Reserving portion of highway prohibited.

(a) Except when necessary to avoid conflict with other traffic, or in compliance with law or the directions of a police officer or official traffic control device, no person shall:

- (1) Stop, stand, or park a vehicle:
 - (A) On the roadway side of any vehicle stopped or parked at the edge or curb of a street;
 - (B) On a sidewalk or street planting strip;
 - (C) Within an intersection;
 - (D) On a crosswalk;
 - (E) Between a safety zone and the adjacent curb or within thirty feet of points on the curb immediately opposite the ends of a safety zone, unless official signs or markings indicate a different no-parking area opposite the ends of a safety zone;
 - (F) Alongside or opposite any street excavation or obstruction when stopping, standing, or parking would obstruct traffic;
 - (G) Upon any bridge or other elevated structure upon a highway or within a highway tunnel;
 - (H) On any railroad tracks;
 - (I) In the area between roadways of a divided highway including crossovers;
 - (J) At any place where official signs prohibit stopping; or
 - (K) On any on-street path or lane designated by official signs or markings for the exclusive use of bicycles; except when such stopping, standing or parking causes only minor incidental encroachment into an on-street path or lane designated for the exclusive use of bicycles by official signs or markings.

(2) Stand or park a vehicle, whether occupied or not, except momentarily to pick up or discharge a passenger or passengers:

- (A) In front of a public or private driveway or within five feet of the end of the curb radius leading thereto;
- (B) Within fifteen feet of a fire hydrant;
- (C) Within twenty feet of a crosswalk;
- (D) Within thirty feet upon the approach to any flashing signal, stop sign, yield sign, or traffic control signal located at the side of a roadway;

- 47 (E) Within twenty feet of the driveway entrance to any
- 48 fire station and on the side of a street opposite the
- 49 entrance to any fire station within seventy-five feet of said
- 50 entrance when properly signposted; or
- 51 (F) At any place where official signs prohibit standing.
- 52 (3) Park a vehicle, whether occupied or not, except
- 53 temporarily for the purpose of and while actually engaged in
- 54 loading or unloading property or passengers:
- 55 (A) Within fifty feet of the nearest rail of a railroad
- 56 crossing; or
- 57 (B) At any place where official signs prohibit parking.
- 58 (b) Parking or standing shall be permitted in the manner provided
- 59 by law at all other places except a time limit may be imposed or
- 60 parking restricted at other places, but such limitation and restriction
- 61 shall be by city ordinance or county resolution or order of the
- 62 secretary of transportation upon highways under their respective
- 63 jurisdictions.
- 64 (c) No person shall move a vehicle not lawfully under his or her
- 65 control into any such prohibited area or away from a curb such a
- 66 distance as is unlawful.
- 67 (d) It shall be unlawful for any person to reserve or attempt to
- 68 reserve any portion of a highway for the purpose of stopping,
- 69 standing, or parking to the exclusion of any other like person, nor
- 70 shall any person be granted such right.
- 71 (e) Unless otherwise specified by state law or city ordinance, the
- 72 penalty for prohibited stopping, standing or parking in specified
- 73 places shall be forty-five dollars.

74
 75 Section 2. This ordinance shall be in force and effect five days
 76 from and after its passage by the Kirkland City Council and publication,
 77 as required by law.

78
 79 Passed by majority vote of the Kirkland City Council in open
 80 meeting this _____ day of _____, 2016.

81
 82 Signed in authentication thereof this _____ day of
 83 _____, 2016.

 DEPUTY MAYOR

Attest:

 City Clerk

Approved as to Form:

 City Attorney



CITY OF KIRKLAND
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Ellen Miller-Wolfe, Economic Development Manager
Date: July 28, 2016
Subject: Request for Partial Funding of Kirkland Community Foundation

RECOMMENDATION:

At the July 19 Council meeting, the Council directed staff to bring back a proposal for the City Council to approve \$30,000 in funding from the Council Special Projects Reserve to fund a study to determine the feasibility of a community foundation for Kirkland. This amount would be combined with \$10,000 raised by the Greater Kirkland Chamber of Commerce in cooperation with the Kirkland Parks Foundation for a total of \$40,000. The study would be managed by the City of Kirkland.

BACKGROUND DISCUSSION:

The Kirkland Parks Foundation, the Kirkland Downtown Association, and the Greater Kirkland Chamber of Commerce are seeking \$30,000 from the City of Kirkland to match a \$10,000 private contribution to hire a qualified consultant to analyze the feasibility of a community foundation. (See Attachment A, letter from the parties and Attachment B, Draft Scope of RFP for Feasibility Consultant as an example).

The potential mission of the community foundation would be to "build philanthropic resources to sustain a healthy and vital community now and into the future." The supporters of this community foundation concept indicate that the current practice where nonprofits each fundraise for their organizations is inadequate. It requires the commitment of many volunteers representing numerous nonprofit organizations in Kirkland working many hours to raise funds for their programs. Moreover, the bigger donors that receive countless requests from the nonprofits are overwhelmed by them. Both donor and nonprofit constituencies have indicated to the City that this method of raising funds is unsustainable given the manpower it requires and its unpopularity among the major funders. Several of these events and organizations are also funded by the City through direct allocations such as the Kirkland Downtown Association and the Kirkland Performance Center, or through various City grant programs such as the funding provided through the Human Services Advisory Committee. Therefore the City has an interest in ensuring the most effective and efficient community fundraising possible.

In place of the current fundraising methods, foundation supporters envision one foundation that would create the opportunity to not only accept significant donations, but also open the door to

larger endowments. The foundation would in turn fund nonprofits in areas to include: parks and recreation, community, arts and culture, education and innovation, environment and sustainability, health, housing and human services, and heritage. Currently, there are 24 community foundations in Washington that serve this purpose, and the proponents of this concept believe it can be successful in Kirkland.

However, to test that assertion, City Council subcommittees and the proponents have concluded that there needs to be a feasibility study. The study would vet whether there is an appetite among the donor community to support a foundation, determine whether nonprofits whose experience to date is to raise their own funds would instead support seeking funds from the larger foundation (in competition with other local nonprofits), and whether the expectation of over a million dollar annual budget is obtainable and sustainable.

The City will manage the feasibility study. Prior to the issuance of the RFP soliciting proposals from qualified consultants to do the study, the City will require receipt of the \$10,000 match. Also, the City will utilize a competitive process that meets City standards in the selection process. The City will manage the selection process and the consultant contract as well as organizing an oversight group comprised of stakeholders and City representatives. The plan is for the study to be completed and findings brought back to proponents and the City Council this fall, with recommendations for further steps.

If the Council concurs with the recommendation, it should pass a motion approving the use of \$30,000 from the Council Special Projects Reserve as described in the fiscal note to fund a community foundation feasibility study.



Kirkland City Council
123 5th Avenue
Kirkland WA 98033

Dear Councilmembers,

Over the years, Kirkland non-profits have depended on volunteers and staff members to raise funding for their organizations. They commit endless hours seeking donations for events to keep their non-profit programs alive. Each week, our biggest donors receive countless requests for donations. Time has shown that this method of raising funds for our Kirkland non-profits is unsustainable and increasingly undesirable to the sponsors. We think there is a better way to go forward. We are requesting \$40,000 to do a feasibility study to determine if there is support to create the Kirkland Community Foundation.

The Kirkland Community Foundation will be a new non-profit business that will provide funding to Kirkland's non-profits. We believe that a robust Kirkland Community Foundation is feasible. Here is why:

- Currently, there are 24 Community Foundations in Washington State. Cities such as Kent, Yakima, Bainbridge Island, Orcas Island, Tacoma, Stanwood, and Everett, raise funds specifically for their towns. Others, such as the Seattle Foundation, The Community Foundation of South Puget Sound, Whatcom Community Foundation, and Kitsap Community Foundation raise funding for their counties.
- A feasibility study would identify if there is a strong base of individuals and businesses in Kirkland and clarify what they would financially support.
- The Kirkland Community Foundation would create the opportunity to not only accept significant donations, but also open the door to endowment contributions. Major donors would be recognized by the community in perpetuity by establishing a donor's wall in downtown Kirkland.

Before we move forward, it is essential that we determine if the Kirkland Community Foundation, with its \$1.5 million goal, is possible. The attached document will provide you with specifics of what is possible with the Kirkland Community Foundation. We are prepared to provide public testimony, and are happy to meet you at any time. If necessary, we are also willing to raise \$10,000 to drive down our request to \$30,000.

Thank you for giving this request your consideration. We would like to do the feasibility study by September, 2016. We hope to discuss this with you further.

Sincerely,

Bruce Wynn
Greater Kirkland Chamber of Commerce

Sally Otten and Tom Neir
Seattle Parks Foundation

Kathy Page Feek, Ed. D
Kirkland Downtown Association

Request for Proposal for Feasibility Study Consultant

Date: July 28, 2016
Kirkland, WA 98033, USA

1.1 PURPOSE & ORGANIZATIONAL BACKGROUND

Purpose

The Kirkland Chamber of Commerce, the Kirkland Parks Foundation and the City of Kirkland seek proposals from qualified fundraising consultants to conduct a feasibility study into the value and viability of forming a Kirkland Community Foundation (KCF). The study should determine the scope of stakeholder near-term and long-term support for a community foundation. Including: highlight concerns and opportunities, size the realistic near-term and long-term financial sustainability, note views on organizational mission, goals and structure, determine how a foundation would complement and conflict with existing entities operating in the city, gather perceptions of the community needs in services and dollars. The study should provide a conclusion and recommendation to the question: would a community foundation be a valuable and viable organization in Kirkland?

Organizational Background

Kirkland has grown into a city of over 84,000 and now has a nonprofit sector of over 100 registered and non-registered charitable agencies. To tackle the growing funding challenges, increasing social needs and the need for far better administration, evaluation and information on nonprofit sector impact, groups of business, donors, charity and nonprofit representatives began to look at options to help.

In 2015, a working group of citizens, with the support of the Chamber and The Kirkland Parks Foundation, was established to prepare a high-level analysis a possible community foundation in Kirkland.

The group:

- Discussed how a community foundation would impact Kirkland's charitable sector and improve the way funding needs are assessed and resources are deployed.
- Created a possible operational model and potential organizational structure
- Developed possible mission statements

- Discussed the possibility of a foundation with community member – philanthropist, business & government leaders, and other non-profits

From discussions it became clear that an independent assessment of the feasibility of a foundation was the most effective way forward. The group approached the City of Kirkland and they agreed to jointly fund a professional feasibility study for the KCF.

1.2 OBJECTIVE AND DELIVERABLES

Outlining the Consultant's Role

We are seeking a qualified consultant to conduct a feasibility study to determine whether or not a community foundation would be valuable and viable in Kirkland. To accomplish this the consultant, in coordination with a Project Steering Group, would:

1. Develop a list of interview questions (approximately 15-20) that address the goals of the study.
2. Determine a list of stakeholders to interview (approximately 35-40). Stakeholders should represent governments, businesses, individuals, non-profits, foundations and other relevant persons or organizations.
3. Conduct interviews in person and document responses
4. Collate, analysis and develop a picture of the stakeholder's specific and general views on the question of a foundation

Objectives of the Feasibility Study

In addition to the above, the consultant's primary deliverable is a feasibility study detailing the KCF's short- and long-term community value and viability. Related to this, the consultant should provide details on the near-term and long-term opportunities for financial success. Specifically, the feasibility study should address the following key areas:

Test basic planning assumptions with potential donors. Find out how potential donors feel about the proposed KCF. Do potential donors see the foundation as important enough to place on their priority giving list?

Expand potential prospect list. Test the optimal funding mix of lead donors, major donors, private foundations, government grantors and partners, and business funders.

Ascertain potential financial support. The consultant will determine if there are enough donor prospects, and enough prospects at different giving levels, to reach the a sustainable breakeven financial position.

Identify volunteer leadership potential. Identify possible board leadership and their fundraising capabilities. Assess what it will take to recruit volunteer leadership.

Prepare written report/fundraising plan. The completion of the feasibility study will be a written report that synthesizes the findings from the confidential interviews, and the consultant's recommendations for

conducting a successful capital campaign.

Deliverables

Situation Analysis. Complete a SWOT analysis that represents the feedback from all stakeholders.

Case for Support. Develop foundational document and appropriate supporting documents argue for or against the formation of the KCF.

Donor Prospect List, Volunteer Leadership Prospect List, Top Prospects for Both. Identify most promising prospects for founding and long-term campaign donors and volunteer leadership. Research to uncover potential new donors, volunteer leadership Feasibility Report & Suggested Campaign Structure. Test case/messaging, prospects (donor and leadership), campaign scope/gift pyramid with key stakeholders to measure the feasibility of conducting a successful campaign.

1.3 PROPOSAL REQUIREMENTS, EVALUATION & SCHEDULE

Proposal Requirements

Address the following topics in a 15-page (or less) proposal. Please submit additional information or sample materials where relevant, including case statements, campaign collateral, and training material.

- Project Understanding.
- Project Approach including significant phases and deliverables. (i.e., describe your feasibility study process. Include the duties you perform and those you expect to be done by the client staff or leadership. What information and recommendations will be included in the Feasibility Study Report? What, in your view, are the key elements you would study?)
- Project timeline.
- Estimate of fees and expenses for feasibility study.
- Firm capabilities:
 - experience with similar community foundations
 - experience with feasibility studies and fundraising plans—examples of actual completed studies welcome.
 - experience in Kirkland or Seattle region
- Project team. (Biographies or resumes detailing experience with similar projects, raising private funds, working in a similar community)
- References: Complete contact information of three references from the past 3-5 years.

Evaluation Requirements

30% Quality and completeness of understanding, approach and

overall proposal

20% Quality of match between qualifications/capabilities and
experience, project scope and requirements

30% Expertise of project team

20% References

Estimated Schedule

Issue Request for Proposals.....	August 1, 2016
Questions/Clarifications due.....	August 13, 2016
Answers Provided By.....	August 20, 2016
Proposals due.....	August 31, 2016
Evaluation of proposals.....	September 2-10, 2016
Interviews conducted with finalists.....	September 11-20, 2016
Announce decision and send notification.	September 30, 2016
Begin work.....	October 20, 2016

The Steering Group for this study reserve the right to revise the above schedule.

Questions/Clarifications Contact _____ at ____ email_____

Proposal Submissions Proposals are due no later than **5:00 pm, August 31, 2016.**

Hard copy or electronic copy is acceptable. Please send electronic copies directly to
brucew@kirklandchamber.org

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Ellen Miller-Wolfe, Economic Development Manager							
Description of Request							
Use of \$30,000 from the Council Special Projects Reserve to provide funding to study the feasibility of establishing a community foundation for Kirkland.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$30,000 of the Council Special Projects Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
<i>Reserve</i>	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	Council Special Projects Rsv.	250,000	181,000	80,000	30,000	119,000	250,000
	Prior uses: Contingent use of \$80,000 for Northshore Public Health Center funding; \$1,500 for ArtsFund Economic Impact Study, \$2,500 for sponsorship of the Advanced Transportation Technologies Conference, \$32,000 for replacement of the Downtown Holiday Tree, \$15,000 for the second Eastside Winter Shelter, \$35,000 for Sound Transit 3 public outreach, and \$15,000 for a communications study. Prior authorized addition: Return of \$80,000 from the release of contingent funding for the Northshore Public Health Center.						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	August 10, 2016	