
CITY OF KIRKLAND

CITY COUNCIL



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

Vision Statement

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

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

AGENDA

KIRKLAND CITY COUNCIL MEETING

City Council Chamber

Tuesday, September 3, 2013

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.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
 - a. 2013-2018 Capital Improvement Program Update
4. *EXECUTIVE SESSION*
 - a. To Discuss Potential Litigation
5. *HONORS AND PROCLAMATIONS*
 - a. 2013 Eastside Month of Concern for the Hungry Proclamation
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
 - (1) Against Slurry Seal in Brookhaven Neighborhood
7. *SPECIAL PRESENTATIONS*

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

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

***QUASI-JUDICIAL MATTERS**

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

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

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

8. CONSENT CALENDAR

- a. *Approval of Minutes:*
 - (1) August 6, 2013 Special Meeting
 - (2) August 6, 2013
- b. *Audit of Accounts:*
 - Payroll* \$
 - Bills* \$
- c. *General Correspondence*
- d. *Claims*
- e. *Award of Bids*
 - (1) Maintenance Center Fuel Station, Saybr Contractors, Inc., Tacoma, WA
 - (2) Peter Kirk Elementary School Walk Route Sidewalk Project, Road Construction Northwest, Renton, WA
 - (3) Kirkland Intelligent Transportation Systems (ITS) Implementation Phase IA – Traffic Management Center, Bayley Construction, Mercer Island, WA
 - (4) 100th Avenue NE Bicycle Lanes Project, Road Construction Northwest, Inc., Renton, WA
 - (5) Generator Transfer Switches Installation-Emergency Power Generators, Pointer Electric, Inc., Bow, WA
- f. *Acceptance of Public Improvements and Establishing Lien Period*
 - (1) Lakeview Elementary Pedestrian Improvement Project, Road Construction Northwest, Inc., Renton, WA
- g. *Approval of Agreements*
 - (1) Resolution R-4993, Supporting the Continuation of the Eastside Transportation Partnership as the East King County Forum for Information Sharing, Consensus Building and Coordination to Provide Advice on Regional Transportation Issues and Approving Continued Participation in the Eastside Transportation Partnership by the City of Kirkland.
- h. *Other Items of Business*
 - * (1) Resolution R-4994, Approving the Subdivision and Final Plat of Juanita Townhomes Being Department of Planning and Community Development File No. SUB13-00739 and Setting Forth Conditions to Which Such Subdivision and Final Plat Shall Be Subject.

- (2) Reject Bids for 2013 Cross Kirkland Corridor (CKC) Ditch Sediment Removal and Restoration
- (3) Resolution R-4995, Adding to the Membership of the Kirkland Cultural Arts Commission.
- (4) Report on Procurement Activities
- (5) Surplus and Disposal of Equipment Rental Vehicles

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

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

11. NEW BUSINESS

a. Investment Policy External Review:

- (1) Resolution R-4996, Adopting a Revised Policy for Investment of City Funds.
- (2) Ordinance O-4416 and its Summary, Updating References to the Department of Finance and Administration in the Kirkland Municipal Code and Making Certain Housekeeping Corrections.

b. Ordinance O-4417, Relating to Zoning and Land Use and Amending the Kirkland Zoning Ordinance 3719, as Amended, to Establish Limits on the Number of Residential Suites Units Allowed in the Central Business District and Establishing Minimum Required Common Living Area, File No. CAM13-00178.

c. King County Transfer Station Plan Review

d. Cultural Arts Commission Appointment

12. REPORTS

a. City Council

- (1) Finance and Administration Committee
- (2) Public Safety Committee
- (3) Community Planning, Housing and Economic Development Committee
- (4) Public Works, Parks and Human Services Committee
- (5) Regional Issues

b. City Manager

- (1) Calendar Update

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

ITEMS FROM THE AUDIENCE

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

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Sri Krishnan, Financial Planning Manager
Neil Kruse, Senior Financial Analyst

Date: August 22, 2013

Subject: **AMENDMENT OF THE 2013-18 CAPITAL IMPROVEMENT PROGRAM**

RECOMMENDATION:

City Council reviews the proposed updates to the 2013-18 Capital Improvement Program (CIP) and provides direction regarding the changes to be brought forward for Council adoption in December.

BACKGROUND DISCUSSION:

The purpose of the mid-biennium CIP review is to acknowledge changes made since adoption in December of 2012 and to make any further changes needed to bring the CIP up-to-date. The proposed changes are primarily related to the following categories:

- Updates and potential changes related to work program items,
- Updates to project timing and cost for prior Council approvals, and
- Recognizing any major changes in funding sources (new, increases, decreases).

The following tables are attached:

- **Revised CIP Summary Tables** (Attachment A) – The funded projects tables now include projects that were previously funded but do not require any funding modifications in the current 6-year CIP, which are listed at the top of each sheet. As in the past, previously funded projects requiring modifications to budget or timing are included in the lower part of the funded project summary tables. The actual available balances of all active projects are shown in the Active Projects List Schedule (Attachment B).
- **Active Projects List** (Attachment B) – A comprehensive list of all previously funded projects and projects funded in the current CIP are included in this table. The table also includes project balances for the current biennium reflecting actual expenditures through June 30, 2013 and total remaining project funding through 2018, the end of the current 6-year planning period.

Revenue Status

No changes to revenue assumptions have been made at this point, with the exception of recognizing grants that have been awarded since the CIP was adopted in December 2012. While two major CIP-related revenues are coming in above budget as noted below, additional revenue has not been programmed to date. These revenues are being held aside in anticipation of the

needs that will be identified through the Comprehensive Plan process and other master planning processes currently under way and expected to be completed by the end of 2014. The additional revenues are also being set aside in reserves to potentially fund City match and/or backfill for any external funding that may not materialize. It is anticipated that the next major update to the City's CIP will incorporate the projects identified through the current Comprehensive Plan update and master planning processes. The positive revenue trends for key capital project funding-related revenue include:

- **REET** – The strong recovery in the real estate market is evident as Real Estate Excise Tax (REET) revenue already exceeds annual budget as of the date of this memo by \$900,000 (evenly divided between REET 1 and REET 2). No additional use of this source is planned in the update to the CIP, other than previously authorized uses approved by Council.
- **Impact Fees** are budgeted conservatively because of the drop in development activity during the recession. The turnaround in development activity is illustrated in this revenue. As of this date, transportation impact fees are more than double the 2013 budget at \$783,000 and park impact fees are almost double at \$493,000. As with REET, no additional use of this source has been planned in the CIP update. Impact fees can only be used for eligible capacity projects. Park Impact fees are currently only used for debt service payments.
- The renewal of the **King County Park Levy** passed in the August election and will be effective in 2014. The 2013 levy revenue (about \$200,000) was originally planned to be used for the payment of the interfund loan for the Cross Kirkland Corridor (CKC) purchase. As a result, it is not programmed into the 2013-18 CIP. Since the loan was repaid at the end of 2012, the 2013 levy revenue is available for programming and options for it and the new levy - are being evaluated and will be brought forward for Council discussion later this fall. **The City Manager's preliminary recommendation is to dedicate the KC Park Levy money to development of the Cross Kirkland Corridor and Totem Lake Park.**

This update reflects revised costs for the NE 85th Corridor improvement projects with additional funding shown as "External/Pending" to reflect that grant applications have been submitted but results are not yet known. If the grant application is unsuccessful, funding from other sources will need to be identified or reductions in project scope will be necessary.

Project Highlights

TRANSPORTATION

Modified and New Projects – Due to timing and new grant opportunities, two Transportation projects have been moved from unfunded to funded status for this update; both were previously approved by Council. One new project that recently received grant funding has been added. Six new unfunded Transportation projects have been added for specific needs as described below and to take advantage of potential grant opportunities. Project costs and timing were updated for seven funded projects and one unfunded project. Additionally, four existing unfinished projects related to the NE 85th Street Corridor, as presented to Council in July, were added to the funded list, although the outcome of the grant request is unknown at this point. Highlights of each are as follows:

Funded Projects

- **NE 85th Street Preservation** (ST 0006 002) – Project timing changed for compliance with grant requirements and coordination with other projects. Project costs increased from \$1,122,000 to \$1,469,000 due to additional costs for ADA compliance and inflation.
- **Street Maintenance & Pedestrian Safety** (ST 0006 003) – This levy-funded project is now segregated into 3 separate projects to reflect the various elements of the levy, as shown in the

table below. Total 2013 levy funding available for CIP projects was increased by \$214,000 due to a reduction of funding needed in the Street Operating fund for one-time vehicle purchases. The 2013 Pedestrian Safety project is \$590,000 for the replacement of several flashing crosswalk beacons; this uses the planned pedestrian safety and safe school walk route funding for both 2013 and 2014. Additionally, \$10,000 of levy funding is programmed for the NE 112th Street Sidewalk project in 2013.

Project	Project Number	2013 Funding	2014 Funding	Annual Funding 2015-2018
Street Preservation	ST 0006 003	1,959,000	2,574,000	2,300,000
Safe School Walk Routes	NM 0006 100	0	0	150,000
Pedestrian Safety	NM 0006 200	590,000	0	150,000
NE 112 th Street Sidewalk	NM 0053	10,000	0	0
Total Levy Funding		2,559,000	2,574,000	2,600,000

- **98th Avenue Bridge** (ST 0055) – Project moved from unfunded to funded as approved by Council on June 4, 2013, funded mainly by a grant (\$1,415,000). Project cost reduced from \$10,196,000 due to change in scope from a full bridge replacement to seismic retrofit of existing bridge.
- **NE 120th Street Roadway Extension-East Section** (ST 0057 001) – Project cost increased from \$6,462,000 to \$6,509,100 due to revised Right of Way (ROW) costs and completion of project moved from 2013 to 2014.
- **NE 85th Street Utility Undergrounding** (ST 0075) – Project cost increased from \$1,916,800 to \$2,691,500 due to unanticipated costs. Approximately \$775,000 is expected to be spent in 2013 to complete this project.
- **100th Avenue Corridor Study** (ST 0083) – Project cost increased from \$50,000 to \$70,000 as a result of adding storm water and environmental analysis for fish passage requirements to the project scope (funded by the Surface Water Utility).
- **Cross Kirkland Corridor Master Plan** (NM 0024 101) – Project timing moved from 2013 to 2013-2014 with no change in project cost.
- **Rose Hill Business District (NE 85th St.) Sidewalks** (NM 0051) – Project cost increased from \$4,338,300 to \$7,857,500 due to additional costs as described in the City Council Study Session of July 2, 2013. Approximately \$4.1 million will be spent in 2013-2014 to complete the project; internal and external funding sources are presently being sought, with grant award results anticipated in November of this year.
- **NE 112th Street Sidewalk-North** (NM 0053) – Project moved from unfunded to funded status as approved by Council in February due to receipt of grant funding.
- **Park Lane Pedestrian Corridor Enhancements** (NM 0064 001) – Project total cost and timing remain unchanged at \$2,238,900 as staff continues to seek grant funding opportunities with internal funding sources to supplement the \$739,000 grant received from the Department of Ecology, as acknowledged by City Council on April 2, 2013; new grant award results will be known in November of this year.
- **South Kirkland Transit Oriented Development /Cross Kirkland Corridor Multi-Modal Connection Phase 1** (NM 0084) – Added as new project to study, design and construct a stair tower and covered pedestrian bridge connecting the TOD parking garage to the CKC (\$1,300,000). The project has appeared on the State's appropriation budget list to receive funding from the Department of Commerce. Phase 2 of the project was added to the unfunded list below.

- **Peter Kirk Park (Transit Center) Restroom Renovation** (TR 0004 002) – New project was approved by Council earlier this year. Project cost increased from \$126,700 to \$134,700 due to unexpected expenses. Staff recommendation for funding of increased cost is reallocation of \$8,000 of the park easement revenue received for Kiwanis Park which was previously allocated to the Green Kirkland program.
- **NE 85th Street/132nd Avenue NE Intersection Improvements-Phase 1** (TR 0078) – Project cost reduced from \$2,564,400 to \$2,149,900 due to updated cost estimates and project completion changed to 2014.
- **NE 85th Street/124th Avenue NE Intersection Improvements** (TR 0080) – Project cost increased from \$1,673,100 to \$2,022,300 due to updated cost estimates and project completion changed to 2014.
- **Kirkland Intelligent Transportation System Phase II-Totem Lake Urban Center** (TR 0111 003) – Project cost increased from \$2,911,000 to \$2,951,000 due to revised estimates, an increase in grant ineligible costs, and timing.
- **Kirkland Citywide Safety & Traffic Flow Improvements** (TR 0113) – Project cost increased from \$302,200 to \$343,900 due to revised estimates, an increase in grant ineligible costs, and timing moved from 2013 to 2013-2014.

In addition to the changes listed above, requests for funding adjustments for the following three projects are action items before Council at the meeting of September 3, 2013. If approved, they will be included in the final adjustments for adoption in December.

- **Peter Kirk Elementary Sidewalk Phase II** (NM 0034 001) – Project completion moved from 2012 to 2013 and project cost reduced from \$516,000 to \$438,000. Council is considering a request for funding changes as described in the award of bid memo at the regular Council meeting of September 3rd.
- **Lakeview School Walk Route Improvements** (NM 0068) – Project completed in 2013. Council is considering a request for funding increase of \$3,670 with the acceptance of work memo at the regular Council meeting of September 3rd.
- **100th Avenue NE Bicycle Lanes** (NM 0069) – Project cost increased from \$146,100 to \$247,000 as approved by Council in December 2012. Project completion date changed from 2012 to 2013. Council is considering a request for funding increase of \$27,000 with the award of bid memo at the regular Council meeting of September 3rd.

Unfunded Projects

- **Finn Hill Emergency Vehicle Access** (ST 0086) – New unfunded project to replace Type III road barricades with opticom activated retractable bollards for more efficient public safety vehicle access (\$900,000).
- **Cross Kirkland Corridor Opportunity Fund** (NM 0024 201) – New unfunded project added to take advantage of possible grant opportunities for implementation of the master plan (\$500,000).
- **CKC to Redmond Central Regional Connector** (NM 0081 000) – New unfunded project added to install ADA compliant pedestrian connection with accommodations for bicyclists to the Redmond Central Connector. Potential regional partnership with City of Redmond and King County (\$3,656,000). The project reflects an estimate of the full project cost, a portion of which would be allocated to Kirkland.

- Two projects related to the Google expansion have been added as unfunded pending final resolution of funding sources, which is expected to be resolved prior to the adoption of the CIP:
 - **6th Street South Sidewalk** (NM 0082) – New unfunded project added to provide sidewalk connection to the Cross Kirkland Corridor and to support Google's expansion. The Project is grant eligible with local match by the private development and a grant application has been submitted (\$412,000).
 - **7th Avenue South Sidewalk** (NM 0083) – New unfunded project added to support Google's expansion and close gap between new adjacent Google frontage improvements and State Street and the Downtown Core (\$309,000).
- **South Kirkland TOD/CKC Multi-Modal Connection Phase 2** (NM 0085) – New unfunded project added as phase 2 to provide ADA compliant access (stair tower and pedestrian bridge) between the TOD parking garage and the CKC (\$1,200,000). A grant application has been submitted to the Puget Sound Regional Council Transportation Alternatives Program.
- **6th Street/Kirkland Way Traffic Signal** (TR 0065) – Current unfunded project cost changed from \$564,000 to \$992,000 due to revised scope of work including additional ROW acquisition, Intelligent Transportation System signals, and concrete intersection roadway.

WATER/SEWER UTILITY

Modified and New Projects – The timing of two projects has changed due to the upcoming development at Google's site, with the sewermain replacement starting sooner and the sewer lift station replacement being postponed in order to fund each with current revenue. A watermain replacement project's timing may be changed to match up with a transportation project in order to install it as concrete is being poured. The project cost estimates for two watermain replacements increased from the originally adopted CIP and annual projects had cost adjustments. There are no modifications or additions to unfunded Water/Sewer projects. Changes to the funded projects are as follows:

Funded Projects

- **7th Avenue S. Sewermain Replacement** (SS 0064) – Project timing changed from 2016-17 to 2014-15 to repair the aged sewermain ahead of Google's planned development. Costs are decreasing from \$1,646,000 to \$1,289,000 because of inflation savings.
- **Rose Point Sewer Lift Station Replacement** (SS 0073) – Project dates postponed from 2014-15 to 2015-16 with costs rising from \$2,287,800 to \$2,559,800 due to inflation impacts from starting the project later.
- **Annual Sanitary Pipeline Replacement Program** (SS 8888) – Funding reduced from \$1,480,000 to \$1,320,000 to reflect available remaining funds after funding highest priority projects.
- **Annual Sanitary Pump Station/System Upgrade Program** (SS 9999) – Funding reduced from \$1,440,000 to \$1,320,000 to reflect available remaining funds after funding highest priority projects.

- **6th Street South Watermain Replacement** (WA 0139) – Timing of all or a portion of this funded project may change due to required coordination with 6th Street/Kirkland Way Traffic Signal (TR 0065).
- **NE 85th Street Watermain Replacement** (WA 0140) – Project costs increased from \$2,413,200 to \$3,366,200 because of updated project cost estimates.
- **Annual Watermain Replacement Program** (WA 8888) – Funding in 2017-18 changed from \$770,000 to \$965,000 to account for project timing and cost adjustments.
- **Annual Water Pump Station/System Upgrade Program** (WA 9999) – Funding in 2017-18 changed from \$770,000 to \$965,000 to account for project timing and cost adjustments.

SURFACE WATER

Modified and New Projects – Five existing projects were modified for this update. The 85th Street water detention and sediment control project timing was changed and its costs were decreased. The decant facility expansion was down-scoped to focus on Kirkland's existing facility and is primarily grant funded. A regional decant facility is no longer reflected because of environmental concerns. A lower than forecast bid for the Totem Lake culvert replacement allowed savings to be moved to annual programs. There are no modifications or additions to unfunded Surface Water projects. Changes to the funded projects are as follows:

Funded Projects

- **Kirkland Decant Facility Expansion** (SD 0082) – New project in lieu of regional facility as approved by Council. This project is 75% grant funded in the amount of \$951,000 and 25% City funded through reserves (\$317,000).
- **Totem Lake Culvert Replacement** (SD 0075) – Project cost reduced after final bids from \$5,028,000 to \$4,175,000. Savings will be redistributed to reserves and annual surface water programs as shown below.
- **Annual Streambank Stabilization Program** (SD 8888) – Added \$217,000 of reserves funding from Totem Lake Culvert Replacement (SD 0075) savings.
- **Annual Surface Water Infrastructure Replacement Program** (SD 9999) – Added \$218,000 of reserves funding from Totem Lake Culvert Replacement (SD 0075) savings.

PARKS

Modified and New Projects – Two new projects at Totem Lake were added and two existing projects were modified for housekeeping reasons. Plans regarding future projects and funding of the Cross Kirkland Corridor (described in the Transportation section) and Totem Lake are being developed. Changes to the funded projects are as follows:

Funded Projects

- **Waverly Beach Park Renovation** (PK 0087 100) – Housekeeping change in order to more closely track park levy funds and projects. Waverly Beach Remodel (PK 0087 000) will be closed and the balance of \$239,000 will be transferred to the Park Levy Waverly Beach Remodel project (PK 0087 100).

- **Spinney Homestead Park Renovation** (PK 0113 100) – Housekeeping change in order to keep better track of park levy funds and projects. Spinney Homestead (PK 0113 000) is set to close and transfer its balance of \$50,000 to the Park Levy project for Spinney Homestead (PK 0113 100).
- **Totem Lake Master Plan** (PK 0139 100) – New project as approved by Council using \$82,000 from the closed Shoreline Restoration project (PK 0006) and \$38,000 from REET 1 funds.

Unfunded Projects

- **Totem Lake Park Acquisition** (PK 0139 101) – New unfunded project for land acquisition surrounding Totem Lake Park for future facilities (\$3,000,000).

PUBLIC SAFETY

Modified and New Projects – One new project was added and modifications were made to the sinking funds. There were no changes to unfunded public safety projects. Following detailed review, minor changes have been made to the sinking fund equipment, along with some significant additions. Both Police and Fire sinking funds are able to fully fund current expenditures in this biennium and annual contributions are not being adjusted as part of this update. Staff is tracking actual versus budgeted expenditures in each fund and will make any necessary adjustments to ongoing or one-time contributions as part of the 2015-2020 CIP and 2015-2016 Budget processes in 2014. Changes to the funded projects are as follows:

Funded Projects

- **Self Contained Breathing Apparatus (SCBA)** (PS 0071) – Project cost increased from \$741,600 to \$750,600 to reflect the addition of replacement of testing equipment in 2018.
- **Fire Hose Replacement** (PS 0077) – Project added for fire hose replacement; 6-year cost is \$59,400.
- **Police Equipment** (PS 1000) – Adjustments made for additional equipment identified after the sinking fund was established are included within the current project. Total cost for this biennium has decreased from \$186,800 to \$150,150 due to savings realized through refurbishing existing weapons. Expenditure increases in future biennia are not currently being offset by an increase in contributions. Staff will revisit the sinking fund cashflow and annual contributions in 2014 as part of the 2015-2016 Budget process.

The City is also reviewing the potential impact of reduced liquor tax revenue on the public safety equipment sinking funds.

GENERAL GOVERNMENT – TECHNOLOGY

Modified and New Projects – Modifications were made to network-related projects and copier replacements as described below and one project was moved to unfunded status. The department is currently developing project costs for wireless connectivity for the Totem Lake Park and Totem Lake Mall areas. Preliminary estimates have come in at above \$300,000. Information Technology staff is working with a wireless firm to determine whether the cost can be reduced with more detailed engineering. If a viable project results from this process, the project will be brought

forward at a later date for Council consideration with funding options. Changes to the funded projects are as follows:

Funded Projects

- **Network Server Replacements** (IT 0100) – Project cost reduced from \$921,400 to \$518,100 due to revised assumptions of using virtual infrastructure in the future, with expected lower costs.
- **Network Infrastructure** (IT 0110) – Project cost increased from \$390,000 to \$404,300 based on revised cost estimates resulting from the recent acquisition of network equipment.
- **Network Storage, Backup & Archiving** (IT 0120) – Project name changed from “Network Storage” to better reflect project elements. Project’s cost increased from \$1,628,900 to \$2,177,000 primarily due to additional storage costs related to archiving documents, as discussed at the Council Retreat in June.
- **Network Phone Systems** (IT 0130) – Project cost increased from \$250,000 to \$445,000 to reflect revised cost estimates and necessary consulting services.
- **Copier Replacements** (IT 0500) – Project cost decreased from \$104,000 to \$80,300 due to revised cost estimates.
- **Disaster Recovery System Improvements** (IT 0901) – Project cost reduced from \$200,000 to \$125,000 and funding redirected to the Network Storage, Backup and Archiving project since part of the scope of the disaster recovery project will be accomplished in the network project.

Unfunded Projects

- **Standard Reporting Tool** (IT 0602) – Project moved to unfunded due to funding availability.

GENERAL GOVERNMENT – FACILITIES

Modified and New Projects – One new project was added and three existing projects were modified. There are no changes to unfunded projects. Specific modifications are described below:

Funded Projects

- **Public Safety Building** (GG 0013) – Project funding has been revised based on the memo to Council for the May 7, 2013 meeting. Additionally, funding to build a shell for a police firing range (\$160,000) was added based on funding provided from expected Police Department salary savings and seizure revenue that is restricted to public safety capital expenditures. Project cost increased from \$30,716,400 to \$31,390,200.
- **Maintenance Center Expansion** (GG 0037) – Housekeeping adjustment to reflect decision made in 2012 to reduce project cost by \$400,000 and move funding to the Public Safety Building based on adding a maintenance bay.
- **Energy Efficiency Grant** (GG 0014) – New project added following the successful award of a grant for a range of projects to increase the efficiency of City buildings. These projects were described in a memo to Council for the August 6, 2013 meeting; project cost expected to be \$846,000.

- **Facilities Life Cycle Projects** (GG 0011) – Project increased by \$10,000 for repairs at the North Kirkland Community Center.

The table that follows summarizes the Revised 2013-18 CIP, both the funded 6-year program and the longer term needs that are unfunded. The funded has increased by \$17,211,800 and the unfunded has decreased by \$463,100 from the adopted 2013-18 CIP.

Revised 2013-2018 Capital Improvement Program

	6-year Funded CIP	Unfunded CIP	Total CIP
Transportation	64,788,900	260,729,900	325,518,800
Parks	12,504,000	98,964,300	111,468,300
Public Safety	2,853,800	119,100	2,972,900
General Government			
Technology	6,051,900	1,203,900	7,255,800
Facilities	47,095,000		47,095,000
Subtotal	133,293,600	361,017,200	494,310,800
Surface Water Mgmt	14,353,300	15,644,200	29,997,500
Water/Sewer	27,876,000	71,431,600	99,307,600
Utilities Subtotal	42,229,300	87,075,800	129,305,100
Grand Total Revised CIP	175,522,900	448,093,000	623,615,900
Adopted 2013-18 CIP	158,311,100	448,556,100	606,867,200
Difference	17,211,800	(463,100)	16,748,700

NEXT STEPS:

Based on Council direction after their review of the 2013-18 CIP update on September 3, staff will make changes and bring back a revised 2013-18 CIP update for Council's further consideration at a future meeting, if needed. The 2013-18 CIP update will be brought back to the Council for formal adoption in December with the Mid-Biennial Review adjustments.

Under current practice, the next full CIP review process would be for 2015-2020 and would start in the spring of 2014. The Finance and Administration Committee is evaluating the option of modifying the CIP timeline and implementing only an update in 2014 and postponing the full CIP review to the spring of 2015 in order to better incorporate the results of the City's Comprehensive Plan and other master planning processes that are scheduled to be completed at the end of 2014. The Council will be updated of the Finance and Administration Committee's recommendation later this fall.

**City of Kirkland
Revised 2013-2018 Capital Improvement Program**

TRANSPORTATION PROJECTS

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Sources				
										Current Revenue	Reserve	Debt	External/Pending Source	
Prior Year Active Projects:														
ST 0006 001	Annual Street Preservation Program One Time Capital Purchase	500,000												
NM 0034 001*	Peter Kirk Elementary Sidewalk Phase II	515,930												
NM 0059	6th Street Sidewalk	265,000												
NM 0065	Central Way Pedestrian Enhancements	412,000												
NM 0068*	Lakeview School Walk Route Enhancements	374,300												
NM 0069*	100th Ave NE Bike Lanes	247,000												
TR 0070	NE 124th & 124th Ave Intersection Improvements	614,500												
TR 0102	GTEC	743,000												
TR 0111 000	Kirkland ITS Implementation Phase I	2,081,000												
Subtotal Prior Year Active Projects with no new funding planned		5,752,730												
Current 2013-2018 CIP:														
ST0006	Annual Street Preservation Program		1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	10,500,000	10,500,000				
ST 0006 002~	Annual Street Preservation Program-One-time Project		42,500	158,000	1,268,500				1,469,000				1,469,000	
ST 0006 003*	Street Levy Street Preservation		1,959,000	2,574,000	2,300,000	2,300,000	2,300,000	2,300,000	13,733,000	13,733,000				
ST 0055+	98th Avenue Bridge		390,000	1,025,000					1,415,000		15,000		1,400,000	
ST 0057 001*	NE 120th Street Roadway Extension (East Section)	2,867,000	541,300	3,100,800					3,642,100	715,500			2,926,600	
ST 0075~	NE 85th Street Utility Conversion	1,916,800	774,700						774,700				774,700	
ST 0080	Annual Striping Program		300,000	350,000	350,000	350,000	350,000	350,000	2,050,000	2,050,000				
ST 0082	Juanita Drive Corridor Study		200,000	80,000					280,000	280,000				
ST 0083*	100th Ave NE Corridor Study		70,000						70,000	20,000	50,000			
ST 8888	Annual Concurrence Street Improvements				482,400	480,000	215,000	852,500	2,029,900	1,823,400	206,500			
ST 9999	Regional Inter-Agency Coordination		82,000	82,000	82,000	82,000	82,000	82,000	492,000	492,000				
NM 0006 100	Street Levy-Safe School Walk Routes				150,000	150,000	150,000	150,000	600,000	600,000				
NM 0006 200	Street Levy-Pedestrian Safety		590,000		150,000	150,000	150,000	150,000	1,190,000	1,190,000				
NM 0012	Crosswalk Upgrade Program		70,000		70,000		70,000		210,000	210,000				
NM 0024 000	Cross Kirkland Corridor Trail (Interim)	203,000	2,158,000	1,239,000					3,397,000	276,800	79,200		3,041,000	
NM 0024 101*	Cross Kirkland Corridor Master Plan		350,000	150,000					500,000	252,200	247,800			
NM 0051~	Rose Hill Business District Sidewalks	3,715,500	1,156,800	2,985,200					4,142,000				4,142,000	
NM 0053+	NE 112th Street Sidewalk		266,100						266,100	10,000	169,800		86,300	
NM 0057	Annual Sidewalk Maintenance Program		200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	900,000	300,000			
NM 0064 001	Park Lane Pedestrian Corridor Enhancements Phase II		350,000	1,888,900					2,238,900	319,900			1,919,000	
NM 0073	JFK Non-Motorized Program		75,000	75,000					150,000	30,000	120,000			
NM 0084	South Kirkland TOD/CKC Multi-Modal Connection Ph. 1		246,000	1,054,000					1,300,000				1,300,000	
NM 8888*	Annual Non-Motorized Program				208,300	605,000	1,043,000	1,043,500	2,899,800	1,660,000	1,239,800			
TR 0004 002	Peter Kirk Restroom Renovation	12,600	122,100						122,100				122,100	
TR 0078~*	NE 85th St/132nd Ave NE Intersection Improvements	1,182,500	42,000	925,400					967,400				967,400	
TR 0080~*	NE 85th St/124th Ave NE Intersection Improvements	767,600	31,300	1,223,400					1,254,700				1,254,700	
TR 0083	100th Ave NE/NE 132nd Street Intersection Improvements		350,000	350,000	2,501,000				3,201,000	700,000			2,501,000	
TR 0111 003*	Kirkland ITS Implementation Phase IIC		453,000	2,498,000					2,951,000	240,000	509,900		2,201,100	
TR 0113*	Citywide Safety & Traffic Flow Improvements		150,600	193,300					343,900		49,500		294,400	
TR 8888	Annual Concurrence Traffic Improvements				475,000	543,000	381,300		1,399,300	1,169,300	230,000			
Total Funded Transportation Projects			16,417,730	12,720,400	21,902,000	9,987,200	6,610,000	6,691,300	6,878,000	64,788,900	37,172,100	3,217,500	-	24,399,300

Other Funding Sources Used

- Notes
 * = Modification in timing and/or cost (see Memo for greater detail)
 ~ = Projects with pending funding sources to be determined
 + = Moved from unfunded status to funded status
 " = Moved from funded status to unfunded status
 ^ = Annual Program Project Candidates
 Shaded year(s) = Previous timing
Bold italics = New projects

**City of Kirkland
Revised 2013-2018 Capital Improvement Program**

TRANSPORTATION PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
ST 0056	132nd Avenue NE Roadway Improvements	25,170,000
ST 0059^	124th Ave NE Roadway Improvements (North Section)	10,000,000
ST 0060	118th Avenue NE Roadway Extension	6,440,000
ST 0061	119th Avenue NE Roadway Extension	5,640,000
ST 0062	NE 130th Street Roadway Extension	10,000,000
ST 0063^	120th Avenue NE Roadway Improvements	8,988,500
ST 0064	124th Ave NE Roadway Widening Imprv (So. Sect'n)	30,349,000
ST 0070	120th Ave NE/Totem Lake Plaza Roadway Imprvmts	3,000,000
ST 0072	NE 120th St Roadway Improvements (West Section)	5,870,000
ST 0073	120th Avenue NE Roadway Extension	16,392,000
ST 0077	NE 132nd St Rdwy Imprv.-Phase I (West Section)	1,348,000
ST 0078	NE 132nd St Rdwy Imprv-Phase II (Mid Section)	316,000
ST 0079	NE 132nd St Rdwy Imprv-Phase III (East Section)	1,119,000
ST 0081	Totem Lake Area Development Opportunity Program	500,000
ST 0083 101	100th Ave NE Roadway Improvements	9,500,000
ST 0086	Finn Hill Emergency Vehicle Access Connection	900,000
NM 0001	116th Ave NE (So. Sect.) Non-Motorz'd Facil-Phase II	3,378,000
NM 0007	NE 52nd Street Sidewalk	1,068,600
NM 0024 201	Cross Kirkland Corridor Opportunity Fund	500,000
NM 0026	NE 90th Street Sidewalk (Phase II)	2,584,200
NM 0030	NE 90th Street/I-405 Pedestrian/Bicycle Overpass	3,740,700
NM 0031	Crestwoods Park/BNSFR Ped/Bike Facility	2,505,000
NM 0032^	93rd Avenue Sidewalk	1,047,900
NM 0036^	NE 100th Street Bikelane	1,644,300
NM 0037	130th Avenue NE Sidewalk	833,600
NM 0041	Forbes Valley Pedestrian Facility	1,996,600
NM 0043^	NE 126th St Nonmotorized Facilities	4,277,200
NM 0045	NE 95th Street Sidewalk (Highlands)	571,500
NM 0046^	18th Avenue SW Sidewalk	2,255,000
NM 0047	116th Avenue NE Sidewalk (South Rose Hill)	422,100
NM 0048	NE 60th Street Sidewalk	4,979,800
NM 0049^	112th Ave NE Sidewalk	527,600
NM 0050^	NE 80th Street Sidewalk	859,700
NM 0054	13th Avenue Sidewalk	446,700
NM 0055^	122nd Ave NE Sidewalk	866,700
NM 0056	NE 90th Street Sidewalk (Phase I)	1,165,700
NM 0058	111th Avenue Non-Motorized/Emergency Access Connection	2,000,000
NM 0061*	NE 104th Street Sidewalk	1,085,000
NM 0062	19th Avenue Sidewalk	814,200
NM 0063	Kirkland Way Sidewalk	414,500
NM 0071	NE 132nd Street Sidewalk Improvement	363,000
NM 0072	NE 132nd Street Sidewalk at Finn Hill Middle School	693,000
NM 0074	90th Ave NE Sidewalk	353,400
NM 0075	84th Ave NE Sidewalk	4,052,800
NM 0076	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 1	1,131,000
NM 0077	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - N	1,185,000
NM 0078	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - S	747,000
NM 0079	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 2	648,000
NM 0080	Juanita-Kingsgate Pedestrian Bridge at I-405	4,500,000
NM 0081	CKC to Redmond Central Connector	3,656,000
NM 0082	6th Street South Sidewalk	412,000
NM 0083	7th Avenue South Sidewalk	309,000
NM 0085	South Kirkland TOD/CKC Multi-Modal Connection Ph. 2	1,200,000
Subtotal Unfunded ST and NM Projects		194,767,300

Project Number	Project Title	Total
TR 0056*	NE 85th Street HOV Queue Bypass	841,000
TR 0057	NE 124th Street HOV Queue Bypass	1,722,000
TR 0065*	6th Street/Kirkland Way Traffic Signal	992,000
TR 0067	Kirkland Way/BNSFR Abutment/Intersection Imprv	6,917,000
TR 0068	Lake Washington Boulevard HOV Queue Bypass	6,580,000
TR 0072	NE 116th Street Eastbound HOV Queue Bypass	7,337,000
TR 0073	NE 70th Street Eastbound HOV Queue Bypass	1,702,000
TR 0074	NE 85th Street Westbound HOV Queue Bypass	1,775,000
TR 0075	NE 124th Street Westbound HOV Queue Bypass	1,275,000
TR 0082*	Central Way/Park Place Center Traffic Signal	200,000
TR 0084	100th Ave NE/NE 124th St Intersection Improvements	2,230,000
TR 0086^	NE 70th St/132nd Ave NE Intersection Improvements	4,590,600
TR 0088^	NE 85th St/120th Ave NE Intersection Improvements	5,272,300
TR 0089	NE 85th St/132nd Ave NE Intersection Imp (Phase II)	1,825,700
TR 0090*	Lake Washington Blvd/NE 38th Place Intersection Imp	500,000
TR 0091^	NE 124th St/124th Ave NE Intersection Improvements	3,503,300
TR 0092	NE 116th St/124th Ave NE N-bound Dual Lft Turn Lanes	1,717,000
TR 0093	NE 132nd St/Juanita H.S. Access Rd Intersect'n Imp	916,000
TR 0094	NE 132nd St/108th Avenue NE Intersect'n Imp	618,000
TR 0095	NE 132nd St/Fire Stn Access Dr Intersect'n Imp	366,000
TR 0096*	NE 132nd St/124th Ave NE Intersect'n Imp	5,713,000
TR 0097	NE 132nd St/132nd Ave NE Intersect'n Imp	889,000
TR 0098*	NE 132nd St/ 116th Way NE (I-405) Intersect'n Imp	300,000
TR 0099	120th Ave/Totem Lake Way Intersection Improvements	2,845,500
TR 0100 100	6th Street & Central Way Intersection Imprvmts Phase 2	1,866,800
TR 0103*	Central Way/4th Street Intersection Improvements	31,000
TR 0104*	6th Street/4th Ave Intersection Improvements	580,000
TR 0105*	Central Way/5th Street Intersection Improvements	564,000
TR 0106*	6th Street/7th Avenue Intersection Improvements	89,400
TR 0107*	Market Street/15th Avenue Intersection Improvements	564,000
TR 0108*	NE 85th Street/124th Ave NE Intersection Improvements	889,000
TR 0109*	Totem Lake Plaza/Totem Lake Blvd Intersection Imprv.	1,500,000
TR 0110*	Totem Lake Plaza/120th Ave NE Intersection Imprv.	1,500,000
TR 0111 001	Kirkland ITS Implementation Phase II	1,189,000
TR 0111 002	Kirkland ITS Implementation Phase IIB	2,644,000
TR 0114	Slater Avenue NE Traffic Calming - Phase I	247,000
Subtotal Unfunded TR Projects		72,291,600
Total Unfunded Transportation (ST, NM, and TR) Projects		267,058,900
Funding Available from Annual Programs for Candidate Projects		6,329,000
Net Unfunded Transportation Projects		260,729,900

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 Shaded year(s) = Previous timing
Bold italics = New projects
 # = Projects to be funded with development-related revenues

**City of Kirkland
Revised 2013-2018 Capital Improvement Program**

SURFACE WATER MANAGEMENT UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source				
										Current Revenue	Reserve	Debt	External Source	
<i>Prior Year Active Projects:</i>														
SD 0025	NE 85th Street Detention	621,800												
SD 0065	Cochran Spr/Yarrow Pt Flood Control	313,400												
Subtotal Prior Year Active Projects with no new funding planned		935,200												
<i>Current 2013-18 CIP:</i>														
SD 0047	Annual Replacement of Aging/Failing Infrastructure		200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	1,200,000				
SD 0048	Cochran Springs / Lake Washington Blvd Crossing Enh.	180,000		340,000	667,100	450,000			1,457,100	1,457,100				
SD 0051	Forbes Creek/KC Metro Access Road Culvert Enh.	232,200					688,000	370,700	1,058,700	1,058,700				
SD 0053	Forbes Creek/Coors Pond Channel Grade Controls	260,200						164,700	164,700	164,700				
SD 0058	Surface Water Sediment Pond Reclamation Phase II	115,400			497,600	238,000			735,600	735,600				
SD 0059	Totem Lake Boulevard Flood Control Measures	585,400	302,800	1,048,000					1,350,800	1,014,800			336,000	
SD 0067	NE 129th Place/Juanita Creek Rockery Repair	115,500			223,300				223,300	223,300				
SD 0075*	Totem Lake Twin 42 Inch Culvert Replacement	922,000	3,494,000						3,494,000	1,253,200	2,240,800			
SD 0076#	NE 141st Street/111th Avenue NE Culvert Repair		181,500						181,500		181,500			
SD 0077#	Goat Hill Storm Drainage Repair			153,700					153,700	153,700				
SD 0078#	Billy Creek Ravine Stabilization Phase II			67,400					67,400	14,300	53,100			
SD 0079	Public Safety Building Stormwater Quality Demonstration	160,000							160,000	160,000				
SD 0081	Neighborhood Drainage Assistance Program (NDA)	396,703	50,000				50,000		150,000		150,000			
SD 0082*	Kirkland Decant Facility Expansion		75,000	1,193,000					1,268,000		317,100			
SD 8888*	Annual Streambank Stabilization Program					350,000	350,000	425,000	1,342,900	1,125,000	217,900		950,900	
SD 9999*	Annual Surface Water Infrastructure Replacement Program		218,000			350,000	350,000	427,600	1,345,600	1,127,600	218,000			
Total Funded Surface Water Management Utility Projects		3,742,603	4,899,200	3,002,100	1,638,000	1,588,000	1,638,000	1,588,000	14,353,300	9,528,000	3,538,400	0	1,286,900	

Unfunded Projects:

Project Number	Project Title	Total
SD 0045^	Carillon Woods Erosion Control Measures	549,600
SD 0046#	Regional Detention in Forbes and Juanita Creek Basins	2,810,200
SD 0049#	Forbes Creek/108th Avenue NE Fish Passage Improvements	332,900
SD 0050#	NE 95th Street/126th Avenue NE Flood Control Measures	55,900
SD 0052^	Forbes Creek/Slater Avenue Embankment Stabilization	139,700
SD 0054#	Forbes Creek/BNSFRR Fish Passage Improvements	424,200
SD 0055	Forbes Creek / 98th Avenue NE Riparian Plantings	75,500
SD 0056^	Forbes Creek Ponds Fish Passage/Riparian Plantings	213,000
SD 0061^	Everest Park Stream Channel/Riparian Enhancements	1,095,500
SD 0062^	Stream Flood Control Measures at Kirkland Post Office	345,400
SD 0063^	Everest Creek-Slater Avenue at Alexander Street	830,300
SD 0068	128th Ave NE/NE 60th Street To NE 64th St Drainage Imp.	270,300
SD 0070	Juanita Creek Watershed Enhancement Study	50,000
SD 0074	Streambank Stabilization Program – NE 86th Street	640,200
SD 0080	Regional Decant and City Maintenance Facility	10,500,000
Subtotal Unfunded Surface Water Management Utility Projects		18,332,700
Funding Available from Annual Programs for Candidate Projects		2,688,500
Net Unfunded Surface Water Management Utility Projects		15,644,200

Notes

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- ^ = Annual Streambank Stabilization Program Project Candidates
- # = Annual Storm Drain Replacement Program Project Candidates
- Shaded year(s) = Previous timing
- Bold italics = New projects***

**City of Kirkland
Revised 2013-2018 Capital Improvement Program**

WATER/SEWER UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-18 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
<i>Prior Year Active Projects:</i>													
WA 0063	Supply Station #3 Replacement	141,000											
WA 0093	Vulnerability Analysis	367,900											
WA 0094	North Reservoir Painting	3,399,000											
WA 0113	116th Ave NE/NE 70th-80th St WM Replacement	684,000											
WA 0115	Telemetry Upgrades	150,000											
WA 0142	3rd St Watermain Upgrade	100,000											
WA 0144	120th Ave NE Watermain Replacement	272,000											
SS 0063	NE 53rd St Sewermain Replacement	723,000											
SS 0074	Sewer System Telemetry Upgrade	150,000											
SS 0075	Inflow/Infiltration Reduction Upgrade	200,000											
SS 0076	NE 80th St Sewer Replacement Phase III	1,087,000											
Subtotal Prior Year Active Projects with no new funding planned		7,273,900											
<i>Current 2013-18 CIP:</i>													
WA 0090	Emergency Sewer Pgm Watermain Replacement Pgm	50,000	50,000		50,000		50,000		150,000	150,000			
WA 0102	104th Ave NE Watermain Replacement						974,500		974,500	974,500			
WA 0116	NE 80th Street Watermain Replacement (Phase II)		442,000	2,394,400					2,836,400	869,000		1,967,400	
WA 0121	NE 109th Ave/106th Court NE Watermain Replacement	215,000	156,300						156,300	156,300			
WA 0134	5th Ave S / 8th St S Watermain Replacement	396,703						850,000	850,000	850,000			
WA 0139*	6th Street S Watermain Replacement				785,000				785,000	785,000			
WA 0140*	NE 85th Street Watermain Replacement	626,000	2,494,400	871,800					3,366,200	3,366,200			
WA 0145	Kirkland Avenue/6th Street S Watermain Replacement					785,000			785,000	785,000			
WA 0148	Park Lane Watermain Replacement		62,000	235,000					297,000	297,000			
WA 8888*	Annual Watermain Replacement Program						562,100	402,700	964,800	964,800			
WA 9999*	Annual Water Pump Station/System Upgrade Pgm						562,100	402,700	964,800	964,800			
SS 0056	Emergency Sewer Construction Program		922,000	478,000	969,000	431,000	950,000	450,000	4,200,000	4,200,000			
SS 0064*	7th Avenue South Sewermain Replacement			464,400	824,600				1,289,000	1,289,000			
SS 0067	NE 80th Street Sewermain Replacement (Phase II)		600,000	1,836,000					2,436,000	365,400		2,070,600	
SS 0073*	Rose Point Sewer Lift Station Replacement				1,088,400	1,471,400			2,559,800	2,559,800			
SS 0078	5th Avenue S Sewermain Replacement			188,900	38,000				226,900	226,900			
SS 0079	3rd Avenue S & 2nd Street S Sewermain Replacement				487,000	740,000			1,227,000	1,227,000			
SS 0080	20th Avenue Sewermain Replacement							812,000	812,000	812,000			
SS 0081	7th / 8th Avenue West Alley Sewermain Replacement		354,000						354,000	354,000			
SS 8888*	Annual Sanitary Pipeline Replacement Program			217,400		138,300	562,100	402,800	1,320,600	1,320,600			
SS 9999*	Annual Sanitary Pump Station/System Upgrade Pgm			217,400		138,300	562,200	402,800	1,320,700	1,320,700			
Total Funded Water/Sewer Utility Projects		8,561,603	5,080,700	6,903,300	4,242,000	3,704,000	4,223,000	3,723,000	27,876,000	19,638,000	4,200,000	4,038,000	0

Notes

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+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

^ = Annual Watermain or Sanitary Pipeline Replacement Program Project Candidates

= Annual Pump Station/System Upgrade Program Project Candidates

Shaded year(s) = Previous timing

Bold italics = New projects

City of Kirkland
Revised 2013-2018 Capital Improvement Program

WATER/SEWER UTILITY PROJECTS**Unfunded Projects:**

Project Number	Project Title	Total
WA 0052	108th Avenue NE Watermain Replacement	1,584,000
WA 0057	116th Avenue NE Watermain Replacement	2,731,000
WA 0067#	North Reservoir Pump Replacement	611,000
WA 0096	NE 83rd Street Watermain Replacement	450,000
WA 0097	NE 80th Street Watermain Replacement (Phase III)	1,386,000
WA 0098	126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement	1,197,000
WA 0103^	NE 113th Place/106th Ave NE Watermain Replacement	841,000
WA 0104	111th Ave NE/NE 62nd St-NE 64th St Watermain Replacement	1,493,000
WA 0108	109th Ave NE/NE 58th St Watermain Replacement	504,000
WA 0109	112th Ave NE Watermain Replacement	1,179,000
WA 0111	NE 45th St And 110th/111th Ave NE Watermain Replacement	1,303,000
WA 0113	116th Ave NE/NE 70th-NE 80th St Watermain Replacement	2,222,100
WA 0118^	112th -114th Avenue NE/NE 67th-68th Street Watermain Replacement	3,360,100
WA 0119	109th Ave NE/111th Way NE Watermain Replacement	2,304,000
WA 0120^	111th Avenue Watermain Replacement	182,000
WA 0122	116th Avenue NE/NE 100th Street Watermain Replacement	1,506,000
WA 0123	NE 91st Street Watermain Replacement	453,000
WA 0124^	NE 97th Street Watermain Replacement	685,000
WA 0126#	North Reservoir Outlet Meter Addition	72,300
WA 0127#	650 Booster Pump Station	1,603,000
WA 0128	106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement	2,305,000
WA 0129	South Reservoir Recoating	981,000
WA 0130^	11th Place Watermain Replacement	339,000
WA 0131#	Supply Station #1 Improvements	61,500
WA 0132	7th Avenue/Central Avenue Watermain Replacement	907,000
WA 0133	Kirkland Avenue Watermain Replacement	446,000
WA 0135	NE 75th Street Watermain Replacement	711,000
WA 0136^	NE 74th Street Watermain Replacement	193,000
WA 0137^	NE 73rd Street Watermain Replacement	660,000
WA 0138	NE 72nd St/130th Ave NE Watermain Replacement	1,476,000
WA 0146^	6th Street/Kirkland Way Watermain Replacement	693,000
WA 0147^	106th Avenue NE from NE 60th Street to NE 68th Street	661,500
SS 0051	6th Street South Sewermain Replacement	804,000
SS 0052	108th Avenue NE Sewermain Replacement	5,110,000
SS 0062^	NE 108th Street Sewermain Replacement/Rehabilitation	4,405,000
SS 0068	124th Avenue NE Sewermain Replacement	1,315,000
SS 0069	1st Street Sewermain Replacement	3,945,000
SS 0070	5th Street Sewermain Replacement	1,354,000
SS 0071	6th Street Sewermain Replacement	308,000
SS 0072	Kirkland Avenue Sewermain Replacement	1,980,000
SS 0077	West Of Market Sewermain Replacement	21,681,000
Subtotal Unfunded Water/Sewer Utility Projects		76,002,500
Funding Available from Annual Programs for Candidate Projects		4,570,900
Net Unfunded Water/Sewer Utility Projects		71,431,600

Notes

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^ = Annual Watermain or Sanitary Pipeline Replacement Program Project Candidates

= Annual Pump Station/System Upgrade Program Project Candidates

Shaded year(s) = Previous timing

Bold italics = New projects

City of Kirkland Revised 2013-2018 Capital Improvement Program

PARK PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source		
										Current Revenue	Reserve	External Source
<i>Prior Year Active Projects:</i>												
PK 0056	Forbes Lake Park Development	952,500										
PK 0108	McAuliffe Park Development	288,414										
PK 0109	Juanita Bay Park Wetland Restoration	215,000										
PK 0123	Peter Kirk Pool Upgrades	175,000										
PK 0124	Snyder's Corner Park Site Development	75,000										
<i>Subtotal Prior Year Active Projects with no new funding planned</i>		<i>1,705,914</i>										
<i>Current 2013-18 CIP:</i>												
PK 0049	Open Space, Pk Land & Trail Acq Grant Match Program		100,000						100,000		100,000	
PK 0066	Park Play Area Enhancements				50,000	50,000	50,000	50,000	200,000	200,000		
PK 0087 100*#	Waverly Beach Park Renovation		115,000	624,000					739,000	500,000	239,000	
PK 0095 200	Heritage Park - Heritage Hall Renovations		50,000						50,000	50,000		
PK 0113 100*	Spinney Homestead Park Renovation		493,000						493,000	443,000	50,000	
PK 0114 101	Mark Twain Park Renovation (Design)						75,000		75,000	75,000		
PK 0115	Terrace Park Renovation		75,000	440,000					515,000	515,000		
PK 0116 100	Lee Johnson Field Lighting Replacements			150,000					150,000	150,000		
PK 0119*	Juanita Beach Park Development Phase 2	3,450,000					100,000	1,207,000	1,307,000	807,000	500,000	
PK 0119 100#	Juanita Beach Bathhouse Replacement & Shelter				200,000	1,000,000			1,200,000	1,200,000		
PK 0121	Green Kirkland Forest Restoration Program	396,703	75,000	75,000	75,000	75,000	75,000	75,000	450,000	450,000		
PK 0131	Park and Open Space Acquisition Program						508,000		508,000	508,000		
PK 0133 100#	Dock & Shoreline Renovations		150,000	150,000	250,000	250,000			800,000	800,000		
PK 0133 200#	City-School Playfield Partnership						500,000	500,000	1,000,000	1,000,000		
PK 0133 300#	Neighborhood Park Land Acquisition		475,000	375,000			750,000	750,000	2,350,000	2,350,000		
PK 0133 400#	Edith Moulton Park Renovation		100,000	100,000	800,000				1,000,000	1,000,000		
PK 0134	132nd Park Playfields Renovation		75,000		637,000				712,000	712,000		
PK 0138	Everest Park Restroom/Storage Building Replacement			75,000		660,000			735,000	735,000		
<i>PK 0139 100*</i>	<i>Totem Lake Park Master Plan</i>		<i>120,000</i>						<i>120,000</i>		<i>120,000</i>	
Total Funded Park Projects		5,552,617	1,828,000	1,989,000	2,012,000	2,035,000	2,058,000	2,582,000	12,504,000	11,495,000	509,000	500,000

Notes

* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)

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Bold italics = New projects

Italics = Repurposed projects

= Park Levy Candidates

City of Kirkland Revised 2013-2018 Capital Improvement Program

PARK PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
PK 0078 600	A.G. Bell Elementary Playfields Improvements	200,000
PK 0078 800	International Comm. School Playfield Improvements	300,000
PK 0086	Totem Lake Neighborhood Park Acquisition & Development	2,500,000
PK 0087 101	Waverly Beach Parks Renovation (Phase 2)	1,000,000
PK 0095 100	Heritage Park Development - Phase III & IV	2,500,000
PK 0096	Ohde Avenue Park Development	250,000
PK 0097	Reservoir Park Renovation	500,000
PK 0099	N. Juanita (East) Neighborhood Park Acquisition/Development	2,500,000
PK 0100	N. Juanita (West) Neighborhood Park Acquisition/Development	2,500,000
PK 0101	N. Rose Hill Neighborhood Park Acquisition/Development (North)	2,500,000
PK 0102	N. Rose Hill Neighborhood Park Acquisition/Development (Central)	2,500,000
PK 0103	Market Neighborhood Park Acquisition/Development	3,500,000
PK 0108	McAuliffe Park Development	7,000,000
PK 0114	Mark Twain Park Renovation	750,000
PK 0116	Lee Johnson Field Artificial Turf Installation	1,500,000
PK 0117	Lake Avenue West Street End Park Enhancement	100,000
PK 0119 200	Juanita Beach Park Development (Phase 3)	10,000,000
PK 0122 100	Community Recreation Facility Construction	42,000,000
PK 0124"	Snyder's Corner Park Site Development	1,000,000
PK 0125	Dock Renovations	250,000
PK 0126	Watershed Park Master Planning & Park Development	1,100,000
PK 0127	Kiwanis Park Master Planning & Park Development	1,100,000
PK 0128	Yarrow Bay Wetlands Master Planning & Park Development	1,600,000
PK 0129	Heronfield Wetlands Master Planning & Development	1,600,000
PK 0133 500	Lee Johnson Field Synthetic Turf and Lighting	1,500,000
PK 0135	Juanita Heights Park Master Planning and Development	1,125,000
PK 0136	Kingsgate Park Master Planning and Park Development	1,150,000
PK 0137	Windsor Vista Park Master Planning and Park Development	1,150,000
PK 0139	Highlands Park Renovation	750,000
<i>PK 0139 101</i>	<i>Totem Lake Park Acquisition</i>	<i>3,000,000</i>
Total Unfunded Parks Projects		97,425,000

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Italics = Repurposed projects

^=2013-2014 Funding moved to NM 0070 Cross Kirkland Corridor (See Transportation CIP)

Unfunded Repurposed Projects:

Project Number	Project Title	Total Balance
<i>PK 0056</i>	<i>Forbes Lake Park Development</i>	<i>200,000</i>
<i>PK 0083</i>	<i>South Juanita Park Site Development</i>	<i>212,300</i>
<i>PK 0087</i>	<i>Waverly Beach Park Renovation</i>	<i>505,000</i>
<i>PK 0111</i>	<i>Skate Park</i>	<i>200,000</i>
<i>PK 0113</i>	<i>Spinney Homestead Park Renovation</i>	<i>350,000</i>
<i>PK 0122</i>	<i>Community Recreation Facility Planning</i>	<i>72,000</i>
Total Unfunded Repurposed Projects		1,539,300

Total Unfunded Parks Projects:

Unfunded Park Projects	97,425,000
Unfunded Repurposed Projects	1,539,300
Total Unfunded Parks Projects	98,964,300

**City of Kirkland
Revised 2013-2018 Capital Improvement Program**

PUBLIC SAFETY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source		
										Current Revenue	Reserve	External Source
<i>Prior Year Active Projects</i>												
PS 0054	Emergency Operations Center Upgrade	102,000										
PS 0056	Disaster Supply Storage Units	147,000										
PS 0057	Disaster Care Response Vehicle	70,000										
PS 0062	Defibrillator Unit Replacement	253,900										
PS 0065	Disaster Response Portable Generator	300,000										
<i>Subtotal Prior Year Active Projects with no new funding planned</i>		872,900										
<i>Current 2013-18 CIP</i>												
FIRE												
PS 0067	Dive Rescue Equipment			55,000					55,000	55,000		
PS 0071*	Self Contained Breathing Apparatus (SCBA)		741,600					9,000	750,600	750,600		
PS 0075	Portable Radios						347,000		347,000	347,000		
PS 0076*	Personal Protective Equipment			518,200			400		518,600	518,600		
<i>PS 0077</i>	<i>Hose Replacement</i>		<i>35,000</i>	<i>1,300</i>	<i>7,700</i>	<i>2,200</i>	<i>10,000</i>	<i>3,200</i>	<i>59,400</i>	<i>59,400</i>		
POLICE												
PS 1000*	Police Equipment Replacement		57,700	119,400	185,700	325,800	280,600	154,000	1,123,200	1,123,200		
Total Funded Public Safety Projects		396,703	834,300	693,900	193,400	328,000	638,000	166,200	2,853,800	2,853,800	0	0

Unfunded Projects:

Project Number	Project Title	Total
PS 0068	Local Emergency/Public Communication AM Radio	119,100
Total Unfunded Public Safety Projects		119,100

Notes

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City of Kirkland
Revised 2013-2018 Capital Improvement Program

GENERAL GOVERNMENT PROJECTS - Technology**Funded Projects:**

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source		
										Current Revenue	Reserves/ Prior Yr	External Source
Prior Year Active Projects												
GG 0006 110	Records Management System	1,297,200										
GG 0006 205	Municipal Court Technology Projects	50,000										
Subtotal Prior Year Active Projects with no new funding planned		1,347,200										
Prior Year Active Projects												
GG 0006 501	Permit System Replacement	906,412	75,000						75,000			
IT 0100 000*	Network Server Replacements	176,158	161,000	66,400	36,000	23,800	164,500	66,400	518,100	507,100	11,000	
IT 0110 000*	Network Infrastructure	310,312	50,000	200,000	39,000	36,600	41,100	37,600	404,300	250,300	154,000	
IT 0120 000*	Network Storage, Backup & Archiving	332,384	987,100		18,400	20,100	80,000	1,071,400	2,177,000	1,514,900	662,100	
IT 0130 000*	Network Phone Systems			50,000	395,000				445,000	225,257	219,743	
IT 0140 000	Network Security	30,000	130,000	65,000	55,000		75,000	30,000	355,000	206,000	149,000	
IT 0200 000	Geographic Information Systems		170,000	185,000	250,000	250,000	250,000	250,000	1,355,000	878,000	477,000	
IT 0300 000	Finance and HR System Modules		47,400	21,100	49,300	5,800			123,600		123,600	
IT 0402 000	Financial System Replacement					150,000			150,000		150,000	
IT 0500 000*	Copier Replacements				66,900	13,400			80,300	80,300		
IT 0601 000	Help Desk System Replacement Phase 2				66,000				66,000		66,000	
IT 0702 000	Maintenance Management System Upgrade		30,000	147,600					177,600	53,100	124,500	
IT 0901 000*	Disaster Recovery System Improvement			125,000					125,000	125,000		
Total Funded General Gov. Projects - Technology		3,499,169	1,650,500	860,100	975,600	499,700	610,600	1,455,400	6,051,900	3,839,957	2,136,943	0

Unfunded Projects:

Project Number	Project Title	Total
IT 0401 000	Utility Billing/Cashiering System Replacement	491,700
IT 0501 000	Police ProAct Unit NCIC Handheld Computers	52,000
IT 0602 000"	Standard Reporting Tool	83,200
IT 0701 000	Fleet Management Systems Replacement	80,000
IT 0802 000	Recreation Registration System Replacement	83,000
IT 0902 000	Customer Relationship Management System	414,000
Total Unfunded General Government Projects - Technology		1,203,900

Notes

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City of Kirkland Revised 2013-2018 Capital Improvement Program

GENERAL GOVERNMENT PROJECTS - Facilities

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
Prior Year Active Projects													
GG 0037	Maintenance Center Expansion	1,950,000											
Subtotal Prior Year Active Projects		1,950,000											
Current 2013-18 CIP													
GG 0008	Electrical, Energy Management & Lighting Systems		18,900		66,400	10,200		44,100	139,600		139,600		
GG 0009	Mechanical/HVAC Systems Replacements		29,000	222,800	47,000		198,300	317,600	814,700		814,700		
GG 0010	Painting, Ceilings, Partition & Window Replacements			68,000	170,400	155,100	194,900	142,400	730,800		730,800		
GG 0011*	Roofing, Gutter, Siding and Deck Replacements		41,800	132,300	34,600	141,800	257,700	608,200	608,200		608,200		
GG 0012	Flooring Replacements			66,400	105,800	23,300	82,000	96,500	374,000		374,000		
GG 0013 102*	Public Safety Building Phase II	1,504,000	17,045,200	12,841,000					29,886,200		5,197,426	24,688,774	
GG 0014	City Facilities Energy Efficiency Project		846,000						846,000		586,000		260,000
GG 0035 100	City Hall Expansion	166,500	433,500	1,450,000	7,950,000				9,833,500		528,924	5,804,576	3,500,000
GG 0039	Consolidated Fire Station No 25	1,368,000	3,862,000						3,862,000			3,862,000	
Total Funded General Government Projects - Facilities		4,988,500	22,276,400	14,780,500	8,339,600	223,200	617,000	858,300	47,095,000	0	8,979,650	34,355,350	3,760,000

Notes

396,703

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City of Kirkland Revised 2013-2018 Capital Improvement Program

TRANSPORTATION PROJECTS

Project Number	Project Title	Project Budget as of 2012	2013-14 Funding	Total Current Funding	Expenses as of 6/30/2013	Current Funding Balance	2015-18 Planned CIP	Total Project Budget
ST 0006	Annual Street Preservation		3,500,000	3,500,000	251,802	3,248,198	7,000,000	10,500,000
ST 0006 001	Annual Street Preservation One-Time Capital	500,000		500,000		500,000		500,000
ST 0006 002	Annual Street Preservation One-time Project		200,500	200,500	4,241	196,259	1,268,500	1,469,000
ST 0006 003	Street Maintenance & Ped Safety Levy		4,533,000	4,533,000	326,742	4,206,258	9,200,000	13,733,000
ST 0055	98th Avenue Bridge Project		1,415,000	1,415,000	534	1,414,466		1,415,000
ST 0057 001	NE 120th Street Roadway Extension (East section)	2,867,000	3,642,100	6,509,100	2,889,810	3,619,290		6,509,100
ST 0075 000	NE 85th Street Undergrounding	1,916,800	774,700	2,691,500	2,042,446	649,054		2,691,500
ST 0080	Annual Striping Program		650,000	650,000	24,083	625,917	1,400,000	2,050,000
ST 0082 000	Juanita Drive Master Plan		280,000	280,000	63,025	216,975		280,000
ST 0083 000	100th Ave NE Corridor Study		70,000	70,000	3,824	66,176		70,000
ST 9999	Regional Coordination		164,000	164,000	24,362	139,638	328,000	492,000
NM 0006 100	Street Levy Safe Walk Routes to School			-		-	600,000	600,000
NM 0006 200	Street Levy Pedestrian Safety		590,000	590,000		590,000	600,000	1,190,000
NM 0012 000	Crosswalk Upgrade Program		70,000	70,000	37,210	32,790	140,000	210,000
NM 0024 000	Cross Kirkland Corridor Interim Trail	203,000	3,397,000	3,600,000	252,246	3,347,754		3,600,000
NM 0024 101	Cross Kirkland Corridor Master Plan		500,000	500,000	57,443	442,557		500,000
NM 0034 001	NE 100th/Spinney Homestead Park Sidewalk Ph 2	515,930		515,930	84,185	431,745		515,930
NM 0051	Rose Hill Business District Sidewalks	3,715,500	4,142,000	7,857,500	4,818,197	3,039,303		7,857,500
NM 0053	NE 112th Street Sidewalk		266,100	266,100	23,556	242,544		266,100
NM 0057	Annual Sidewalk Maintenance Program		400,000	400,000	12,769	387,231	800,000	1,200,000
NM 0059	6th Street Sidewalk	265,000		265,000	68,636	196,364		265,000
NM 0064 001	Park Lane Pedestrian Corridor Improvements Phase 2		2,238,900	2,238,900	8,574	2,230,326		2,238,900
NM 0065	Central Way Pedestrian Enhancements Ph 2	412,000		412,000	435,767	(23,767)		412,000
NM 0068	Lakeview School Walk Route Enhancements	374,300		374,300	340,555	33,745		374,300
NM 0069	100th Ave NE Bicycle Lanes	247,000		247,000	40,170	206,830		247,000
NM 0073	JFK Non-motorized Program		150,000	150,000		150,000		150,000
NM 0084	South Kirkland TOD/CKC Multi-Modal Connection Ph 2	-	1,300,000	1,300,000		1,300,000		1,300,000
TR 0004 002	Peter Kirk Restroom Renovation	12,600	122,100	134,700	25,196	109,504		134,700
TR 0070	NE 124th & 124th Ave Intersection Improvement	614,500		614,500		614,500		614,500
TR 0078	NE 85th/132nd NE Intersection Improvements	1,182,500	967,400	2,149,900	1,222,969	926,931		2,149,900
TR 0080	NE 85th/124th NE Intersection Improvements	767,600	1,254,700	2,022,300	797,422	1,224,878		2,022,300
TR 0083	100th Ave NE/NE 132nd St. Intersection Improvements		700,000	700,000	4,453	695,547	2,501,000	3,201,000
TR 0102	Growth & Transportation Efficiency GTEC	743,000		743,000	608,705	134,295		743,000
TR 0111 000	Kirkland ITS Implementation Phase I	2,081,000		2,081,000	309,770	1,771,230		2,081,000
TR 0111 003	Kirkland ITS Implementation Phase IIC		2,951,000	2,951,000	25,226	2,925,774		2,951,000
TR 0113 000	Citywide Safety & Traffic Flow Improvements		343,900	343,900	7,320	336,580		343,900
Total		16,417,730	34,622,400	51,040,130	14,811,238	36,228,892	23,837,500	74,877,630
Other Transportation Projects Planned For 2015-2018							6,329,000	6,329,000
Total For All Projects							30,166,500	81,206,630

City of Kirkland Revised 2013-2018 Capital Improvement Program

SURFACE WATER PROJECTS

Project Number	Project Title	Project Budget as of 2012	2013-14 Funding	Total Current Funding	Expenses as of 6/30/2013	Current Funding Balance	2015-18 Planned CIP	Total Project Budget
SD 0025 000	NE 85th Street Detention	621,800		621,800	135,648	486,152		621,800
SD 0047 000	Annual Storm Drain Replacement			-		-	800,000	800,000
SD 0048 000	Cochran Spr/Lk Wash Blvd	180,000	340,000	520,000	143,307	376,693	1,117,100	1,637,100
SD 0051 000	Forbes Creek/KC Metro Access Road Culvert Enhn.	232,200		232,200	88,092	144,108	1,058,700	1,290,900
SD 0053 000	Forbes Creek/Coors Pond Channel Grade Controls	260,200		260,200	84,147	176,053	164,700	424,900
SD 0058 000	Surface Water Sediment Pond Reclamation Phase II	115,400		115,400	35,664	79,736	735,600	851,000
SD 0059 000	Totem Lake Blvd Flood Control	585,400	1,350,800	1,936,200	445,609	1,490,591		1,936,200
SD 0065 000	Cochran Spr/Yarrow Pt Flood Cont	313,400		313,400	163,434	149,966		313,400
SD 0067 000	NE 129th Place/Juanita Creek Rockery Repair	115,500		115,500	7,912	107,588	223,300	338,800
SD 0075 000	Totem Lake Twin Culvert Replacement	922,000	3,494,000	4,416,000	1,496,367	2,919,633		4,416,000
SD 0076 000	NE 141st Street/111th Avenue NE Culvert Repair		181,500	181,500	3,001	178,499		181,500
SD 0077 000	Goat Hill Storm Drainage Repair		153,700	153,700		153,700		153,700
SD 0078 000	Billy Creek Ravine Stabilization Phase II		67,400	67,400		67,400		67,400
SD 0079 000	Pub Sfty Bldg SW Qual		160,000	160,000		160,000		160,000
SD 0081 000	Neighborhood Drainage Assistance Program	396,703	50,000	446,703		446,703	100,000	546,703
SD 0082 000	Kirkland Decant Facility Expansion		1,268,000	1,268,000	5,204	1,262,796		1,268,000
SD 1347 000	Annual Storm Drain Replacement		200,000	200,000	21,396	178,604		200,000
SD 1447 000	Annual Storm Drain Replacement		200,000	200,000		200,000		200,000
SD 8888 000	Annual Streambank Stab Prgm		217,900	217,900		217,900	1,125,000	1,342,900
SD 9999 000	Annual Surface Water Inf. Replacement Program		218,000	218,000		218,000	1,127,600	1,345,600
Total		3,742,603	7,901,300	11,643,903	2,629,782	9,014,121	6,452,000	18,095,903
	Other Surface Water Projects Planned For 2015-2018							-
Total For All Projects		3,742,603						18,095,903

City of Kirkland Revised 2013-2018 Capital Improvement Program

WATER/SEWER PROJECTS

Project Number	Project Title	Project Budget as of 2012	2013-14 Funding	Total Current Funding	Expenses as of 6/30/2013	Current Funding Balance	2015-18 Planned CIP	Total Project Budget
SS 0063	NE 53rd St Sewermain Replacement	723,000	-	723,000	639,635	83,365		723,000
SS 0064	7th Avenue South Sewermain Replacement		464,400	464,400		464,400	824,600	1,289,000
SS 0067	NE 80th Street Sewermain Replacement (Phase II)		2,436,000	2,436,000	4,309	2,431,691		2,436,000
SS 0074	Sewer System Telemetry Upgrade	150,000	-	150,000	141,157	8,843		150,000
SS 0075	Inflow & Infiltration Reduction Program	200,000	-	200,000	70,953	129,047		200,000
SS 0076	NE 80th St Sewer Replacement Phase III	1,087,000	-	1,087,000	110,287	976,713		1,087,000
SS 0078	5th Avenue S. Sewermain Replacement		188,900	188,900		188,900	38,000	226,900
SS 0081	7th/8th Avenue West Alley Sewermain Replacement		354,000	354,000	47,557	306,443		354,000
SS 0056	Emergency Sewer Construction^		1,400,000	1,400,000	1,052,602	347,398	2,800,000	4,200,000
SS 8888	Annual Sanitary Pipeline Replacement Program		217,400	217,400		217,400	1,103,200	1,320,600
SS 9999	Annual Sanitary Pump Station/System Upgrade Pgm		217,400	217,400		217,400	1,103,300	1,320,700
WA 0063	Supply Station #3 Replacement	141,000	-	141,000		141,000		141,000
WA 0093	Vulnerability Analysis	367,900	-	367,900	58,449	309,451		367,900
WA 0094	North Reservoir Painting	3,399,000	-	3,399,000	3,031,302	367,698		3,399,000
WA 0113	116th Ave NE/NE 70th-80th St WM Replacement	684,000	-	684,000	80,752	603,248		684,000
WA 0115	Telemetry Upgrades	150,000	-	150,000	130,761	19,239		150,000
WA 0116	NE 80th St Watermain Replacement (Phase II)		2,836,400	2,836,400	10,624	2,825,776		2,836,400
WA 0121	NE 109th Ave/106th Court NE WM Replacement	215,000	156,300	371,300	289,319	81,981		371,300
WA 0140	NE 85th Street Watermain Replacement	626,000	3,366,200	3,992,200	234,266	3,757,934		3,992,200
WA 0142	3rd St Watermain Upgrade	100,000	-	100,000	42,450	57,550		100,000
WA 0144	120th Ave NE Watermain Replacement	272,000	-	272,000	253,814	18,186		272,000
WA 0148	Park Lane Watermain Replacement		297,000	297,000	2,287	294,713		297,000
WA 0090	Emergency Sewer Replacement^	50,000	50,000	100,000		100,000	100,000	200,000
Total		8,164,900	11,984,000	20,148,900	6,200,524	13,948,376	5,969,100	26,118,000
Other Water/Sewer Projects Planned For 2015-2018							9,922,900	9,922,900
Total For All Projects								36,040,900

City of Kirkland Revised 2013-2018 Capital Improvement Program

PARKS PROJECTS

Project Number	Project Title	Project Budget as of 2012	2013-14 Funding	Total Current Funding	Expenses as of 6/30/2013	Current Funding Balance	2015-18 Planned CIP	Total Project Budget
PK 0049 000	Open Space Pk Land & Trail Acq Grant Match		100,000	100,000		100,000		100,000
PK 0056 000	Forbes Lake Park Development	952,500	-	952,500	466,889	485,611		952,500
PK 0087 100	Waverly Beach Park Renovovation		739,000	739,000		739,000		739,000
PK 0095 200	Heritage Hall Renovations		50,000	50,000		50,000		50,000
PK 0108 000	McAuliffe Park Development	288,414	-	288,414	115,937	172,477		288,414
PK 0109 000	Juanita Bay Park Wetland Restoration	215,000	-	215,000	233,743	(18,743)		215,000
PK 0113 100	Spinney Homestead Park Renovation		493,000	493,000		493,000		493,000
PK 0115 000	Terrace Park Renovation		515,000	515,000		515,000		515,000
PK 0116 100	Lee Johnson Field Lighting Replacements		150,000	150,000		150,000		150,000
PK 0121 000	Green Kirkland Program	396,703	150,000	546,703	330,596	216,107	300,000	846,703
PK 0123 000	Peter Kirk Pool Upgrades	175,000	-	175,000	68,924	106,076		175,000
PK 0124 000	Snyder's Corner Park Site Development	75,000	-	75,000		75,000		75,000
PK 0133 100	Dock & Shoreline Renovations		300,000	300,000		300,000	500,000	800,000
PK 0133 300	Neighborhood Park Land Acquisition		850,000	850,000		850,000	1,500,000	2,350,000
PK 0133 400	Edith Moulton Park Renovation		200,000	200,000	198	199,802	800,000	1,000,000
PK 0134 000	132nd Park Playfields Renovation		75,000	75,000		75,000	637,000	712,000
PK 0138 000	Everest Park Restroom/Storage Bldg		75,000	75,000		75,000	660,000	735,000
PK 0139 100	Totem Lake Master Plan		120,000	120,000	13,289	106,711		120,000
Total		2,102,617	3,817,000	5,919,617	1,229,576	4,690,041	4,397,000	10,316,617
Other Parks Projects Planned For 2015-2018		3,450,000					4,290,000	7,740,000
Total For All Projects		5,552,617						18,056,617

**City of Kirkland
Revised 2013-2018 Capital Improvement Program**

PUBLIC SAFETY PROJECTS

Project Number	Project Title	Project Budget as of 2012	2013-14 Funding	Total Current Funding	Expenses as of 6/30/2013	Current Funding Balance	2015-18 Planned CIP	Total Project Budget
PS 0054	Emergency Operations Center Upgrade	102,000		102,000	83,150	18,850		102,000
PS 0056	Disaster Supply Storage Units	147,000		147,000	105,449	41,551		147,000
PS 0057	Disaster Response Vehicle	70,000		70,000	30,310	39,690		70,000
PS 0062	Defib Unit Replacement	253,900		253,900	225,148	28,752		253,900
PS 0065	Disaster Response Portable Generators	300,000	-	300,000	163,278	136,722		300,000
PS 0067	Dive Rescue Equipment		55,000	55,000	-	55,000		55,000
PS 0071	Self Contained Breathing Apparatus		741,600	741,600	-	741,600	9,000	750,600
PS 0075	Portable Radios				-	-	347,000	347,000
PS 0076	Personal Protective Equipment		518,200	518,200	-	518,200	400	518,600
PS 0077	Hose Replacement		36,300	36,300	-	36,300	23,100	59,400
PS 1000	Police Equipment Replacement		177,100	177,100	-	177,100	946,100	1,123,200
Total		872,900	1,528,200	2,401,100	607,335	1,793,765	1,325,600	3,726,700
Other Public Safety Projects Planned For 2015-2018								-

City of Kirkland Revised 2013-2018 Capital Improvement Program

GENERAL GOVERNMENT PROJECTS

Technology

Project Number	Project Title	Project Budget as of 2012	2013-14 Funding	Total Current Funding	Expenses as of 6/30/2013	Current Funding Balance	2015-18 Planned CIP	Total Project Budget
GG 0006 110	Records Management System	1,297,200		1,297,200	1,099,794	197,406		1,297,200
GG 0006 205	Municipal Court Technology Projects	50,000		50,000	21,652	28,348		50,000
GG 0006 501	Permit System Replacement	906,412	75,000	981,412	726,987	254,425		981,412
IT 0100 013	Network Server Replacements	176,158	227,400	403,558	138,105	265,453	290,700	694,258
IT 0110 013	Network Infrastructure	310,312	250,000	560,312	96,113	464,199	154,300	714,612
IT 0120 013	Network Storage, Backup & Archiving	332,384	987,100	1,319,484	933,767	385,717	1,189,900	2,509,384
IT 0130 000	Network Phone Systems		50,000	50,000		50,000	395,000	445,000
IT 0140 013	Network Security	30,000	195,000	225,000		225,000	160,000	385,000
IT 0200 013	Geographic Information Systems		355,000	355,000	132,598	222,402	1,000,000	1,355,000
IT 0300 013	Finance & HR System Modules		68,500	68,500	31,185	37,315	55,100	123,600
IT 0702 000	Maintenance Management System Upgrade		177,600	177,600		177,600		177,600
IT 0902 000	Disaster Recovery System Improvements		125,000	125,000		125,000		125,000
Total		3,102,466	2,510,600	5,613,066	3,180,201	2,432,865	3,245,000	8,858,066
Other IT Projects Planned For 2015-2018							296,300	296,300
Total For All Projects								9,154,366

City of Kirkland
Revised 2013-2018 Capital Improvement Program

GENERAL GOVERNMENT PROJECTS**Facilities (Building Projects)**

Project Number	Project Title	Project Budget as of 2012	2013-14 Funding	Total Current Funding	Expenses as of 6/30/2013	Current Funding Balance	2015-18 Planned CIP	Total Project Budget
CGG 0008	Electrical, Energy Management & Lighting Systems*		18,900	18,900		18,900	120,700	139,600
CGG 0009	Mechanical/HVAC Systems Replacement*		251,800	251,800		251,800	562,900	814,700
CGG 0010	Painting, Ceilings, Partition & Window Replacements*		68,000	68,000		68,000	662,800	730,800
CGG 0011	Roofing, Gutter, Siding & Deck Replacements*		174,100	174,100		174,100	434,100	608,200
CGG 0012	Flooring Replacements*		66,400	66,400		66,400	307,600	374,000
CGG 0013 102	Public Safety Building Phase II	1,504,000	29,886,200	31,390,200	3,225,630	28,164,570		31,390,200
CGG 0014	City Facilities Energy Efficiency Project		846,000	846,000		846,000		846,000
CGG 0035 100	City Hall Expansion Phase I	166,500	1,883,500	2,050,000	77,282	1,972,718	7,950,000	10,000,000
CGG 0037 002	Maintenance Center Expansion Phase II2	1,950,000		1,950,000	281,455	1,668,545		1,950,000
CGG 0039 000	Consolidated Fire Station3	1,368,000	3,862,000	5,230,000	37,872	5,192,128		5,230,000
Total		4,988,500	37,056,900	42,045,400	3,622,239	38,423,161	10,038,100	52,083,500
Other Facilities Projects Planned For 2015-2018								-
Total For All Projects								52,083,500

*Does not include unfinished life cycle projects



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Regi Schubiger, Youth Services Coordinator
Kari Page, Neighborhood Services Coordinator
Jennifer Schroder, Director Parks and Community Services

Date: August 22, 2013

Subject: 2013 MONTH OF CONCERN FOR THE HUNGRY

RECOMMENDATION:

It is recommended that Mayor Joan McBride proclaim September 1 through September 30 as the Month of Concern for the Hungry.

BACKGROUND DISCUSSION:

Since 2007, the City of Kirkland has collaborated with the cities of Redmond, Bellevue, Issaquah, Sammamish, and Mercer Island to support the efforts of the Emergency Feeding Program of Seattle and King County. In addition to promoting food drives in the participating eastside communities, supporting cities also officially proclaim the annual "Eastside Month of Concern for the Hungry."

As in recent years, the City of Kirkland will host two collection events. Neighborhood associations and community volunteers will staff stores throughout Kirkland to collect non-perishable food donations on September 7 and 28, 10 a.m. to 4 p.m. Collections will be donated to Kirkland/Northshore Hopelink. In addition to these efforts, the Emergency Feeding Program will hold its annual Mayor's Day of Concern for the Hungry on Saturday, September 28. Last year's efforts netted \$1,995 in cash donations and 14,050 pounds in food donations for Hopelink.

The City will support public information efforts to let the community know how, where, and when to donate. Food drive information will also be posted on the Eastside Human Services Forum website at www.eastsideforum.org/fooddrive.

The Kirkland Alliance of Neighborhoods (KAN) with the support from City Staff work closely with the grocery stores and volunteers to make Kirkland's efforts one of the most successful on the Eastside.

Brian Anderson, Operations Manager, Emergency Feeding Program and Teresa Andrade, Kirkland Hopelink Center Manager will be present at the September 3 Council meeting to receive the Eastside Month of Concern for the Hungry Proclamation.



A PROCLAMATION OF THE CITY OF KIRKLAND

Proclaiming September “2013 Eastside Month of Concern for the Hungry” in Kirkland, Washington

WHEREAS, our Cities of Kirkland, Redmond, Bellevue, Issaquah, Sammamish, and Mercer Island recognize adequate nutrition as a basic goal for each citizen; and

WHEREAS, no parent should have to send a child to school hungry, no baby should be without the comfort of the feedings needed for mental and physical growth, no elderly person’s health should be jeopardized by lack of appropriate food; and

WHEREAS, food banks, emergency and hot meal programs working with our cities, local churches, social service agencies, and hundreds of volunteers are striving day in and day out to stem the rising tide of hunger, but still need more help; and

WHEREAS, we believe that when the citizens who are not involved hear of the especially desperate needs of the hungry as winter approaches and their low incomes must stretch to cover increasing fuel, electricity, and rental costs – leaving even less money for monthly food purchases, an outpouring of community assistance will follow; and

WHEREAS, the Emergency Feeding Program of Seattle & King County coordinates an annual food drive known as Mayor’s Day of Concern for the Hungry designed to help support the efforts of their program and the area’s food banks in fighting hunger which will be held at grocery stores throughout King County on Saturday, September 28, 2013; and

WHEREAS, the City of Kirkland would like to extend this effort into an entire Month of Concern for the Hungry;

NOW, THEREFORE, I, Joan McBride, Mayor of Kirkland, do hereby proclaim September 1st to September 30th, 2013 as the *Eastside Month of Concern for the Hungry*, and all citizens are strongly urged to join the Emergency Feeding Program, Hopelink, Renewal Food Bank, Issaquah Food Bank, the Mercer Island Food Pantry, and the ARAS Foundation to “share what they can” to nourish those who are hungry.

Signed this 3rd day of September, 2013

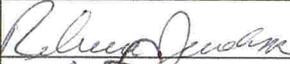
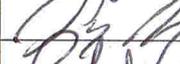
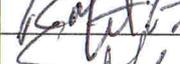
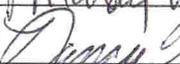
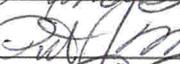
Joan McBride, Mayor

Petition Summary	The City of Kirkland is planning on Slurry Sealing our streets in the next couple of days. The City did this surface treatment last year on 94 th NE between NE 124 th and NE 132 nd . Slurry Seal is a messy sand and tar mixture that is a low cost Band-Aid solution for extending the life of our streets. The crossing lines and other markings that are applied on top of this surface do not hold up well.
Action Petitioned For	To have the City of Kirkland reconsider this approach to resurfacing our streets and treat us more like they do the more central parts of Kirkland. Resurface our streets with new asphalt.

Printed Name	Signature	Address	Comment	Date
MIKE OSBORNE		9726 128 th AVE		8/11/13
ERIC BUSALTE		9808 NE 128 th ST		8/12/13
RANDY D. GUST		9814 NE 128 th ST		8/12/13
JANE GEIST		9814 NE 128 th ST		8/12/13
LISA SIEGFRIED		12019 98 th PL NE ST		8/12/13
JAMES JAMSEK		12815 98 th PL NE ST		8/12/13
DON NEBRES		12820 98 th PL NE		8/12/13
MARK HEYER		9834 NE 128		8/12/13
PEO SIMSARA		9831 NE 128 th ST		8/12/13
SANTOS MONTAÑA		12758 98 th PL NE		8/12/13
PW HANSKAMP		12754 98 th PL NE		8/12/13
STEPHAN ORSE		12753 98 th PL NE		8/12/13
NIELS MIKEN		12706 98 th AVE NE		8/12/13
PEYAM PARANG		12709 98 th AVE NE		8/12/13
MATT SHYNE		12705 98 th AVE NE		08/12/13
Connie Shyre		12705 98 th AVE NE		8-12-13

G-13-225

Petition Summary	The City of Kirkland is planning on Slurry Sealing our streets in the next couple of days. The City did this surface treatment last year on 94 th NE between NE 124 th and NE 132 nd . Slurry Seal is a messy sand and tar mixture that is a low cost Band-Aid solution for extending the life of our streets. The crossing lines and other markings that are applied on top of this surface do hold up well.
Action Petitioned For	To have the City of Kirkland reconsider this approach to resurfacing our streets and treat us more like they do the more central parts of Kirkland. Resurface our streets with new asphalt.

Printed Name	Signature	Address	Comment	Date
Rebecca Jacobson		12700 98 th ave NE		8/12/13
KEVIN ROBINSON		12620 98 th AVE NE		
Ken Mohr		12614 98 th Ave NE		8/12/13
Guy Wish		12608 98 th Ave NE		8/12/13
ROBERT PRICE		12602 98 th AVE NE		8/12/13
Sandy VIK		12602 98 th Ave NE		8/12/13
Michael Gibbons		12518 98 th Ave NE		8/12/13
Blair Bolapue		12506 98 th AVE NE		8/12/13
WAFU KUO		12436 98 th AVE NE		8/12/13
MIKE WERDAL		12430 98 th AVE NE		8/12/13
Nancy Werdal		12430 98 th Ave NE		8/12/13
Pat Miralda		12404 98 th Ave NE		8/12/13
DENNIS DOOLEY		12305 97 th PL NE		8/12/13

KIRKLAND CITY COUNCIL SPECIAL MEETING

Minutes

August 6, 2013

1. CALL TO ORDER

Mayor McBride called the Special Meeting of the Kirkland City Council to order at 4:30 p.m.

2. ROLL CALL

Members Present: Mayor Joan McBride, Deputy Mayor Doreen Marchione, Councilmembers Dave Asher, Shelley Kloba, Toby Nixon, Penny Sweet and Amy Walen.

3. CULTURAL ARTS COMMITTEE INTERVIEWS

- a. Marianna Hanefeld
- b. Dawn Laurent

4. TOURISM DEVELOPMENT COMMITTEE INTERVIEW

- a. Clarisa Baltazar

5. SELECTION AND APPOINTMENT OF CULTURAL ARTS COMMITTEE AND TOURISM DEVELOPMENT COMMITTEE MEMBERS

Following discussion of the applicants' qualifications, Councilmember Walen moved to appoint Dawn Laurant to position 5 on the Cultural Arts Commission for the remainder of an unexpired term ending March 31, 2015. Councilmember Asher seconded the motion, which failed on a five to two vote.

Councilmember Sweet moved to appoint Marianna Hanefeld to position 5 on the Cultural Arts Commission for the remainder of an unexpired term ending March 31, 2015. Deputy Mayor Marchione seconded the motion, which passed on a six to one vote.

Councilmember Asher moved to appoint Clarisa Baltazar to the remainder of an unexpired term on the Tourism Development Committee ending March 31, 2014. Councilmember Walen seconded the motion, which passed unanimously.

5. ADJOURNMENT

The August 6, 2013 Special Meeting of the Kirkland City Council was adjourned at 5:00 p.m.

City Clerk

Mayor



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
August 06, 2013

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

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

Members Absent: None.

3. STUDY SESSION

a. Fire Strategic Plan

Joining Councilmembers for this discussion were City Manager Kurt Triplett and Fire Chief Kevin Nalder.

4. EXECUTIVE SESSION

a. To Discuss Labor Negotiations

Mayor McBride announced that Council would enter into executive session for the purpose of discussing labor negotiations and would return to regular meeting at 7:30 p.m. City Attorney Robin Jenkinson was also in attendance.

City Clerk Kathi Anderson announced at 7:30 p.m. that Council would require additional time and would return to regular meeting at 7:40 p.m., which they did.

5. HONORS AND PROCLAMATIONS

None.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Christopher Carlson
John Kropf
Lisa McConnell
Susan Baird Joshi

Ajay Joshi
Peter Powell
Atis Freimanis
Nancy Bernard
Rob Brown

c. Petitions

(1) Notice of Dangerous Conditions on Lake Washington Blvd/Lake St. S:
Duty to Cure and Prevent Known Unsafe Conditions

The petition was acknowledged.

7. SPECIAL PRESENTATIONS

a. Kirkland 2035 Update #5

Deputy City Manager Marilynne Beard presented an update on recent and upcoming public outreach and communication efforts related to the Kirkland 2035 plan updates.

b. Kirkland Bridges Report

Capital Projects Manager Dave Snider reported on the status and condition of Kirkland's bridges, including those owned by the City as well as those within Kirkland but under the control of and managed by the State Department of Transportation.

8. CONSENT CALENDAR

a. Approval of Minutes: July 16, 2013

b. Audit of Accounts:
Payroll \$2,709,105.72
Bills \$6,053,643.95
run #1230 check #545190
run #1231 checks #545192 - 545204
run #1232 checks #545205 - 545352
run #1233 checks #545382 - 545524
run #1234 checks #545525 - 545579
run #1235 checks #545580 - 545731

c. General Correspondence

d. Claims

A claim from 135 Lake Street Associates, LP, was acknowledged via approval of the Consent Calendar.

e. Award of Bids

(1) The construction contract for the NE 112th Street Sidewalk Project was awarded to Danneko Construction of Kirkland, WA in the amount of \$140,009 via approval of the Consent Calendar.

f. Acceptance of Public Improvements and Establishing Lien Period

(1) 2012 Water System Improvement Project, Shoreline Construction Company, Woodinville, WA

g. Approval of Agreements

h. Other Items of Business

(1) Resolution R-4990, Related to Establishing a Formal Design Program to Guide Creation of a Totem Lake Park Master Plan.

This item was pulled from Consent for consideration under Unfinished Business, item 11.f.

(2) Department of Commerce Energy Efficiency Grant Award

This item was pulled from Consent for consideration under Unfinished Business, item 11.e.

(3) Accepting Library Board Resignations

Resignations from Joel Ryan and Pat McWha were acknowledged.

(4) Accepting Tourism Development Committee Resignation

A resignation from Maxim Khokhlov was acknowledged.

(5) Report on Procurement Activities

Motion to Approve the consent calendar with the exception of items 8.h.(1). and 8.h.(2)., which were pulled from consent for consideration under Unfinished Business, items 11.f. and 11.e.

Moved by Councilmember Penny Sweet, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

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

9. PUBLIC HEARINGS

None.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

- a. Resolution R-4991, Adopting an Interest Statement on the King County Water Quality Assessment for Transmittal to the Sound Cities Association.

Interim Public Works Director Pam Bissonnette presented information about the King County proposed Water Quality Assessment related to the Combined Sewer Overflow program and the proposed interest statement to be presented to the Sound Cities Association Public Issues Committee.

Motion to Approve Resolution R-4991, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING AN INTEREST STATEMENT ON THE KING COUNTY WATER QUALITY ASSESSMENT FOR TRANSMITTAL TO THE SOUND CITIES ASSOCIATION."

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Doreen Marchione

Vote: Motion carried 7-0

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

Council recessed for a short break.

- b. Marijuana Regulations Report

Planning and Community Development Director Eric Shields provided background on the current marijuana regulations as they relate to current City of Kirkland zoning regulations.

Motion to draft a resolution for the September 3 Council meeting with interim regulations creating prohibitions on drive-through facilities and limiting the hours of operations for marijuana sales facilities.

Moved by Councilmember Amy Walen, seconded by Deputy Mayor Doreen Marchione

Vote: Motion failed 2 - 5

Yes: Mayor Joan McBride, and Councilmember Amy Walen.

No: Councilmember Dave Asher, Councilmember Shelley Kloba, Deputy Mayor Doreen Marchione, Councilmember Toby Nixon, and Councilmember Penny Sweet.

c. Plaza of Champions Nomination

Motion to Approve nomination of Emmy Award-winning meteorologist Chris Warren into Kirkland's Plaza of Champions as recommended by the Park Board.

Moved by Councilmember Penny Sweet, seconded by Deputy Mayor Doreen Marchione

Vote: Motion carried 7-0

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

d. Resolution R-4992, Approving the Cross Kirkland Corridor Improvement and Use Agreement Between the City of Kirkland, SRMKII LLC and SRMKJVD LLC.

City Attorney Robin Jenkinson provided information about the proposed agreement between the City of Kirkland and SRM.

Motion to Approve Resolution R-4992, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE CROSS KIRKLAND CORRIDOR IMPROVEMENT AND USE AGREEMENT BETWEEN THE CITY OF KIRKLAND, SRMKII LLC AND SRMKJVD LLC."

Moved by Councilmember Amy Walen, seconded by Deputy Mayor Doreen Marchione

Vote: Motion carried 7-0

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

e. Department of Commerce Energy Efficiency Grant Award

This item was pulled from the Consent Calendar, item 8.h.(2). Internal Services Division Manager Donna Burris and Director of Finance and Administration Tracey Dunlap responded to Council questions.

Motion to Accept a \$208,000 Washington State Department of Commerce Energy Efficiency Grant Award and approve the local grant match of \$111,000 from the existing lifecycle funds and \$475,7111 from the Facilities Sinking Fund Reserve.

Moved by Councilmember Penny Sweet, seconded by Councilmember Toby Nixon

Vote: Motion carried 7-0

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

f. Resolution R-4990, Related to Establishing a Formal Design Program to Guide Creation of a Totem Lake Park Master Plan

This item was pulled from the Consent Calendar, item 8.h.(1).

Motion to Approve Resolution 4990, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELATED TO ESTABLISHING A FORMAL DESIGN PROGRAM TO GUIDE CREATION OF A TOTEM LAKE PARK MASTER PLAN," as amended.

Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen
Vote: Motion carried 7-0

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

Motion to Amend the resolution in Section 1, item 9 to add language so that the first sentence is "Enhance the ecological function of the park and the quality of water leaving the lake."

Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen
Vote: Motion carried 7-0

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

12. REPORTS

a. City Council

(1) Finance and Administration Committee

Chair Walen reported that the City received the 2012 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the Fiscal year of 2011.

(2) Public Safety Committee

Chair Sweet reported on NORCOM's decision to halt efforts to transition to one system for public safety but to retain the current practice of one system for Fire and one for Police.

(3) Community Planning, Housing and Economic Development Committee

Have not met.

(4) Public Works, Parks and Human Services Committee

Chair Marchione reported on the King County Combined Sewer Overflows program and its Water Quality Assessment; the Totem Lake Park Master Plan; the Plaza of Champions Nomination; and an update on the Surface Water Master Plan and Kirkland Surface Water Business Inspection Program.

(5) Regional Issues

Councilmembers shared information regarding the Kirkland Business Roundtable; WAVE Aquatics; requested staff to prepare some ideas on how to present information on the Council performance goals to allow for greater examination of how Council is meeting those goals; "We Can't Wait" event sponsored by Catholic Community Services at Seattle City Hall; upcoming Sound Cities Association Public Issues Committee where Councilmember Walen will be attending in Councilmember Nixon's place; Sound Cities Association is looking for submissions for their RISE presentation on best practices and it was suggested that the City of Kirkland do a presentation on the new Public Records Ordinance; "Notice of Dangerous Conditions on Lake Washington Blvd/Lake St. S" petition presented earlier in the evening; request for a staff report on an "Items from the Audience" issue on customer service; Kirkland Reporter Op Ed by Design Review Board Chair Truhan; request for Council Committee meeting information online; meeting of the Governing Board of Committee to End Homelessness; Mayor's Cup at Evergreen Speedway; meeting with Sound Cities Association, Seattle Chamber of Commerce and Transportation Choices Coalition to discuss transportation funding solutions; National Night Out; Puget Sound Regional Council presentation on Growing Transit Communities; Puget Sound Regional Council Food Policy Council.

a) Sound Cities Association Nomination Discussion

City Manager Kurt Triplett provided background on the open positions with Sound Cities Association, and provided some information about the potential closure of the Houghton Transfer Station.

b. City Manager

(1) Calendar Update

13. ITEMS FROM THE AUDIENCE

Atis Freimanis

14. ADJOURNMENT

The Kirkland City Council regular meeting of August 6, 2013 was adjourned at 10:45 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 22, 2013
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) Martin Chin
9825 NE 128th Street
Kirkland, WA 98034

Amount: Unspecified amount

Nature of Claim: Claimant states damage resulted from tree roots encroaching on property.

- (2) Diane Wambheim
12709 NE 88th Lane
Kirkland, WA 98033

Amount: Unspecified amount

Nature of Claim: Claimant states injury resulted from tripping on uneven sidewalk.

Note: Names of claimant 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: Pam Bissonnette, Interim Public Works Director
Donna Burris, Internal Services Division Manager
Tim Llewellyn, Fleet Supervisor

Date: August 19, 2013

Subject: AWARD OF CONTRACT – REPAIRS TO FUEL STATION

RECOMMENDATION:

It is recommended that the City Council awards a contract to repair damage at the Maintenance Center’s fueling station to Saybr Contractors, Inc. of Tacoma, WA in the amount of \$74,720.61. All but \$5,000 of the \$74,720.61 is expected to be reimbursed by insurance. The \$5,000 deductible will be paid from the Facilities Building Contingency Fund.

BACKGROUND AND DISCUSSION:

On July 9, 2013, a brake failure on a large trailer caused the trailer to impact the base of the southernmost of two concrete pillars supporting the 24’ x 24’ canopy covering the Maintenance Center’s fueling station. An engineering inspection was conducted, and it was determined that both canopy supports were unsafe and the canopy was in danger of falling. Emergency authorization was obtained to remove the canopy and set it on the ground adjacent to the fuel island.

Bids for the remainder of the necessary repairs to the Fuel Station were solicited on July 24 by using the Small Works Roster process and notifying all forty six (46) contractors under the service of Structures in the category of Facilities Construction and Repair. Saybr Contractors submitted the only bid. The estimated total cost for the repairs was \$60,000 to \$75,000.

A summary of the scope of work includes replacing concrete footings for two new steel canopy support columns, disconnecting fuel tanks and card reader, furnishing three new underground storage tank (UST) vent lines, installation of all electrical lighting and cut-off switches, the placement of the original canopy on the new columns, and the return of the fueling system to full operation.

If you have any questions, please feel free to contact Tim Llewellyn, Fleet Supervisor.



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Pam Bissonnette, Interim Public Works Director

Date: August 20, 2013

Subject: PETER KIRK ELEMENTARY SCHOOL WALK ROUTE SIDEWALK - AWARD CONTRACT

RECOMMENDATION:

It is recommended that City Council:

- award the construction contract for the subject Project to Road Construction Northwest of Renton, WA, in the amount of \$183,217.50, and
- approve a budget modification by
 - returning \$49,000 in excess Surface Water Funding, and
 - increasing the City's level of general government funding participation with \$19,000 of REET 2 Reserves.

BACKGROUND DISCUSSION:

The Peter Kirk Elementary School Walk Route Sidewalk Project, located in the Highlands Neighborhood, will provide 600 lineal feet of new sidewalk along the south side of NE 100th Street. Also included are updated sidewalk ramps at the intersection of 112th Ave NE and NE 100th St., together with new crosswalk striping; additional striping will also be provided at 116th Ave NE and NE 100th St with a new single accessible curb ramp (Attachment A).

Project funding is a combination of a federal STS (Safe Routes to Schools) grant and City matching funds. As originally scoped and budgeted, the Project was to install a new sidewalk on the north side of 100th Ave NE. During the design phase; however, it became apparent that the overall Project costs could be reduced and there would be significantly less impact on private property by placing the sidewalk on the south side of the street. Through the design process, staff's outreach included reviewing proposed designs individually with immediately adjacent property owners, together with presentations at Highlands Neighborhood Association meetings. Of particular interest during those meetings was the fact that three mature evergreen trees located in the public right-of-way, on the south side of the street, are being directly impacted by the improvements.

With assistance from the City's Arborist and the Urban Forester, staff assessed multiple design solutions and discussed these options with all adjacent property owners and interested parties. After thorough review, staff and the neighborhood residents concluded that the project goals were best achieved by placing the sidewalk on the south side of the street, including the removal of the three trees. As a result of the extraordinary public outreach efforts on the overall project scope and the tree situation, the amount of time and expense for engineering and outreach is significantly higher than what is typical for an ordinary in-fill sidewalk project.

Additionally, federal grant requirements for increased environmental processes and reporting have also resulted in increased engineering and administrative costs.

With an engineer's estimate of \$216,400 for construction of the final design, the Project was first advertised on July 29 and, with Supplemental Bidder Responsibility Criteria added to the contract documents, bids were opened on August 20, 2013. A total of 5 bids were received with Road Construction Northwest being the lowest responsive bidder, as per Table 1:

Table 1: Bid Summary

Contractor	Amount
Road Construction NW	\$183,217.50
Kamins Construction	\$194,520.60
NPM Construction	\$203,411.75
<i>Engineer's Estimate</i>	<i>\$216,400.00</i>
Global Contractors	\$234,465.25
Westwater Construction	\$295,735.00

As shown in Table 2 below, the current bid price recommended for contract award, including a standard 10% construction contingency, results in an overall Project budget that is \$78,000 less than originally estimated. As a result, available grant funds will be proportionately reduced. While City matching funds will also be reduced, the Project is over-funded with Surface Water Transportation funds and staff recommends returning \$49,000 to that source fund. To fund the non-surface water portion; however, staff recommends using \$19,000 of additional REET 2 Reserves for all grant ineligible costs (Attachments B).

Table 2: Project Cost Summary Table

	Total	Grant	City Match	City Match Sources	
				Surf Wtr	Gen Govt.
A. Approved CIP	\$516,000	\$457,000	\$60,000	\$54,000	\$6,000
B. Recommended at Award of Contract	\$438,000	\$408,000	\$30,000	\$5,000	\$25,000
C. Difference	-\$78,000	-\$49,000	-\$30,000	-\$49,000	\$19,000*

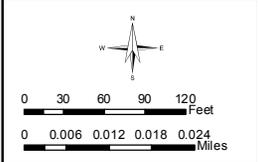
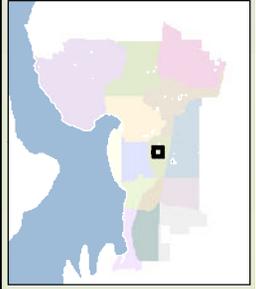
* Recommended additional REET 2 Reserve funds

The grant also provides \$26,600 for Education and Police Enforcement, and all of those costs remain 100% reimbursable. The Education and Enforcement element for the Project will begin after construction is complete in late fall, 2013.

With a City Council award of the construction contract at the September 3 meeting, construction will begin later in the month and, as a sidewalk in-fill project, the Project documents do require the contractor to maintain safe travel for pedestrians throughout the work areas at all times. In advance of the construction, staff will renew the public outreach process by notifying adjacent property owners with a mailing describing the upcoming work. Project information, along with a regularly updated construction schedule, will also be posted on the City's web site.

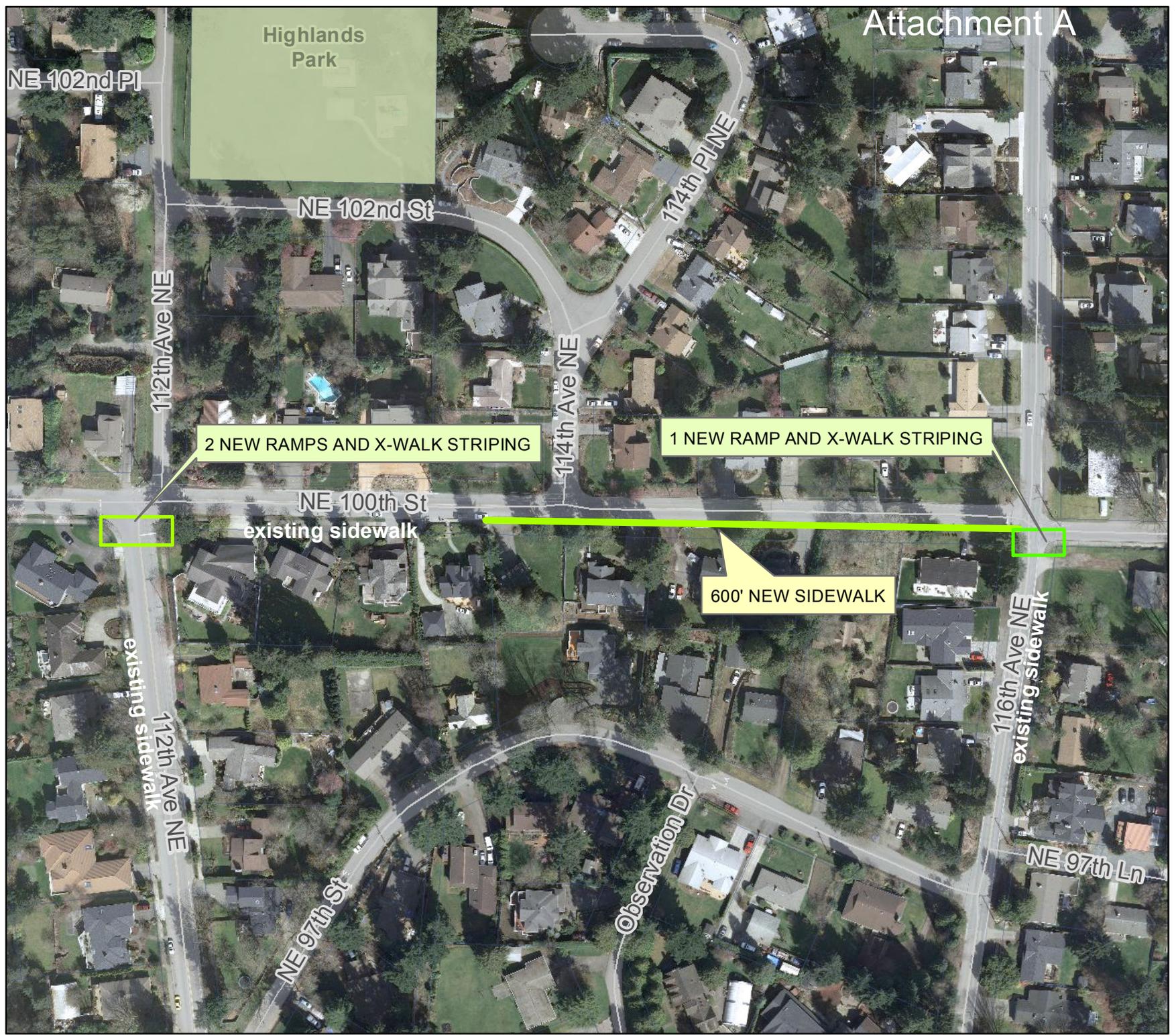
**PETER KIRK
ELEMENTARY
SCHOOL WALK-
ROUTE
SIDEWALK**

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



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Author:
Name: Council Award Map
Date Saved: 4/30/2013 1:27:57 PM



FISCAL NOTE*CITY OF KIRKLAND*

Source of Request							
Pam Bissonnette, Interim Public Works Director							
Description of Request							
Request for funding of \$19,000 from the REET 2 Reserve for the Peter Kirk Elementary Sidewalk (NE 100th St.) CNM 0034 due to funding and cost changes as identified in the award of bid memo. Surface Water funding will be reduced by approximately \$49,000. Total project cost reduced from \$516,000 to \$438,000, with the remainder of the change resulting from the reduction of the grant.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$19,000 from REET 2 Reserve. This reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	REET 2 Reserve	2,294,806	312,715		19,000	1,963,091	1,071,000
	Prior Authorized Use of REET 2 Reserve: NE 112th Street Sidewalk (\$214,000), Central Way Sidewalk (\$50,000), 6th Street Sidewalk (\$3,045), and 98th Avenue Bridge (\$15,000). Council is also considering additional funding of \$3,670 for the Lakeview School Walkroute project and \$27,000 for the 100th Ave NE Bicycle Lanes project; the reserve balance assumes approval of these requests.						
Revenue/Exp Savings							
Other Source							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	August 23, 2013	



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: David Snider, P.E., Capital Projects Manager
Pam Bissonnette, Interim Public Works Director

Date: August 22, 2013

Subject: KIRKLAND ITS IMPLEMENTATION PHASE IA - TRAFFIC MANAGEMENT CENTER AWARD CONTRACT

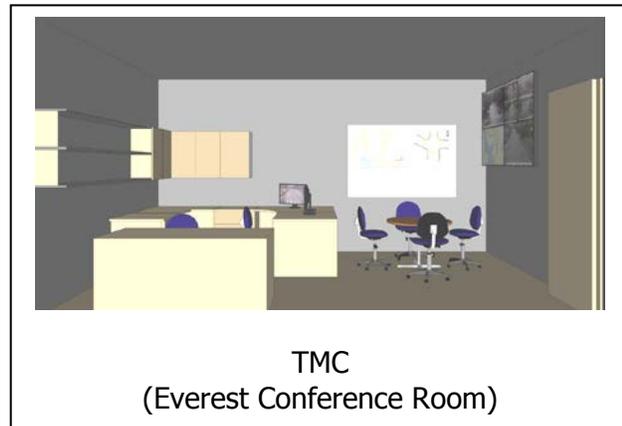
RECOMMENDATION:

It is recommended that City Council awards the construction contract for the Kirkland Intelligent Transportation Systems (ITS) Implementation Phase IA – Traffic Management Center (TMC), to Bayley Construction, Mercer Island, WA, in the amount of \$104,025.00.

BACKGROUND DISCUSSION:

Phase I of Kirkland's ITS Program is planned to be constructed with two separate construction contracts. Phase IA (this memo) will convert the Everest Meeting Room in City Hall into a new TMC and represents the "facility" improvement element for the Phase I Project. The Phase IB element provides for the installation of signal equipment and will be advertised for contractor bids in the fall, of 2013. The future Phase IB portion of the Project represents the field related improvements along two arterial corridors; the Lake Washington Blvd/Market St/ 98th/100th Ave NE Corridor, from State Route 520/Northup Way to NE 132nd Street; and the Central Way/NE 85th Street Corridor, from Market Street to 132nd Ave NE (Attachment A). The Phase IB project is scheduled to begin construction in late 2013 to early 2014 with the design consultant currently finalizing those plans and specifications.

This Phase IA contract will construct two key elements of Kirkland's traffic management system. One part is the video management system which provides real-time traffic monitoring with frequently updated still images from the Closed Circuit Television (CCTV) cameras showing current traffic conditions through the City's website for the general public. The second part is a central traffic management system that interfaces between the ITS field devices and the TMC. This will allow for real-time remote control and adjustment of the traffic signals from the TMC, including maintenance monitoring.



The subject contract constructs a TMC; however, a more fully operational traffic management system will not be completed until the Phase IB work is complete when new ITS field equipment is installed, including: traffic signal controllers, cabinets and switches, CCTV traffic monitoring cameras and video detection. The Phase IB project will enable the TMC to communicate with ITS field equipment through the City's fiber optic network.

At their June 4 Study Session, staff presented a full report to City Council on the various ITS project phases and programs. The Study Session also included a demonstration of the common components of Kirkland's ITS system, the benefits of ITS, and some operational aspects of ITS. The Kirkland ITS Implementation Phase I Project is funded through a combination of a federal Congestion and Mitigation of Air Quality (CMAQ) grant at \$1,800,000, plus a contribution of \$281,000 City funds for a total Project budget of \$2,081,000.

With an engineer's construction estimate of \$169,720, the Phase IA TMC was first advertised on July 23, 2013. A mandatory pre-bid conference was held on August 1 to review the scope of work and to walk through the area to be improved with prospective bidders. On August 13, 2013, two contractor bids were received with Bayley Construction being the lowest responsive bidder, as shown:

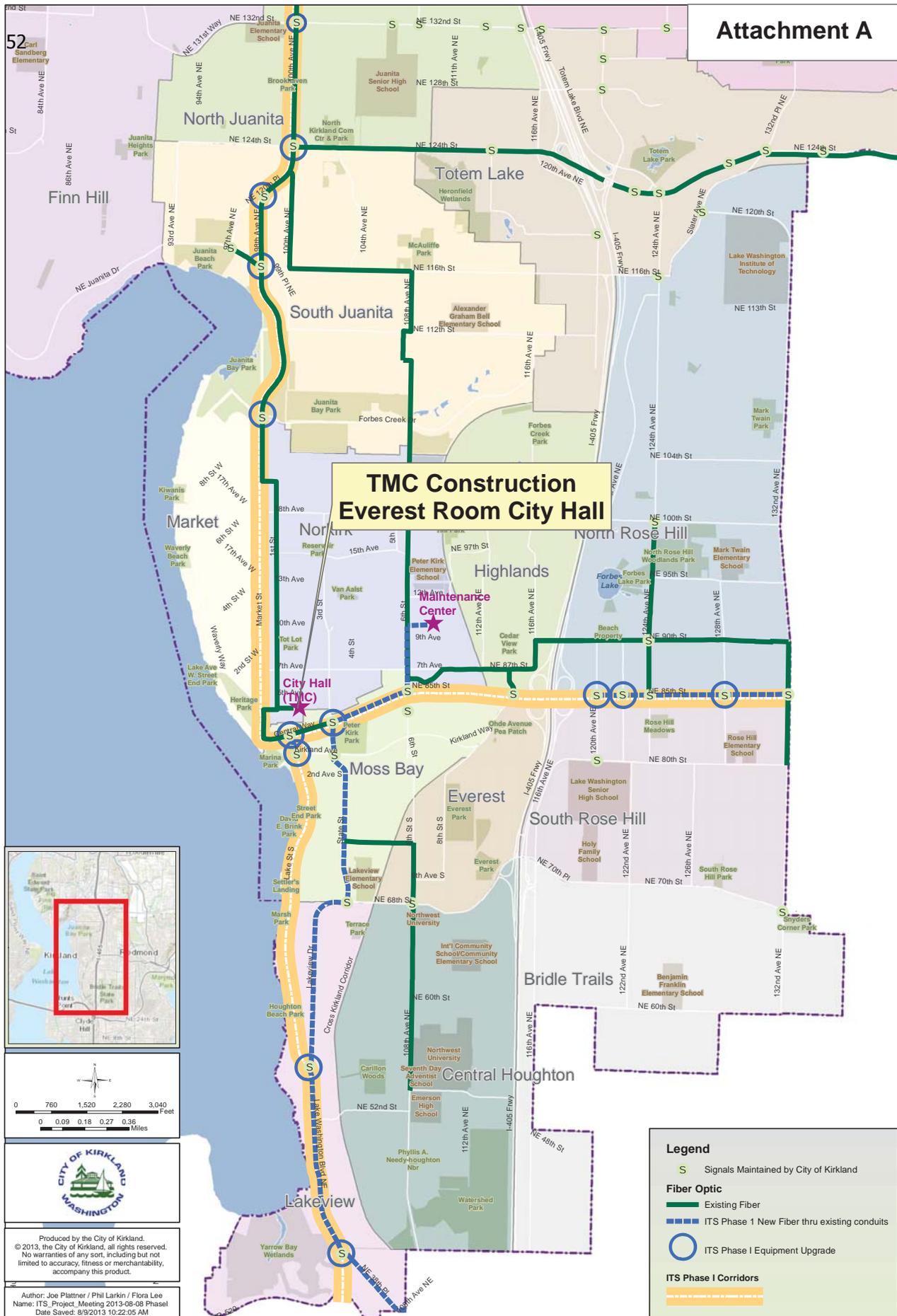
Contractor	Total Bid
Bayley Construction	\$104,025.00
Northern Pacific Construction	\$134,137.50
<i>Engineer's Estimate</i>	<i>\$169,720.00</i>

The bid price received is well within the overall Phase 1A budget of \$250,000 for the TMC work (Attachment B). All unspent funds for the TMC will remain available for the Phase IB work.

With an award of the construction contract by City Council at their September 3 meeting, construction of the TMC will begin in October with substantial completion expected in December, 2013. In advance of construction, Public Works staff will coordinate with impacted City Hall departments and provide applicable schedules and work hours.

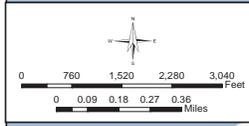
Attachment A: Vicinity Map

Attachment B: Project Budget Report



Kirkland ITS Implementation, Phase IA - Traffic Management Center (TMC)

Vicinity Map



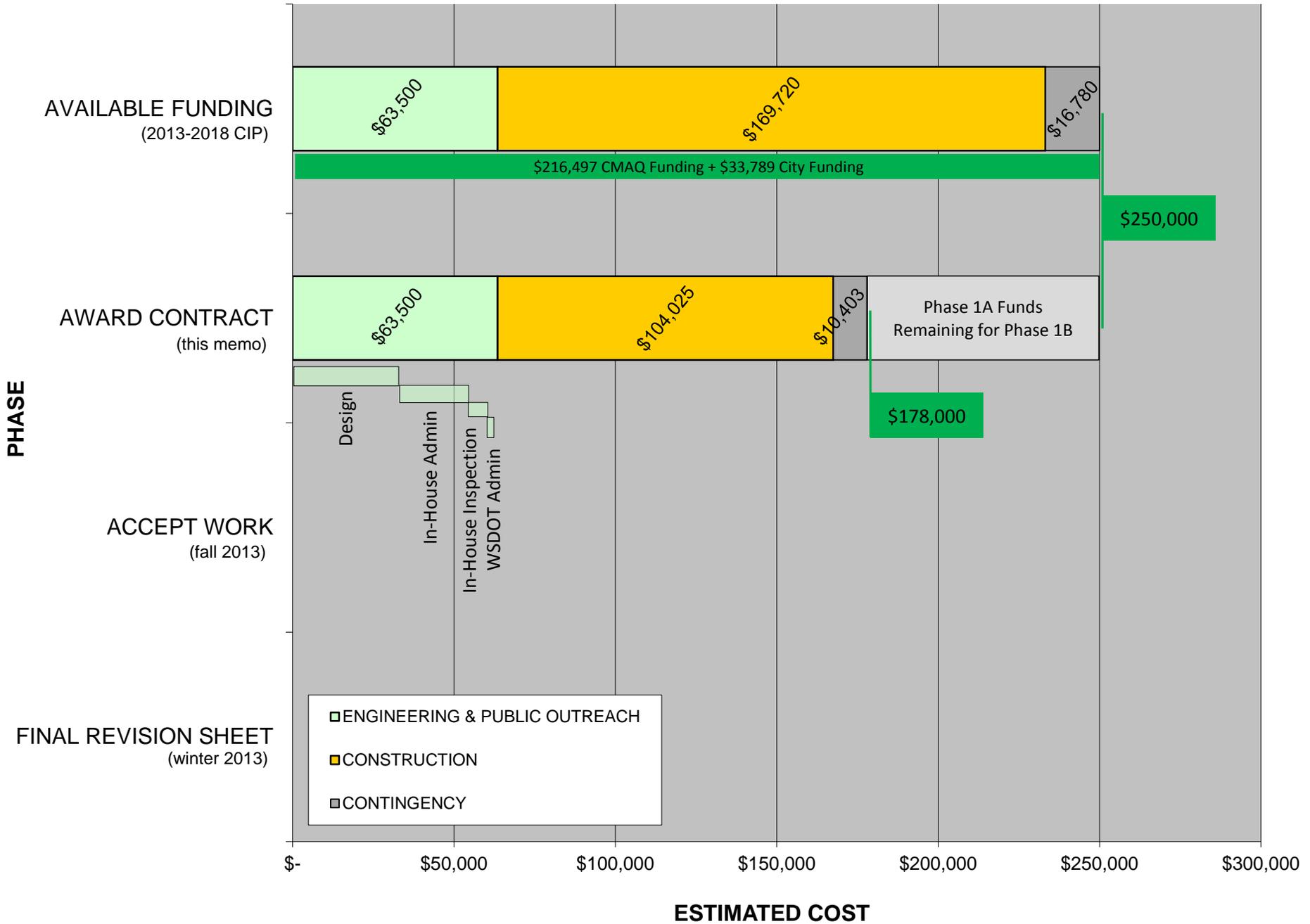
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Author: Joe Plattner / Phil Larkin / Flora Lee
 Name: ITS_Phase1_ITS_Implementation_Phase1A_Vicinity_Map
 Date Saved: 9/9/2013 10:22:05 AM

Kirkland ITS Implementation, Phase IA - Traffic Management Center
(CTR-0111)

Attachment B

Project Budget Report





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

MEMORANDUM

To: Kurt Triplett, City Manager

From: David Snider, P.E., Capital Projects Manager
Pam Bissonnette, Interim Public Works Director

Date: August 22, 2013

Subject: 100TH AVENUE NE BICYCLE LANES – AWARD CONTRACT

RECOMMENDATION:

It is recommended that City Council:

- award the construction contract for the 100th Avenue NE Bicycle Lanes Project to Road Construction Northwest, Inc. of Renton, WA, in the amount of \$190,470, and
- approve a budget increase of \$27,000 using REET 2 Reserves.

BACKGROUND DISCUSSION:

The 100th Avenue NE Bicycle Lanes Project (CNM 0069) will provide bicycle, pedestrian and traffic improvements on 100th Ave NE, between NE 124th Street and NE 132nd Street. The Project includes new bike lanes along the corridor with new Rapid Flashing Beacons (RFB) installed at two existing median island pedestrian crossings. The RFB's will replace the existing in-pavement lights that are out of service and no longer maintainable. To accommodate the addition of new bike lanes, the roadway pavement will be restriped with narrower vehicle travel lanes, together with the narrowing of the two existing landscaped median islands (Attachment A).



The Project's traffic improvements also include the removal and replacement of existing traffic detector loops at two signalized intersections in order to accommodate the new narrowed travel lane configuration; two median island street trees will also be replaced with new more suitable columnar trees in order to accommodate the narrower median islands.

The project will result in five 10-foot wide vehicle lanes with two 5-foot bike lanes. The volume on 100th Avenue NE is relatively high and the narrower lanes may result in drivers

slowing down, providing a "traffic calming" effect with the bicycle lane providing more of a buffer for pedestrians. Larger vehicles may take two lanes for short periods of time; 10-foot wide travel lanes have successfully been used in several places throughout the City, although, this 5 lane cross-section will be a first in Kirkland for the narrower lane widths. Staff research indicates that other cities have safely used 10-foot travel lanes in a 5 lane configuration.

The Project is currently funded by federal Surface Transportation Program (STP) funds (\$119,000) and City reserve funds (\$128,000); the Project's current total budget is \$247,000 (Attachment B). With an engineer's estimate of \$166,160 for construction, the Project was first advertised for contractor bids on July 10; on July 17, 2013, two contractor bids were received with Road Construction Northwest, Inc., being the lowest responsive bidder, as shown below:

CONTRACTOR	TOTAL BID
<i>Engineer's Estimate</i>	<i>\$166,160.00</i>
Road Construction Northwest, Inc.	\$190,470.00
Westwater Construction	\$212,530.00

The lowest responsive bidder, Road Construction Northwest, Inc., has recently completed the City's NE 85th Street and 114th Avenue NE Intersection Improvement Project and the Lakeview Elementary Pedestrian Improvements Project and is well qualified to perform the work on the subject Project. With a current budget of \$247,000, and a recommendation to maintain a 10% total construction contingency, a budget increase of \$27,000 is needed for a proposed revised total project budget of \$274,000 (Attachments B and C).

With an award of the contract by City Council at their September 3 meeting, construction would start in late September and be completed by November 2013. In advance of construction, Public Works staff will send a construction informational mailer to nearby residents providing Project timelines and pertinent contact information. Since the Project includes construction through an arterial corridor with pedestrian connections, the Project documents require the contractor to maintain safe travel for pedestrians throughout the work areas at all times.

To date, the Public Outreach efforts have included regular Project updates on the City's Website. The Project's direct mailer to nearby residents and businesses, with scope, schedule and contact information, will be sent once a physical start date is established with the contractor.

Attachment A: Vicinity Map
Attachment B: Project Budget Report
Attachment C: Fiscal Note

100th Avenue NE Bike Lanes

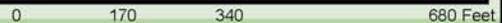


Legend

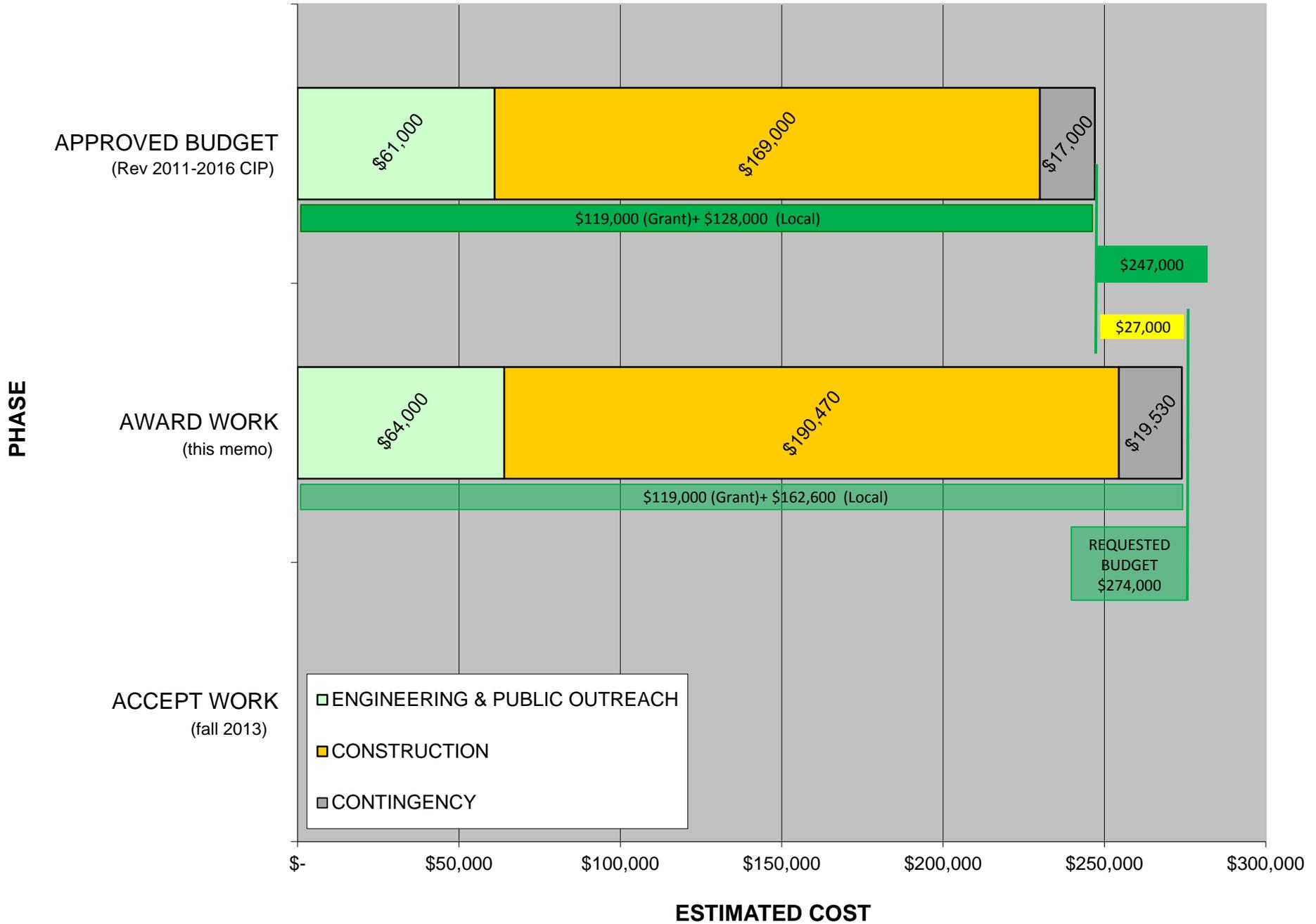
- Building Footprint
- Park
- School
- Tax Parcels



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**100th Ave Bike Lanes
(CNM-0069)
Project Budget Report**



FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Pam Bissonnette, Interim Public Works Director							
Description of Request							
Request for funding of \$27,000 from the REET 2 Reserve for the 100th Avenue NE Bicycle Lanes Project CNM 0069 due to construction costs higher than engineering estimate per award of bid memo.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$27,000 from REET 2 Reserve. This reserve is able to fully fund this request.							
Recommended Funding Source(s)							
<i>Reserve</i>	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	REET 2 Reserve	2,294,806	304,715		27,000	1,963,091	1,071,000
	Prior Authorized Use of REET 2 Reserve: NE 112th Street Sidewalk (\$214,000), Central Way Sidewalk (\$50,000), 6th Street Sidewalk (\$3,045), and 98th Avenue Bridge (\$15,000). Council is also considering additional funding of \$3,670 for the Lakeview School Walkroute project and \$19,000 for the Peter Kirk Elementary Sidewalk; the reserve balance assumes approval of these requests.						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	August 14, 2013
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CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3650
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Jack Henderson, Deputy Fire Chief
Date: August 21, 2013
Subject: AWARD OF CONTRACT – INSTALLATION OF GENERATOR TRANSFER SWITCHES

RECOMMENDATION:

It is recommended that the City Council awards a contract to install two separate Generator Transfer Switches for emergency generators at Northwest University and Saint John Vianney Church to Pointer Electric, Inc. of Bow, Washington in the amount of \$53,696.61.

BACKGROUND AND DISCUSSION:

This is part of a grant project to provide two portable emergency power generators to Northwest University and Saint John Vianney Church in partnership with the City to use their facilities as shelters during emergencies. The City's community centers are vital community gathering points in the event of disaster. Purchasing these two transfer switches (along with two portable generators) will give the city the flexibility to activate additional shelters and recovery sites in the most appropriate locations. With portable generators, after a disaster the City can more effectively support the health and safety of our citizens.

The two portable generators and the transfer switches are being funded through a Community Oriented Policing Services (COPS) grant that the Kirkland Police Department and the Kirkland Fire and Building Department applied for and received in May of 2010. The Emergency Management portion of the grant awarded \$91,900 for two generators and \$52,100 for the transfer switches. The generators have been ordered. The bid was within the estimated amount (\$85,862.18) and delivery is expected in three to four weeks.

Bids for the transfer switch project were solicited on July 31 using the Small Works Roster process and notifying approximately one hundred (100) contractors on the roster under the service of Electric – High Voltage in the category of Electrical & Communication Construction & Repair. On August 19, Pointer Electric submitted the only bid for a total of \$53,696.61 which is \$1,596.61 more than the amount available in the grant. The balance will be funded from the 2013/14 Emergency Preparedness (Professional Services) budget.

If you have any questions, please feel free to contact Deputy Chief Jack Henderson (3602)

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

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Pam Bissonnette, Interim Public Works Director

Date: August 22, 2013

Subject: LAKEVIEW ELEMENTARY PEDESTRIAN IMPROVEMENTS – ACCEPT WORK

RECOMMENDATION:

It is recommended that City Council accepts the work on the construction contract for the Lakeview Elementary Project, as completed by Road Construction Northwest, Inc., of Renton, Washington, and establishes the 45-day statutory lien period. It is also recommended that City Council approves a project budget increase of \$3,670 using REET 2 Reserve funds.

BACKGROUND DISCUSSION:

The Lakeview Elementary Pedestrian Improvements Project completed two missing segments of concrete sidewalk, upgraded six sidewalk curb ramps, and installed one pedestrian activated rapid flashing beacon (RFB) crosswalk system near Lakeview Elementary (Attachment A).

The Project supports goal G4 of the City's Active Transportation Plan, which states: "Increase the number of children who use active transportation to travel to and from school." Among the strategies of that goal is the pursuit of grant money to fund projects at elementary schools in an effort to increase the number of children walking to school. The Project also supports goal G3 of the Active Transportation Plan by adding new facilities for pedestrians where none exist.

In May 2011, the Project was selected to receive \$348,000 through the 2011 Federal Safe Routes to School Grant Program. The grant provided funding for design, construction and a set-aside of \$50,000 to be used for the educational, incentive and police enforcement elements. The education and enforcement components promote walking and biking to school, as well as an increase in area police enforcement during school hours. The focus of the Project is to promote pedestrian safety, decrease vehicular traffic speeds near schools, and to increase the number of kids walking and biking to and from school.

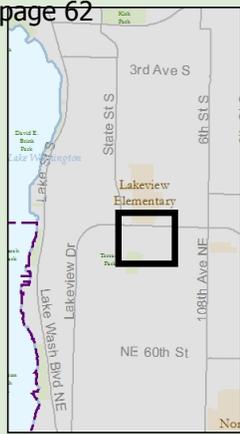
At the Council meeting of August 7, 2012, City Council awarded the construction contract to Road Construction Northwest (RCNW) in the amount of \$184,825.00. The low bid received by RCNW was over \$40,000 over the Engineer's Estimate of \$143,000. At this same meeting Council authorized the use of an addition \$26,300 of the Street Improvement Reserve to

provide the funding needed for construction. The addition of those funds increased the total project budget to \$374,300.00 (Attachment B).

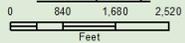
During construction, necessary additional concrete removal and paving resulted in certain material quantities exceeding the original contract amount. Due to the increase in quantities the total of amount paid to RCNW became \$197,218.71. When combined with additional time spent on construction management and public outreach, the result is a projected budget shortfall of approximately \$3,670. In order to close the construction phase of the Project, a budget increase of \$3,670 is needed, bringing the overall total Project budget to \$377,970.

The education and enforcement component of the grant currently has a positive balance of \$28,000 for use during the 2013-14 school year. The funds for education and enforcement can only be used for those elements and are not eligible to offset engineering or construction costs; once the education and enforcement elements are complete, staff will do a final Project close-out. Therefore staff recommends using \$3,670 of REET 2 Reserve funds to finish the project. A fiscal note for the REET 2 funds is attached.

Attachment A: Vicinity Map
Attachment B: Project Budget Report
Attachment C: Fiscal Note

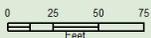


Vicinity Map



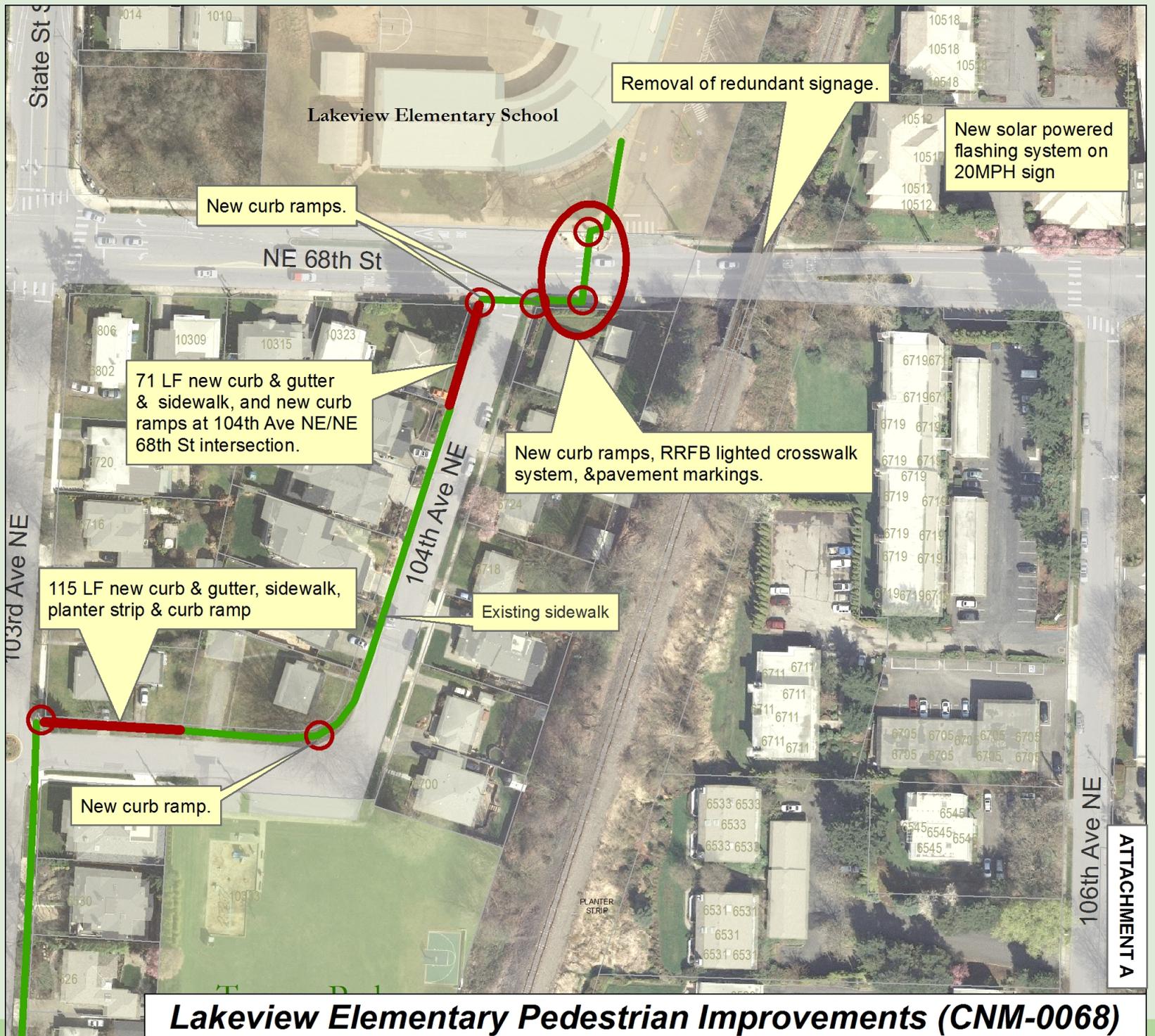
Map Legend

- Fire Station
- City of Kirkland Boundary
- Building Footprint
- Railroad Centerline
- Dock/Pier
- Lake
- Tax Parcel Boundary
- Street Centerline
- Pavement Edge
- Park
- School
- Address Point
- Tax Parcels



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-Print Date: 5/5/2010

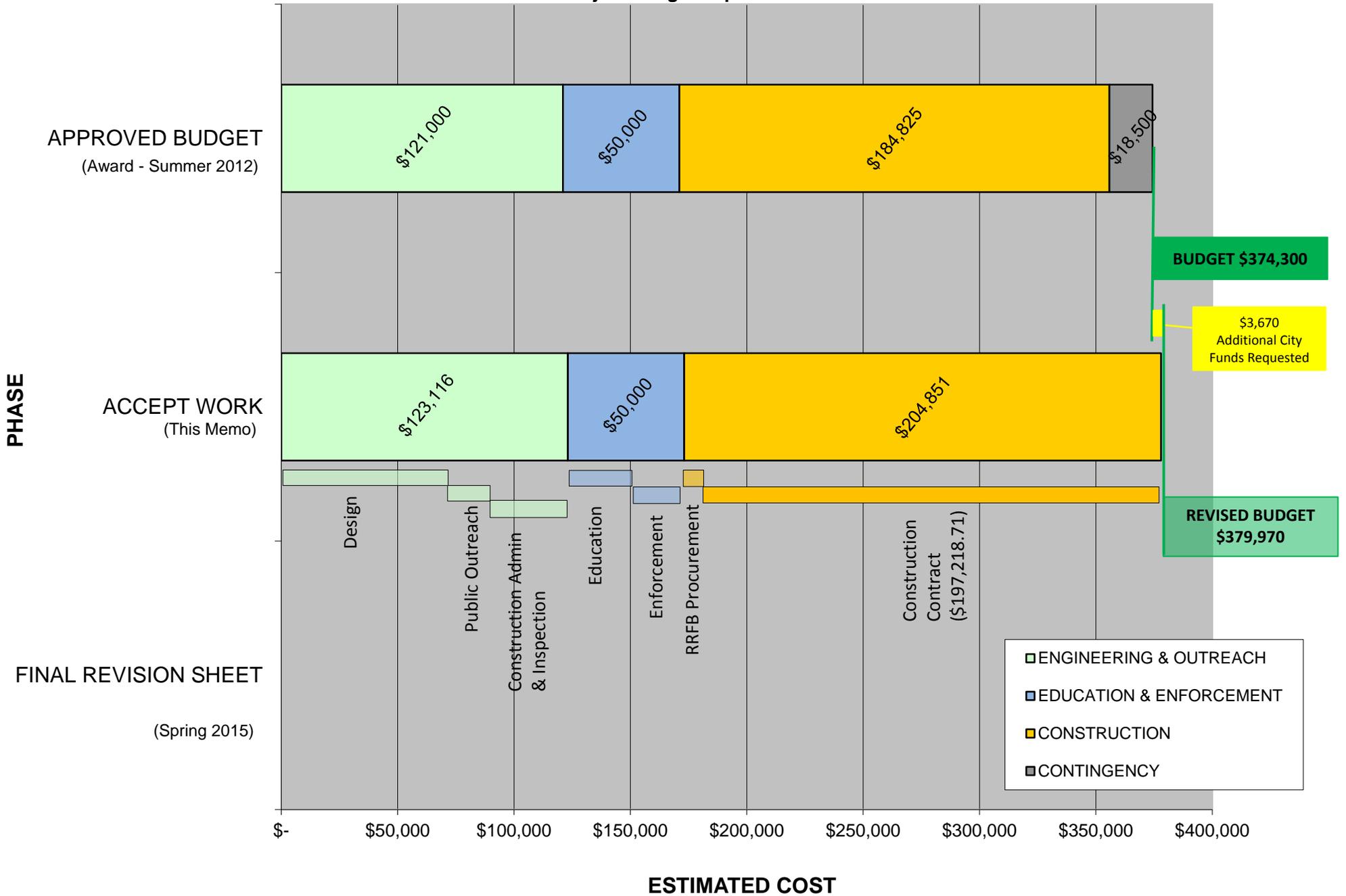


Lakeview Elementary Pedestrian Improvements (CNM-0068)

ATTACHMENT A

Lakeview Elementary
(CNM - 0068)

Project Budget Report



FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Pam Bissonnette, Interim Public Works Director							
Description of Request							
Request for funding of \$3,670 from the REET 2 Reserve for the Lakeview School Walkroute Project CNM 0068 due to unexpected costs during construction per acceptance of work memo.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$3,670 from REET 2 Reserve. This reserve is able to fully fund this request.							
Recommended Funding Source(s)							
<i>Reserve</i>	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	REET 2 Reserve	2,294,806	328,045		3,670	1,963,091	1,071,000
	Prior Authorized Use of REET 2 Reserve: NE 112th Street Sidewalk (\$214,000), Central Way Sidewalk (\$50,000), 6th Street Sidewalk (\$3,045), and 98th Avenue Bridge (\$15,000). Council is also considering additional funding of \$3,670 for the Lakeview School Walkroute project and \$19,000 for the Peter Kirk Elementary Sidewalk; the reserve balance assumes approval of these requests.						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	August 16, 2013
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**CITY OF KIRKLAND****Department of Public Works**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: David Godfrey, P.E. Transportation Engineering Manager
Pam Bissonnette, Interim Public Works Director

Date: August 22, 2013

Subject: EASTSIDE TRANSPORTATION PARTNERSHIP AGREEMENT RESOLUTION

RECOMMENDATION:

It is recommended that the City Council passes the attached resolution authorizing the City Manager to sign the attached Eastside Transportation Partnership Agreement.

BACKGROUND DISCUSSION:

The City of Kirkland joined with other Eastside cities and King County in 1987 to establish and participate in a multi-jurisdictional transportation planning effort referred to as the Eastside Transportation Partnership (ETP). This effort produced the first ETP plan. Since then the Council has continued to participate in ETP, reaffirming participation most recently in 2009 by endorsing the interlocal agreement under which ETP now operates.

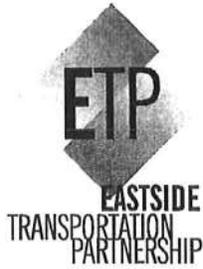
The City of Kirkland actively participates in ETP, and its current representatives are Councilmembers Dave Asher and Amy Walen. On July 12, 2013 ETP approved the proposed Agreement. Kirkland may approve or reject the Agreement.

Under the proposed Agreement, Kirkland continues to be allocated two voting members. Members must be elected officials appointed by the City Council to serve one-year terms. An alternate elected official may also be designated to attend and vote if either of the two voting members will be absent. The proposed Agreement assigns dues of \$100 per year, per voting member, for a total of \$200 annually for the City of Kirkland. Any additional financial contributions or increase in dues requires a modification to the Agreement that must be approved by the parties. Any jurisdiction, including Kirkland, may withdraw from the Agreement at its own discretion by providing official withdrawal notification 30 days prior to the date of withdrawal.

The transmittal letter from ETP (Exhibit A) summarizes the proposed changes to the interlocal agreement (Attachment A to resolution). The proposed agreement was developed by a committee of members from each of the King County Subarea groups to provide consistency between these bodies. It contains simplified and updated language from the prior agreement and has a two-year agreement period with an automatic two-year extension.

Once approval is received from each participating city, the agreement will be taken to King County Council for final approval.

Exhibit A: ETP Letter of Transmittal dated July 25, 2013
Resolution
Resolution Attachment A: Proposed ETP Agreement



July 25, 2013

The Honorable Joan McBride
Mayor, City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033

Dear Mayor McBride:

Attached is the new Eastside Transportation Partnership Agreement, which was approved by the Partnership on July 12, 2013. This agreement, as well as the agreements for the South County Area Transportation Board (SCATBd) and the SeaShore Transportation Forum, was developed by a joint committee composed of the chairs and vice chairs of all three King County Transportation Boards. The changes are intended to streamline the agreements and the approval process, allow each board to tailor procedural items as needed, and reflect the reduced King County staffing levels in the adopted 2013-2014 King County budget. Highlights of the proposed changes include the following:

- Signatories to the agreement will no longer include agencies and organizations, or jurisdictions not in King County.
- Subsequent to adoption of the Agreement, each board will now adopt their own individual procedures that will identify agencies and organizations, and jurisdictions not in King County, as limited voting members or non-voting members.
- The language has been simplified and updated from the prior agreement.
- The agreement is for a two-year period with an automatic two-year extension.

As a member of ETP, we are sending this to you to request approval by your city council. Because the current agreement expires at the end of this year, we hope to obtain approval by all cities this summer so that final approval by the King County Council can occur this fall. We would appreciate your prompt action on this.

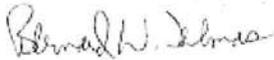
Following your city's approval, please transmit the signed agreement to Wes Edwards, King County Department of Transportation, 201 S. Jackson Street, Seattle, WA 98104, or provide an electronic signature via email to wesley.edwards@kingcounty.gov. The signed agreement will accompany the ordinance that will be submitted to the King County Council for approval. Upon completion of that process, you will receive a completed copy of the agreement for your records.

Eastside Transportation Partnership Agreement
July 25, 2013
Page 2 of 2

If you have questions, please contact Wes Edwards at 206-263-4710 or
wesley.edwards@kingcounty.gov.

Thank you very much for your cooperation.

Sincerely,



Bernie Talmas
Mayor, Woodinville
ETP Chair



Joshua Schaer
Councilmember, Issaquah
ETP Vice-Chair



John Stilin
Councilmember, Redmond
ETP Vice-Chair

Attachment: Eastside Transportation Partnership Agreement

cc: Kirkland City Clerk
ETP Members

RESOLUTION R-4993

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND SUPPORTING THE CONTINUATION OF THE EASTSIDE TRANSPORTATION PARTNERSHIP AS THE EAST KING COUNTY FORUM FOR INFORMATION SHARING, CONSENSUS BUILDING AND COORDINATION TO PROVIDE ADVICE ON REGIONAL TRANSPORTATION ISSUES AND APPROVING CONTINUED PARTICIPATION IN THE EASTSIDE TRANSPORTATION PARTNERSHIP BY THE CITY OF KIRKLAND.

WHEREAS, the East King County subarea has been involved in multi-jurisdictional transportation planning to develop coordinated plans for transportation improvements and programs for this area; and

WHEREAS, these plans have been approved and efforts continue to be made to work cooperatively to implement the recommended projects; and

WHEREAS, the Eastside Transportation Partnership (ETP) has been an effective forum for information sharing, consensus building and providing valuable input on transportation planning and implementation decisions; and

WHEREAS, the ETP recognizes the need to coordinate with its regional partners to address issues that cross subarea and county boundaries; and

WHEREAS, the City of Kirkland has participated as a member since 1987;

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

Section 1. The City Manager is authorized to execute on behalf of the City the 2013-2015 Agreement for the Eastside Transportation Partnership substantially similar to the Agreement attached as Exhibit A.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

MAYOR

Attest:

City Clerk

Eastside Transportation Partnership**Parties to Agreement**

City of Bellevue
City of Bothell
City of Issaquah
City of Kenmore
City of Kirkland
City of Mercer Island
City of Newcastle
City of Redmond
City of Renton
City of Sammamish
City of Woodinville
King County
Small Cities
 Town of Beaux Arts Village
 City of Clyde Hill
 Town of Hunts Point
 City of Medina
 Town of Yarrow Point
Snoqualmie Valley Cities
 City of Carnation
 City of Duvall
 City of North Bend
 City of Snoqualmie

Transmitted to parties for approval and signature on July 18, 2013.

THIS AGREEMENT is made and entered into by and among the CITY OF BELLEVUE, hereafter known as "Bellevue"; the CITY OF BOTHELL, hereafter known as "Bothell"; the CITY OF ISSAQUAH, hereafter known as "Issaquah"; the CITY OF KENMORE, hereafter known as "Kenmore"; the CITY OF KIRKLAND, hereafter known as "Kirkland"; THE CITY OF MERCER ISLAND, hereafter known as "Mercer Island"; the CITY OF NEWCASTLE, hereafter known as "Newcastle"; the CITY OF REDMOND, hereafter known as "Redmond"; the CITY OF RENTON, hereafter known as "Renton"; the CITY OF SAMMAMISH, hereafter known as "Sammamish"; the CITY OF WOODINVILLE, hereafter known as "Woodinville"; KING COUNTY, a legal subdivision of the State of Washington, hereafter called "King County"; the TOWN OF BEAUX ARTS VILLAGE, hereafter known as "Beaux Arts"; the CITY OF CLYDE HILL, hereafter known as "Clyde Hill"; the TOWN OF HUNTS POINT, hereafter known as "Hunts Point"; the CITY OF MEDINA, hereafter known as "Medina"; the TOWN OF YARROW POINT, hereafter known as "Yarrow Point"; the CITY OF CARNATION, hereafter known as "Carnation"; the CITY OF DUVALL, hereafter known as "Duvall"; the CITY OF NORTH BEND, hereafter known as "North Bend"; the CITY OF SNOQUALMIE, hereafter known as "Snoqualmie"; as members of the Eastside Transportation Partnership;

WHEREAS, the parties to this agreement recognize that multi-jurisdictional transportation planning and coordinated transportation plans benefit their citizens; and

Eastside Transportation Partnership Agreement: Authorized by ETP on July 12, 2013 for transmittal to members

WHEREAS, the Eastside Transportation Partnership has served as the central forum for information sharing, consensus building, and coordination to develop recommendations for transportation policies, projects and programs for the area East of Lake Washington in King County;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1.0 Purpose of this Agreement

The purpose of this Agreement is to recognize the Eastside Transportation Partnership as the transportation board for the area East of Lake Washington in King County to share information, build consensus, and provide advice on plans, programs, policies and priorities for countywide, regional, state, and federal transportation decisions.

2.0 Members and Voting

Members shall have full voting rights, limited voting rights or shall be non-voting members, as follows:

2.1 Members with Full Voting Rights: Only jurisdictions which are signatories to this agreement shall have full voting rights on all of the following issues before the Eastside Transportation Partnership, unless otherwise noted, including:

1. Administrative issues, such additional members and use of dues.
2. Recommendations to Sound Transit on policies and capital and service plans and implementation.
3. Recommendations to King County on Metro Transit planning, development and implementation of products and services.
4. Identification of projects for the regional competition, if prescribed by the process approved by the King County caucus of the Transportation Policy Board.
5. Recommendations to WSDOT on policies, programs and projects.
6. Recommendations to the PSRC on plans, policies, programs and projects such as Transportation 2040 updates and regional funding policies, strategies or programs.
7. Input to the State Legislature and committees and commissions established by the Legislature on transportation policy, budget and priorities and legislative proposals and studies.
8. Recommendations to the federal delegation on federal legislation including reauthorization and funding priorities and other transportation-related programs.

2.2 Members with Limited Voting Rights: The Eastside Transportation Partnership may add members with limited voting rights on the issues such as those listed below by unanimous vote of the parties to the agreement at a regular meeting.

1. Recommendations to WSDOT on policies, programs and projects.
2. Recommendations to the PSRC on plans, policies, programs and projects, such as Transportation 2040 updates and regional funding policies, strategies or programs.
3. Input to the State Legislature and committees and commissions established by the Legislature on transportation policy, budget and priorities and legislative proposals and studies.
4. Recommendations to the federal delegation on federal legislation including reauthorization and funding priorities and other transportation-related programs.

2.2.a Such members and voting rights, if any, shall be included in operating procedures to be adopted by the Eastside Transportation Partnership.

Eastside Transportation Partnership Agreement: Authorized by ETP on July 12, 2013 for transmittal to members

2.3 Non-Voting Members: The Eastside Transportation Partnership may add non-voting members by unanimous vote of the parties to the agreement at a regular meeting. The Eastside Transportation Partnership may remove non-voting members by a unanimous vote of the parties to the agreement at a regular meeting.

2.3.a Such members shall be included in operating procedures to be adopted by the Eastside Transportation Partnership.

3.0 Representation and Conduct

3.1 Representation of city and county members shall be as follows

Full Voting Members	Number of Representatives
Bellevue	2
Issaquah	2
Kenmore	2
Kirkland	2
Mercer Island	2
Newcastle	2
Redmond	2
Renton	2
Sammamish	2
Woodinville	2
Small Cities Coalition Beaux Arts Clyde Hill Hunts Point Medina Yarrow Point	2 (shared)
Snoqualmie Valley Cities Carnation Duvall North Bend Snoqualmie	2 (shared)
King County	3

3.2 Elected officials shall be appointed to the Eastside Transportation Partnership by their cities and counties for a one-year term. King County representation shall be a maximum of two Councilmembers and the King County Executive.

3.3 Each city or county participating member may appoint an alternate for a one-year term. Designated alternates may vote in place of designated voting representatives in the absence of the designated representative.

4.0 Operating Procedures

4.1 The Eastside Transportation Partnership shall adopt operating procedures to specify limited voting members and non-voting members, if any, dues for limited and non-voting members, if any, and operational issues such as election of officers, formation of subcommittees and rules of order. A chair(s) and vice-chair(s) shall be elected per the operating procedures and shall be responsible for setting meeting agendas, running meetings and any other activities identified in the operating procedures

5.0 Lead Agency

5.1 King County will be the Lead Agency for receipt and disbursement of funds collected through annual dues, and general administrative and program support for the Eastside Transportation Partnership. King County assumes wage and benefit costs of its staff performing Lead Agency responsibilities to the extent that King County appropriates such funds. The Lead Agency shall, in its sole discretion, determine the level of staffing available based upon funding.

5.2 Lead Agency responsibilities may be limited to: maintaining Eastside Transportation Partnership membership rosters and distribution lists; arranging for Partnership meetings, including scheduling, agendas and rooms; collecting, administering and disbursing Partnership dues; providing Partnership meeting support to the chair(s) and vice chair(s); attending Partnership meetings; and preparing Partnership meeting summaries.

6.0 Financing and Cost Sharing Guidelines

6.1 **Yearly Dues:** The Eastside Transportation Partnership members shall pay a minimum \$100 per full voting representative in annual dues to remain in good standing. The Lead Agency will bill annually at the end of each year, and dues are to be paid within ninety days after receipt of the invoice. Members not in good standing shall lose voting rights until the required dues are paid. Additional dues above \$100, and any dues required by limited or non-voting members, will be determined by the Eastside Transportation Partnership and included in the operating procedures. Revenue from dues shall be used for special events, public education, or other expenses authorized by the Eastside Transportation Partnership. The designated Lead Agency shall not be required to pay yearly dues.

6.2 **Annual Review of Financing:** The Eastside Transportation Partnership shall determine by June 30 of each year whether additional annual dues above \$100 per voting representative will be required of the Eastside Transportation Partnership member jurisdictions for the following year.

6.3 **Additional financial contributions:** If additional financial contributions beyond an increase in dues are determined to be necessary, costs shall be shared among all voting members, with an option for King County to recuse itself from further financial obligations. Recused members may not vote on determining the additional financial contribution or uses for the additional funds.

6.4 **Modification to Agreement Required:** If additional funds are determined to be necessary, a modification to this agreement specifying cost-sharing, purpose, scope of work, administration, collection and disbursement of funds and other details is required in order to obligate a member jurisdiction to funding participation.

7.0 Withdrawal of a Party from this Agreement

Each party, for its convenience and without cause or for any reason whatsoever, may withdraw from participation in this Agreement by providing written notice, sent certified mail, return receipt required, to the chair(s) of the Eastside Transportation Partnership at least thirty (30) days in advance of the effective date of the withdrawal. A withdrawing party shall not be entitled to a refund of any payments to Eastside Transportation Partnership and shall pay any dues required to be paid under this Agreement for costs which had been obligated prior to the effective date of the withdrawal. All obligations other than dues cease upon withdrawal.

Eastside Transportation Partnership Agreement: Authorized by ETP on July 12, 2013 for transmittal to members

Each party's funding to perform its obligations under the Agreement, beyond the current appropriation year, is conditional upon appropriation by the party's governing body. Should such an appropriation not be approved for a future year, a party may exercise its right to withdraw from the Agreement.

8.0 Duration

This Agreement shall take effect upon being duly adopted by the governing bodies of all parties and executed by the authorized representatives of all parties. This Agreement shall remain in effect until December 31, 2015, unless terminated earlier in accordance with Section 9.0. This Agreement shall be automatically extended upon the same terms or conditions for another term commencing January 1, 2016 and ending no later than December 31, 2017.

9.0 Termination

All parties to this Agreement must agree to terminate this Agreement in order for such termination to be effective. If all parties desire to terminate this Agreement, they shall execute a Statement of Termination. Upon termination, no party shall be required to make any additional contributions. Any remaining funds shall be refunded to the parties to this Agreement according to Section 11.0.

10.0 Real and Personal Property

The acquisition of real property is not anticipated under this Agreement. Any personal property acquired pursuant to this Agreement shall be held by the Lead Agency. In the event this Agreement expires or is terminated in accordance with Section 8.0 or 9.0, any personal property other than cash shall remain with the Lead Agency.

11.0 Return of Funds

At such time as this Agreement expires without being terminated or revised, or is terminated in accordance with Section 9.0, any unexpended and uncommitted funds shall be distributed proportionately to those parties to this Agreement at the time of termination based on each party's percentage share of the total balance at the time of termination.

12.0 Filing

This Agreement shall be filed with the King County Department of Records and Elections.

13.0 Legal Relations

13.1 The parties shall comply with all applicable state and federal laws and regulations.

13.2 This Agreement is solely for the benefit of the parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of one party or any of its contractors or subcontractors shall be deemed, or represent themselves to be, employees of any other party.

13.3 Each party shall defend, indemnify and hold harmless the other party and all of its officials, employees, principals and agents from all claims, demands, suits, actions, and liability of any kind whatsoever which arise out of, are connected with, or are incident to any negligent acts of the first party,

Eastside Transportation Partnership Agreement: Authorized by ETP on July 12, 2013 for transmittal to members

its contractor, and/or employees, agents, and representatives in performing the first party's obligations under this Agreement. The parties agree that their obligations under this paragraph extend to claims made against one party by the other party's own employees. For this purpose, the parties, by mutual negotiation, hereby waive any immunity that, as respects the other party only, would otherwise be available against such claims under the industrial insurance provisions of RCW Title 51. In the event either party incurs attorney's fees, costs or other legal expenses to enforce the provisions of this section, against the other party, all such fees, costs and expenses shall be recoverable by the prevailing party.

13.4 The provisions of this section shall survive and remain applicable to each of the parties notwithstanding any termination or expiration of this Agreement and notwithstanding a party's withdrawal from this Agreement.

14.0 Entirety and Modifications

14.1 This Agreement merges and supersedes all prior negotiations, representations and agreements between the parties relating to the subject matter hereof and constitutes the entire agreement between the parties.

14.2 This Agreement may be modified only by written instrument signed by all the parties hereto.

15.0 Counterparts

The signature pages of this Agreement may be executed in any number of counterparts, each of which shall be an original.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed and delivered by its duly authorized officer or representative as of the date set forth below its signature. For purposes of this Agreement, a duly authorized electronic signature constitutes an original signature.

Eastside Transportation Partnership Agreement: Authorized by ETP on July 12, 2013 for transmittal to members

City of Bellevue By: _____ Date: _____	City of Bothell By: _____ Date: _____	City of Issaquah By: _____ Date: _____
City of Kenmore By: _____ Date: _____	City of Kirkland By: _____ Date: _____	City of Mercer Island By: _____ Date: _____
City of Newcastle By: _____ Date: _____	City of Redmond By: _____ Date: _____	City of Renton By: _____ Date: _____
City of Sammamish By: _____ Date: _____	City of Woodinville By: _____ Date: _____	King County By: _____ Date: _____
Town of Beaux Arts Village By: _____ Date: _____	City of Clyde Hill By: _____ Date: _____	Town of Hunts Point By: _____ Date: _____
City of Medina By: _____ Date: _____	Town of Yarrow Point By: _____ Date: _____	City of Carnation By: _____ Date: _____
City of Duvall By: _____ Date: _____	City of North Bend By: _____ Date: _____	City of Snoqualmie By: _____ Date: _____



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

MEMORANDUM

To: Kurt Triplett, City Manager **QUASI-JUDICIAL**
From: Paul Stewart, AICP, Deputy Planning Director
Tony Leavitt, Project Planner
Date: August 22, 2013
Subject: JUANITA TOWNHOMES FINAL SUBDIVISION, FILE NO. SUB13-00739

RECOMMENDATION

That the City Council approves with conditions the Final Subdivision application for the Juanita Townhomes Plat. The City Council may do so by adopting the attached resolution.

BACKGROUND DISCUSSION

The Preliminary Subdivision was heard by the Hearing Examiner on June 6, 2013. The Hearing Examiner approved the project with conditions on June 11, 2013.

The proposal includes the following elements:

- Subdivision of a parcel comprising 1.39 acres into 24 lots for attached residential units within an RMA 1.8 zone;
- The site has already been developed with roads, utilities and attached residential units.

The proposal complies with the Final Subdivision Approval Criteria as stated in Attachment 1.

ENCLOSURES

1. Planning Director Recommendation with Attachments



CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3225
www.kirklandwa.gov

**MEMORANDUM ADVISORY REPORT
FINDINGS, CONCLUSION, AND RECOMMENDATIONS**

To: Paul Stewart, AICP, Deputy Planning Director
From: Tony Leavitt, Associate Planner
Date: August 22, 2013
File: JUANITA TOWNHOMES FINAL SUBDIVISION, FILE NO. SUB13-00739

I. RECOMMENDATION

Approve the Final Subdivision application for the Juanita Townhomes Plat.

II. BACKGROUND

- A. The applicant is Juanita Townhomes LLC
- B. The site is located at 13203 to 13260 101st Lane NE (See Attachment 1)
- C. This is a final subdivision application to approve a 24-lot subdivision on a 1.39 acre site (see Attachments 2 and 3). Lots range in size from 1,361 square feet to 2,511 square feet. The site has already been developed with roads, utilities and attached residential units.

III. HISTORY

Note: A complete summary of project is included as part of Attachment 2, Page 19.

- A. In September of 2011, the County approved and recorded a Binding Site Plan per the Interlocal Agreement between the County and the City. It was later determined that the BSP did not result in the fee-simple lots that the applicant was pursuing.
- B. The applicant applied for a subdivision of the property with King County and was processed per the Interlocal Agreement.
- C. The Preliminary Subdivision was heard by the Hearing Examiner on June 6, 2013. The Hearing Examiner approved the project with conditions on June 11, 2013.

IV. ANALYSIS

A. Approval Criteria

1. Facts: Section 22.16.080 of the Kirkland Municipal Code also discusses the conditions under which the final plat may be approved by the City Council. These conditions are as follows:
 - a. Consistency with the preliminary plat, except for minor modifications; and
 - b. Consistency with the provisions of the Subdivision Ordinance and RCW 58.17.
2. Conclusion: The applicant has complied with all of the conditions that were placed on the preliminary subdivision application by the Hearing Examiner.

V. **CHALLENGE, JUDICIAL REVIEW, AND LAPSE OF APPROVAL**

- A. Section 22.16.070 of the Kirkland Municipal Code states that any person who disagrees with the report of the Planning Director may file a written challenge to City Council by delivering it to the City Clerk not later than the close of business of the evening City Council first considers the final plat.
- B. Section 22.16.110 of the Kirkland Municipal Code allows the action of the City in granting or denying this final plat to be reviewed in King County Superior Court. The petition for review must be filed within 21 calendar days of the issuance of the final land use decision by the City.
- C. Section 22.16.130 of the Kirkland Municipal Code states that unless specifically extended in the decision on the plat, the plat must be submitted to the city for recording with King County within six (6) months of the date of approval or the decision becomes void; provided, however, that in the event judicial review is initiated per Section 22.16.110, the running of the six (6) months is tolled for any period of time during which a court order in said judicial review proceeding prohibits the recording of the plat.

VI. **APPENDICES**

Attachments 1 through 3 are attached.

1. Vicinity Map
 2. Hearing Examiner Decision
 3. Final Plat
-

Review by Planning Director:

I concur I do not concur

A handwritten signature in black ink, appearing to read "Paul", followed by a long horizontal line that extends to the right and then curves back down to the left, ending under the "Paul" part of the signature.

Paul Stewart, AICP

JUANITA TOWNHOMES PLAT
KC FILE NO. PLAT13-00001

RMA 3.6

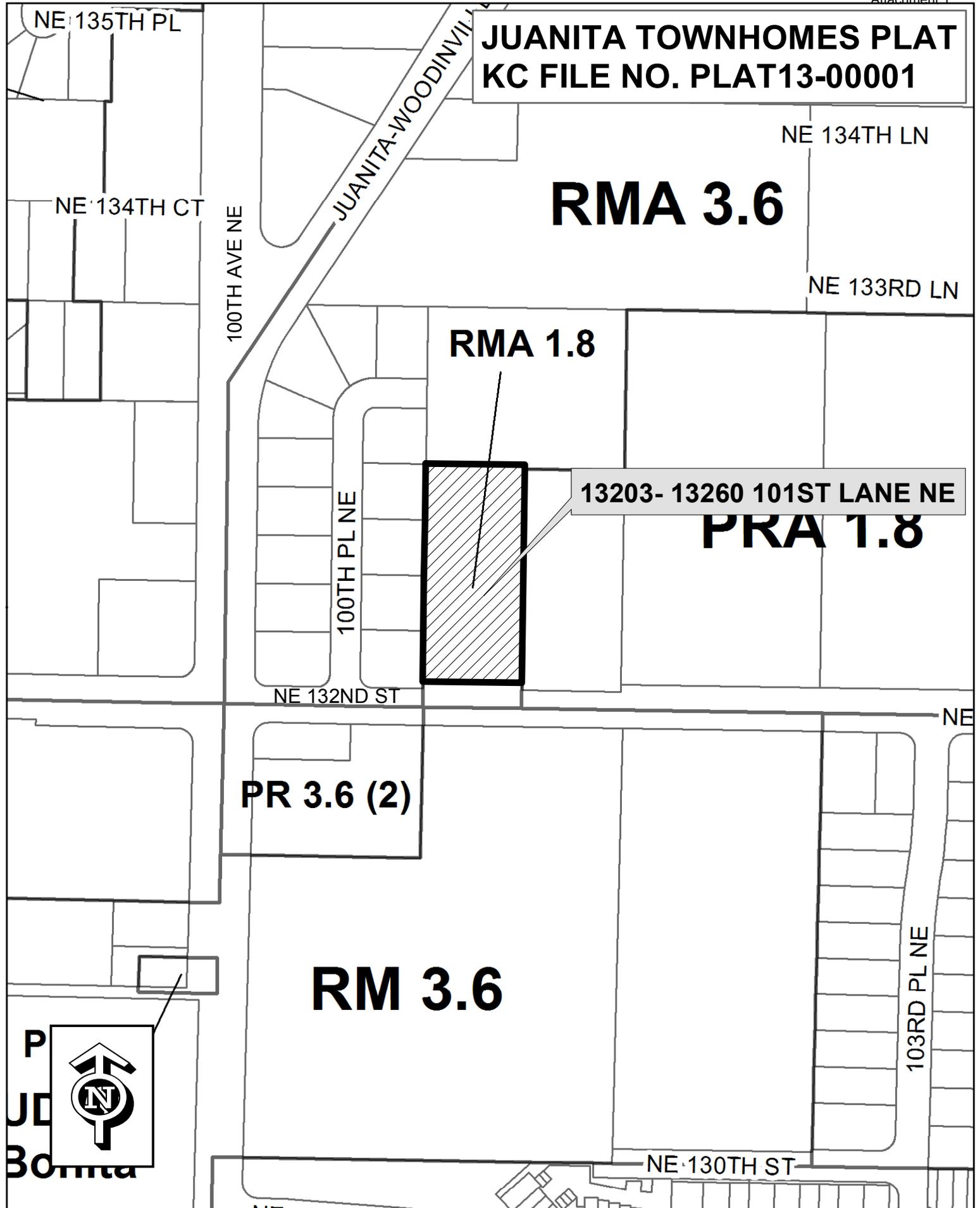
RMA 1.8

13203- 13260 101ST LANE NE

PRA 1.8

PR 3.6 (2)

RM 3.6



**FINDINGS AND DECISION
OF THE HEARING EXAMINER FOR THE CITY OF KIRKLAND**

R E C E I V E D

In the Matter of the Application of

JUN 14 2013

File No: SUB13-00739

JUANITA TOWNHOMES LLC

AM PM

PLANNING DEPARTMENT

For preliminary subdivision approval

Introduction

The Applicant, Juanita Townhomes LLC, seeks approval of a preliminary subdivision of a site that is approximately 1.39 acres in size. The applicant proposes to void a previously recorded Binding Site Plan and to create 24 lots ranging in size from 1,361 to 2,511 square feet. The site has already been developed with roads, drainage facility and attached residential dwelling units.

A public hearing on the subdivision application was held by the Hearing Examiner on June 6, 2013, in City Council Chambers, Kirkland City Hall, 123 Fifth Avenue, Kirkland. Parties represented at the proceeding were: the Planning and Community Development Department, by Tony Leavitt, Planner; the King County Department of Permitting and Environmental Review, by Fereshteh Dehkordi, Project Manager; and the Applicant, by Peter Frame. The Examiner viewed the site on June 6, 2013.

After due consideration of the evidence elicited during the hearing, the following shall constitute the findings of fact, conclusions and decision of the Hearing Examiner on this application.

Findings of Fact

1. The subject site is approximately 1.39 acres in size and is addressed as 13203-13260 101st Lane NE in Kirkland. The property is located north of NE 132nd Street and approximately 200 feet east of 100th Avenue NE.
2. The site was annexed by the City of Kirkland in June of 2011. The site is zoned R-24. The property is level, and there are no streams, wetlands or significant vegetation on the site.
3. The site is currently developed with five buildings containing 24 attached single family dwelling units. The site was developed under a commercial building permit issued by King County, and the project, including residential units, road and drainage facilities, was completed in 2008. The site is accessed from 132nd Street via a privately owned and maintained road which is 20 feet in width and is improved with sidewalks and curbs. There is an underground storm detention vault which was constructed on the east

Juanita Townhomes Preliminary Subdivision
SUB13-00739
Page 2 of 6

side of the private road, in front of lot 22, and a recreation tract adjacent to the vault. Frontage improvements along NE 132nd.

4. The surrounding neighborhood development includes single family residences and some commercial structures.

5. The project was initially developed as condominiums, and the units were offered for sale in June of 2008. However, the applicant determined that the recession and the financial regulations were making the sales of condominium units too difficult. In January of 2011, the applicant therefore proposed to convert the units into 24 fee-simple lots by a Binding Site Plan (BSP) process, pursuant to King County Code (KCC) 19A.20.020, with the goal of creating residential units on fee-simple lots.

6. After annexation of the site by Kirkland, the BSP was reviewed by King County and the City, pursuant to the Interlocal Agreement (ILA) between the County and City. The BSP was approved and recorded in September of 2011. However, for reasons noted in the applicant's narrative, Attachment 2, the BSP did not result in the fee-simple lot structure that had been the goal. The applicant therefore applied for a new subdivision of the site.

7. The County and the City have agreed that the current application is to be processed under the ILA according to applicable County Codes, as a project that vested prior to annexation but for which a public hearing by the City Hearing Examiner must be held. Under the Chapter 22.12 KMZ, a preliminary plat decision is issued by the Hearing Examiner.

8. The King County Department of Permitting and Environmental Review (DPER) has reviewed the proposal. Pursuant to SEPA, DPER has reviewed its previous DNS for the project issued in 2006 and determined that SEPA standards for the subdivision proposal have been met.

9. DPER has reviewed the proposal for compliance with the relevant provisions of the King County Code. Comments were also solicited from the agencies identified at page 3 of the staff report, and comments have been incorporated into the staff report and recommendations.

10. No public comments were submitted to DPER or to the Hearing Examiner on this application.

11. The staff report and analysis at pages 3-7 are adopted as findings herein.

12. DPER notes that the building permit for Juanita Townhomes allowed the access road and the water quality and drainage system to be privately maintained. At this time, the road and existing drainage facility do not meet all King County requirements for publicly-maintained facilities. Other issues for the proposal concern "no parking"

signage along the private access road to maintain fire emergency access, and possible modifications of the structure overhangs to meet International Residential Code (IRC) Section R302. City staff have reviewed the issues and have made recommendations which are incorporated in the DPER recommendation for this proposal.

13. At hearing, the applicant responded to issues identified in the staff report regarding the structure overhangs, the existing detention vault, and the no-parking area along the private road. The applicant stated that the structure overhangs do meet IRC requirements, and that the applicant anticipates having this confirmed by the City's building officials soon. The applicant also noted that the drainage facility is a vault, rather than simply a pond, and that the homeowners association will continue to maintain the drainage vault and to utilize the area above the vault for open space. The applicant also noted that currently there is ample parking area in the form of garages and private driveways associated with each unit, and that prohibiting parking along the private road will not create a parking shortage for residents and guests.

Conclusions

1. The Hearing Examiner has jurisdiction over this application pursuant to Chapters 22.12 and 150.65 KZC and the Interlocal Agreement between King County and the City of Kirkland for the Juanita-Finn Hill-Kingsgate annexation area.
2. The proposed preliminary subdivision would comply with the goals and objectives of the King County Comprehensive Plan and would comply with the requirements of the Subdivision and Zoning Codes and other applicable land use controls of King County.
3. The proposed preliminary subdivision as conditioned makes adequate provision for open spaces, drainage ways, rights-of-way, easements, water supply, sanitary waste, power service, parks, playgrounds and schools, and will serve the public use and interest, and is consistent with the public health, safety, and welfare.
4. As conditioned, the proposal meets the applicable criteria and should be approved.

Decision

The application for the preliminary subdivision, is hereby **APPROVED**, subject to the following conditions:

Before Recording of the Final Plat:

1. Compliance with all platting provisions of Title 19A of the King County Code.
2. All persons having an ownership interest in the subject property shall sign on the face of the final plat a dedication that includes the language set forth in King County Council Motion No. 5952.

Juanita Townhomes Preliminary Subdivision
SUB13-00739
Page 4 of 6

3. The plat shall comply with the base density and minimum density requirements of the R-24 zone classification. All lots shall meet the townhouse subdivision requirements of the R-24 zone classification or shall be shown on the face of the approved preliminary plat, which is larger, except that minor revisions to the plat which do not result in substantial changes may be approved at the discretion of the Department of Permitting and Environmental Review (DPER).

Any/all plat boundary discrepancies shall be resolved to the satisfaction of DPER prior to the submittal of the final plat documents. As used in this condition "discrepancy" is a boundary hiatus, an overlapping boundary or a physical appurtenance which indicates an encroachment, lines of possession or a conflict of title.

4. The private road shall be striped with "No Parking-Fire Lane signage" per the City's Fire Code. Alternatively, a letter from the Homeowners Association may be provided to state that the homeowners will "self police" the development of illegal blocking of access. As such time any complaints are received or illegal parking becomes a problem, as determined by the City, the "No Parking-Fire Lane" signage and marking shall be installed at the HOA's expense.
5. The edge of the covered porches and building extensions shall be modified if necessary to meet IRC section R302.
6. All applicable requirements of KCC 9.04 and the 2009 Surface Water Design Manual (SWDM) must be satisfied during the final review, or an adjustment or other approval shall be obtained from the City on the existing detention/water facility. The existing detention/water quality facility shall be improved as required by the City.
7. All utilities within the proposed right-of-way must be included within a franchise approved by the City.
8. A homeowners' association or other workable organization shall be established to the satisfaction of the City which provides for the ownership and continued maintenance of the recreation and private road tract and drainage facility.
9. The applicant shall submit to the City a completed Final Subdivision Application along with all applicable materials and fees for review and approval by the City.
10. The final subdivision shall comply with applicable City Codes.
11. Development of the subject property may require registration with the Washington State Department of Licensing, Real Estate Division.

12. Preliminary approval of this application does not limit the applicant's responsibility to obtain any required permit or license from the State or other regulatory body.

Entered this 11th day of June, 2013.



Anne Watanabe
Hearing Examiner

Exhibits:

1. KC DPER staff report and attachments 1 and 2
Attachment 1: Preliminary subdivision plan
Attachment 2: Applicant's written narrative regarding project history

Persons testifying at hearing:

Tony Leavitt, Planner, Planning and Community Development
Fereshteh Dehkordi, KC DPER
Peter Frame, Juanita Townhomes LLC

Parties of record:

King County
City of Kirkland
Juanita Townhomes, LLC
Tri-County Land Surveying Co

APPEALS AND JUDICIAL REVIEW

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

APPEAL TO THE CITY COUNCIL

Section 150.80 of the Zoning Code allows the Hearing Examiner's decision to be appealed by the applicant and any person who submitted written or oral testimony or comments to the Hearing Examiner. A party who signed a petition may not appeal unless such party also submitted independent written comments or information. The appeal must be in writing and must be delivered, along with any fees set by ordinance, to the Planning Department by 5:00 p.m., July 1, 2013, fourteen (14) calendar days following the postmarked date of distribution of the Hearing Examiner's decision on the application.

JUDICIAL REVIEW

Section 150.130 of the Zoning Code allows the action of the City in granting or denying this zoning permit to be reviewed in King County Superior Court. The petition for review must be filed within 21 calendar days of the issuance of the final land use decision by the City.

SUBSEQUENT MODIFICATIONS

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

LAPSE OF APPROVAL

Under Section 22.16.130 of the Subdivision Ordinance, the owner must submit a final plat application to the Planning Department, meeting the requirements of the Subdivision Ordinance and the preliminary plat approval, and submit the final plat for recording, within four years following the date the preliminary plat was approved or the decision becomes void; provided, however, that in the event judicial review is initiated per Section 22.16.110, the running of the four years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the recording of the plat.

**BEFORE THE HEARING EXAMINER
 CITY OF SEATTLE**

CERTIFICATE OF SERVICE

I certify under penalty of perjury under the laws of the State of Washington that on this date I sent true and correct copies of the attached FINDINGS AND DECISION to each person listed below, or on the attached mailing list, in the matter of JUANITA TOWNHOMES LLC, Hearing Examiner File SUB13-00739, in the manner indicated.

Party	Method of Service
Tony Leavitt Land Use Planner City of Kirkland tleavitt@kirklandwa.gov	<input type="checkbox"/> U.S. First Class Mail, postage prepaid <input type="checkbox"/> Inter-office Mail <input checked="" type="checkbox"/> E-mail <input type="checkbox"/> Fax <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Legal Messenger
Planning and Development Admin. City of Kirkland planningadmin@kirklandwa.gov	<input type="checkbox"/> U.S. First Class Mail, postage prepaid <input type="checkbox"/> Inter-office Mail <input checked="" type="checkbox"/> E-mail <input type="checkbox"/> Fax <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Legal Messenger

Dated: June 11, 2013


 Name: Linda Vee
 Title: Legal Assistant

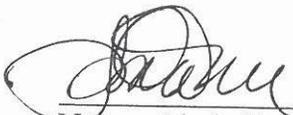
**BEFORE THE HEARING EXAMINER
CITY OF SEATTLE**

CERTIFICATE OF SERVICE

I certify under penalty of perjury under the laws of the State of Washington that on this date I sent true and correct copies of the attached ORIGINAL DECISION AND RECORD to each person listed below, or on the attached mailing list, in the matter of JUANITA TOWNHOMES LLC, Hearing Examiner File SUB13-00739, in the manner indicated.

Party	Method of Service
Tony Leavitt City of Kirkland Planning & Community Development 123 Fifth Avenue Kirkland, WA 98033	<input checked="" type="checkbox"/> U.S. First Class Mail, postage prepaid <input type="checkbox"/> Inter-office Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Legal Messenger

Dated: June 11, 2013



 Name: Linda Vee
 Title: Legal Assistant



King County

DEPARTMENT OF PERMITTING AND ENVIRONMENTAL REVIEW
 KING COUNTY, WASHINGTON
 35030 SE Douglas Street, Suite 210
 Snoqualmie, WA 98065-9266
 Phone: 206-296-6600

**PRELIMINARY REPORT TO THE CITY OF KIRKLAND
 PUBLIC HEARING TO BE DETERMINED BY THE CITY**

PROPOSED PLAT OF JUANITA TOWNHOMES FILE NO: PLAT13-0001

PROPOSED ORDINANCE NO: _____

A. SUMMARY OF PROPOSED ACTION:

This is a request to void the previously recorded Binding Site Plan (BSP) and replace it with a subdivision of the 1.39- acre site, zoned R-24 into 24 subdivided lots for attached single-family dwellings. The lot size ranges from approximately 1,361 to 2,511 square feet. See Attachment 1 for a copy of the proposed site plan. The road, drainage facility and dwellings have been constructed.

B. GENERAL INFORMATION:

Owner/Developer: Juanita Townhomes LLC
 Peter Frame
 16419 40th Place West
 Lynnwood, WA 98037
 (206) 963-0840

Surveyor: Tri-County Land Surveying Co.
 4610 200 Street SW Suite A
 Lynwood, WA 98036
 (425) 776-2926

STR: SW ¼ 20-26-05
 Location: North of NE 132nd Street & approx. 200 feet east of 100 Ave NE
 Zoning: R-24 (Residential 24 units per acre)
 Acreage: 1.4 acres
 Number of Lots: 24
 Proposed density: Approximately 17 du/acre
 Lot Size: Ranges from approximately 1,361 to 2,511 square feet
 Proposed Use: Single Family attached Dwellings
 Utility District: Northshore Utility District
 Fire District: City of Kirkland
 School District: Lake Washington # 414
 Application Date: January 25, 2013
 Date Determined Complete
 For subdivision application: February 8, 2013
 The proposed 24-units residential development was vested under the building permit application, KCC File B06L0886.

Other Associated Permits: Binding Site Plan Application No. B06L0886

C. HISTORY/BACKGROUND:

The 24-unit, 5-building townhome condominium project was developed under a commercial building permit (KCC File B06L0886) beginning in 2006 with the completion of road and drainage infrastructures and residential units in 2008. Subsequently a maintenance bond for a storm drainage system and other infrastructure including a recreation tract and landscaping was released upon final inspection and approval.

The project allowed for 24 attached townhome condominium units accessed from NE 132nd Street via a privately owned and maintained road. The 20-foot wide private road with 5-foot wide sidewalks on each side (north-south section) with rolled curbs and a T-intersection at its north terminus was constructed to access the project. An underground storm detention vault was constructed on the east side of the private on-site road in front of lot 22 with a recreation tract adjacent to and south of the detention vault. All frontage improvements along NE 132nd including a sidewalk and landscaping were completed as part of the condominium project.

In June of 2008 the condominium project was completed and the units were placed on the market for sale. The near collapse of the financial market and new financing regulations made the sale of each unit difficult if not impossible.

To avoid foreclosure and in effort to make the financing of units more feasible, on January 2011 Juanita Townhomes LLC proposed to convert the 24-unit condominium project into 24 fee simple lots where each lot would be occupied by the already constructed unit through the provision of a Binding Site Plan (BSP) process offered under KCC 19A.20.020. On June 2011, the development site was part of area annexed to the City of Kirkland. The review and approval of the BSP with all its required conditions was completed and the BSP was recorded on September 2011. Although the intent was to convert the condominium units into residential units on fee-simple lots, this intent was not achieved by the BSP process.

On January 25, 2013, after consultation with the King County Department of Permitting and Environmental Review (DPER) and the City of Kirkland, the applicant filed for a new subdivision application to be processed by the county since all roads, drainage and building constructions were built to the county standards. Through the subdivision process, the applicant will completely void the BSP/condominium lots, and replace them with subdivided fee simple lots under each unit (Ch. 19.A KCC). KCC 21A.12.030 allows modification of lot width and other setback requirements for townhouse subdivision allowing the residential units to remain attached with no side yard setbacks. See Attachment 2 for the project's permitting narrative.

The Subdivision Technical Committee (STC) of King County has reviewed the previous permit files, conducted an on-site examination of the subject property and collected other pertinent new information submitted as part of this file. The STC has discussed the proposed development with the applicant to clarify technical details of the application, and to determine the compatibility of this project with applicable King County plans, codes, and other official documents regulating this development.

D. SEPA THRESHOLD DETERMINATION OF NON-SIGNIFICANCE:

Pursuant to the State Environmental Policy Act (SEPA), RCW 43.21C, the DPER responsible official issued a threshold determination of non-significance (DNS) for the project on September 1, 2006 under the KC File B06L0886. This determination was based on the review of the environmental checklist and other pertinent documents, resulting in the conclusion that the project would not cause probable significant adverse impacts on the environment. Therefore, an Environmental Impact Statement (EIS) was not required prior to proceeding with the review process for completion of the townhouses.

Agencies, affected Native American tribes and the public were offered the opportunity to comment on the determination.

Since the project and all its associated improvements were constructed and all environmental reviews were performed under the previous permit, DPER has determined that the environmental review standards under the SEPA for this subdivision proposal are satisfied.

E. AGENCIES CONTACTED:

1. King County Department of Natural Resources and Parks: The comments from this division have been incorporated into this report.
2. King County Fire Protection Engineer: Comments from the Fire Engineer have been incorporated in this report.
3. Lake Washington School District: Comments from this district have been incorporated into this report.
4. Washington State Department of Ecology: No response.
5. Washington State Department of Fish and Wildlife: No response.
6. Washington State Department of Natural Resources: No Response
7. Washington State Department of Transportation: No response.
8. METRO: No response.
9. City of Kirkland: Comments from the city have been incorporated into this report.

F. NATURAL ENVIRONMENT:

1. **Topography:** The project's site is graded and covered by the townhome development, associated road and driveways. The property is generally flat.
2. **Soils:** According to the Environmental Assessment Report prepared by Environmental Associates Inc., dated March 17, 2006 and submitted for construction of the townhomes, the material underlying the subject site is predominately light gray sand and gravel deposit, a recessional stratified drift about 100 feet or more thick.
3. **Wetland/streams:** No streams or wetlands are present on the site.
4. **Vegetation:** The majority of the site is covered by buildings and road. Small lawn areas and ornamental landscaping shrubs adorn the townhouse's small yards. Prior to this project, the site was developed with an office building, parking lot and associated landscaping.
5. **Wildlife:** Small birds and animals common in urban settings may inhabit this site. However, their population and species are limited due to nearby urban development.

G. NEIGHBORHOOD CHARACTERISTICS:

The property lies in a neighborhood west of I-405 recently annexed (June 2011) by the City of Kirkland. The area surrounding the site consists of single family residences to the west and south directly across the street from the site. There are mixed residential and commercial uses in the vicinity of the site. Before the construction of the townhomes, the property was developed as an office building and associated parking.

H. SUBDIVISION DESIGN FEATURES:

1. **Lot Pattern and Density:** The proposed lots range from 1,361 square feet (smallest) to 2,923 square feet (largest). The lot width for each lot also varies from 20 feet to 34 feet. KCC 21A.08.030(3) allows for modification of lot standards for townhouse subdivisions. The 5 townhouse structures were built in accordance with the standards of KCC 21A.14 for townhouse developments.
2. **Internal Circulation:** Access to the townhome development is provided by NE 132nd Street via an on-site private access road which is extended north from NE 132 Street with a T-intersection extending east and west terminating at the property boundaries. Creation of the proposed lots will not change access to each individual unit and its underlying lot.

3. **Roadway Section:** The private access road was constructed as a 20-foot wide pervious paved surface and 5-foot sidewalks on both sides. The interior road extends north from NE 132nd street, terminating in a T-intersection (hammerhead). The T-intersection extends the width of the site in east west directions with a 20-foot wide pervious pavement. All units have direct driveway connection to the interior road way. The T-intersection provides a turnaround opportunity for the vehicles using the development. Parking along the private road is limited due to its width and existing driveways. The roadway is privately maintained by the Home Owners Associations (HOA) and is proposed to remain privately owned and maintained.

The BSP created a private access tract for the roadway that would not meet the required standards to be accepted for public ownership and maintenance. Additionally, the existing hammerhead at the T-intersection and its width does not meet the King County Road & Construction Standards (KCR&CS) for access to a 24-lot subdivision. The road was constructed as a commercial type access/drive to provide access to a residential condominium complex and currently meets the needs of its residents. The City reviewed the proposal and has concluded that the existing private road meets the City's requirements.

4. **Drainage:** The project site is located within the Juanita Creek WRIA 8 drainage basin. The underground drainage/water quality vault was constructed under the building permit as a commercial facility that would be privately maintained. The facility was inspected and approved, and the HOA assumed the maintenance responsibility. The BSP created a tract and easement for this facility, and the HOA is responsible for its maintenance and operation. The KCSWDM requires public maintenance of drainage facilities for subdivisions and a drainage adjustment may be required from the City of Kirkland to remain in private maintenance.

I. TRANSPORTATION PLANS:

1. **Transportation Plans:** The King County Transportation Plan indicates that NE 132nd Street, fronting the south boundary of the site, is designated as a Minor Arterial. The subject subdivision is not in conflict with this plan.
2. **Subdivision Access/Neighborhood Circulation:** The site abuts NE 132nd Avenue on the south and has direct access to it via a private access road. A T-intersection/hammerhead is provided for vehicles turnaround.
3. **Traffic Generation:** Approximately 240 vehicle trips per day are generated by this development. This calculation includes service vehicles (i.e., mail delivery, garbage pick-up, school bus) which currently serve this neighborhood, as well as work trips, shopping, etc. The proposed subdivision will not change or increase traffic generated by this development.
4. **Adequacy of Arterial Roads:** This proposal was reviewed under the criteria in King County Code 14.70, Transportation Concurrency Management; 14.80, Intersection Standards; and King County Code 14.75; Mitigation Payment System.
 - a. King County Code 14.70 – Transportation Concurrency Management: The zone this site is located in, had passed concurrency at the time of permit review for construction of the townhomes.
 - b. King County Code 14.80 – Intersection Standards: The projected traffic for the townhouse units met the intersection standards. The existing arterial system at the time could accommodate the increased traffic volume generated by the 24 unit townhomes. The proposed subdivision will not increase any additional traffic to the nearby intersection.
 - c. King County Code 14.75 – Mitigation Payment System: All MPS fee for this development has been paid. No additional MPS fee will be required for this subdivision.

J. PUBLIC SERVICES:

1. **Schools:** This proposal has been reviewed under RCW 58.17.110 and King County Code 21A.28 (School Adequacy).

- a. **School Facilities:** The subject subdivision will be served by Keller Elementary, Kamiakin Junior School and Juanita High School, all located within the Lake Washington School District.
 - b. **School Impact Fees:** King County Code requires that an impact fee per lot be imposed to fund school system improvements to serve new development within this district. All payment fees for this development have been paid.
 - c. **School Access:** The District has indicated that the current students from this subdivision walk to the elementary and senior high schools while the junior high students are bussed to school. There are sidewalks along the routes to the bus pick up area at the intersection of NE 132nd Street and 100 Avenue NE and along the routes to both elementary and senior high schools.
2. **Parks and Recreation Space:** The nearest public parks are located over a mile northwest and east of the site.

KCC 21A.14 requires subdivisions in the UR and R zone classifications to either provide on-site recreation space or pay a fee to the Parks Division for establishment and maintenance of neighborhood parks. KCC 21A.14.180 requires subdivisions to provide 390 square feet of recreation space per lot. The townhouse development has created a recreation tract and tot lot area on the site. The required recreation facility for this development was satisfied under the commercial building permit for the townhouses.

3. **Fire Protection:** Fire access was approved for the fire emergency access for construction of the 24-unit townhomes. As part of the subdivision proposal, the King County Fire Engineer requires that the asphalt be striped by "No Parking-Fire Lane" and additional signage for emergency services. The City recommends that in lieu of providing "No Parking-Fire Lane," the homeowners association may provide a letter to the Fire Department which states the homeowners will "self police" the development for illegal blocking of the access. At such time as any complaints are received or illegal parking becomes a problem, the "No Parking-Fire Lane" signage and markings must be provided at the expense of the homeowners. See Condition 4.

The townhome units were built with two one-hour fire resistive wall assembly separation along its common walls. In accordance with International Residential Code (IRC) Section R302 walls and projections within five feet of a property line must be one-hour fire resistive construction. This requirement must be extended to the edge of the covered porches and building extensions that are less than five feet from the property lines. Additionally IRC section R302 does not allow any openings in walls within three feet of a property line.

K. UTILITIES

1. **Sewage Disposal:** The site is served by Northshore Utility District and all units are connected and are served by public sewer line. There will be no change to the sewer facility as a result of this subdivision.
2. **Water Supply:** The site is served by the Northshore Utility District. All units are connected to water service provided and managed by the utility district. No change to the water facility will result from this subdivision.

L. COMPREHENSIVE AND COMMUNITY PLAN:

Comprehensive Plan: The townhome project was governed by the King County Comprehensive plan which designates this area as Urban. The proposed subdivision is not in conflict with the policies of the Comprehensive Plan.

M. STATUTES/CODES:

If approved with the recommended conditions in this report, the proposed subdivision will comply with the requirements of the County and State Platting Codes and Statutes, and

the lots in the proposed subdivision will comply with the minimum dimensional requirements of the zone district.

N. Analysis

Juanita Townhomes were approved and constructed under KC building permit file B06L0886 under a commercial residential review process. The permit allowed the access road, water quality and drainage system to be privately maintained. The access road and the existing drainage facility do not meet all King County road and surface water management requirements for publically maintained facilities.

1. Drainage, KCSWDM:

The 2009 King County Surface Water Design Manual (KCSWDM) for drainage improvements for a residential subdivision would require a slightly higher level of water quality and runoff control. It also requires that the facility be publicly owned and maintained. The existing drainage facility also does not meet the required setback for a publicly maintained facility. The 2009 KCSWDS requires larger vault to reduce the peak discharge rate. Given the small area of the subdivision and the low discharge rate, the existing facility should adequately handle surface water drainage at peak discharge flow rates and water quality treatment as it has done consistently since its completion in 2008.

To allow the drainage facility as constructed and maintained privately would require approval of a drainage adjustment under the 2009 KCSWDM. Since the property is now annexed to the City, in accordance with the interlocal agreement (ILA) between the county and the city, such adjustment would be considered by the City of Kirkland. To reconstruct the road and drainage system to the current standards would require a major alteration to the existing road and drainage system without a substantial benefit to the functionality of the system. The city may choose to not require an adjustment to keep in place the adequately functioning system and retain ownership and maintenance of the facility by the HOA.

Currently, the privately maintained drainage facility adequately serves the development. No additional impact to the service level of drainage facility is anticipated as a result of this subdivision action.

2. Road, KCRD&CS:

The private access road was built as a private drive to provide access to the 24-condominium townhome complex. The private access drive met the code requirement for a townhome condominium development. The 2007 KCRD&CS requires dedication of a public road when serving more than 16 lots. KCRD&CS also requires provision of a cul-de-sac at the terminus of a road longer than 150-feet from the centerline of the intersecting road. The public road would be required to be 22 feet wide for a local access road, and to have sidewalk along the entire length. Since the road does not meet the current standard, a variance would be required to meet the KCRDCS. Per the ILA, the road variance if required by the City of Kirkland would be reviewed by the city.

The City of Kirkland Public Works Department has reviewed the private access road and concluded that it meets City requirements. No additional impact to the service level of this road and its access to NE 132nd Street are anticipated as a result of this subdivision action.

3. Fire Requirements:

The existing private road and the hammerhead at its terminus satisfy fire emergency access requirements. The King County Fire Marshal recommends stripping of the asphalt within the private road with "No Parking-Fire Lane" signage. The City has reviewed the proposal and visited the project site and recommends that in lieu of stripping the road, the HOA may provide a letter to the Fire Department proposing "self policing" of the development for illegal blocking of access for fire emergency.

4. Fire and Building Code:

The townhome units do not meet the International Residential Code (IRC) Section R302. The edge of the covered porches and building extensions must be modified to

meet the one-hour fire resistive construction. IRC section R302 does not allow any openings in walls within three feet of a property line.

5. Public Response:

Adjoining property owners within 500 feet of the subject property were mailed public notice of the applicant's proposal. The applicant's signed 'affidavit of posting' affirming the applicant posted the subject property with the notice of application was returned to King County and placed in the subject file. Legal notice was published in the Seattle Times and the Kirkland Reporter.

No comments were received regarding this application.

O. CONCLUSIONS:

The Juanita Townhome development with its associated improvements has adequately served the project residents since its completion. No additional impact will result as part of this subdivision action. The subject subdivision will comply with the goals and objectives of the King County Comprehensive Plan and will comply with the requirements of the Subdivision and Zoning Codes and other official land use controls of King County based on the conditions for final plat approval.

P. RECOMMENDATIONS:

It is recommended that the subject subdivision, revised and received November 16, 2012, be granted preliminary approval subject to the following conditions of final approval:

1. Compliance with all platting provisions of Title 19A of the King County Code.
2. All persons having an ownership interest in the subject property shall sign on the face of the final plat a dedication that includes the language set forth in King County Council Motion No. 5952.
3. The plat shall comply with the base density and minimum density requirements of the R-24 zone classification. All lots shall meet the townhouse subdivision requirements of the R-24 zone classification or shall be shown on the face of the approved preliminary plat, whichever is larger, except that minor revisions to the plat which do not result in substantial changes may be approved at the discretion of the Department of Permitting and Environmental Review.

Any/all plat boundary discrepancy shall be resolved to the satisfaction of DPER prior to the submittal of the final plat documents. As used in this condition, "discrepancy" is a boundary hiatus, an overlapping boundary or a physical appurtenance which indicates an encroachment, lines of possession or a conflict of title.
4. The Private road shall be striped with "No Parking-Fire Lane signage" per the City's Fire Code. Alternatively, a letter from the Homeowners Association may be provided to state that the homeowners will "self police" the development for illegal blocking of access. As such time any complaints are received or illegal parking becomes a problem, No Parking-Fire Lane signage and marking shall be installed at the HOA's expense.
5. The existing private access road was reviewed by the City of Kirkland Public Works Department and was determine that no additional improvements were required.
6. The edge of the covered porches and building extensions shall be modified to meet the IRC section R302.
7. All applicable requirements in K.C.C. 9.04 and the 2009 Surface Water Design Manual (SWDM) must be satisfied during the final review, or an adjustment or other approval shall be obtained from the City of Kirkland on the existing detention/water quality facility.

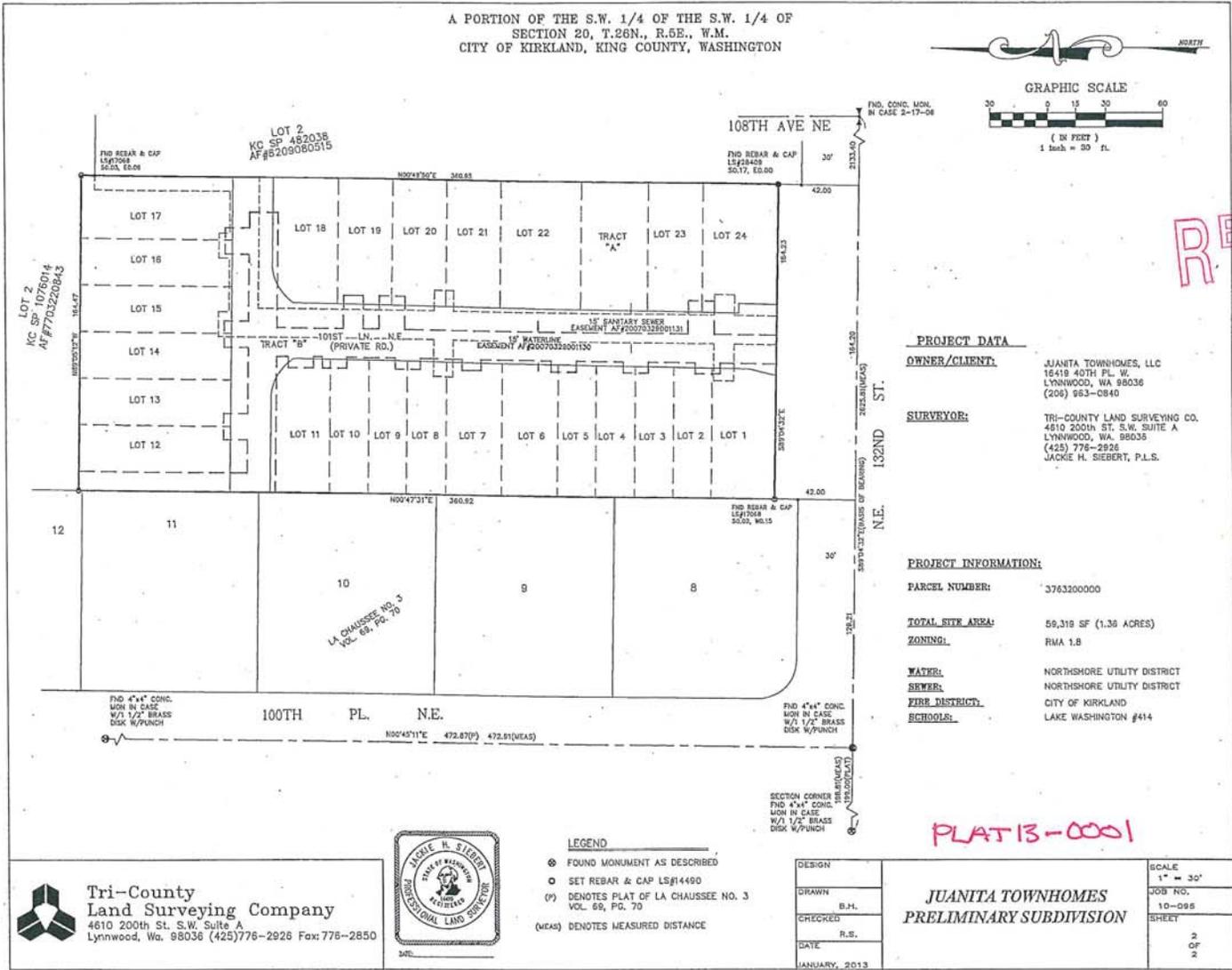
- a. The existing detention/water quality shall be improved as required by the City of Kirkland.
- 8. All utilities within proposed rights-of-way must be included within a franchise approved by the City prior to final plat recording.
- 9. A homeowners' association or other workable organization shall be established to the satisfaction of the City which provides for the ownership and continued maintenance of the recreation and private road tract and drainage facility.
- 10. The applicant shall submit to the City of Kirkland a completed Final Subdivision Application along with all applicable materials and fees for review and approval of the City.

Q. OTHER CONSIDERATIONS:

- 1. The subdivision shall comply with applicable City of Kirkland Codes.
- 2. Development of the subject property may require registration with the Washington State Department of Licensing, Real Estate Division.
- 3. Preliminary approval of this application does not limit the applicant's responsibility to obtain any required permit or license from the State or other regulatory body.

R. TRANSMITTED TO PARTIES LISTED HEREAFTER:

Sandin, Randy, Supervisor
Johnson, Molly, Development Engineer
Pat Simmons, Engineer
Ossewaarde, Mark, Fire Marshall Office
Goll, Shirley, AS II
Dehkordi, Fereshteh, Project Manager
Steinkamp, Mark, Plan Examiner
City of Kirkland
Juanita Townhomes, LLC, Owner/Developer
Tri-County Land Surveying Co., Surveyor



ATTACHMENT 1
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PAGE 2

Tri-County Land Surveying Company
4610 200th St. S.W. Suite A
Lynnwood, Wa. 98036 (425)776-2926 Fax:776-2850



Juanita Townhomes, Kirkland WA – Brief History

Purchased in early 2006, as a former residential home site, by a development LLC made up Patrick Carroll, Peter Frame, both Developers, Roosevelt Properties LLC (Investor) and a private Investor (the Land Seller), *Juanita Townhomes* was designed as a 24 unit attached condominium townhome project spread over 5 buildings (duplex to 6-plex). Units were designed as 2 and 3 story attached (common wall) units, with attached private 2 car garages, fronting along a 24' private driveway (to back of curb) with hammerhead turnaround. Full public and private utilities were extended into the site. A small community park (private) was designed to go on top of the 17,000 cu ft. retention/detention vault to substantially meet open space requirements.

A Pre-application meeting with KC staff occurred in Spring 2006 to discuss development issues. The site was zoned R-24P, with the p-suffix *unrelated* to the proposed residential multifamily use. The proponents received no staff feed-back suggesting unmanageable design or site infrastructure conditions inherent with the preliminary proposal. The site was not in a floodplain for nearby Juanita Creek and was not impacted by traffic concurrency problems. All utilities required for the development were extended to the property with proper capacity. Geo-tech investigation by the proponents confirmed the site was overlain by 30+ feet of medium dense, well-drained sands, ideal for development and construction and on-site storm water disposal. SEPA analyses and engineering studies of storm, sanitary sewer and water found no unresolvable design problems. Site Grading, as designed, called for an import of only 4000 cy of fill, which was efficiently met by a local area development with excess cut material. The 300 lf private drive was designed with two 4' sidewalks (per KC planning Dept request) and the hammerhead turnaround was approved by the Fire Marshall. All road and storm improvements were to be owned privately by the development owners, later the condominium buyers, subject to appropriate easements and covenants to maintain.

Permitting/Construction A full building permit application was submitted in accordance with the above design guidelines in mid- 2006 and the permit was issued in Spring 2007. Demolition of a two- story former Res-SF structure was completed in Feb/March 2007, followed by site grading and construction of the concrete retention/detention vault and concrete perimeter retaining walls in April/May/June. Building Foundations (5) were started in June 2007 and framing commenced in mid- summer. Substantial completion of the buildings and the sitework occurred by June 2008 with Certificates of Occupancy issued for all five buildings in mid-August 2008. A perpetual agreement for easements, containing provisions for the private maintenance of the storm system, both in favor of King County, was recorded at this time. Maintenance bonds for the infrastructure components (road and storm, including offsite improvements along NE 132nd St, water and sanitary sewer and landscaping were posted and all were later released upon final inspection and acceptance of the improvements after their 1 or 2 year terms.

Sales and Operations of the Project In June 2008 the completed condominium townhomes were listed for sale. By late 2008 the September economic collapse had rendered further sales efforts pointless and the condominiums were taken off the market. Only one unit had been sold in the first hours after the grand opening, to an all cash buyer who did not need mortgage financing. The developers prepared to

PLAT 13-0001

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lease the units so that the existing financing could be maintained and foreclosure averted. As the property was being leased to the public by the proponents in early 2009, the Federal National Mortgage Assoc and HUD-FHA placed tighter lending rules on residential mortgages for condominiums, effectively making it nearly impossible to sell newly developed condominiums. In particular in early 2010, HUD-FHA placed very stringent "pre-sale" requirements on owners of condominium projects, that had previously leased their units as rentals in order to survive the economic downturn. This requirement forced developers to sell 91% of their units in aggregate before a FNMA lender (almost all lenders in the local market) could close on even the first sale obtained. To accumulate this level of sales, the Juanita Townhomes proponents would have needed to sell 20 of the 24 units, stockpiling them, unclosed, for months in an extremely slow market. This plan was economically and financially unfeasible, so the sales marketing was stopped and the project remained a rental project as the developers waited for an economic turn-around. In June- August 2010 the Proponents attempted to sell a few units, testing the financing market for "spot" lenders (non-FNMA approved sales). The selected units were listed at prices discounted by almost 20%. No units were sold during this period and the few prospects and/or realtors who viewed the units expressed concerns as to the lack of Developer-sponsored financing, without which there would not be sales. Accordingly the sales effort was terminated and the proponents searched for and considered alternative strategies to sell the units, without the financing yoke that faced condominium developments .

Termination of the Condominium/ Recording the Binding Site Plan One of the development partners experienced the "Zero Lot Line" structure of residential development ("Unit Lot Subdivision"), while consulting on a project in the City of Seattle. These townhomes were regarded as if single family detached units, as far as mortgage financing was concerned, without any of the restrictions faced by condominiums. So the proponents approached King County to see if the Juanita townhomes project could be converted to something similar, terminating the unworkable condominium structure in the process. After some discussions with traffic and engineering staff regarding more technical issues of road widths, storm drainage capacity, the hammerhead turn-around, etc., KC DDES informed the proponents that a conversion to fee title townhomes lots could be accomplished with a Binding Site Plan ("BSP") conversion. The BSP would create 24 fee simple lots varying size. All lots and the townhome unit contained within each lot, would share at least one demising wall with another townhome unit, located along a separating lot line. With administrative variances available to solve the few technical engineering issues, above, the conversion to a Binding Site Plan was preliminarily blessed by King County and document processing commenced in the Fall of 2010 by Juanita Townhomes LLC.

By mid-January 2011, the variance requests and supporting studies, as well as a proposed Binding Site Plan containing 24 lots, and application/processing fees were submitted for engineering and planning review and approval by DDES. After numerous reviews and requested changes to the physical binding site plan document, plus requested changes to the existing Declaration of Covenant, Conditions and Restrictions ("CCR's"), in which all references to the prior Condominium and its Condominium Homeowners Association were removed and replaced by similar language for the Binding Site Plan of finished lots with Homeowners Association, the entire package was ready for final signatures and pre-recording review by outside KC Departments. The review by KC continued past June 1, 2011, the date

that the project and its surrounding environs were formerly annexed into the City of Kirkland. That necessitated a final review by City staff of the entire Binding Site Plan. Fortunately, their review was a short one and they accepted every condition and decision made by the County. The mylar plans were revised for City approvals and the remaining required signatures by the proponents and their lenders, plus the various KC Departments, were obtained and the entire Binding Site Plan package was recorded on September 28, 2011. With the condominium apparently terminated, replaced by attached units on fee title lots, a sales program buoyed by conventional mortgage financing was envisioned for the project as soon as units could be made marketable and in the early Spring of 2012.

Current Problem/ Proposed Resolution A smooth and controlled sell-out of Juanita townhomes was not to be, however. A combination of four sales involving two existing renters and two outside purchaser prospects were generated by mid-2012, thanks to a slow but ever-improving residential market and very low interest rates. The first Closing was to happen in September. It did not. The Binding Site Plan was recorded with murky language that did NOT eliminate the condominium legal structure. The Assessor and the County Recorder then advised the proponents to separately terminate the condominium with a single two page agreement which was done in late August. At the same time, land use, legal review determined that under King County's own Binding Site Plan Ordinance, *the preservation of the recorded condominium structure was a requirement in order to record a residential binding site plan.* This, of course, defeated the very objective desired by the proponents in seeking a conversion to the Binding Site Plan in the first place. In any event, with the condominium terminated and an invalid Binding Site Plan, the status of the property for future sales became first uncertain and then, untenable.

A further land use process to resolve this problem had to be identified quickly, so that the pending sales could close and additional units sold and financed by valid residential mortgages. Discussions with KC staff to resolve this problem have been on-going since early September 2012. Currently, at least one of the four pending sales has been lost, due to the delays in finding a solution to the invalid Binding Site Plan. It is hoped that the subject Townhome subdivision process, envisioned now by KC DPER, will be efficiently processed and that the remaining pending sales can be held together and finally closed and that future sales can be processed in a normal fashion.

Processing Steps/ SEPA The Applicant/Proponent Juanita Townhomes, LLC has prepared, for re-submission to KC for this proposed new subdivision review, a compendium of prior development plans, permit approvals and studies that fully describe the 24 unit project, as constructed and approved by KC, including Development Bond releases and Certificates of Occupancy for all five constructed buildings. Also submitted is the original SEPA checklist from 2006 which provided information and copies of numerous studies, prepared by the proponents, to describe the current condition on the development site and of the surrounding infrastructure (traffic, schools, parks, etc). This new proposal for a Townhome Subdivision changes nothing with respect to any of the issues described and analyzed within the prior SEPA checklist. Only the legal form of ownership of the completed residential townhomes will be changed to incorporate ownership of the townhome plus front, rear and in some cases, side yard space. The addition of new lot lines would be made on a subdivision plat map. There are no physical changes to be made to the completed and occupied project. There will be no changes to the expected

PLAT OF
JUANITA TOWNHOMES

A PORTION OF THE S.W. 1/4 OF THE S.W. 1/4 OF
SECTION 20, T.26N., R.5E., W.M.
CITY OF KIRKLAND, KING COUNTY, WASHINGTON

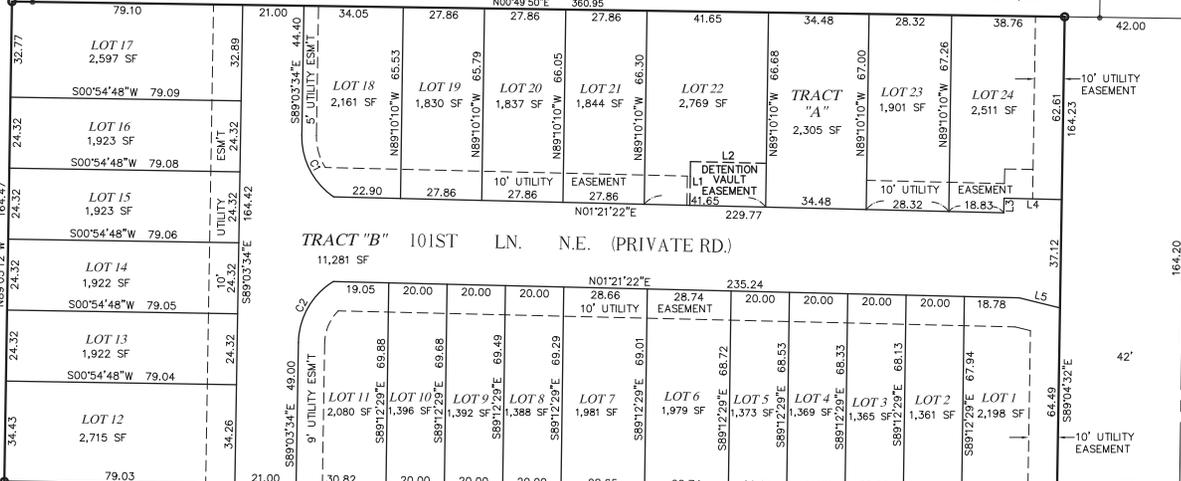
108TH AVE NE

FND. CONC. MON.
IN CASE 2-17-06

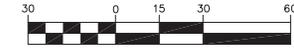
FND REBAR & CAP
LS#17068
S0.03, E0.06

LOT 2
KC SP 482038
AF #8209080515

FND REBAR & CAP
LS#28409
S0.17, E0.00



GRAPHIC SCALE



(IN FEET)
1 inch = 30 ft.

LEGEND

- ⊕ FOUND MONUMENT AS DESCRIBED
- SET REBAR & CAP LS#14490
- (P) DENOTES PLAT OF LA CHAUSSEE NO. 3 VOL. 69, PG. 70
- (MEAS) DENOTES MEASURED DISTANCE

LOT 2
KC SP 1076014
AF #7703220843

LA CHAUSSEE NO. 3
VOL. 69, PG. 70

12

11

10

9

8

FND 4"x4" CONC.
MON IN CASE
W/1 1/2" BRASS
DISK W/PUNCH

FND 4"x4" CONC.
MON IN CASE
W/1 1/2" BRASS
DISK W/PUNCH

BASIS OF BEARING
MONUMENTED CENTERLINE OF N.E. 132ND ST.,
BEING SOUTH 89°04'32" EAST PER PLAT OF LA
CHAUSSEE NO. 3, VOLUME 69, PAGE 70 OF
PLATS, RECORDS OF KING COUNTY, WASHINGTON.

INSTRUMENTATION NOTE:
INSTRUMENTATION FOR THIS SURVEY WAS A ONE
SECOND TOTAL STATION. PROCEDURES USED IN
THIS SURVEY WERE FIELD TRAVERSE, MEETING OR
EXCEEDING STANDARDS SET BY WAC
332-130-090.

LINE	LENGTH	BEARING
L1	15.00	N89°10'10"W
L2	26.00	N01°21'22"E
L3	5.00	S88°38'38"E
L4	19.92	N01°21'22"E
L5	14.42	S13°51'03"W

CURVE	LENGTH	RADIUS	DELTA
C1	24.75	25.00	56°43'28"
C2	25.11	25.00	57°33'21"



SECTION CORNER
FND 4"x4" CONC.
MON IN CASE
W/1 1/2" BRASS
DISK W/PUNCH

Tri-County Land Surveying Company
4610 200th St. S.W. Suite A
Lynnwood, Wa. 98036 (425)776-2926 Fax: 776-2850

DRAWN BY B.H.	DATE JUNE, 2013	JOB NO. 10-096
CHECKED BY R.S.	SCALE 1" = 30'	SHEET

Juanita Townhomes Final Subdivision
 Attachment 3
 SUB-13-00739
 City Council Memo - Enclosure 1
 Juanita Townhomes Final Subdivision

RESOLUTION R-4994

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SUBDIVISION AND FINAL PLAT OF JUANITA TOWNHOMES BEING DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. SUB13-00739 AND SETTING FORTH CONDITIONS TO WHICH SUCH SUBDIVISION AND FINAL PLAT SHALL BE SUBJECT.

WHEREAS, a subdivision and preliminary plat of Juanita Townhomes was approved by the Hearing Examiner on June 11, 2013; and

WHEREAS, thereafter the Department of Planning and Community Development received an application for approval of subdivision and final plat, said application having been made by Juanita Townhomes LLC, the owner of the real property described in said application, which property is within a Residential Multi-family RMA 1.8 zone; and

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

WHEREAS, the site of the subdivision was annexed by the City of Kirkland in June of 2011; and

WHEREAS, prior to annexation and pursuant to the State Environmental Policy Act, RCW 43.21C, an environmental checklist was submitted to King County, reviewed by the responsible official of King County, and a negative determination reached; and

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

WHEREAS, the Director of the Department of Planning and Community Development made certain Findings, Conclusions and Recommendations and recommended approval of the subdivision and the final plat, subject to specific conditions set forth in the recommendation; and

WHEREAS, the City Council, in regular meeting, considered the environmental documents received from the King County responsible official, together with the recommendation of the Director of Planning and Community Development;

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

Section 1. The Findings, Conclusions and Recommendations of the Director of the Department of Planning and Community Development, filed in Department of Planning and Community Development File No. SUB13-00739, are adopted by the Kirkland City Council as though fully set forth.

Section 2. Approval of the subdivision and the final plat of Juanita Townhomes is subject to the applicant's compliance with the conditions set forth in the recommendations adopted by the City Council.

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

Section 4. A copy of this resolution, along with the adopted Findings, Conclusions and Recommendations shall be delivered to the applicant.

Section 5. A completed copy of this resolution, including Findings, Conclusions and Recommendations adopted by reference, shall be certified by the City Clerk who shall then forward the certified copy to the King County Department of Assessments.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Bobbi Wallace, Surface Water and Wastewater Division Manager
Pam Bissonnette, Interim Public Works Director

Date: August 22, 2013

Subject: 2013 CROSS KIRKLAND CORRIDOR - (CKC), DITCH SEDIMENT REMOVAL AND RESTORATION – REJECT BIDS

RECOMMENDATION:

It is recommended that City Council rejects all bids received from a Small Works Roster bid advertisement for ditch sediment removal and restoration for a portion of the Cross Kirkland Corridor (CKC). The City Council will receive an update on the entire CKC Project at the next City Council meeting on September 17th.

BACKGROUND DISCUSSION:

Significant flooding in November 2012 occurred along the CKC in the Parmac industrial area. Since then beaver debris and activity has been identified along the ditch lines. To avoid future flooding this debris must be cleared prior to the next rainy season. The surface water utility is responsible for city-wide ditch maintenance work. In addition, CKC maintenance funds for safety and public access were included in the City's 2012 Park Levy.

As a result of past legal actions, including a petition filed with the Surface Transportation Board (STB) to reactivate freight rail service on the corridor, and a motion for an injunction to prohibit rail removal, staff prepared bid specifications for ditch sediment removal using specialty equipment with the existing rails remaining in-place. The specific work for the ditch drainage maintenance consists of utilizing water quality protection Best Management Practices (BMP's). These include the removal of vegetation and accumulated sediment along the existing ditch lines and re-shaping the ditches to assure proper surface water conveyance, seeding and planting cover for disturbed soils, plus the removal of hazardous illegal dumping and woody debris.



BMP's are required to control sediment and restrict it from entering and damaging adjacent wetlands and waterways of the State. Staff had originally planned to do this maintenance with the rails removed using in-house crews and equipment. However, while awaiting the ruling by the STB, staff sought bids for the use of a specialty hy-rail contractor for performing the work. Staff solicited bids only because of the need for specialty equipment to perform the maintenance with the rails in place.

With the STB ruling of August 1, 2013, allowing the City to move forward with rail removal, the suspended contract with the rail removal contractor, A & K Rail Road Materials Inc., has been reactivated. Therefore, City crews will be able to perform the ditch maintenance work without the need to hire a specialty hy-rail contractor.

With an engineer's estimate of \$52,779 with options for 5 days of additional ditch work up to \$22,338, staff invited four hy-rail equipment contractors for bids through the City's Shared Procurement Portal as a Small Public Works Roster project; a total of 2 bids were received as follows:

Contractor	CKC Ditch Restoration (10 Working Days – Base Bid Amount)	Additional 5 Days (at City discretion – not part of base bid)	Total Potential Cost (15 Working Days)
<i>Engineer's Estimate</i>	\$ 52,779	\$ 22,338	\$ 75,117
RailWorks Inc.	\$ 63,729	\$ 24,638	\$ 88,367*
MVG LLC	\$ 88,695	\$ 16,425	\$ 105,120

* 9.5% sales tax included in all numbers - sales tax of \$ 7,665 in low bid.

As a result of the recent STB ruling, staff recommends the rejection of the two bids received.

Next Steps

As the CKC rails are removed, City crews will follow behind and accomplish the ditch maintenance work. City crews will ensure BMP protections are in place, and CESCL certified personnel are on site. They will also support traffic control at intersections, maintain grade and alignment of ditches, manage sediment and vegetation piles, planting restorations, and the seed and cover application, as well as documenting daily production. Worker awareness of the presence of pedestrians and traffic accessing surrounding areas will be emphasized, and traffic control designs will be prepared. Other physical elements associated with the ditch work include notification to adjacent property owners to cease illegal dumping of yard debris and any other materials, fish presence identification, and soil sampling to identify any contaminants that will need proper protection, handling, and receiving sites.

The rail removal and ditch maintenance are starting on the north end of the CKC in Totem Lake and moving south to maximize the chance of completing the ditch maintenance work though Parmac prior to the rainy season.



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: Ellen Miller-Wolfe, Economic Development Manager

Date: August 27, 2013

Subject: RESOLUTION ADDING TO THE MEMBERSHIP OF THE KIRKLAND CULTURAL ARTS COMMISSION

RECOMMENDATION:

City Council approves Resolution R-4993, adding an additional position to the Cultural Arts Commission.

BACKGROUND DISCUSSION:

The proposal is to increase the number of Cultural Arts Commission members from twelve to thirteen. The additional member will occupy Position 13, and will be a City Council appointment, together with Positions 1-5, which also are Council appointments. The Cultural Arts Commission will continue to appoint Positions 6-12, at its discretion.

All other provisions of Resolution R-4932, dated July 2012, which amended the mission and organization of the Commission as well as renaming it, shall remain.

The additional member will help the Commission to better reflect balance, taking into account the diversity of the community, its various geographic areas, and art, culture and heritage expertise.

RESOLUTION R-4995

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADDING TO THE MEMBERSHIP OF THE KIRKLAND CULTURAL ARTS COMMISSION.

WHEREAS, the Kirkland Cultural Council was formed in November 2002 pursuant to Resolution R-4353 and renamed to be the Kirkland Cultural Arts Commission pursuant to Resolution R-4932 in July 2012; and

WHEREAS, the Kirkland City Council wishes to add one additional position to the Kirkland Cultural Arts Commission;

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

Section 1. Purpose. The primary purpose of the Cultural Arts Commission shall be to advise the City Council on public art acquisitions and loans, and review and recommend projects under the City's "one percent for the arts" program. After consultation with the City Manager, and based on the availability of resources, the Cultural Arts Commission may also promote strategic planning and development for arts, culture and heritage in the community, including implementation of projects.

Section 2. Membership.

A. There will be no fewer than 7 members and no more than 13 members of the Cultural Arts Commission. The City Council shall appoint members 1-5 and 13, the Cultural Arts Commission shall, in its discretion, appoint members 6-12. All of the members shall reside or own a business within the City of Kirkland. All members must have an interest in the arts and in the role of public art in the community. A member may serve in an individual capacity, even if he or she works for an organization that may make a proposal to the Cultural Arts Commission. The membership of the Cultural Arts Commission is intended to reflect balance, taking into account such elements as the diversity of the community, connection to various geographic areas of the City, and art, culture and heritage expertise.

B. Position 1 shall be filled by a "Youth," meaning a person who meets the requirements of Kirkland Municipal Code 3.08.110(b). Position 6 shall be filled by an "Artist," meaning a person who has a demonstrated commitment as an artist. Positions 2 and 7 shall be designated as "Public Art" positions, meaning filled by a person with demonstrated expertise in the area of public art, including the curation and management of a public art collection. Position 8 shall be designated "Cultural/Heritage" meaning it is filled by a person who has a demonstrated commitment to cultural and/or heritage matters. If a person who meets the special qualifications listed above happens to be serving in another position, then this position may be filled without regard to the special qualification.

C. Except for the Youth Position, a member's term on the Cultural Arts Commission shall be for four years. Except as otherwise provided, the terms for all positions shall begin on April 1 and expire on March 31 of the applicable calendar year. Positions 8-12 may be filled or left unfilled, at the discretion of the Cultural Arts Commission.

D. A member may be reappointed to the Cultural Arts Commission; provided that, no person shall serve as a member for more than two full terms. Vacancies shall be filled for the remainder of the unexpired term of the vacant position. A member will be expected to attend no less than 80% of all meetings for which there is no prearranged absence. In addition, when a member misses three or more consecutive meetings, not excused by a majority vote of the Cultural Arts Commission, the Cultural Arts Commission shall consider removal of that member. In the case of a member who was appointed by the City Council, the Cultural Arts Commission shall report a member's pattern of absence to the City Council, together with a recommendation concerning removal by the City Council. A member who is unable to attend regular meetings is expected to tender his or her resignation. A resignation shall be effective on such date as designated by the resigning member.

E. The Cultural Arts Commission shall meet at least every other month, and no more than ten times per year.

Section 3. Officers. Annually, the Cultural Arts Commission shall elect from the members of the Commission a Chair and a Vice Chair. The Cultural Arts Commission will pick a Chair for a term of one year with the possibility of selection for one additional year. The term for Vice Chair shall be one year and the Vice Chair will not automatically ascend to become the Chair. There will be no term limit on serving as Vice Chair. It shall be the duty of the Chair to preside at all meetings of the Cultural Arts Commission. In the Chair's absence, the Vice Chair shall preside. The Chair shall propose an agenda for meetings and shall vote on matters being voted on by the Cultural Arts Commission.

Section 4. Voting. A quorum of the Cultural Arts Commission shall be a majority of persons currently serving as voting members. Each voting member is entitled to one vote.

Section 5. Procedure. All business of the Cultural Arts Commission shall be guided by "Roberts Rules of Order".

Section 6. Compensation. The members of the Cultural Arts Commission shall receive no compensation from the City of Kirkland. Expenses specifically authorized by the City Manager may be reimbursed to a member.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____,
2013.

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: Barry Scott, Purchasing Agent

Date: August 22, 2013

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF SEPTEMBER 3, 2013

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

The City's major procurement activities initiated since the last report, dated July 25, 2013, are as follows:

	Project	Process	Estimate/Price	Status
1.	Komatsu Excavator	Cooperative Purchase	\$104,465.19	Purchase to be made through Kirby-Smith Machinery, Oklahoma using HGACBuy Purchasing Cooperative contract and with delivery by Modern Machinery of Kent, WA.
2.	Inspection Services for Peter Kirk Elementary Sidewalk Project	A&E Roster	\$60,017	Contract awarded to WHPacific, Inc. of Bothell, WA based on qualifications using A&E Roster process as provided for in RCW 39.80.
3.	Private Drainage Inspection Tracking System	Request for Proposals	\$80,000	RFP issued on 8/22 with proposals due on 9/23.
4.	Web Content Filter Solution and/or Intrusion Detection System/Intrusion Protection System Solution*	Request for Proposals	\$150,000	RFP issued on 8/15 with proposals due on 9/27.

*Solutions to block access to inappropriate websites, prevent the introduction of viruses, malware, etc.



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: Tim Llewellyn, Fleet Supervisor
 Donna Burris, Internal Services Manager
 Ray Steiger, Deputy Public Works Director
 Pam Bissonnette, Interim Public Works Director

Date: August 19, 2013

Subject: SURPLUS OF EQUIPMENT RENTAL VEHICLES/EQUIPMENT

RECOMMENDATION:

It is recommended that the City Council approves the surplusing of the Equipment Rental vehicles/equipment identified in this memo by removing them from the City's Equipment Rental Replacement Schedule. Once vehicles/equipment are approved as surplus, Fleet Management will dispose of the vehicles/equipment, or retain them for short term, temporary, or special needs of the City prior to disposal.

BACKGROUND DISCUSSION:

The surplusing of vehicles or equipment which have been replaced with new vehicles or equipment, or no longer meet the needs of the City, is consistent with the City's Equipment Rental Replacement Schedule Policy. Once a vehicle or piece of equipment becomes surplus, replacement reserve charges to the user department will no longer be charged for that vehicle/equipment.

The following equipment has been replaced by new equipment, and if approved by City Council, will be sold or disposed in accordance with the KMC (Kirkland Municipal Code) Chapter 3.86, The Sale and Disposal of Surplus Personal Property. Surplus vehicles or equipment may be retained for short term, temporary, or special needs of the City prior to disposal as needed.

<u>Fleet #</u>	<u>Year</u>	<u>Make</u>	<u>VIN/Serial Number</u>	<u>License #</u>	<u>Mileage</u>
U-07	2003	Ford F450 Utility	1FDXF46P33ED60388	36372D	48,874

U-07 is a 2003 Ford Utility Truck assigned to the Water Division that has reached its anticipated useful life of 10 years. U-07's custom utility body (on an extended wheelbase), was refurbished and re-mounted on a new cab and chassis. U-07's cab and chassis will be sold at auction.

Note: The accounting life of a vehicle is the number of years of anticipated useful life to City operations. It is determined by historical averages and replacement cycles of actual City vehicles. The accounting life provides a timeline basis for the accrual of vehicle Replacement Reserve charges. At end of a vehicle's accounting life, there should be sufficient funds in the Replacement Reserve Fund to purchase a similar replacement vehicle. The accounting life of a vehicle is a guideline only. Actual usage of City vehicles can vary from averages. All vehicles considered for replacement will be evaluated on their individual condition and availability of replacement funding.



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

MEMORANDUM

To: Kurt Triplett, City Manager

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

Date: August 22, 2013

Subject: INVESTMENT POLICY EXTERNAL REVIEW

Recommendation

Council adopts the attached resolution revising the City of Kirkland Investment Policy and the attached housekeeping ordinance amending the Kirkland Municipal Code to update references to the "Department of Administrative Services" and "Department of Finance" to the "Department of Finance and Administration".

Background

The City of Kirkland Investment Policy requires an external review of the policy and procedures every three years. Changes to the Investment Policy must be approved by City Council Resolution while changes to Investment Procedures are reviewed and approved by the Investment Committee, which consists of the City Manager and Finance Director.

The most recent review was completed by Davidson Fixed Income Management (DFIM) in March 2013. The DFIM report on the Portfolio, Policy and Procedure are summarized in Attachment A. The report and revised policy were reviewed by the Council Finance Committee at their June 25 meeting and approval of the resolution changing the policy is recommended.

Policy

Overall, the report found that the City's investment policy is sound. A summary and detail of the proposed edits to the investment policy and the recommendation to accept or not accept are outlined in Attachment B following this memo, along with the policy in track changes mode. The majority of the changes are housekeeping in nature, updating the policy language to current industry practice. One new article, 10.0 Prohibited Securities, has been added which consolidates current language from article 9.0 and current article 10.0. A resolution adopting the revised policy is attached.

Procedures

Recommendations for edits in the Investment Procedures include the recognition of liquidity and core investment components of the portfolio, adding an internal audit of the investment purchase procedures, updating the reports, increasing the focus on investment strategy and updating the Trading Authorization, Broker Dealer Questionnaire and combining the Supplemental Information form for new brokers with the Broker Dealer Questionnaire. A summary of these changes and the Investment Procedures document in track changes mode are in Attachment C following this memo.

The Investment Committee reviewed the recommendations and revised policy and procedures at their March 18, 2013 and May 30, 2013 meetings and approved changes to the procedures and recommended policy changes for review by the Finance Committee. During the review of the investment procedures, it was recommended to update the Kirkland Municipal Code outdated references to reflect the current department name: Department of Finance and Administration.

Use of External Advisor

The consultant observed that the City would benefit from using an investment advisor for the portfolio. Investment advisors provide research and recommendations on appropriate securities for purchase while the Finance Director retains control of all security purchases. Use of an investment advisor would provide more dedicated resources to the security selection and purchase process.

During this period of unprecedented low interest rates, the City's investment practice is to purchase securities and hold them to maturity, so the relative benefit of an external advisor may be limited. However, once interest rates exhibit a sustained increase, the portfolio returns could improve by selling securities with low interest rates and reinvesting in securities with higher rates. Utilizing the expertise of and resources available to an investment advisor would be beneficial to the City. Fees for a portfolio of Kirkland's size would range between \$30,000 and \$50,000 which the City would expect to more than recoup with the increased returns on the portfolio. If the decision was made to contract with an investment advisor in the future, staff would conduct an RFP process for vendor selection.

INVESTMENT PROFILE QUESTIONNAIRE AND REVIEW

February 2013

Prepared For



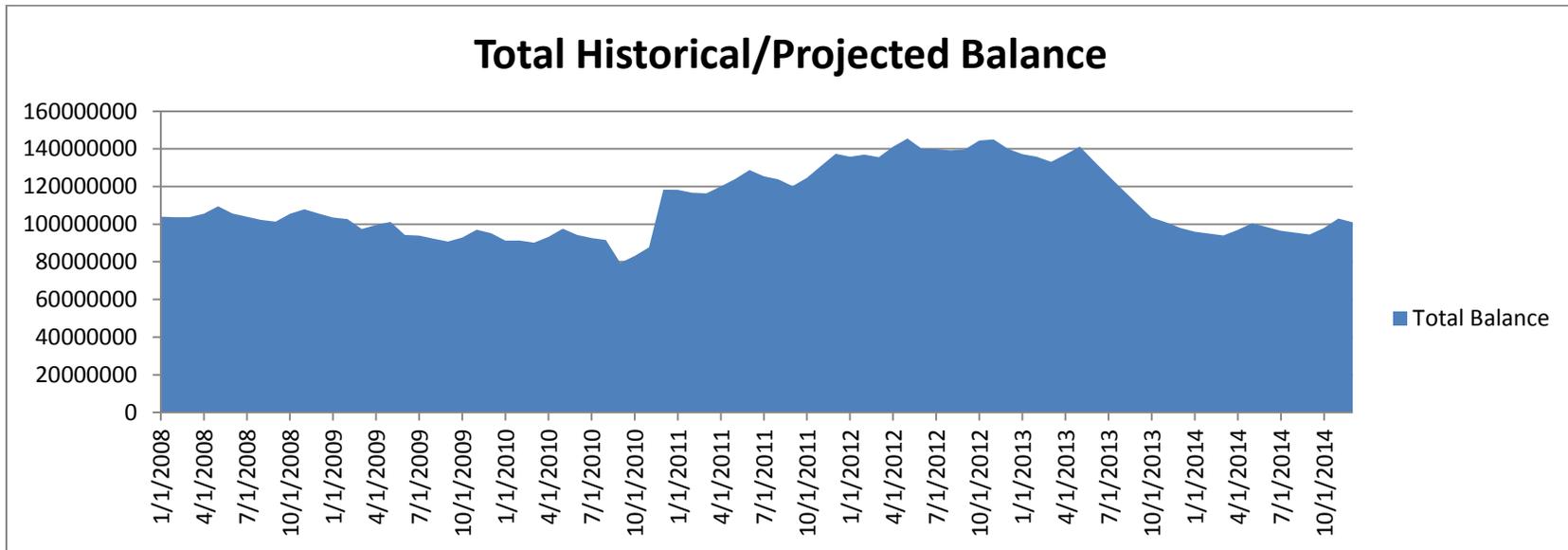
Deanne Woodring, CFA
Managing Director
(866) 999-2374



Davidson
Fixed Income Management
REGISTERED INVESTMENT ADVISER

CASH FLOW DETERMINANTS FOR LIQUIDITY AND CORE COMPONENTS

- LIQUIDITY REQUIREMENTS:** In order to determine the appropriate core fund investment balance, the City’s liquidity requirements must be established. Safety and liquidity are the primary concerns when investing public funds. Funds should be invested in a manner that ensures the City can meet all of its liquidity requirements.



Month	2008	2009	2010	2011	2012	Projected Balances	
						2013	2014
January	103,988,287	103,541,787	91,258,617	118,244,057	135,811,813	137,200,000	96,000,000
February	103,679,277	102,716,692	91,304,937	116,687,801	136,930,681	135,800,000	95,000,000
March	103,711,919	97,432,253	90,177,761	116,365,010	135,562,508	133,100,000	94,000,000
April	105,547,783	99,585,851	93,269,367	120,059,923	141,161,845	137,000,000	97,000,000
May	109,507,597	101,219,267	97,610,905	123,967,308	145,501,986	141,200,000	100,500,000
June	105,653,810	94,275,179	94,289,043	128,767,617	140,023,887	133,376,000	98,500,000
July	103,951,542	93,934,601	92,651,168	125,419,106	139,860,963	125,700,000	96,500,000
August	102,258,868	92,304,934	91,574,815	123,812,824	139,207,431	118,200,000	95,500,000
September	101,335,890	90,782,011	79,432,571	120,209,141	139,724,531	110,800,000	94,500,000
October	105,524,776	92,910,516	83,121,541	124,632,431	144,438,965	103,500,000	98,000,000
November	107,919,426	97,068,228	87,693,268	131,064,777	145,000,000	101,000,000	103,000,000
December	105,638,450	95,210,491	118,332,851	137,379,445	140,000,000	98,000,000	101,000,000
Average	104,893,135	96,748,484	92,559,737	123,884,120	140,268,718	122,906,333	97,458,333

Question 1: Based on the above historical balances, do you agree with the following liquidity range. Liquidity is defined as the balances held in the State LGIP fund and the bank deposits. The City has historically held balances in liquidity at a level above 75%, and this was brought down over the last quarter to just under 50%. Holding excess liquidity for longer periods of time can be costly in terms of earnings yield. It is important to review the expected balances in the next several years. It appears that balances are currently at a high and expected to decline by \$43MM over the next two years. Working this expectation into the liquidity/investment strategy is important. Typically operating funds maintain liquidity at 25% -50% of overall balances and invest between 50% and 75%.

Considerations of the City:

Liquidity Component: 25-50% \$25,000,000 - \$50,000,000
 Minimum Liquidity Balance - \$25,000,000

Yes No

2) CORE FUND: Core funds are defined as operating fund balances, which exceed the City’s daily liquidity needs. Core funds are invested out the yield curve to diversify the maturity structure of the overall portfolio. Having longer term investments in a portfolio will stabilize portfolio interest earnings over interest rate cycles. It is important to establish a targeted weighted average maturity for the investment component that is consistent with the City’s risk /return parameters.

Portfolio Investment Component as of 12/31/12:

\$78,742,145.97	Market Value
1,490	Days to Maturity
51.27%	Total Portfolio
765	Days to Maturity of Total Portfolio (2.09 Years)
.62%	Book Earnings Yield
40%	Callable Securities

Question 2: Do you agree that based on the historical review of your cash flows your core fund component should be the amount listed below

INVESTMENT FUND COMPONENTS:

\$ 50MM to \$75MM

Yes _____

No _____

Objective of the Core Fund Management Strategy:

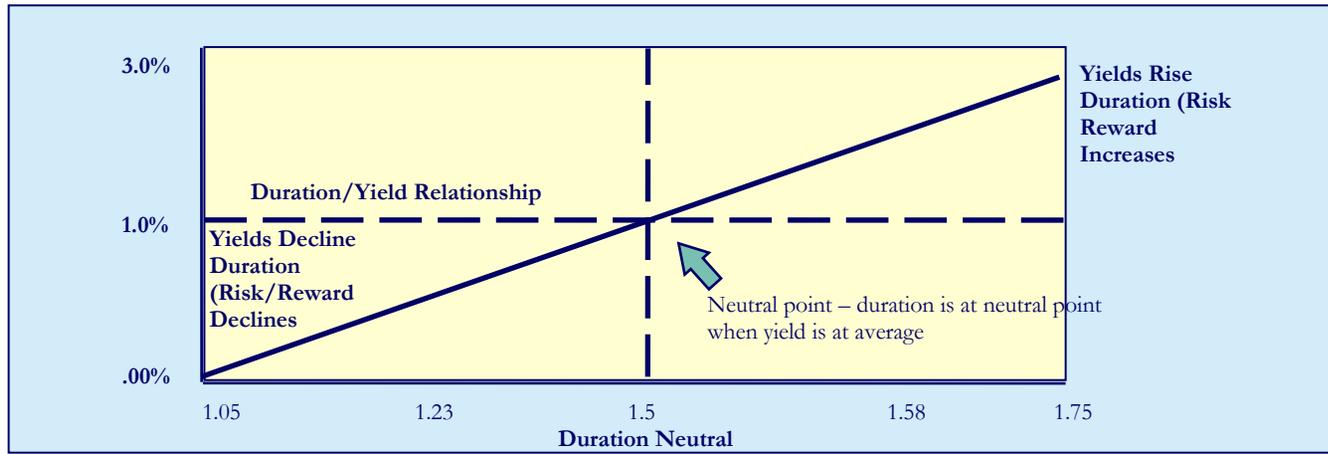
The specific objectives of the core fund are to: 1) provide returns comparable to the benchmark; and 2) control the risk and market price change of the portfolio by keeping the duration within pre-determined target ranges relative to the benchmark.

The core fund component of the portfolio should be invested to meet a risk profile (weighted average maturity or duration) that is appropriate for the City. Market benchmarks are utilized to identify the risk and return expectations of the core fund portfolio.

Develop Guidelines for Core Fund:

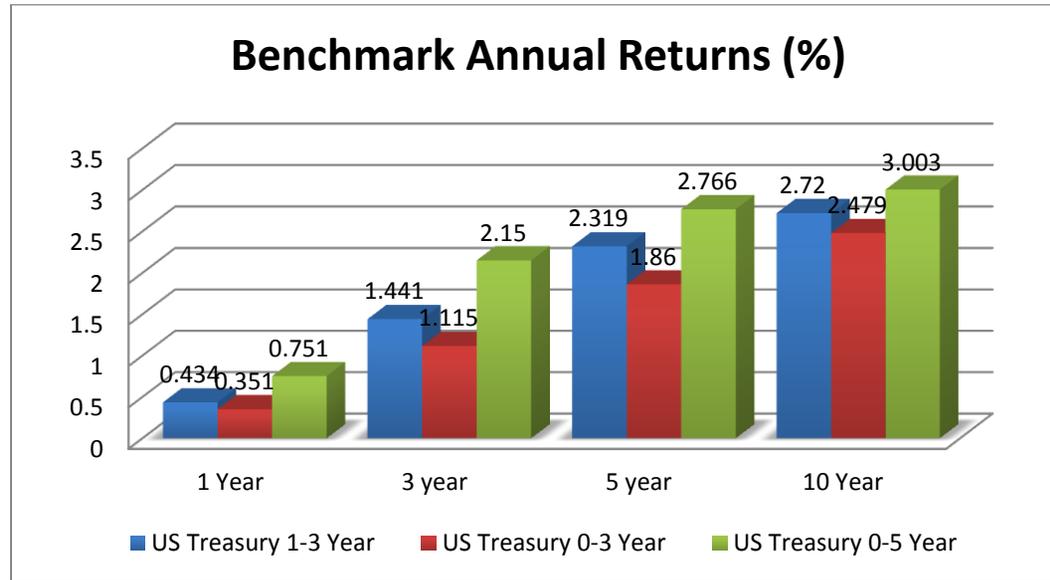
The City should establish guidelines for portfolio size, duration exposure, asset allocation and maturity structure to create a disciplined investment process. These guidelines are based on the historical yield levels of the two-year US Treasury note. to evaluate the management

CHART: Illustrating the shift in the duration of the portfolio based on current interest rates relative to historical rates.



3) SELECTION OF THE APPROPRIATE BENCHMARK: The benchmark is an important decision-making tool used to guide the maturity structure, as well as provide relevant performance accountability for the City’s investment portfolio. Many public entities are tracking their portfolio returns to a benchmark in order to improve their investment process and communication within their organization. It is important to note that the goal for public fund investing is not to outperform the benchmark each period but to use the benchmark to control risk and to identify investment opportunities. The following are standard market benchmark indices available to public funds:

Benchmark	12/31/2012	Annualized Returns (%)			
	Duration	1 Year	3 year	5 year	10 Year
US Treasury 1-3 Year	1.87	0.434	1.441	2.319	2.72
US Treasury 0-3 Year	1.44	0.351	1.115	1.86	2.479
US Treasury 0-5 Year	2.26	0.751	2.15	2.766	3.003



Historical Returns:

Review return expectations based on historical returns over the past ten years. Although history does not necessarily repeat itself, the table above illustrates the benefits of maintaining a core component within your overall portfolio over longer periods of time.

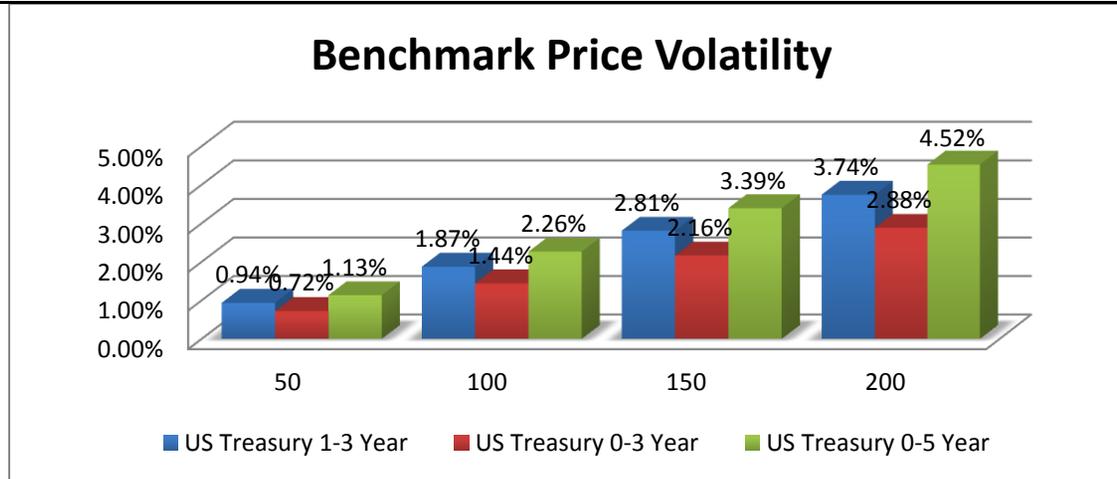
Benchmark	12/31/2012	Historical Returns for Invested Core Portfolio			
	Core Fund Target: \$75,000,000	1 Year	3 year	5 year	10 Year
US Treasury 1-3 Year	Current Duration: 1.87	\$325,500.00	\$3,289,195.24	\$9,109,044.30	\$23,086,981.67
US Treasury 0-3 Year	Current Duration: 1.44	\$263,250.00	\$2,536,826.53	\$7,239,341.19	\$20,809,826.14
US Treasury 0-5 Year	Current Duration: 2.26	\$563,250.00	\$4,942,251.63	\$10,962,398.91	\$25,823,089.70

Risk Profile of Portfolio:

The purpose of the risk evaluation is to ensure that the expected price change of the portfolio (due to market interest rate changes) is clearly understood. The price change associated with each of the indices above, based on neutral durations and standard spread relationships, is as follows:

Benchmark recommendation to client: 0-5 year Treasury benchmark

Benchmark	Duration	Interest Rate Change (bps)			
		50	100	150	200
US Treasury 1-3 Year	1.87	0.94%	1.87%	2.81%	3.74%
US Treasury 0-3 Year	1.44	0.72%	1.44%	2.16%	2.88%
US Treasury 0-5 Year	2.26	1.13%	2.26%	3.39%	4.52%



4) TARGET RANGE OF THE PORTFOLIO DURATION RELATIVE TO THE BENCHMARK: It is important to establish minimum and maximum duration variances from the benchmark for two reasons: 1) the duration of the portfolio will be adjusted strategically to add value given current yield environment and 2) the portfolio duration will adjust on its own over time and will be shifted as maturities come due.

Question 4: Please confirm that the maximum duration exposure of the chosen benchmark is acceptable?

Yes No

Target Range for Benchmark +/- 25%			
Benchmark	Duration	Minimum	Maximum
US Treasury 1-3 Year	1.87	1.40	2.34
US Treasury 0-3 Year	1.44	1.08	1.80
US Treasury 0-5 Year	2.26	1.70	2.83

Change in Value of Recommended Core Fund at Maximum Exposure					
Core Fund Target: Benchmark	\$75,000,000 Max Duration	Interest Rate Change (bps)			
		50	100	150	200
US Treasury 1-3 Year	2.34	\$876,562.50	\$1,753,125.00	\$2,629,687.50	\$3,506,250.00
US Treasury 0-3 Year	1.80	\$675,000.00	\$1,350,000.00	\$2,025,000.00	\$2,700,000.00
US Treasury 0-5 Year	2.83	\$1,059,375.00	\$2,118,750.00	\$3,178,125.00	\$4,237,500.00

Benchmark	Duration	Selection
US Treasury 1-3 Year	1.87	
US Treasury 0-3 Year	1.44	
US Treasury 0-5 Year	2.26	

Question 3: After reviewing the risk and return alternatives for the portfolio, do you agree that the recommended primary benchmark as the 0-5 year Treasury index is the most suited for your investment strategy?

Yes _____ No _____

Strategy: The current portfolio is invested longer than this target, with over 30% in the 4-5 year sector. Consideration to reduce this exposure should be made as if rates continue to rise, unrealized gains will increase. This volatility was evident this last month as 4-5 year rates increased by more than the 2 year rates.

Unrealized Gains/Losses – 12/31/12 -- \$38,095.32

Unrealized Gains/Losses – 1/31/13 - (-198,754.02)

5) ASSET ALLOCATION: An important part of a disciplined investment program is the diversification of risk through asset allocation. We recommend that the portfolio be diversified by issuer name and security type (i.e., callable versus non-callable securities). General allocation guidelines are established for the portfolio and variances will occur based on relevant market conditions at the time of investment.

Review the diversification by Issuer reports, the portfolio is diversified by issuer.

Observations:

- 1) Note that FAMC is still under review at the State Treasurers office regarding its legal acceptance under State Statute. Some entities consider them allowable while others do not. They are an agency of the US government but the issues themselves are not rated.
- 2) Callable exposure is high at 41%, always review the spreads on callable agency relative to non-callables to ensure the City is getting rewarded for the call option.

6) MATURITY BUCKETS: Diversification of maturities along the yield curve will also work to add value to the portfolio. The portfolio has been managed to a 5 year single maximum maturity.

Review the diversification by Maturity Report:

Observations:

- 1) The portfolio has been significantly extended in the last quarter of 2012, as 4-5 maturity securities were added increasing the allocation from 10% to 30%. In addition, 3-4 maturities were added increasing from 0% to 12%.
- 2) The overall maturity of the portfolio was extended from 313 days to 765 days.
- 3) Prior to these purchases, it appears the excess liquidity was being held in the state pool impacting the earning on City assets. The decision to invest was prudent, however, the longer exposure in the yield curve may be longer than your target.
- 4) Earnings yield increase from .47% to .62% with this purchases resulting in additional annual income of approximately \$225,000 on \$150,000,000 invested.

7) STRATEGY FOR CORE FUND: The strategy of establishing duration targets with variation limits and guidelines is to develop a disciplined investment process to better manage your core funds. This structure allows us to monitor and adjust the portfolio duration in response to a change in interest rates. For example, as interest rates drop and the risk/reward relationship narrows, the portfolio duration should shorten accordingly. Conversely, as interest rates rise and the risk/reward relationship widens, the portfolio duration should be extended to take advantage of higher yields. The goal of this disciplined approach is to maintain a core portfolio positioned in the market, resulting in an increased portfolio value over long time horizons. This approach reacts to changes in interest rates rather than predicting rate changes. It is not a speculative approach but one based on historical ranges and a disciplined, pre-established process to meet strategic targets.

8) TRANSITION PLAN FOR EXISTING HOLDINGS TO NEW STRUCTURE FOR OPERATING FUNDS:

Liquidity Balances: Review liquidity balances and affirm the range that is appropriate for the City. Incorporate the expected decline in overall balances as listed in the budget.

LGIP Holdings: LGIP is managed at a 60 day average maturity and holds Treasury, Agency and Repurchase Agreements – Yield expectation is .15% to .20%

Bank Deposits: The bank deposits should pay a similar rate to the LGIP pool.

Investment Component: Review the overall portfolio target in regards to total dollar amounts and the maturity structure. Begin making decisions based on the relative positioning of the portfolio target. Evaluation of the current position should be completed to determine if the City is comfortable holding the 3 year and longer exposure if rates continue to rise.

Maturity constraints on Investment Portfolio

Maturity Constraints	Investment Portfolio
Under 5 Years	100%
Total Weighted Average Maturity	2.5 years

OBSERVATION:

The City would benefit from utilizing an investment advisor to manage the investment component of the portfolio. The size and the risk parameters of this fund require a high level of attention and focus to maintain a disciplined investment process. Investment Advisors operate on a non-discretionary basis in which the finance director maintains all controls but the time consuming and strategic components are handled by investment professionals.

Many entities are having cost savings in their finance programs by hiring advisors. Staff positions can be reallocated to meet the demands of the department.

Fees for you portfolio would range between \$30,000 and \$50,000.

SUMMARY & CHECKLIST OF ACTION REQUIRED:

1. Review and approve the change in liquidity and core fund sizes
2. Review the cash flows into 2014
3. Review the tracker reports for accuracy
4. Review the reporting functions of tracker to improve transparency

Client Signature

Date



Davidson
Fixed Income Management
REGISTERED INVESTMENT ADVISER

Investment Policy Comments

1. 1.0 – Policy Statement – Review language
2. 3.0 - Objective: Review language and determine if this is the right place for this, maybe it should go down in - Diversification or a Strategy section can be added to address Liquidity and Investment focus.
3. 4.0 – Delegation of Authority – Check wording
4. 7.0 – Authorized Dealers and Institutions- Per the GFOA sample policy it has been recommended to separate Broker/ Dealers from Financial Institutions. The BD's are the providers of securities for purchase and sales. The institutions are providers of product with their name underlying the security of the product.
5. 7.0- It reads like you are receiving and reviewing the annual financials each year. Are you doing that? While the financial status is a priority, the reality is your exposure is for the period between the purchase and settlement date. DFIM suggests requiring this information at the outset of a relationship, and then in your Certification, you request notification if anything changes. DFIM does recommend adding a procedural piece to look up brokers and their firms on the FINRA (Check Broker) site to look for any regulatory violations.
6. 7.0 – Are you doing an audit of the broker/dealers and the safekeeping bank.
7. 8.0 – Broker Allocation- How do you document this? Do you keep records of passes etc.
8. 9.0 and others- Recommend adding a section under Prohibited activities. There are several places where the prohibited action is layered in the wording and may be difficult to find.
9. – Compliance – Recommend adding a section on compliance – 1) you are doing a compliance report so this should be included as required. 2) there are issues that may come up that require you to make steps to comply. They should be easy to find –GFOA new sample policy recommendation.
10. 10.0 – RCW does allow for money market funds and mutual funds to be used with debt issuance and held in trust. You may need to use this in the case of a reserve fund or trust funds. Review
11. 12.0 – Diversification- Specials funds is standing alone—are you addressing what is pointed out in maturity – maybe an exception section?
12. 16.0 – Comment back to comment #1 – goals of funds - Strategy
13. 17- Comments in regards to reporting—Just making sure that a transaction report is provided quarterly and annually.



Davidson
Fixed Income Management
 REGISTERED INVESTMENT ADVISER

Comments on other Documents provided to DFIM for Review:

Procedures:

- 1) Do you need to produce Semi-Annual Reports?
- 2) Recommend changing the name of Cash to Liquidity to be consistent with industry standards
- 3) Recommend changing name from Core Portfolio to Investment Core
- 4) Add strategy in title of #6—Strategy is emphasized in all reporting and should be incorporated.
- 5) Investment Committee—I don't see a lot of strategy documentation, DFIM is recommending to incorporate a defined report that makes the fund accountable to the % held in liquidity and the % held in Investments , including the average maturity of investments. This can be reported through Tracker
- 6) In 2.3 section B. DFIM is looking reports or process that you are doing number 4. And 5. What specifically are you doing on variances. Also, on # 7, recommending to identify the investment strategy better. Strategy is the key to a transparent program.
- 7) Reports can be improved especially with Tracker reporting. Samples are being provided by DFIM. Council should be seeing market value, change in portfolio size, Issuers, Yield and maturity terms.
- 8) DFIM has identified differences in the income numbers reported on the council reports with the income numbers on the Portfolio Software system (tracker). This flags an issue of reconciliation. Recommend reviewing these steps and updating the procedure to what is being done. (See attached Excel sheet)
- 9) Monthly Reports- Recommend improving the data and using Tracker reports to articulate more transparent Reports
- 10) Investment Purchase Procedure – This procedure is very comprehensive. DFIM did not verify that all steps are being completed. Recommend that an internal audit occur to affirm that all steps are being done. Also, you may be able to remove the requirement to call with email affirmations.
- 11) Same note as in 2 and 3- Change the terminology of cash to liquidity and core to investment core. See sample from DFIM to improve strategy tracking.

Trading Authorization:

1. Update Policy Date
2. Update City Council date- or make more generic
3. Review authorized signers

Broker/Dealer Questionnaire

- 1) Question 5: Maybe change to ask if your firm is a primary or a secondary firm and add in the supplemental information into the main questionnaire.
- 2) Question 10: Outdated – remove- you should not be purchasing securities in book entry.
- 3) Question 11: Outdated –remove - You should not be purchasing anything that is physical.
- 4) Add – what is your Fed Wire instructions.
- 5) Question 14: Do you need these? You don't need Tri party unless you are going to do repo
- 6) Question 16: This should be irrelevant as you do not hold securities with Broker/Dealers – remove if agree
- 7) Question 18: Change to FINRA from NASD

Supplemental information : Move to questionnaire

1. Question 1: Eliminate – only primary dealers do this
2. Question 2: What you are looking for is the Uniform Capital report or amount – have this reworded to tie to your policy requirement. The Federal reserve oversees banks and I think this is related to their requirements so not Broker/Dealers.
3. Question 3: Eliminate
4. Question 4 : Eliminate – You already asked in Question 18.
5. Question 5: Keep this but change institutional client to government entity client.
6. Question 6: Eliminate
7. Question 7: Keep this.

Investment Policy Certification:

No Comments

Custodial Documents:

Electronic Delivery - No comment –

Safekeeping Agreement – No Comment

Recommended Changes to Investment Policy

Article 1 **Policy Statement** - Accept Changes

Edit Policy Statement to "provide a market rate of return" rather than "provide the highest rate of return with maximum security".

Article 3 **Objective** - Accept Changes

Changed "Investments" in securities are identified as "Investment Core Fund".

Article 4 **Delegation of Authority**

Housekeeping change, Ordinance 1020 created the investment committee.

Article 7 **Authorized Financial Dealers and Institutions** - Accept Changes

Created separate sections for Financial Institutions and Broker/Dealers. Added a review of the FINRA (Financial Industry Regulatory Authority) report on both the firm and the broker before adding a broker to the approved broker/dealer list.

Article 9 **Authorized and Suitable Investments** - Accept Changes

Updated language to remove Government National Mortgage Association (GNMA) from the specific listing of Government Agencies.

Removed all references to prohibited security purchases and moved them to a new article 10.

Article 10 **Prohibited Securities** - Accept Changes

New article; all prohibited securities purchases moved from article 9 and former article 10.

Article 11 **Investment Pools / Money Market Funds**

Moved restriction on purchasing mutual funds to article 10. Consultant additions for restrictions on purchase of money market funds was not related to money market funds on deposit with banks and protected by the Public Deposit Protection Commission, it was referring to money market funds purchased from finance firms.

Article 12 **Safekeeping and Custody** - Accept Changes

Removed the selection of the third party custodian by the investment committee. Selection of a third party custodian would be the result of an RFP.

Article 13 **Diversification** - Accept Changes

The following language was removed: "Special funds may have maturities in excess of stated guidelines due to specific fund objectives." This is addressed in article 14.

Article 17 **Performance Standards**- Accept Changes

The following paragraph was added: In addition, the Investment Core component may be tracked against a market index such as the US treasury 0-5 year index on a total return basis. This will provide for accountability of price changes in the portfolio and be an indicator for extending or reducing the duration of the portfolio.

Article 18 **Reporting Requirements** - Accept Changes

The following was added: A Compliance report will be provided to the Investment Committee on a quarterly basis.

Glossary: - Accept Changes

Removed Government National Mortgage Association (GNMA) and SEC RULE 15c3-1

**CITY OF KIRKLAND
INVESTMENT POLICY**

~~September 29, 2009~~

DRAFT 2013

July 3, 2012 Adopted:

1.0 Policy Statement

It is the policy of the City of Kirkland, ("the City") to invest public funds in a manner which ~~provides the highest investment return with maximum security~~ provides a market rate of return while meeting safety objectives, the daily cash flow requirements and conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all financial assets for the City of Kirkland. These funds are accounted for in the City's annual financial report and include:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds

Any new funds created by the Finance Director unless specifically exempted.

3.0 Objective

The primary objectives, in order of priority, for the City of Kirkland's investment activities are as follows:

- 3.1 Legality: The City's investments will be in compliance with all statutes governing the investment of public funds in the State of Washington.
- 3.2 Liquidity: The City's investments will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.
- 3.3 Safety: Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.

3.4 Yield: The City's investments will be designed with the objective of attaining a market rate return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

~~Core Investment~~ ~~Core Fund-s is are~~ limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap that would improve the quality, yield or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.

4.0 Delegation of Authority

In accordance with City of Kirkland Municipal code, Ordinance No. ~~24551020~~, an Investment Committee was created consisting of the City Manager and Finance Director. Authority is granted to these individuals to invest any portion of the monies in the City's inactive funds or other funds in excess of current needs. The Finance Director may designate a person to coordinate the day to day operations of the investment portfolio.

5.0 Prudence

Investments will be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes (Prudent Person Standard).

The standard of prudence to be used by investment officials will be the "prudent person" and will be applied in the context of managing an overall portfolio. Investment officers meeting the "prudent person" standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to Investment Committee any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio.

7.0 Authorized Financial Dealers and Institutions

~~Financial Institutions~~

The Investment Committee will maintain a list of financial institutions as required by the Public Deposit Protection Commission (PDPC), authorized to provide investment services as outlined in R.C.W. 39.58.080. ~~In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness.~~ No public deposits will be made except in a qualified public depository in the State of Washington. ~~These may include "primary" dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).~~

Broker/Dealers

~~A list will also be maintained of approved security broker/dealers selected by credit worthiness. All brokers/dealers and financial institutions who desire to do business with the City must supply the Finance Director with the following: Annual audited financial statement, proof of Financial Industry Regulatory Authority (FINRA) Certification, The Finance Director will review the FINRA (Financial Industry Regulatory Authority) report on both the firm and the broker and maintain documentation of the review. A certification of having read the City's investment policy and receipt of the City's Trading Authorization must be completed by all brokers prior to transacting business. The Investment Committee will conduct an annual review of the financial condition of authorized brokers/dealers and the safekeeping institution and an audit of the submitted documents on file. Brokers Dealers may include "primary" dealers or "secondary"- regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).~~

8.0 Broker Allocation

Investment transactions will be based upon the financial institution or brokerage firm that offers the best price to the City on each particular transaction. The City will make its best effort to obtain three bids for purchase or sale of government agency securities other than new issues. If circumstances dictate fewer than three bids due to the volatility of the market place, lack of bids, etc. the Finance Director or the Deputy Director has the authority to waive this. Generally all brokers will not have the same inventory of agency securities available to sell, but should be able to offer comparable alternatives. Banker's acceptances and Certificates of Deposit (other than a compensating balance CD) also require the acquisition of at least three bids, and acceptance of the most attractive rate from among comparable alternatives. Where two

or more institutions or brokers have offered the same low bid, allocation will go to the lowest bidder that has provided the best service to the City.

9.0 Authorized and Suitable Investments

The City is empowered to invest in the following types of securities:

Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080) Eligible investments include:

- Obligations of the U.S. government;
U.S. Treasury Notes, Bonds and Bills
- Obligations of U.S. government agencies, corporations wholly owned by the U.S. government or any Government Sponsored Enterprises (GSE's) ~~with the exception of mortgage-backed securities (MBS), which are prohibited.~~

Specific listing:

Federal Home Loan Bank - FHLB
Federal Farm Credit Bank - FFCB
~~Government National Mortgage Association - GNMA~~
Federal Home Loan Mortgage Corporation - FHLMC
Federal National Mortgage Association - FNMA
Federal Agricultural Mortgage Corporation - FAMC
Tennessee Valley Authority - TVA

* Other issuers may qualify if they meet the above criteria.

- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1. If the banker's acceptance is rated by more than two NRSROs., it must have the highest rating from all the organizations. Banker's Acceptances are considered illiquid as there is no active secondary market for these securities.
- Commercial Paper, provided that the Finance Director adheres with the policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7), including the following:
 - Must have the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1.
 - Must be approved by the Investment Committee.

- ~~o Purchases of commercial paper issued by a firm on negative credit watch is prohibited.~~
 - o Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;

- Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;

- Obligations of the State of Washington or its political sub-divisions with the following guidelines:
 - o Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
 - ~~o Purchases of any security on negative credit watch is prohibited.~~
 - o Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

- Obligations of a state other than the State of Washington or its political sub-divisions, with the following guidelines:
 - ~~o Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys~~
 - ~~o Purchases of any security on negative credit watch is prohibited.~~
 - o Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

- Repurchase Agreements. The City does not actively invest in repurchase agreements for short term investments. However, if a repurchase agreement is utilized collateralization is required. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. Re-pricing of the collateral should occur daily.

The City chooses to limit the collateral to Treasury and GSE Agency securities only, with a maximum maturity of three years.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

If the City chooses to invest in repurchase agreements, only primary dealers are to be used as counterparties to repurchase agreements, short term credit rating must be the highest credit rating, A-1 or the equivalent and a long term rating of A or the equivalent, the approved Bond Market Association's master repurchase agreement must be executed and on file prior to entering into these transactions and the maximum term for a repurchase agreement shall be limited to 30 days.

- ~~The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation on interest rates.~~

10.0 Prohibited Securities

- Mortgage Backed Securities including CMO's are prohibited.
- Derivative Products are prohibited
- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation of interest rates
- Purchases of any security on negative credit watch ~~is~~are prohibited.
- ~~Purchases~~ in Mutual Funds are prohibited

~~10.011.0~~ **Investment Pools / ~~Money Market~~ Mutual Funds**

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370. ~~The City is restricted from investing in mutual funds by State Statute. The City can only hold money market funds in trust accounts related to a debt issuance.~~

~~11.012.0~~ **Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by the City of Kirkland will be conducted on a delivery-versus-payment (DVP) basis.

Securities will be held in safekeeping by a third party custodian ~~designated~~ ~~by a member of the Investment Committee.~~

~~12.013.0~~ **Diversification**

The City will diversify its investments by security type and institution so that reliance on any one issuer or financial institution will not place an undue financial burden on the City. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

The following table provides maximum portfolio and issuer limit guidelines for the eligible securities which shall be complied with at the time of a security purchase, unless an exception waiver is approved by the Investment Committee. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of the portfolio.

Investment	Percent of Fund	Percent Per Issuer	Maturity
US Treasury Obligations	100	100	5 Years
US Agency Obligations	100	30	5 Years
Callable Agency Securities	50	30	5 Years
State or Political Subdivision Securities	20	5	5 Years
Certificates of Deposits	10	5	5 years
Bankers Acceptances	5	5	180 days
A-1/P-1 Commercial Paper	5	5	180 days

~~Special funds may have maturities in excess of stated guidelines due to specific fund objectives.~~

~~13-014.0~~ **Maximum Maturities**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of settlement.

The maximum weighted average maturity (WAM) of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure. The WAM refers to the final WAM not the effective WAM.

Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

~~14-015.0~~ **Internal Control**

On an annual basis, the Investment Committee, in conjunction with the State Auditor's Office, will evaluate conformance with the Investment Policy and audit internal controls. The purpose of these examinations shall be to audit the accountability of the City's Investment Portfolio and to verify that Investment Officials have acted in accordance with the investment policies and procedures. Should the Investment Procedures be in conflict with the Investment Policy, the Investment Policy is the final authority.

~~15.0~~16.0 External Control

The City will have an external review of the investment policy and procedures every three (3) years. The City may enter contracts with third-party investment advisory firms when their services are required.

~~16.0~~17.0 Performance Standards

The portfolio shall be managed to obtain a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the average yield of the ninety-day Treasury bill and the 2-year Treasury note for the period of time being evaluated. The goal is for the portfolio to generally perform within or above the band.

In addition, the Investment Core component duration may be tracked against a market index such as the US treasury 0-5 year index on a total return basis. This will provide for accountability of price changes in the portfolio and help inform the strategy related to the duration of the portfolio.

~~17.0~~18.0 Reporting Requirements

~~18.1~~ 187.1 The Finance Director shall prepare a quarterly and annual investment report summarizing the activity of the investment portfolio as to types of investments, yields, maturities and other related data.

~~18.2~~ 187.2 Monthly reports will be submitted to the Investment Committee that report market value changes and investment income.

18.3 A Compliance report will be provided to the Investment Committee on at least a quarterly basis.

| 187.34 Additional reporting requirements are outlined in the Investment Procedures.

| **~~18-019.0~~ Investment Policy Adoption**

The City's investment policy shall be adopted by City Council. The policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

GLOSSARY

BANKERS' ACCEPTANCES (Bas) – Bankers Acceptances are a form of a loan used in import-export financing transactions which becomes negotiable when accepted by a bank. The issuing bank is liable for the payment at its maturity. Terms vary but normally they are under six months and are purchased on a discount basis.

BROKER – A middleman who brings buyers and sellers together and handles their orders generally charging a commission for their services.

CERTIFICATES OF DEPOSIT – Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

COMMERCIAL PAPER - A short – term promissory note issued by a bank holding company, for the purpose of financing current transactions. Issues are sold on a discount basis with maturities up to 270 days.

DELIVERY VS PAYMENT – Physical delivery of collateral securities or book entry control in exchange for the cash payment. Under this system funds are not transferred until the securities are delivered. If a third party acts as custodian, funds are released by the custodian only when delivery is accomplished.

DEPOSITORY – A bank or financial institution accepting cash deposits and investments.

DIVERSIFICATION – Dividing available funds among a variety of securities and institutions so as to minimize market risk.

DURATION - The number of years required to receive the present value of future payments, both of interest and principle, of a bond, often used as an indicator of a bond's price volatility resulting from changes in interest rates.

FEDERAL CREDIT AGENCIES - Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL HOME LOAN BANKS (FHLB) - The 12 Federal Home Loan Banks are a system of regional banks from which local lending institutions everywhere in America borrow funds to finance housing, economic development, infrastructure and jobs. About 80 percent of U.S. lending institutions rely on the Federal Home Loan Banks. Because the Federal Home Loan Banks are cooperatives, their low costs are passed on to consumers and communities.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or Fannie Mae) -

FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

~~**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE)**~~

~~—Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term passthroughs is often used to describe Ginnie Maes.~~

GOVERNMENT SPONSORED ENTERPRISES (GSE's) - A group of financial services corporations created by the United States Congress. Their function is to reduce interest rates for specific borrowing sectors of the economy, farmers, and homeowners. The mortgage borrowing segment is by far the largest of the borrowing segments that the GSE's operate in.

LIQUIDITY - ———The length of time required to convert any investment to cash.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE – The market value of a security is the price at which the last sale of the same issue was sold.

MATURITY – The date upon which the principal or stated value of an investment becomes due.

PRINCIPAL – The cost of an instrument on which interest is earned.

REPURCHASE AGREEMENT – Range in maturity from overnight to fixed time to open end. Repo's involve a simultaneous sale of securities by a bank or government securities dealer to a city with an agreement for the bank to repurchase the securities at a fixed date at a specified rate of interest.

SAFEKEEPING – An arrangement under which an organization's securities are kept in a bank vault or in the case of book entry securities, are held and recorded in the customer's name. Evidence of this arrangement is a safekeeping receipt.

~~**SEC RULE 15c3-1** – An SEC rule that sets minimum net capital requirements for broker-dealers. Firms are expected to have liquid assets equal to or greater than a certain percentage of total liabilities. If the ratio falls below this minimum, the broker-dealer may face restrictions on soliciting new business or on keeping existing business. See UNIFORM NET CAPITAL RULE.~~

SECONDARY MARKET – A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their state maturity date.

TREASURY BILLS – Short-term marketable securities issued by the U.S. Treasury and secured by the Federal Government and have maximum liquidity.

TREASURY NOTES AND BONDS – These are direct obligations of the U.S. Government with maturities from one to ten years on the notes and 10 to 30 years on the bonds.

UNIFORM NET CAPITAL RULE - Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

WEIGHTED AVERAGE MATURITY - The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAMs are more sensitive to changes in interest rates because the longer a bond is held, the greater the opportunity for interest rates to move up or down and affect the performance of the bonds in the portfolio.

EFFECTIVE WEIGHTED AVERAGE MATURITY - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called.

YIELD – The rate of annual return on an investment expressed as a percentage.

Recommended Changes to Investment Procedures

Section 2 - **Investment Committee**

2.3 A.4. and 2.3 B.4. Removed language referring to variances – redundant as that is the meeting's purpose.

2.3 B.5. Removed requirement to review Broker Financial Statements as Broker's FINRA report is reviewed before placing brokers on the approved list.

2.3 B.7. Identify the investment strategy better – (staff will prepare recommendations for 3rd Quarter Investment Committee Meeting)

Section 3 – **Internal Controls**

3.1 E.7. Added annual internal audit of compliance to purchasing procedures to ASA IV duties.

Section 4 – **Reports**

Review and update selecting appropriate Tracker reports provided by DFIM

Add reports for the following:

- i. Liquidity and Core reports to document % of portfolio in each including average maturity of investments
- ii. Market value
- iii. Change in portfolio size
- iv. Issuers
- v. Yield
- vi. Maturity terms

(Staff will review reports with the Investment Committee at the 3rd Quarter Meeting)

4.3 Removed the requirement for semi-annual reports as monthly, quarterly and annual reports are prepared.

Section 6 – **Investment Portfolio Management**

Section amended to read "Investment Portfolio Strategy Management"

6.1 Changed "Cash" to "Liquidity" to be consistent with industry standards

6.2 Changed from "Core" to "Investment Core"

Trading Authorization

Housekeeping updates: policy date, Council approval, authorized signers

Broker Dealer Questionnaire

Updated to be consistent with industry standards

Incorporated relevant questions from supplemental information sheet

Supplemental Information

Updated to be consistent with industry standards and combined with Broker Dealer Questionnaire

CITY OF KIRKLAND INVESTMENT PROCEDURES

Last Updated ~~November 2012~~ March 2013

~~Last Reviewed~~

~~November 3, 2011~~

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1. **Application of Investment Procedures**

These procedures shall apply to all funds handled and managed by the City.

The Investment Policy adopted by the City Council and Investment Procedures approved by the Investment Committee shall apply uniformly to City employees, officials, representatives and authorized agents in the performance of their official duties and the processing and management of all investment transactions.

Investment Policies and Procedures shall be enforced by the Investment Committee.

2. **Investment Committee**

2.1 The Investment Committee shall be composed of the City Manager and Finance Director. KMC 5.24.010

2.2 The Investment Committee shall be responsible to:

- A. Monitor the performance and structure of the City's investments to determine if the portfolio is in compliance with the Investment Policy.
- B. Review the current portfolio holdings in light of the City's cash flow requirements, investment policy guidelines and restrictions and market conditions.
- C. Review the portfolio transactions and safekeeping of the City's assets, including the separation of duties among City staff.
- D. Set the portfolio strategy going forward.

2.3 The Investment Committee shall meet semi-annually.

A. First Meeting Agenda (First Quarter)

1. Review Investment Policy
2. Review Investment Policy Compliance Report
3. Review End of Year and most recent Monthly Reports
4. Review the annual performance, ~~including any variances that occurred and the documented reasons for the variance~~
5. Review the Treasurer's investment strategy and economic expectations for the next two quarters - See most recent Financial Management Report (FMR) Investment Report

B. Second Meeting Agenda (Third Quarter)

1. Review and approve Investment Procedures
2. Review Investment Policy Compliance Report
3. Review most recent set of Monthly and Semi-annual reports
4. Review performance, ~~including any variances that occurred and the documented reasons for the variance~~
5. Review Broker/Dealer list ~~and Broker Financial Statements~~
6. Review Financial Institution Financial Statements, including Safekeeping Financial institution
7. Review the Treasurer's investment strategy and economic expectations for the next two quarters- See most recent Financial Management Report (FMR) Investment Report

3. Internal Controls

3.1 Roles and Responsibilities

- A. Council Finance Committee
 - 1. Review Monthly Reports
 - 2. Review Annual Report

- B. Investment Committee, KMC 5.24.010
 - 1. Review policy, procedures, reports and investment strategy (See Section 2. Investment Committee)

- C. Director of Finance
 - 1. Serve on the Investment Committee
 - 2. Review monthly reports
 - 3. Review and approve investment decisions
 - 4. Review monthly Safekeeping report and trade tickets
 - 5. Review strategy and investment purchases

- D. Deputy Director, Finance and Administration
 - 1. ~~Serve as the Treasurer for the City, KMC 3.16.035~~ Coordinate the day to day operations of the investment portfolio. Investment Policy 4.0 Delegation of Authority.
 - 2. Establish, implement and coordinate cash management practices for the efficient cash management of all funds held by or belonging to the City of Kirkland
 - 3. Solicit broker investment offerings
 - 4. Select and purchase appropriate investments within policy guidelines and prudent investment analysis
 - 5. Transmit trade tickets to Safekeeping
 - 6. Create and disburse wire transfers to Safekeeping for investment purchases
 - 7. Prepare monthly, quarterly, ~~semi-annual~~ and annual reports

- E. Accounting Support Associate IV (ASA IV)
 - 1. Process and reconcile the City's daily cash management functions
 - 2. Create journal entries for other ASA IV staff to post investment purchases to the financial system
 - 3. Reconcile City's Sweep bank account, less outstanding checks, to Portfolio Software Rate of Return report and City's financial software
 - 4. Reconcile City's General bank account to Portfolio Software Rate of Return report and City's financial software
 - 5. Reconcile Local Government Investment Pool (LGIP) monthly statement to Portfolio Software Rate of Return report and City's financial software fund 910 cash.
 - 6. Reconcile City contracted Safekeeping Monthly Statement book value to Portfolio Software Rate of Return report and City's financial software fund 910 cash. Market value from the Safekeeping report should be ~~similar~~ equal to the market value of the Portfolio

Software report. ~~There will be a slight variation due to different pricing sources being utilized.~~

~~6.7.~~ Conduct and document internal audit annually on investment purchases for compliance to procedure.

4. Reports

4.1. Monthly Reports

Reports 1-3 are submitted to Council Finance Committee for review

1. Compliance Report
Excel Report - Investment Policy Compliance Report. See Exhibit 1.
Located at H:\FINANCE\Investments\2012\ Month Reports
2. Performance Report, comparison of current and past performance to benchmark: Excel file: Portfolio and Benchmark month stats
Located at H:\FINANCE\Investments\2012\ Month Reports
3. Performance Report Graph – Excel file: Portfolio and Benchmark perf graph
Located at H:\FINANCE\Investments\2012\ Month Reports

The following reports are kept electronically at H:\FINANCE\Investments by year and month for review and audit:

4. LGIP Statement
5. Safekeeping Report – US Bank Safekeeping page 1 totals
6. Bank Statement – General Account, page 1 summary
7. Bank Statement – Sweep Account, page 1 summary
8. Rate of Return
Portfolio Software Report – Portfolio Management, Portfolio Summary
9. Portfolio Software Investment Listings, Summary by Issuer
10. Portfolio Software Aging Report, under Portfolio Management Reports
11. Portfolio Software GASB 40 Credit & Interest Rate Risk by Modified Duration and Effective Duration
12. Portfolio Software Activity Report, under Portfolio Management Reports
13. E-mail offering of security quotes are saved for each day security is purchased in is saved in H:\FINANCE\Investments\YEAR\Month\Broker offerings emails

4.2 Quarterly Reports

1. Financial Management Report (FMR) – included the following:
 - a. Market Overview
 - b. City Portfolio Overview
 - 1) Diversification
 - 2) Duration (Liquidity)
 - 3) Yield and Benchmark Comparisons
 - c. Economic Outlook and Investment Strategy
 - ~~e.d.~~ Credit ratings will be reported in holdings report and included in compliance.

~~4.3~~ Semi-Annual Reports

- ~~1. Credit ratings of each security in Portfolio Software Credit Rating Report is updated semi-annually
Information is retrieved from Moody's website
<http://v3.moody.com/Pages/default.aspx> and Standard & Poors website:
<http://www.standardandpoors.com/home/en/us> . Both web sites require user id's and passwords to log in.~~

4.34 Annual Reports

1. Statistical Review
2. Council Reading File Annual Review Memo

5. Investment Purchase

1. Evaluate current portfolio for compliance to policy and cash position for available cash and determine whether the portfolio should be longer, shorter or remain the same.
2. Determine desired duration, rate of return, and type of security to comply with Investment Policy. Purchase of securities on negative watch is prohibited.
3. Send e-mail to approved brokers (at least three per Investment Policy Section 8.0) requesting their best option for securities given the desired options:
 - (a) Duration
 - (b) Security type
 - (c) Call structure
 - (d) Premium/discount
 - (e) Amount – Security purchases should ideally be \$3 to \$5 million for efficiency, with a minimum of \$2 million unless there are extenuating circumstances making a smaller purchase beneficial to the City.
4. Save e-mail offerings to
H:\FINANCE\Investments\YEAR\MONTH\Security offerings on "date specified".
5. Review for best fit to City's Investment Policy requirements/needs and select security and size to purchase.
6. Phone broker to request purchase – broker will confirm availability with a call back to confirm purchase and later send the trade ticket by fax or e-mail.

7. Complete Safekeeping Delivery Instructions form located at:
H:\FINANCE\Investments\Investment Forms\Safekeeping Delivery Instructions.docx.
8. Fax completed, signed form to US Bank Safekeeping at 612-303-0202.
9. Attach confirmation of fax to Safekeeping Delivery Instructions form.
10. Create wire transfer from bank general account to Safekeeping for day of settlement. Request approval from 2nd staff. (Three staff are authorized to create and/or approve wire transfers. One person cannot create and approve a wire transfer. Authorized staff for wire transfers are: Deputy Director, Accounting Manager, Accountant – Utilities.
11. Complete Investment Purchase memo informing ASA IV Treasury of security purchase. Form is located at: H:\FINANCE\Investments\Investment Forms\Inv Purch Forms\Investment Purchase Memo.doc
12. Save security offering e-mails to H:\FINANCE\Investments\ appropriate year in the Security Bids folder for record keeping.
13. ASA IV Treasury prepares journal entry for recording purchase in financial system.
14. Enter security information into Portfolio Software.
15. Ensure that there are funds available for wire transfer on day of security purchase.

6. Investment Portfolio Management

1. Required actions if a security placed on credit watch or downgraded.
 - a) Assess current and future risk:
 - Is the security at risk for loss of principal if held to maturity?
 - Is there a risk that further downgrades will lead to loss of principal?
 - b) Inform Investment Committee of credit rating changes to security, associated risks and recommended action.
 - c) Investment Committee will make the decision regarding continued holding or sale of security.
2. ~~Cash-Liquidity~~ Portfolio
 - a) The funds that are needed for daily cash flow needs shall be invested in the Washington State Local Government Investment Pool (LGIP) or kept in the City's sweep account depending on the rate of return of each account and cost of transfers. The LGIP provides daily accessibility for both deposits and withdrawals, resulting in a low maintenance cash flow investment strategy.
 - b) The LGIP and Sweep account along with the expected inflows and outflows will be monitored to ensure that 90 day funding needs are met.
3. Core ~~Investment~~ Portfolio
 - a) The Treasurer will manage all other investments as a core fund portfolio. This portfolio will include be invested in maturities between 1 day and 5 years. This portfolio will be managed as follows:
 1. Average maturity will be measured against the ~~Merrill Lynch 1-3 Year~~0-5 year US Treasury-all treasury Index, or the 2 Year treasury note

2. Guidelines will be established to determine the market exposure in maturity relative to the benchmark.
3. Investments will be laddered out the yield curve so that monies are consistently available to reinvest.

Exhibit 1
CITY OF KIRKLAND
INVESTMENT POLICY COMPLIANCE REPORT

Date of Report 11/5/2012Period Covered **Month of October 2012: October 31, 2012**

Policy Section	Compliance	Current Portfolio	Policy Requirement	Frequency
7.0 Authorized Financial Dealers and Institutions	Compliant	Detailed Authorized Brokers in Annual Review for Broker Dealer Relationships	1. Annual Audited Financial Statements 2. Proof of Financial Industry Regulatory Authority Certification 3. Certification of having read the Policy and receipt of the City's Trading Authorization	Annual
8.0 Broker Allocation	Compliant	4 securities were purchased in October, with 3 settling in November. Broker security offerings are on file in H:\FINANCE\Investments	3 bids for security purchase or sale	Monthly
9.0 Authorized Investments	Compliant	Breakdown of Portfolio listed in Section 12.0	See Section 12.0 Diversification	Monthly
9.0 Authorized Investments Credit Ratings	Compliant	Detailed in GASB 40 Report	Requires AA- or better from Standard & Poors and Aa3 by Moodys	Semi-Annual
11.0 Safekeeping	Compliant	US Bank Safekeeping	All Securities will be held in Safekeeping	Monthly
12.0 Diversification			Maximums	Monthly
US Treasury	Compliant	0%	100%	
Government Sponsored Enterprise (GSE's)	Compliant	17%, 14% largest issuer	100%, 30% per issuer	
Callable Securities	Compliant	17%	50%	
Local Government Investment Pool	Compliant	46%	100%	
State or Political Subdivision Securities	Compliant	4%, 2% largest issuer	20%, 5% per issuer	
Certificates of Deposits	Compliant	3%	10%, 5% per issuer	
Bankers Acceptances	Compliant	0%	5%, 5% per issuer	
A-1/P-1 Commercial Paper	Compliant	0%	5%, 5% per issuer	
13.0 Maximum Maturities	Compliant	0.89 Years	Average Maturity Exposure 3 Years	Monthly
	Compliant	5 yrs. 10/18/2017	Maximum Maturity of Individual Issue 5 Years	Monthly
14.0 Conformance to Policy	Compliant	November 3, 2011 and February 29, 2012 Investment Committee Review	Annual Review	Annual
15.0 External Review	Compliant	Last review April 2009	Every three (3) years	Every 3 Years
16.0 Performance Standards	Compliant	90 Day T Bill .11% Avg. 2 Yr. T Note 0.37% Portfolio 0.48%	Band between 90 T Bill and 2 Yr Treasury Note	Monthly
17.0 Reporting Requirements	Compliant	2012 2 nd Quarter Report is available	Annual, Quarterly & Monthly	Monthly
18.0 Policy Adoption	Compliant	Last adopted 7-3-2012	Policy shall be adopted by City Council	Changes Adopted As Needed

Exhibit 2

**City of Kirkland
Trading Authorization**

In accordance with the City of Kirkland’s Investment Policy dated ~~September 29, 2009~~ and approved by City Council ~~on January 5, 2010~~, the officers of the City of Kirkland listed below are hereby authorized to open an account or accounts for the purpose of engaging in transactions to purchase, sell, transfer, or otherwise enter into agreements, contracts, commitments or similar arrangements for settlement for the following:

U.S. Government and Federal Agency securities and Money Market Instruments, including (but not limited to) Commercial Paper, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank.

Designated Officers:

Director of Finance and Administration, Tracey Dunlap _____

Deputy Director, Michael Olson _____

Additionally, for all accounts authorized above, the designated officers are authorized to bind, and obligate said city for transactions, to execute transactions, and in connection therewith to deliver securities, and moneys, to sign and deliver agreements, or customary documents, and that U.S. Bank is authorized to act upon any verbal or written orders and instructions from the designated officer in connection with such accounts and transactions.

I, Kurt Triplett, do hereby certify that I am the City of Kirkland’s City Manager and am duly authorized to execute this certificate on behalf of said city.

Kurt Triplett Date
City Manager

Exhibit 3

**City of Kirkland
Broker/Dealer Questionnaire**

1. Name of Firm:
2. Address (Branch)
3. Address (Headquarters)
4. Is your firm certified as a Disadvantaged Business Enterprise (DBE)?
Yes No
If yes, by which institutions?
5. Is your firm a Primary Dealer of Government Securities?
Yes No
If you answer is no to this question, please complete the supplemental information.
6. Primary Account Representative(s)
Name:
Address:
Phone Number:
E-Mail:
Fax:
7. Department Manager
Name/Title:
Address:
Phone Number:
E-Mail:
Fax:
8. Provide the name and telephone number of the person who performs your day-to-day operations function.
9. If this person is unavailable, who else in your organization can be contacted for operations functions?

~~10. What are your firm's delivery instructions for book entry securities through the Federal Reserve?~~

~~11. What are your firm's physical delivery instructions?~~

12. What are your firm's DTC delivery instructions?

13. What types of fixed income research will you provide? (List and enclose sample copies.)

~~14. Enclose samples of the following documents:~~

- ~~Customer confirmation of a securities transaction~~
- ~~Customer confirmation of a buy and sell for a repurchase agreement~~
- ~~Monthly customer statement~~
- ~~Tri-Party Repurchase Agreement, if applicable~~

~~15.~~14. Enclose a copy of your firm's most recent:

- Annual Report
- Interim financial report

~~16.~~15. Provide information regarding SIPC and other insurance coverage offered by your firm for securities held by your firm for a customer.

~~17.~~16. Provide documentation showing that your firm is licensed in the State of Washington.

~~18.~~17. Provide proof of your firm's FINRA registration.

LIST OF PERSONNEL

Identify all persons who will be accepting orders from (or quoting prices to) City of Kirkland. List personnel in the order in which they would normally be contacted, listing yourself first. Attach an additional sheet if needed

Name:
Telephone:
Toll Free:
Fax:
E-mail:
Title/Function:
NASD Registration Date:
Document Registration In Washington:
Years with firm:
Years as institutional broker:
Year the firm was founded:

If resume is available, please attach.

Name:
Telephone:
Toll Free:
Fax:
E-mail:
Title/Function:
NASD Registration Date:
Washington Registration Date:
Years with firm:
Years as institutional broker:
Year the firm was founded:

CLIENT REFERENCES

As references, provide the following information regarding the public sector or institutional clients with whom you have an established, active relationship. A minimum of three references is required.

1. Name of organization
Address
Contact
Telephone
Length of relationship
Typical transactions

2. Name of organization
Address
Contact
Telephone
Length of relationship
Typical transactions

3. Name of organization
Address
Contact
Telephone
Length of relationship
Typical transactions

If yes, provide information about the relationship and a copy of the parent company's most recent annual report.

Exhibit 4

**City of Kirkland
Investment Policy Certification**

I hereby certify that I have personally read and understand the investment policies and objectives of the City of Kirkland as stated in the Investment Policy dated ~~July 3, 2012~~, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions objectives, horizon, outlook, strategies and risk constraints. We will notify you immediately by telephone and in writing in the event of a material adverse change in our financial condition. We pledge to exercise due diligence in informing you of all foreseeable risks associated with financial transactions conducted with our firm.

Firm:

Firm:

Signed Date

Signed Date

Title

Title

Name of Sales Representative

Name of Manager

RESOLUTION R-4996

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS.

WHEREAS, the City Council of the City of Kirkland desires to have City funds invested in secure depositories and maximize returns on these investments while maintaining safety objectives; and

WHEREAS, the City Council of the City of Kirkland desires to develop an investment policy to guide the investment of City funds to meet these objectives; and

WHEREAS, the City of Kirkland investment policy requires an external review of the policy and procedures every three years and such a review was completed in March of 2013; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of Finance and Administration) has recommended revisions to the policy for investment of City funds as well as revisions to the investment procedures, based in part on the external review; and

WHEREAS, the investment policy and procedure revisions have been reviewed and approved by the City's Investment Committee, which consists of the City Manager and Finance Director; and

WHEREAS, the City of Kirkland investment policy has been written in accordance with the Washington Municipal Treasurers' Model Investment Policy; and

WHEREAS, revisions to the City's investment policies must be approved by the City Council of the City of Kirkland;

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

Section 1. The policy for investment of City funds set forth in the document entitled "City of Kirkland Investment Policy September 3, 2013" which is attached as Attachment A and incorporated by this reference is adopted as the official policy for investment of City funds.

Section 2. That the document entitled City of Kirkland Investment Policy September 3, 2013, replaces all previous City of Kirkland Investment Policies.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

MAYOR

Attest:

City Clerk

***CITY OF KIRKLAND
INVESTMENT POLICY***

Adopted September 3, 2013

1.0 Policy Statement

It is the policy of the City of Kirkland, ("the City") to invest public funds in a manner which provides a market rate of return while meeting safety objectives, the daily cash flow requirements and conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all financial assets for the City of Kirkland. These funds are accounted for in the City's annual financial report and include:

- General Fund
 - Special Revenue Funds
 - Capital Project Funds
 - Enterprise Funds
 - Trust and Agency Funds
 - Debt Service Funds
- Any new funds created by the Finance Director unless specifically exempted.

3.0 Objective

The primary objectives, in order of priority, for the City of Kirkland's investment activities are as follows:

- 3.1 **Legality:** The City's investments will be in compliance with all statutes governing the investment of public funds in the State of Washington.
- 3.2 **Liquidity:** The City's investments will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.
- 3.3 **Safety:** Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.
- 3.4 **Yield:** The City's investments will be designed with the objective of attaining a market rate return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

Investment Core Fund is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap that would improve the quality, yield or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.

4.0 Delegation of Authority

In accordance with City of Kirkland Municipal code, Ordinance No.1020, an Investment Committee was created consisting of the City Manager and Finance Director. Authority is granted to these individuals to invest any portion of the monies in the City's inactive funds or other funds in excess of current needs. The Finance Director may designate a person to coordinate the day to day operations of the investment portfolio.

5.0 Prudence

Investments will be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes (Prudent Person Standard).

The standard of prudence to be used by investment officials will be the "prudent person" and will be applied in the context of managing an overall portfolio. Investment officers meeting the "prudent person" standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to Investment Committee any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio.

7.0 Authorized Financial Dealers and Institutions

Financial Institutions

The Investment Committee will maintain a list of financial institutions as required by the Public Deposit Protection Commission (PDPC), authorized to provide investment services

as outlined in R.C.W. 39.58.080. No public deposits will be made except in a qualified public depository in the State of Washington.

Broker/Dealers

A list will also be maintained of approved security broker/dealers selected by credit worthiness. The Finance Director will review the FINRA (Financial Industry Regulatory Authority) report on both the firm and the broker and maintain documentation of the review. A certification of having read the City's investment policy and receipt of the City's Trading Authorization must be completed by all brokers prior to transacting business. The Brokers Dealers may include "primary" dealers or "secondary" regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).

8.0 Broker Allocation

Investment transactions will be based upon the financial institution or brokerage firm that offers the best price to the City on each particular transaction. The City will make its best effort to obtain three bids for purchase or sale of government agency securities other than new issues. If circumstances dictate fewer than three bids due to the volatility of the market place, lack of bids, etc. the Finance Director or the Deputy Director has the authority to waive this. Generally all brokers will not have the same inventory of agency securities available to sell, but should be able to offer comparable alternatives. Banker's acceptances and Certificates of Deposit (other than a compensating balance CD) also require the acquisition of at least three bids, and acceptance of the most attractive rate from among comparable alternatives. Where two or more institutions or brokers have offered the same low bid, allocation will go to the lowest bidder that has provided the best service to the City.

9.0 Authorized and Suitable Investments

The City is empowered to invest in the following types of securities:

Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080) Eligible investments include:

- Obligations of the U.S. government;
U.S. Treasury Notes, Bonds and Bills
- Obligations of U.S. government agencies, corporations wholly owned by the U.S. government or any Government Sponsored Enterprises (GSE's)

Specific listing:

Federal Home Loan Bank - FHLB
Federal Farm Credit Bank - FFCB
Federal Home Loan Mortgage Corporation - FHLMC
Federal National Mortgage Association - FNMA
Federal Agricultural Mortgage Corporation - FAMC
Tennessee Valley Authority - TVA

* Other issuers may qualify if they meet the above criteria.

- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1. If the banker's acceptance is rated by more than two NRSROs., it must have the highest rating from all the organizations. Banker's Acceptances are considered illiquid as there is no active secondary market for these securities.
- Commercial Paper, provided that the Finance Director adheres with the policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7)), including the following:
 - Must have the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1.
 - Must be approved by the Investment Committee.
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;
- Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;
- Obligations of the State of Washington or its political sub-divisions with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
- Obligations of a state other than the State of Washington or its political sub-divisions, with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

- Repurchase Agreements. The City does not actively invest in repurchase agreements for short term investments. However, if a repurchase agreement is utilized collateralization is required. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. Re-pricing of the collateral should occur daily.

The City chooses to limit the collateral to Treasury and GSE Agency securities only, with a maximum maturity of three years.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

If the City chooses to invest in repurchase agreements, only primary dealers are to be used as counterparties to repurchase agreements, short term credit rating must be the highest credit rating, A-1 or the equivalent and a long term rating of A or the equivalent, the approved Bond Market Association's master repurchase agreement must be executed and on file prior to entering into these transactions and the maximum term for a repurchase agreement shall be limited to 30 days.

10.0 Prohibited Securities

- Mortgage Backed Securities including CMO's are prohibited.
- Derivative Products are prohibited
- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation of interest rates
- Purchases of any security on negative credit watch are prohibited.
- Purchases in Mutual Funds are prohibited

11.0 Investment Pools

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370.

12.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City of Kirkland will be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in safekeeping by a third party custodian.

13.0 Diversification

The City will diversify its investments by security type and institution so that reliance on any one issuer or financial institution will not place an undue financial burden on the City. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

The following table provides maximum portfolio and issuer limit guidelines for the eligible securities which shall be complied with at the time of a security purchase, unless an exception waiver is approved by the Investment Committee. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of the portfolio.

Investment	Percent of Fund	Percent Per Issuer	Maturity
US Treasury Obligations	100	100	5 Years
US Agency Obligations	100	30	5 Years
Callable Agency Securities	50	30	5 Years
State or Political Subdivision Securities	20	5	5 Years
Certificates of Deposits	10	5	5 years
Bankers Acceptances	5	5	180 days
A-1/P-1 Commercial Paper	5	5	180 days

14.0 Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of settlement.

The maximum weighted average maturity (WAM) of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure. The WAM refers to the final WAM not the effective WAM.

Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

15.0 Internal Control

On an annual basis, the Investment Committee, in conjunction with the State Auditor's Office, will evaluate conformance with the Investment Policy and audit internal controls. The purpose of these examinations shall be to audit the accountability of the City's Investment Portfolio and to verify that Investment Officials have acted in accordance with the investment policies and procedures. Should the Investment Procedures be in conflict with the Investment Policy, the Investment Policy is the final authority.

16.0 External Control

The City will have an external review of the investment policy and procedures every three (3) years. The City may enter contracts with third-party investment advisory firms when their services are required.

17.0 Performance Standards

The portfolio shall be managed to obtain a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the average yield of the ninety-day Treasury bill and the 2-year Treasury note for the period of time being evaluated. The goal is for the portfolio to generally perform within or above the band.

In addition, the Investment Core component duration may be tracked against a market index such as the US treasury 0-5 year index on a total return basis. This will provide for accountability of price changes in the portfolio and help inform the strategy related to the duration of the portfolio.

18.0 Reporting Requirements

18.1 The Finance Director shall prepare a quarterly and annual investment report summarizing the activity of the investment portfolio as to types of investments, yields, maturities and other related data.

18.2 Monthly reports will be submitted to the Investment Committee that report market value changes and investment income.

18.3 A Compliance report will be provided to the Investment Committee on at least a quarterly basis.

18.4 Additional reporting requirements are outlined in the Investment Procedures.

19.0 Investment Policy Adoption

The City's investment policy shall be adopted by City Council. The policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

GLOSSARY

BANKERS' ACCEPTANCES (Bas) – Bankers Acceptances are a form of a loan used in import-export financing transactions which becomes negotiable when accepted by a bank. The issuing bank is liable for the payment at its maturity. Terms vary but normally they are under six months and are purchased on a discount basis.

BROKER – A middleman who brings buyers and sellers together and handles their orders generally charging a commission for their services.

CERTIFICATES OF DEPOSIT – Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

COMMERCIAL PAPER - A short – term promissory note issued by a bank holding company, for the purpose of financing current transactions. Issues are sold on a discount basis with maturities up to 270 days.

DELIVERY VS PAYMENT – Physical delivery of collateral securities or book entry control in exchange for the cash payment. Under this system funds are not transferred until the securities are delivered. If a third party acts as custodian, funds are released by the custodian only when delivery is accomplished.

DEPOSITORY – A bank or financial institution accepting cash deposits and investments.

DIVERSIFICATION – Dividing available funds among a variety of securities and institutions so as to minimize market risk.

DURATION - The number of years required to receive the present value of future payments, both of interest and principle, of a bond, often used as an indicator of a bond's price volatility resulting from changes in interest rates.

FEDERAL CREDIT AGENCIES - Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL HOME LOAN BANKS (FHLB) - The 12 Federal Home Loan Banks are a system of regional banks from which local lending institutions everywhere in America borrow funds to finance housing, economic development, infrastructure and jobs. About 80 percent of U.S. lending institutions rely on the Federal Home Loan Banks. Because the Federal Home Loan Banks are cooperatives, their low costs are passed on to consumers and communities.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or Fannie Mae) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

GOVERNMENT SPONSORED ENTERPRISES (GSE's) - A group of financial services corporations created by the United States Congress. Their function is to reduce interest rates for specific borrowing sectors of the economy, farmers, and homeowners. The mortgage borrowing segment is by far the largest of the borrowing segments that the GSE's operate in.

LIQUIDITY - The length of time required to convert any investment to cash.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE – The market value of a security is the price at which the last sale of the same issue was sold.

MATURITY – The date upon which the principal or stated value of an investment becomes due.

PRINCIPAL – The cost of an instrument on which interest is earned.

REPURCHASE AGREEMENT – Range in maturity from overnight to fixed time to open end. Repo's involve a simultaneous sale of securities by a bank or government securities dealer to a city with an agreement for the bank to repurchase the securities at a fixed date at a specified rate of interest.

SAFEKEEPING – An arrangement under which an organization's securities are kept in a bank vault or in the case of book entry securities, are held and recorded in the customer's name. Evidence of this arrangement is a safekeeping receipt.

SECONDARY MARKET – A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their state maturity date.

TREASURY BILLS – Short-term marketable securities issued by the U.S. Treasury and secured by the Federal Government and have maximum liquidity.

TREASURY NOTES AND BONDS – These are direct obligations of the U.S. Government with maturities from one to ten years on the notes and 10 to 30 years on the bonds.

UNIFORM NET CAPITAL RULE - Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

WEIGHTED AVERAGE MATURITY - The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAMs are more sensitive to changes in interest rates because the longer a bond is held, the greater the opportunity for interest rates to move up or down and affect the performance of the bonds in the portfolio.

EFFECTIVE WEIGHTED AVERAGE MATURITY - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called.

YIELD – The rate of annual return on an investment expressed as a percentage.

ORDINANCE O-4416

AN ORDINANCE OF THE CITY OF KIRKLAND UPDATING REFERENCES TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION IN THE KIRKLAND MUNICIPAL CODE AND MAKING CERTAIN HOUSEKEEPING CORRECTIONS.

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

Section 1. Section 3.16.030 of the Kirkland Municipal Code is repealed.

Section 2. Section 3.16.035 of the Kirkland Municipal Code is amended to read as follows:

3.16.035 Department of finance and administration.

There shall also be a department of finance and administration. The director of the department of finance and administration may, with the concurrence of the city manager, establish within the department functional divisions, ~~such as budget and finance (including warrant operations) and purchasing.~~ The director of finance and administration may designate division managers of the department ~~as budget and finance supervisor or manager may be designated "city clerk" and "city treasurer."~~

Section 3. Section 3.60.010 of the Kirkland Municipal Code is amended to read as follows:

3.60.010 Relief and pension system established—Board membership.

A ~~Fireman's—firefighters'~~ relief and pension system is hereby declared to have been established and created for the city full-time, full-paid fire department as of March 1, 1969, and the ~~fireman's—firefighters'~~ pension board thereby created shall consist of the following five members, ex officio the mayor who shall be chairman of the board, the city manager, the director of ~~administrative services—finance and administration~~ and in addition two members to be elected by secret ballot of the ~~firemen—firefighters~~, at least one of which must be a regularly employed ~~fireman—firefighter~~.

Section 4. Section 3.72.010 of the Kirkland Municipal Code is amended to read as follows:

3.72.010 Officers.

The following named city officials shall, as required by RCW 35A.13.080, furnish a surety or guaranty bond for the faithful performance of their duties; provided, that said bonds may be combined in the form known as a named schedule bond, and the cost thereof shall be paid by the city of Kirkland.

Office	Bond Amount	Term
City manager	\$50,000	Annual
Director of finance <u>and administration</u>	\$100,000	Annual
Chief of police	\$5,000	Annual

Section 5. Section 3.88.040 of the Kirkland Municipal Code is amended to read as follows:

3.88.040 Reimbursement to owner.

If the owner of the personal property so sold, or his or her legal representative, shall, at any time within three years after such money has been deposited in the city current expense fund or with the director of finance and administration, demand, he, she, or they shall be entitled to receive from the city current expense fund the amount so deposited therein.

Section 6. Section 5.04.050 of the Kirkland Municipal Code is amended to read as follows:

5.04.050 Administration and collection—Contract authorized.

The director of finance and administration is hereby authorized and directed to enter into a contract with the Department of Revenue for the state of Washington for administration of the tax herein imposed. ~~The contract shall be substantially in the form as Exhibit A on file in the office of the city clerk and by this reference incorporated herein.~~

Section 7. Subsection 5.08.020(6) of the Kirkland Municipal Code is amended to read as follows:

5.08.020 Definitions.

(6) "Tax year" or "taxable year" means the year commencing January 1st and ending on the last day of December of the same year, or, in lieu thereof, the taxpayer's fiscal year when permission is obtained from the director of finance and administration to use the same as the tax period;

Section 8. Section 5.08.040 of the Kirkland Municipal Code is amended to read as follows:

5.08.040 License tax year.

All occupation licenses shall be for the tax year for which issued and shall expire at the end of such tax year. Such occupation license and the fee or tax therefor hereby imposed shall be for the year commencing January 1st and ending on the last day of December of the same year; provided, however, that if the taxpayer in transacting his or her business keeps the books reflecting same for a fiscal year not based on the calendar year, he or she may, with the assent of the director of finance and administration, obtain his or her license for the

period of his or her current fiscal year which shall be deemed his or her tax year, and pay the fee or tax computed upon his or her gross income made during his or her fiscal year covering his or her accounting period as shown by the method of keeping the books of the business.

Section 9. Subsection 5.08.070(a) of the Kirkland Municipal Code is amended to read as follows:

5.08.070 Application or return for license.

(a) On or before the first day of each tax year, every taxpayer shall apply to the director of finance and administration for an occupation license upon blanks or forms of return to be prepared and provided by the director requesting such information as may be necessary to enable the director to arrive at the lawful amount of the fee or tax. The taxpayer shall, in a legible manner, write in such blank or form of return the information required and shall sign the same by affidavit at the foot thereof, shall swear or affirm that the information therein given is full and true and that he or she knows the same to be so.

Section 10. Subsections 5.08.120(a) and (b) of the Kirkland Municipal Code are amended to read as follows:

5.08.120 Taxpayer—Books and records required—Returns confidential.

(a) It shall be the duty of each taxpayer taxed upon his or her gross income to keep and enter in a proper book or set of books or records an account which shall accurately reflect the amount of his or her gross income, which account shall always be open to the inspection of the director of finance and administration or his or her duly authorized agent, and from which the officer or his or her agent may verify the return made by the taxpayer.

(b) The applications, statements or returns made to the director of finance and administration pursuant to this chapter shall not be made public nor shall they be subject to the inspection of any person except the mayor, the city attorney, the director of finance and administration or his or her authorized agent, and members of the city council.

Section 11. Section 5.08.130 of the Kirkland Municipal Code is amended to read as follows:

5.08.130 Director of finance and administration to investigate returns.

If any taxpayer fails to apply for license or make return, or if the director of finance and administration is dissatisfied as to the correctness of the statements made in the application or return of any taxpayer, the officer or his authorized agent may enter the premises of such taxpayer at any reasonable time for the purpose of inspecting his or her books or records of account to ascertain the amount of the fee or tax or to determine the correctness of such statements as the case may be and may examine any person under oath administered by the officer, or his agent, touching the matters inquired into, or the officer

or his authorized agent may fix a time and place for an investigation of the correctness of the return and may issue a subpoena to the taxpayer or any other person, to attend upon such investigation and there testify, under oath administered by the officer, or his agent, in regard to the matters inquired into and may, by subpoena, require him, her, or any person, to bring with him such books, records and papers as may be necessary.

Section 12. Section 5.08.140 of the Kirkland Municipal Code is amended to read as follows:

5.08.140 Cost of audit.

Upon the failure or refusal of the taxpayer to furnish the information called for by the director of finance and administration, or if the books and records of the taxpayer are complicated, or do not readily disclose the information required for making a complete or satisfactory return without the assistance of a skilled accountant, then the director of finance and administration may in his or her discretion employ a skilled accountant and such clerical assistance as is necessary to make an audit of the books and records of the taxpayer and such expenses shall be collected from the taxpayer in the manner provided for the collection of the license or tax.

Section 13. Section 5.08.160 of the Kirkland Municipal Code is amended to read as follows:

5.08.160 Over or under payment of tax.

If the director of finance and administration upon investigation or upon checking returns finds that the fee or tax paid or any of them is more than the amount required of the taxpayer, he shall refund the amount overpaid by a warrant upon the current expense fund. If the director of finance and administration finds that the fee or tax paid is less than required, he or she shall send a statement to the taxpayer showing the balance due, who shall within three days pay the amount shown thereon.

Section 14. Section 5.08.170 of the Kirkland Municipal Code is amended to read as follows:

5.08.170 Remedy for nonpayment of tax.

If any taxpayer fails to apply for license or make his or her return, or to pay the fee or tax therefor, or the cost of any audit required by the director of finance and administration or any part thereof within three days after the same shall have become due, the director of finance and administration shall ascertain the amount of the fee or tax or installment thereof and/or cost of audit due, and shall notify such taxpayer thereof, who shall be liable therefor in any suit or action by the city for the collection thereof. The director of finance and administration shall also notify the city attorney in writing of the name of such delinquent taxpayer and the amount due from him or her and the officer shall, with the assistance of the director of finance and administration collect the same by any appropriate means or by suit or action in the name of the city.

Section 15. Section 5.08.180 of the Kirkland Municipal Code is amended to read as follows:

5.08.180 Appeals to city council.

All taxpayers aggrieved by the amount of the fee or tax found by the director of finance and administration to be required under the provisions of this chapter may appeal to the city council from such finding by filing a written notice of appeal with the city clerk within five days from the time such taxpayer was given notice of such amount. The director shall, as soon as practicable, fix a time and place for the hearing of such appeal, which time shall be not more than ten days after filing of the notice of appeal, and he or she shall cause a notice of the time and place thereof to be delivered or mailed to the appellant. At such hearing the taxpayer shall be entitled to be heard and to introduce evidence in his or her own behalf. The city council shall thereupon ascertain the correct amount of the fee or tax by resolution and the city clerk shall immediately notify the appellant thereof, which amount, together with costs of appeal, if appellant is unsuccessful therein, must be paid within three days after such notice is given.

The mayor of the city, or any ~~councilman~~ council member of the city, may, by subpoena, require the attendance thereof of any person, and may also require him or her to produce any pertinent books and records. Any person served with subpoena shall appear at the time and place therein stated and produce the books and records required, if any, and shall testify truthfully under oath administered by the mayor or any member of the city council in charge of the hearing on appeal as to any matter required of him or her pertinent to the appeal, and it is unlawful for him or her to fail or refuse to do so.

Section 16. Section 5.12.060 of the Kirkland Municipal Code is amended to read as follows:

5.12.060 Counting number of admissions—Posting admission charge required.

Whenever a charge is made for admission to any place, a serially numbered or reserved seat ticket shall be furnished the person paying such charge unless written approval has been obtained from the director of finance and administration to use a turnstile or other counting device which will accurately count the number of paid admissions. The established price, any noncity tax, city tax, and total price at which every such admission ticket or card is sold shall be conspicuously and indelibly printed or written on the face or back of that part of the ticket which is to be taken up by the management of the place to which admission is gained. It is unlawful for any person to sell an admission ticket or card on which the name of the person conducting the event or the price is not so printed, stamped or written, or to sell or offer to sell an admission ticket or card at a price in excess of the price printed, stamped or written thereon. The admission tax due shall be based on the established price printed on each ticket. When a charge is made for admission, a sign must be posted in a conspicuous place on the entrance or ticket office which breaks down the admission charge as follows:

Established Price	_____
Non-City Tax	_____
City Tax	_____
Total Price	_____

Section 17. Section 5.12.070 of the Kirkland Municipal Code is amended to read as follows:

5.12.070 Remittance of taxes collected.

Any person, including any municipal or quasi-municipal corporation, who receives any payment for any admission charge on which a tax is imposed by this chapter shall collect same from the person making the admission payment and shall remit the same to the director of finance and administration as herein provided. The tax required to be collected under this chapter shall be deemed held in trust by the person required to collect the same until remitted to the director of finance and administration as herein provided. Any person required to collect the tax imposed under this chapter who fails to collect same, or who collects the same but fails to remit the same to the director of finance and administration in the manner prescribed by this chapter shall be liable to the city for the amount of such tax, and shall, unless the remittance be made as herein required, be guilty of a violation of this chapter whether such failure be the result of his, her or its own act or the result of acts or conditions beyond his or its control. The tax imposed hereunder shall be collected from the person paying the admission charge at the time the admission charge is paid and such taxes shall be remitted by the person collecting the tax to the director of finance and administration in monthly remittances on or before the fifteenth day of the month succeeding the end of the monthly period in which the tax is collected or received and accompanied by such reports as the director of finance and administration shall require: provided, that the director of finance and administration, for good cause shown, may extend the time for making and filing the return and remittance of the tax due. Payment or remittance of the tax collected may be made by check unless payment or remittance is otherwise required by the director of finance and administration, but payment by check shall not relieve the one collecting the tax from liability for payment and remittance of the tax to the director of finance and administration unless the check is in the full and correct amount and until the check is honored. Any person receiving any payment for admissions shall make out a return upon such forms and setting forth such information as the director of finance and administration may require, showing the amount of the tax upon admissions for which he is liable for the preceding monthly period, and shall sign and transmit the same to the director of finance and administration with a remittance for the amount; provided, that the director of finance and administration may in his or her discretion require verified annual returns from any person receiving admission payments setting forth such additional information as he or she may deem necessary to determine correctly the amount

of tax collected and payable. If the return provided for herein is not made and the tax is not collected and paid within fifteen days after the end of the month in which the tax was collected, the director of finance and administration shall add a penalty of ten percent of the tax per month or fraction thereof for each month overdue, which shall be added to the amount of the tax due, and remitted in the same manner. Whenever any theater, circus, show, exhibition, entertainment or amusement makes an admission charge which is subject to the tax herein levied, and the same is of a temporary or transitory nature or there exists a reasonable question of financial responsibility, of which the director of finance and administration shall be the judge, the director of finance and administration may require the report and remittance of the admission tax immediately upon the collection of the same, at the conclusion of the performance or exhibition, or at the conclusion of the series of performances or exhibitions or at such other times as the director of finance and administration shall determine; and failure to comply with any requirement of the director of finance and administration as to report and remittance of the tax as required shall be a violation of this chapter. Every person liable for the collection and payment of the tax imposed by this chapter shall keep and preserve for a period of five years all unused tickets, ticket manifests, books and all other records from which can be determined the amount of admission tax which he or she was liable to remit under the provisions of this chapter, and all such tickets, books and records shall be open for examination and audit at all reasonable times by the director of finance and administration or his or her duly authorized agent. Written permission may be granted by the director of finance and administration to destroy unused tickets prior to the expiration of the five-year period.

Section 18. Section 5.12.080 of the Kirkland Municipal Code is amended to read as follows:

5.12.080 Certificate of registration—Fee—Posting.

Any person conducting or operating any place for entrance to which an admission charge is made shall, on a form prescribed by the director of finance and administration, make application to and procure from the city a certificate of registration, the fee for which shall be one dollar, which certificate shall continue valid until the thirty-first day of December of the year in which the same is issued. Such certificate of registration, or duplicate original copies thereof to be issued by the director of finance and administration without additional charge, shall be posted in a conspicuous place in each ticket or box office where tickets of admission are sold.

Section 19. Section 5.12.090 of the Kirkland Municipal Code is amended to read as follows:

5.12.090 Certificate of registration—Application by other than owner, lessee, or custodian.

Whenever the applicant for a certificate of registration, obtained for the purpose of operating or conducting a temporary or transitory amusement, entertainment or exhibition, is not the owner, lessee, or custodian of the buildings, lots or place where the amusement is to be

conducted, the tax imposed by this chapter shall be reported and remitted as provided in Section 5.12.070 hereof by the person who is the owner, lessee or custodian, if not paid by the person conducting the amusement, entertainment or exhibition. The applicant for a certificate of registration in any case shall furnish the director of finance and administration, with the application with the name and address of the owner, lessee or custodian of the premises upon which the amusement is to be conducted, and such owner, lessee or custodian shall be notified by the director of finance and administration of the issuance of such certificate and of his or her joint liability for collection and remittance of such tax.

Section 20. Section 5.12.100 of the Kirkland Municipal Code is amended to read as follows:

5.12.100 Director of finance and administration to adopt rules.

The director of finance and administration shall have power to adopt rules and regulations not inconsistent with the terms of this chapter for carrying out and enforcing the payment, collection and remittance of the tax herein levied; and a copy of the rules and regulations shall be on file and available for public examination in the director of finance and administration's office. Failure or refusal to comply with any such rules and regulations is a violation of this chapter.

Section 21. Section 5.12.130 of the Kirkland Municipal Code is amended to read as follows:

5.12.130 Applications and returns confidential.

The applications and returns made to the director of finance and administration pursuant to this chapter shall not be made public, nor shall they be subject to the inspection of anyone except the city manager, city attorney, director of finance and administration or authorized agent, and members of the city council, and it is unlawful for any person to make public or to inform another person as to the contents or any information contained in or to permit inspection of any application or return except as in this section authorized.

Section 22. Section 5.18.100 of the Kirkland Municipal Code is amended to read as follows:

5.18.100 Collection and enforcement authority.

The city manager or the director of finance and administration as his or her delegate is authorized and directed to take all steps necessary and required, including the preparation and execution of any contracts or other agreements with King County, to establish the payment collection and enforcement procedures provided for in this chapter.

Section 23. Section 5.19.070 of the Kirkland Municipal Code is amended to read as follows:

5.19.070 Adoption of rules.

The director of finance and administration shall have the power to adopt rules and regulations not inconsistent with the terms of this chapter for carrying out and enforcing the payment, collection and remittance of the tax herein levied such as concerning inspection of records; and a copy of the rules and regulations shall be on file and available for public examination in the director of finance and administration's office. Failure or refusal to comply with any such rules and regulations is a violation of this chapter.

Section 24. Subsection 5.19.230(c) of the Kirkland Municipal Code is amended to read as follows:

5.19.230 Duties.

(c) In addition to the foregoing, the LTAC will submit a report to the city's ~~finance~~ director of finance and administration as to whether the proposed budget for lodging tax revenue and lodging fund expenditures is consistent with long-term stability of the lodging tax fund.

Section 25. Section 5.20.010 of the Kirkland Municipal Code is amended to read as follows:

5.20.010 Authority to create or cancel specific city funds.

The director of finance and administration shall have the authority, without prior consent of the city council, to create or cancel a specific fund among the individual funds of the city.

Section 26. Section 5.20.020 of the Kirkland Municipal Code is amended to read as follows:

5.20.020 Transfer of fund balance.

The director of finance and administration shall have the authority, without the prior consent of the city council, to transfer the balance of an individual city fund to one or more other individual city funds.

Section 27. Section 5.24.010 of the Kirkland Municipal Code is amended to read as follows:

5.24.010 Investment committee —Investments designated.

In accordance with RCW 35.39.030, authority is hereby granted to a committee composed of city manager and the director of finance and administration to invest any portion of the moneys in its inactive funds or in other funds in excess of current needs in:

- (1) United States Bonds;
- (2) United States Certificates of Indebtedness;
- (3) Bonds or warrants of this state;
- (4) General obligation or utility revenue bonds or warrants of its own or any other city or town in the state;
- (5) Its own bonds or warrants of a local improvement or condemnation award district which is within the protection of the local improvement guaranty fund law; and
- (6) In other investments authorized by law.

Section 28. Section 5.24.020 of the Kirkland Municipal Code is amended to read as follows:

5.24.020 Council consent not required —Conversion into cash.

The city manager and the director of finance and administration ~~acting in committee~~, shall have the authority to make the investments without the consent of the city council for each investment and may, at any time, convert the above-mentioned securities, or any part thereof, into cash.

Section 29. Section 5.24.030 of the Kirkland Municipal Code is amended to read as follows:

5.24.030 Report of transactions.

The director of finance and administration shall prepare a report for the city council each month showing all investment transactions.

Section 30. Section 5.32.030 of the Kirkland Municipal Code is amended to read as follows:

5.32.030 Procedure for audit of accounts payable and issuance of ~~warrants checks~~ in payment.

Before any city ~~warrant check~~ may be drawn and issued for payment of claims, bills, invoices and other demands or obligations payable from the claims fund, or any other city fund, the claims or other requests for payment shall be audited by the department of finance and administration and a detailed summary thereof submitted to the city council for its approval at the next regular council meeting; provided, that such ~~warrants checks~~ may be issued after audit and approval by the director of finance and administration and countersigned by the city manager but prior to approval by the city council, subject to the conditions set forth in Section 5.32.031 of this code.

Section 31. Section 5.32.031 of the Kirkland Municipal Code is amended to read as follows:

5.32.031 Issuance of ~~warrants checks~~ before approval by city council.

As authorized by RCW 42.24.180, city ~~warrants checks~~ may be drawn and issued for payment of claims, bills, invoices and other demands or obligations after audit and approval by the director of finance and administration and countersigned by the city manager but prior to approval by the city council under the following conditions:

(1) The director of finance and administration and the city manager have each furnished to the city an official bond for the faithful discharge of their respective duties in an amount and in accordance with the provisions of Section 3.72.010 of this code;

(2) Contracting, hiring, purchasing and disbursing policies that implement effective internal control as adopted by the city council are and remain in effect;

(3) Documentation supporting each claim for which such ~~warrants-checks~~ are issued is submitted to the city council for its approval at the council's next regularly scheduled public meeting; and

(4) If upon council review the council disapproves some claims for which such ~~warrants-checks~~ have been issued, the director of finance and administration and the city manager shall jointly cause the disapproved claims to be recognized as receivables of the city of Kirkland and to pursue collection diligently until the amounts disapproved are either collected or until the legislative body is satisfied and approves the claims.

Section 32. Chapter 5.69 of the Kirkland Municipal Code is amended to read as follows:

Chapter 5.69 PETTY CASH FUND

5.69.010 Established.

The director of finance and administration is authorized to establish a petty cash fund not to exceed twenty-five thousand dollars, composed of two categories of cash, as follows:

(1) Petty cash – such amount as the director of finance and administration determines necessary for the making of minor authorized disbursements and the making of change, but not to exceed fifteen thousand dollars; and

(2) Eastside Narcotics Task Force – amount of cash contribution from city of Kirkland held by the Eastside Narcotics Task Force, but not to exceed ten thousand dollars.

5.69.020 Regulations conform to State Auditor's Office requirements.

The director of finance and administration is hereby authorized and directed to establish written regulations for the creation and operation of said petty cash fund which regulations shall conform to the petty cash requirements of the State Auditor's Office as set forth in ~~BARS System manual, Volume 1, Part 3, Chapter 3, Section E, page 23, effective date January 1, 1990.~~

Section 33. Subsection 5.74.070(b) of the Kirkland Municipal Code is amended to read as follows:

5.74.070 Fees charged by planning department.

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

Section 34. Section 5.76.010 of the Kirkland Municipal Code is amended to read as follows:

5.76.010 Fund established.

The director of finance and administration is directed to establish a fund to be known as the "Real Estate Excise Tax Revenue Municipal Capital Improvement Fund." All moneys received by the city from the treasurer for King County in distribution of the ~~one-quarter of one percent~~ real estate excise tax imposed by the city pursuant to Chapter 5.18 of this code and Chapter ~~82.46 RCW~~⁴⁹, ~~Washington Laws 1982, First Ex. Sess.~~, shall be deposited in the fund created by this chapter.

Section 35. Section 5.80.030 of the Kirkland Municipal Code is amended to read as follows:

5.80.030 Bond issuance—Information to be included in issuing ordinance.

Registered bonds or other registered obligation may be issued in any denomination to represent several registered bonds or other obligations of smaller denominations and may permit the issuance of bonds or other obligations in denominations smaller than a larger denomination bond or obligations requested to be transferred. The ordinance authorizing the issuance of the bonds or other obligations shall provide for an authenticating trustee, transfer agent, registrar and paying agent, which shall be one or more of the fiscal agencies of the state of Washington appointed in accordance with RCW Chapter 43.80, except that with respect to interest-bearing warrants, installment contracts, interest-bearing leases and other instruments or obligations not usually subject to trading, assignment or transfer, the director of finance and administration for the city may serve as the transfer agent, registrar and paying officer. Any transfer agent, registrar and paying agent or officer shall comply with all applicable federal and state laws and regulations respecting the carrying out of such duties. Unless provided for in the contract between the city and the fiscal agencies, each such ordinance authorizing the issuance of such bonds or other obligations shall specify the terms and conditions of making payments of principal and interest, for the provision of printing any physical instruments including the use of identifying numbers or other designations, the specifying of record and payment dates, the determination of denominations, the manner of communicating to the owners of such bonds or other obligations, the receipt of the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction, the registration and release of securing interests and for such other matters pertaining to the registration of such bonds or other obligations authorized by such ordinance as the city may deem to be necessary or appropriate.

Section 36. Section 5.80.040 of the Kirkland Municipal Code is amended to read as follows:

5.80.040 Contract with state as central depository—Registrar.

The director of finance and administration for the city is authorized to enter into a contract with the fiscal agency or agencies of the state of Washington in connection with the establishment and maintenance by such fiscal agency or agencies of a central depository system for the transfer or pledge of bonds or other obligations and for the services as authenticating trustee, transfer agent, registrar and paying agent for such bonds and other obligations. Such contract shall define the rights and duties of such fiscal agency so acting and the means of compensation thereof. In addition, in lieu of making provisions in each ordinance authorizing the issuance of bonds or other obligations, such contract may make specific provision for the procedures for payment, identification by numbers or other designations, the manner of issuance or reissuance of certificates, the manner of transfer, the manner of communication to owners of bonds or other obligations for accounting to the city and for cancelled certificate of destruction, registration and release of securing interest and for such other matters as may be appropriate; provided however, that in instances where the fiscal agencies of the state of Washington serve as registrar, the city adopts by reference the contract between the state finance committee of the state of Washington and the fiscal agencies in lieu of executing a separate contract and prescribing by ordinance the rights, duties, obligations and compensation of the registrar; further provided, that when the city director of finance and administration serves as registrar a separate contract shall not be required.

Section 37. Section 5.82.040 of the Kirkland Municipal Code is amended to read as follows:

5.82.040 King County comptroller—directed to distribute property taxes together with accrued interest on investments thereof.

~~The King County comptroller~~ is authorized and directed to distribute to the director of finance and administration, for and on behalf of the city of Kirkland, all property taxes collected as frequently as daily, and the comptroller is directed to distribute to the city all interest accrued on the investment thereof by the county at the time of the distribution of the property tax moneys to the city. The director of finance and administration is authorized to give a receipt therefor whenever funds are delivered to the city. Delivery may be in money, or as a transfer of an investment authorized by RCW 36.29.020, made by the comptroller on behalf of the city.

Section 38. Section 7.02.030 of the Kirkland Municipal Code is amended to read as follows:

7.02.030 Definitions.

Where used in this chapter, the following words and terms shall have the meanings as defined in this section, unless, from the context, a more limited or different meaning is clearly defined or apparent:

(a) "Business" includes all activities, occupations, pursuits, or professions located and/or engaged within the city, with the object of gain, benefit or advantage to the person engaging in the same, or to any other person or class, directly or indirectly, and includes nonprofit enterprises.

(b) "Business license" means that document issued by the city licensing the transaction of the indicated business by the person whose name appears thereon for the stated period.

(c) "Engaging in business" means commencing, conducting or continuing in any business within the city, whether or not an office or physical location for the business lies within the city. "Engaging in business" includes the performance of work or services by contractors, consultants, representatives, agents or other persons within the city, even though the office location of the contractor, consultant, representative, agent or other person is not within the city limits; the exercise of corporate or franchise powers, as well as the liquidation of a business when the liquidators hold themselves out to the public as conducting such business; acting as a solicitor or canvasser; and furnishing temporary employees and/or workers to other businesses. By way of illustration only and without being all-inclusive, a business with an office or physical location outside the city limits which sells or leases personal property to buyers or lessees in the city; accepts or executes a contract to perform construction or installation services contracts in the city; solicits sales in the city; or renders services to others in the city; is engaged in business in this city, irrespective of whether or not such business maintains a permanent place of business in the city.

(d) "Finance and administration director" or "director" means the city of Kirkland director of finance and administration or his/her designee.

(e) "Gross receipts" shall have its ordinary meaning and also means the value accruing from the business activity within the city or conducted from the city including compensation for the rendition of services (without any deduction for labor costs or the cost of materials used), sale of personal property (without any deduction for the cost of property sold), gains or dividends realized, rents, royalties, contributions, fees and commissions, all without any deduction for any expense, taxes, or losses.

(f) "Person" includes individual natural persons, any firm, corporation, association, sole proprietor, club, partnership, trust, receiver, administrator, executor, estate, company, independent contractor, society, any officer, agent, personal representative, any group of individuals acting as a unit, the United States or the state of Washington or any instrumentality thereof, and includes the singular and the plural.

(g) "City" means the city of Kirkland, Washington.

(h) "Year" means a calendar year, except where otherwise specified or when permission is obtained from the director to use a different fiscal year.

(i) "L&I" means the Washington State Department of Labor and Industries.

(j) "Place of business" or "office" includes, but is not limited to, the following: maintaining, occupying, or using a permanent building or facility or fixed location as an office or location for conducting business; or a location where the regular business of the person is conducted and which is either owned by the person or over which the person exercises legal dominion and control; or a location which includes a business sign, mailing address, and permanent phone. A

vehicle such as a pickup, van, truck, boat or other motor vehicle will not be considered a place of business for purposes of this chapter.

(k) "Casual or isolated sale" means a sale made by a person who is not engaged in the business of selling the type of property involved. Persons who hold themselves out to the public as making sales at retail or wholesale are deemed to be engaged in business, and sales made by them of the type of property which they hold themselves out as selling are not casual or isolated sales even though such sales are not made frequently.

(l) "Employee" means and includes each of the following persons who are not required by the city to have his/her/its own separate city of Kirkland business license:

(1) Any person who is on the business's payroll, and includes all full-time, part-time, and temporary employees or workers; and

(2) Self-employed persons, sole proprietors, owners, managers, and partners; and

(3) Any other person who performs work, services or labor at the business, including an independent contractor who is not required to have a separate city of Kirkland business license.

(m) "Contractor" means any person who, in the capacity of an independent contractor, contracts with any business, property owner or person to perform a particular job or jobs, whether the remuneration received for performing the job or jobs is on a cost-plus basis, a flat sum basis or a salary computed at so much per hour.

(n) "Subcontractor" means any person who in the capacity of an independent contractor contracts with any contractor to perform a particular trade or job, whether the remuneration received for performing the job or jobs is on a cost-plus basis, a flat sum basis, or a salary basis computed at so much per hour.

Section 39. Section 7.02.080 of the Kirkland Municipal Code is amended to read as follows:

7.02.080 Finance and administration director as license officer.

(a) The administration of this chapter shall be accomplished under the direction of the director. The director may make and publish rules of procedure and regulations for the administration of this chapter. It is unlawful to violate or knowingly fail to comply with any such rule or regulation.

(b) The finance and administration director shall collect all license fees and shall issue licenses in the name of the city to all persons qualified under the provisions of this chapter and shall have the authority to:

(1) Adopt Forms. Adopt application, license, renewal, annual return, and all other necessary or convenient forms and prescribe the information to be provided. Such required information shall include, but not be limited to, the name of the applicant, his or her residence address, place of business, the nature of the business, the form of ownership, the names of all officers of the business and the number of employees.

(2) Obtain Endorsement. Submit applications, when deemed appropriate, to other city officials for their endorsements thereon as to

compliance by the applicant with all city regulations which the officials have the duty of enforcing.

(3) Investigate. Investigate and determine the eligibility of any applicant for a license, the amount of fees or other amounts due as prescribed herein, and the correctness of data submitted to the city.

(4) Examine Records. Examine and audit the books and records of any applicant, licensee, or business when reasonably necessary to the administration of this chapter. The records of a business, including federal and state tax returns and invoices, shall be open for examination by the director or authorized agent at any time to the extent authorized by law. The director may require the attendance of any person at a time and place fixed by the director or authorized agent in accordance with and to the extent authorized by applicable law.

(5) Give Notice. Notify any applicant of the acceptance or rejection of the application.

(6) Regulate Form of Licenses. Ensure that each license is numbered, and shows the name of the licensee, and business address.

Section 40. Section 7.02.160 of the Kirkland Municipal Code is amended to read as follows:

7.02.160 Revenue generating regulatory license fee (RGRL).

(a) General. In addition to the basic license fee, the highest applicable RGRL in this section shall be paid for the annual license issued under this chapter.

(1) A business with less than twelve thousand dollars of average annual gross receipts shall be exempt from any RGRL.

(2) A business located within the city limits of Kirkland with ten or fewer employees or FTEs shall be exempt from the RGRL for the first year of business operation only. Businesses exempt from the RGRL under this subsection shall still be required to pay the basic license fee under Section 7.02.120 and register the number of employees and FTEs under this chapter.

(3) For the purposes of this section and in determining the applicable RGRL, the term "employee" means and includes each of the following persons who are not required by the city to have his/her/its own separate city of Kirkland business license:

(A) Any person who is on the business's payroll, and includes all full-time, part-time, and temporary employees or workers; and

(B) Self-employed persons, sole proprietors, owners, managers, and partners; and

(C) Any other person who performs work, services or labor at the business, including an independent contractor who is not required to have a separate city of Kirkland business license.

(4) An entity that is entirely exempt from paying the basic license fee shall be exempt from any RGRL.

(5) An entity with some activities or functions that are exempt from the basic license fee and some that are not exempt shall pay an RGRL based on the number of its employees that are involved in the functions or activities that are not exempt.

(b) Amount of RGRL.

(1) Revenue Generating Regulatory License (RGRL) Fee Method. Except as otherwise provided by this chapter, every person engaging

in business within the city shall pay an RGRL based upon the number of employee hours worked in Kirkland during the previous year. Annual employee hours are calculated based on the sum of the four quarterly reports submitted to the Washington State Department of Labor and Industries for the previous year. It will be the responsibility of the employer to determine the number of hours worked within the city from these reports. Businesses that did not file quarterly reports with the Washington State Department of Labor and Industries shall determine the number of hours worked within the city and demonstrate, if required, to the satisfaction of the finance and administration director or his/her authorized agent, that the number of employee hours worked is correct.

(2) The annual license fee (base fee and RGRL) shall be calculated by adding the base fee of one hundred dollars per business license to the full-time-equivalent employees that worked in Kirkland multiplied by one hundred dollars. The approved tax rate per full-time employee is \$0.052084 (which represents a RGRL multiplier of \$0.052084 per employee hour worked), as may be adjusted herein. Employers without a full year history would need to estimate the number of employee hours that will be worked in the current calendar year.

(3) If a business has more than one location in Kirkland, the annual business license fee calculation must include a base fee for each location and the RGRL for annual employee hours at all locations.

(c) Alternative FTE Method. A business may choose to calculate its annual license fee by adding the one-hundred-dollar base fee to the RGRL based on multiplying one hundred dollars by the number of its employees. The number of employees shall be based on the sum of the employees in the four quarterly reports submitted to the Washington State Department of Labor and Industries for the previous year divided by four. It will be the responsibility of the employer to determine the number of employees working within the city from these reports. Businesses that did not file quarterly reports with the Washington State Department of Labor and Industries shall determine the number of employees working in the city and demonstrate, if required, to the satisfaction of the finance and administration director or his/her authorized agent, that the number of employees is correct. Employers without a full year history would need to estimate the number of employees that will work in the city for the current calendar year.

(1) Once the FTE methodology has been selected, it must be used for future renewals.

(2) Businesses with more than one location must use the same method of calculation for all locations.

(3) For businesses with employees who work less than one thousand, nine hundred twenty hours per year (the work hour figure used by the Washington Department of Labor and Industries) the total number of hours worked by all such employees during the four quarters of the previous year shall be added together and divided by one thousand, nine hundred twenty to determine the FTE equivalency.

(4) It will be the responsibility of the business to determine the total number of FTEs (or equivalency) and demonstrate, if required, to the satisfaction of the finance and administration director or his/her authorized agent that the calculation is accurate.

(d) The license fee for a business required to be licensed under this chapter and not located within the city's corporate limits shall be calculated by adding the one-hundred-dollar base fee and the RGRL based upon the number of employee hours worked within the city, but in no event shall the license fee be less than the minimum fee set forth in this chapter. If the number of employee hours worked is not known at the time of renewal, the business shall estimate the maximum number of employee hours they anticipate using in Kirkland during the year.

(e) Businesses doing business in the city that have no employees physically working within the city shall pay the minimum license fee required under this chapter.

(f) The minimum fee for any license issued under this chapter shall be two hundred dollars (a base fee of one hundred dollars and an RGRL of one hundred dollars), as may be adjusted herein.

(g) Payment made by draft or check shall not be deemed a payment of the fee unless and until the same has been honored in the usual course of business, nor shall acceptance of any such check or draft operate as a quittance or discharge of the fee unless and until the check or draft is honored. Any person who submits a business license fee payment by check to the city pursuant to the provisions of this chapter shall be assessed an NSF fee set by the finance and administration director if the check is returned unpaid by a bank or other financial institution for insufficient funds in the account or for any other reason.

(h) If any person required by the terms and provisions of this chapter to pay a license fee for any period fails or refuses to do so, he or she shall not be granted a license for the current period until the delinquent license fee, together with penalties, has been paid in full. Any license fee due and unpaid under this chapter and any penalties thereon shall constitute a debt to the city and may be collected in court proceedings in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies.

(i) If no higher RGRL applies under this section, then the minimum RGRL shall be one hundred dollars.

Section 41. Subsections 7.12.020(a) and (b) of the Kirkland Municipal Code are amended to read as follows:

7.12.020 License fees.

(a) Amusement Devices. Any distributor, owner or operator of an amusement device shall pay a license fee of fifty dollars per machine per year, payable annually in advance to the director of finance and administration at the time of issuance or renewal of the distributor's, owner's or operator's business license.

(b) Every distributor, owner or operator of cigarette vending machines doing business as such within the city shall pay an annual license fee in the sum of fifty dollars for a master license payable annually in advance to the director of finance and administration. Also, any distributor, owner, operator or user of such cigarette vending machines shall pay an additional sum of ten dollars per machine per year, payable annually in advance to the director of finance and

administration. Payment shall be made at the time of the issuance or renewal of the distributor's, owner's or operator's business license.

It is further required that each cigarette vending machine in the city shall be equipped with an electric lock or device to be operated by the owner and/or employees only.

Section 42. Section 7.16.030 of the Kirkland Municipal Code is amended to read as follows:

7.16.030 Inventory—Contents—False statements unlawful.

The inventory required for securing the license herein provided for shall contain a complete and accurate list of the stock of goods, wares and merchandise to be sold at any sale for which a license is hereby required, together with the wholesale price thereof; which inventory or list shall be signed by the person seeking the license, or by a resident agent thereunto authorized, and by affidavit at the foot thereof, the applicant or his agent shall swear or affirm that the information therein given is full and true and known by him to be so. It is unlawful to sell, offer or expose for sale at any such sale, or to list on such inventory any goods, wares or merchandise which are not the regular stock of the store or other place, the business of which is to be closed out by such sale, or to make any replenishments or additions to such stock for the purposes of such sale or during the time thereof, or to fail, neglect or refuse to keep accurate records of the articles or things sold, from which records the director of finance and administration may ascertain the number or the kind and quantity sold. Commingling of additional merchandise with that inventory shall cause the merchandise inventory to lose its identity as distressed goods, and any license issued shall cease to apply to the sale of such goods. If the inventoried stock shall be offered for sale on the same premises with other stock by the same person, firm or corporation, the same shall be deemed to be commingled.

Section 43. Section 7.16.040 of the Kirkland Municipal Code is amended to read as follows:

7.16.040 License—Term—Fees.

All licenses issued for the sale of goods, wares or merchandise at auction, by sale of distressed goods, or removal or closing out sale, shall be valid for a period of not exceeding thirty days unless renewed as hereinafter provided. The fee for such license is fixed as follows: The sum of twenty-five dollars plus two dollars for each one thousand dollars or fraction thereof of value of inventory submitted pursuant to Sections 7.16.010 through 7.16.070. Upon expiration of the thirty-day period, the director of finance and administration may extend such license on a daily basis upon the payment of an additional license fee of twenty-five dollars per day, which license shall continue in effect only so long as this daily license fee is paid and the licensee shall comply with the provisions of Sections 7.16.010 through 7.16.070. Auction sales shall be subject to an additional license fee of twenty-five dollars per day and shall be limited to a period of not exceeding thirty days.

Section 44. Section 7.20.040 of the Kirkland Municipal Code is amended to read as follows:

7.20.040 License—Application—Procedure.

Any person desiring such a license shall file written application with the city on forms provided by the city for that purpose. Fifteen dollars shall be deposited with the city when application is made. This deposit will be applied to costs, if any, charged to the city for investigation. Upon filing, the police department shall conduct a full investigation as to the truth of the statements contained therein, and as to any and all other matters which might tend to aid the city in determining whether or not such application should be granted. The police department shall forward the results of its investigation to the director of finance and administration, who shall issue or deny the license based on whether the application meets the requirements of this chapter. An applicant may appeal the denial of a cabaret license utilizing the appeal procedures set forth in Section 7.02.250.

Section 45. Section 7.24.064 of the Kirkland Municipal Code is amended to read as follows:

7.24.064 Access—Peace officer—Director.

All peace officers of the city and/or the director of the department of finance and administration shall have free access to public dances and dance halls when a dance is being conducted for the purpose of inspection and to enforce compliance with the provisions of Sections 7.24.060 through 7.24.066.

Section 46. Subsections 7.24.066 (b) and (c) of the Kirkland Municipal Code are amended to read as follows:

7.24.066 Indemnification.

(b) As a condition precedent to obtaining a license, the licensee shall, at no expense to the city, secure and maintain during the full term of this agreement general comprehensive liability insurance issued by one or more companies authorized to do business in the state of Washington, which insurance shall be subject to the approval of the city attorney as to company, form, coverage, and which insurance must fully protect the city from any and all claims and risks in connection with any activity performed by the licensee by virtue of this agreement and provide the following minimum coverage:

- (1) One million dollars per person, per occurrence;
- (2) One million dollars annual aggregate.

Said policy must specifically name the city of Kirkland as an additional insured party thereunder in the following manner:

The City of Kirkland is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy and for any claim, suit, injury, death, damage or loss of any sort sustained by a person, organization or corporation in connection with any activity upon or use or occupancy of establishments regulated by this section.

The coverages provided by this policy to the City or any other named insured shall not be terminated, reduced, or otherwise changed in any respect without providing at least thirty (30) days' prior written

notice to the department of finance and administration of the City of Kirkland.

(c) The licensee shall deliver to the department of finance and administration of the city a copy of all policies required under this provision and all endorsements thereto or other evidence to the reasonable satisfaction of the department of finance and administration that the licensee has secured or renewed and is maintaining insurance as required by this section.

Section 47. Section 7.36.050 of the Kirkland Municipal Code is amended to read as follows:

7.36.050 License—Fees.

Every pawnbroker, secondhand dealer or coin dealer, before commencing to carry on or conduct such a business within the corporate limits of the city, shall obtain a license for the operation of said business from the director of finance and administration and pay a license fee of one hundred dollars for one year. There shall be no prorating of the license fee. The license shall not be assignable.

Section 48. Section 7.48.035 of the Kirkland Municipal Code is amended to read as follows:

7.48.035 Director of finance and administration to adopt rules.

(a) The director of finance and administration shall have authority to adopt rules and regulations not inconsistent with the provisions of this chapter for carrying out and enforcing payment, collection and remittance of the taxes herein levied. A copy of the rules and regulations so adopted shall be on file and available for public examination in the director of ~~finance's~~ finance and administration's office. Failure or refusal to comply with any such rules and regulations is a violation of this chapter.

(b) Such administrative rules shall include the form of tax return required to be filed with the city at the time of payment of the gambling tax, and the procedures for when and how audit of the gambling licensee's records, for the purpose of verifying the tax return, may be conducted by the director of finance and administration.

Section 49. Subsection 7.56.030(1) of the Kirkland Municipal Code is amended to read as follows:

7.56.030 Additional local regulations authorized by RCW 19.09.100(7).

A charitable solicitation to be conducted within the city shall conform to the following:

(1) Before commencing any charitable solicitation campaign, the person or organization soliciting such charitable contributions shall file with the department of finance and administration the following information:

(A) The beginning and estimated ending date for the solicitation campaign;

(B) The name, address and telephone number of the person or organization conducting the campaign, or making the solicitation for charitable contributions;

(C) A verification of the registration and filing of disclosure documents required by RCW Chapter 19.09, or, in the alternative, verification of exemption therefrom;

(D) The name of each person who will be acting as a charitable solicitor, or, in the alternative, a facsimile copy of the solicitor's identification, if such identification is to be furnished, by the organization conducting the campaign to each of its individual solicitors.

Section 50. Section 15.04.060 of the Kirkland Municipal Code is amended to read as follows:

15.04.060 City manager.

"City manager" means the city manager, the director of public works, the operations and maintenance engineer, the director of finance and administration or any authorized agent, deputy or other person acting under the authority of the city manager.

Section 51. Section 15.04.080 of the Kirkland Municipal Code is amended to read as follows:

15.04.080 Department of finance and administration.

"Department of finance and administration" means the person or persons designated by the city manager to collect water and sewer rates and charges.

Section 52. Subsection 15.12.064(4) of the Kirkland Municipal Code is amended to read as follows:

15.12.064 Sewer capital facility charge adjustment.

(4) Upon determining the adjusted SCFC, the director of public works shall file with the director of finance and administration three copies of the adjusted fee schedule along with the values the fee schedule is based on. The director of finance and administration shall file said schedules and values with the city clerk to be available for use by the general public and the affected city officials and departments;

Section 53. Section 15.14.020 of the Kirkland Municipal Code is amended to read as follows:

15.14.020 Water capital facility charges (WCFC).

The water connection charge(s) must be paid prior to issuance of the permit and shall be determined as to each requested connection by the application of the criteria set forth below.

(1) For all water connections a base local water capital facility charge (WCFC) will be assessed and will consist of the following:

(a) Each water connection will be assigned a "residential customer equivalent" (RCE) factor;

(b) The water connection RCE shall be determined based on the proposed water meter size;

(c) The water meter shall be sized in accordance with the Uniform Plumbing Code as amended and adopted by Chapter 21.20 of this code;

(d) A water connection's RCE is based on the flow potential through its meter. A five-eighths-inch by three-fourths-inch meter is assigned a base factor of one;

(e) The base WCFC is multiplied by RCE factors based upon water meter sizes as follows:

Meter Size	RCE
5/8" x 3/4"	1
1"	2.5
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80

(f) The fee schedule will be adjusted periodically, but not less often than every odd number year, to reflect a change in the WCFC. The adjustment shall use the method following:

(i) At the time of adjustment, the value of the water capital facility shall be determined based on the worth of all city water mains less any water mains funded by local improvement districts, grants or installation by private entities (developers); this shall be known as the in-plant service;

(ii) The total of connections to the water capital facility shall be determined and a RCE factor assigned;

(iii) The adjusted WCFC shall be calculated by dividing the current water capital facility value by the current number of RCEs;

(iv) Upon determining the adjusted WCFC, the director of public works shall file with the director of finance and administration three copies of the adjusted fee schedule along with the values the fee schedule is based on. The director of finance and administration shall file the schedules and values with the city clerk to be available for use by the general public and the affected city officials and departments.

(2) For all water connections a based regional capital facility charge (RCFC) will be assessed and will consist of the following:

(a) Each water connection will be assigned a "cascade equivalent residential unit" (CERU) factor based on the proposed meter size;

(b) The water meter shall be sized in accordance with the Uniform Plumbing Code as amended and adopted by Chapter 21.20 of this code;

(c) A water connection's CERU factor is based on the flow potential through its meter. A five-eighths-inch by three-fourths-inch meter is assigned a base factor of one. The base RCFC is multiplied by CERU factors based upon water meter sizes as follows:

Meter Size	CERU
5/8" x 3/4"	1
1"	2.5
1-1/2"	5
2"	8
3"	16

4"	25
6"	50
8"	80
10"	115
12"	160

(d) The RCFC may be adjusted periodically pursuant to the terms of the interlocal agreement between the city and the Cascade Water Alliance.

(e) Upon receiving the adjusted RCFC, the director of public works shall file with the director of finance and administration three copies of the adjusted fee schedule. The director of finance and administration shall file the schedules with the city clerk to be available for use by the general public and the affected city officials and departments.

(3) The water connection charge required by subsections (1) and (2) of this section will be assessed against both domestic and irrigation water meter connections.

(4) When water meter size is increased solely to provide fire sprinkler protection, the water connection charge required by subsections (1) and (2) of this section shall be based on the size required by the Uniform Plumbing Code, as amended and adopted by Chapter 21.20 of this code.

Section 54. Section 15.20.010 of the Kirkland Municipal Code is amended to read as follows:

15.20.010 Person billed.

Charges for refuse, water and sewer services furnished by the city shall be billed to the owner of the property to which the services are rendered; provided, that when the owner and tenant in possession, in writing, file with the city a request that the billing be sent to the tenant, the city manager acting through the director of finance and administration may, at his discretion, grant such a request, subject to such reasonable conditions as he finds are appropriate. Notwithstanding to whom the billing is sent, the obligation for payment shall be the joint and several responsibility of the property owner and the tenant.

Section 55. Section 15.20.050 of the Kirkland Municipal Code is amended to read as follows:

15.20.050 Bimonthly billing.

All charges for water services and for sewer services shall be billed to the customer by the city on a bimonthly billing cycle. Actual water consumption will be charged to the date of the meter reading. All charges for service will be from the beginning of one month to the end of the following month. All bills shall be paid to the department of finance and administration.

Section 56. Section 18.08.060 of the Kirkland Municipal Code is amended to read as follows:

18.08.060 Assessments—Installments—Foreclosure.

Foreclosure of delinquent local and utility local improvement district assessments or installments thereof may be commenced by the methods provided in RCW Chapter 35.50.

The director of finance and administration shall first give to the persons whose names appear on the assessment roll as owners of the property charged with the assessments or installments which are delinquent notice of commencement of foreclosure proceedings in the form and manner required by RCW 35.50.030.

The foreclosure proceedings shall then be commenced not less than thirty-five days nor more than sixty days after the date of mailing such notice; provided, however, that no foreclosure action shall be commenced after July 15th in any year.

Section 57. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 58. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this _____ day of _____, 2013.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4416

AN ORDINANCE OF THE CITY OF KIRKLAND UPDATING REFERENCES TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION IN THE KIRKLAND MUNICIPAL CODE AND MAKING CERTAIN HOUSEKEEPING CORRECTIONS.

SECTION 1. Repeals Section 3.16.030 of the Kirkland Municipal Code.

SECTIONS 2 - 56. Amends sections of the Kirkland Municipal Code to reflect the Department of Finance and Administration and other housekeeping updates.

SECTION 57. Provides a severability clause for the ordinance.

SECTION 58. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2013.

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

City Clerk



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jeremy McMahan, Planning Supervisor
Eric Shields, AICP, Director

Date: August 19, 2013

Subject: Planning Commission Recommendation to adopt amendments to the Kirkland Zoning Code, Residential Suites Amendment, File No. CAM13-0078

RECOMMENDATION

Council adopts the enclosed Ordinance consistent with the recommendation of the Planning Commission (Enclosure A). If adopted, the Ordinance would place a limit on the number of Residential Suites units that could be built in the Central Business District and would establish minimum common area requirements for Residential Suites projects.

BACKGROUND DISCUSSION

All amendments are included as an attachment to the ordinance.

In October, 2012, the City Council adopted amendments to the KZC to allow "Residential Suites" within specific Central Business District (CBD) and Totem Lake Business District (TL) zones. As a reminder, Residential Suites are defined as follows:

A structure containing single room living units with a minimum floor area of 120 square feet and maximum floor area of 350 square feet offered on a monthly basis or longer where residents share bathroom and/or kitchen facilities. "Residential suites" does not include dwelling units, assisted living facility, bed and breakfast house, convalescent center, nursing home, facility housing individuals who are incarcerated as the result of a conviction or other court order, or secure community transition facility. For purposes of zones where minimum density or affordable housing is required, each living unit shall equate to one (1) dwelling unit.

With the adoption of the regulations in 2012, the Planning Commission and City Council discussed the use as an opportunity to help diversify Kirkland's housing stock and provide a market based solution to affordable housing. Consistent with City Council Housing Goal "to ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs", the use creates an opportunity for the private sector to build market rate housing that is affordable to a segment of the Kirkland community that is not now well served. Residential Suites provide another housing choice to accommodate the housing needs of a variety of Kirkland residents; particularly those who do not need a larger home, choose not to own a car and don't want to pay for parking, work in Kirkland but may be

forced to commute from outside of Kirkland due to housing costs, or Kirkland's young adults who are just starting out.

Following adoption of the amendments in 2012, the City Council requested consideration of additional amendments that would limit the number of Residential Suites projects that could be built in the CBD within a given area. The concern of the City Council was that multiple Residential Suites projects could be built in close proximity before the City has an opportunity to evaluate the new regulations. Limitations in TL zones were not identified as a concern. Since the adoption of the regulations, the City has approved one Design Review application for a mixed use project on the Crab Cracker site. No other applications have been submitted.

The Planning Commission conducted study sessions on February 14, 2013 ([meeting packet](#), [audio recording](#)) and June 27, 2013 ([meeting packet](#), [audio recording](#)) to develop draft regulations for the public hearing. The Commission also directed consideration of establishing minimum common area requirements for Residential Suites projects. The Commission considered the proposed amendments at its public hearing on July 25, 2013 ([meeting packet](#), [audio recording](#)).

PUBLIC PROCESS

Pursuant to KZC 160.40, notice of the hearing was published in the official City newspaper, posted on official notice boards, and posted on the City website. In addition, the notice was sent to the Moss Bay and Totem Lake Neighborhood Associations, the Chamber of Commerce, and the Kirkland Alliance of Neighborhoods.

The Planning Commission received little correspondence in advance of the hearing and two people testified at the hearing. Following the hearing, the Moss Bay Neighborhood sent a newsletter to their members with information on the amendments and residential suites and encouraged them to contact City Councilmembers with comments. The City Council has received additional correspondence that was not part of the hearing record. The Moss Bay newsletter and additional correspondence are included as Enclosure B.

Enclosures:

- A. Planning Commission Recommendation
- B. Correspondence received after the Public Hearing

cc: File No. CAM13-00185, Planning Commission



CITY OF KIRKLAND
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
123 FIFTH AVENUE, KIRKLAND, WA 98033 425.587.3225
WWW.KIRKLANDWA.GOV

MEMORANDUM

Date: August 13, 2013

To: Kirkland City Council

From: Jon Pascal, Chair, Kirkland Planning Commission

Subject: Planning Commission Recommendation to adopt amendments to the Kirkland Zoning Code, File No. CAM13-00178

Introduction

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

Background

In October, 2012, the City Council adopted amendments to the KZC to allow "Residential Suites" within specific Central Business District (CBD) and Totem Lake Business District (TL) zones. Following adoption of the amendments, the City Council requested consideration of additional amendments that would limit the number of Residential Suites projects that could be built in the CBD within a given area. Limitations in TL zones were not identified as a concern.

The Planning Commission conducted two study sessions to provide direction for draft code amendments. The Commission also directed consideration of establishing minimum common area requirements for Residential Suites projects.

Since the adoption of the regulations in 2012, the City has approved one Design Review application for a mixed use project on the Crab Cracker site in the CBD 7 zone. No other applications have been submitted.

Proposed KZC Amendments

Proposed draft Kirkland Zoning Code amendments are included in the enclosed ordinance. The following summarizes the changes and provides the Planning Commission rationale for the change:

1. Adjacency Limits for CBD Zones: Because this is a new use listing for the City, the intent is to limit the number of units or projects that can be built in the CBD until the City has an opportunity to evaluate the effectiveness of the regulations. The Planning Commission's recommendation includes the following:

- Establish a cap on the number of residential suites living units allowed in each CBD zone where the use is allowed

The recommendation is a cap of 240 living units per zone. The use is allowed in seven (counting CBD 1A and 1B as two zones) of the ten CBD zones. This cap is consistent with the approved CBD 7 project with 226 residential suites living units and there is no desire to make it nonconforming.

- Establish a cap on the number of living units for the entire CBD

The recommendation includes a cap of 720 living units. This would allow three projects of magnitude comparable to the approved project in CBD 7 or multiple smaller projects.

- Establish regulations for administration of the limit

The recommendation includes provisions to fairly administer the allocation of the units. While there is no indication that the City will receive a rush of permit application, rules need to be in place to ensure that the allowed units are allocated to legitimate permit applicants and "placeholdering" is not allowed.

- Include a sunset clause.

The Planning Commission is interested in making it clear that the limits are intended as a temporary measure to allow time to assess these new regulations. This is accomplished in the recommendation by establishing a five-year sunset clause. That provides adequate time for one or more projects to be completed and the City to evaluate and amend the regulations if needed.

2. Common Area Requirements: Because the living space in the individual units is small and amenities are limited, the Planning Commission requested amendments to ensure that these projects provide adequate common areas for residents to use. The typical shared space in these projects is the central kitchen and dining area. Some projects also provide other community space for recreation, entertainment, and arts.

- Establish a minimum amount of common area for Residential Suites projects

The recommendation is to require that projects provide minimum amount of common area of 250 square feet and an additional 20 square feet per living unit. The code includes provisions for what constitutes common area and what elements will not be included in the common area.

Robert Pantley, builder of residential suites projects on the eastside and Seattle, agreed to provide the following data for four of his projects to use as a comparison basis. The following table illustrates the differences between the projects. The last column shows how the recommendation compares.

	Number of living units	Interior common area	Required common area if 250 s.f. +20s.f./unit
Tudor Manor (Redmond)	61	915	1,470
Emerald 10 (Seattle)	36	612	970
Vision (Redmond)	96	4,896	2,170
Arete (planned, Kirkland)	226	14,364	4,810

It should be noted each of these projects has been developed to meet a different market and community need. The design and size of the common area reflects those differences. A large project, like that approved for downtown Kirkland, has significant amenities arranged to attract a specific segment of the market. Comparatively, the Tudor Manor project in Redmond is smaller, has fewer amenities, and is likely more affordable as renters are not paying for those amenities.

The City of Seattle is beginning to establish regulations for "micro dwelling units". In the initial draft staff recommendations, Seattle is proposing rules that allow grouping of a maximum of eight micro units and require a minimum 120 square feet of kitchen/common area for each grouping. For comparison, that would establish a requirement of 15 square feet per unit for an eight-unit group.

Criteria for Amending the Zoning Code

KZC Section 135.25 outlines the following criteria for amending the text of the Zoning Code. The City may amend the text of this code only if it finds that:

1. The proposed amendment is consistent with the applicable provisions of the Comprehensive Plan; and

The proposed amendments are consistent with the Comprehensive Plan. The amendments are needed to clarify and/or improve on existing regulations. The amendments do not include any fundamental policy changes.

2. The proposed amendment bears a substantial relation to public health, safety, or welfare; and

The recommended amendments bear a substantial relation to public health, safety, and welfare. The amendments provide for orderly development of residential uses in a manner that accommodates the needs of new residents and considers an ongoing need to refine new code provisions.

3. The proposed amendment is in the best interest of the residents of Kirkland.

The recommended amendments are in the best interest of the community. The proposed regulations continue to support housing options for a diverse population while providing the City time to continue to refine these new regulations.

Public Participation

The Planning Commission held two study sessions leading up to the public hearing on July 25, 2013. At the hearing, two people spoke regarding the amendments.

We have reviewed and considered all correspondence and public comment on the proposed amendments. Attachment 1 provides copies of all written public comment received by the Planning Commission prior to the public hearing.

Attachments:

1. Correspondence

Cc: CAM13-00178

From: Margaret Bull [mailto:wisteriouswoman@gmail.com]
Sent: Monday, June 17, 2013 10:08 AM
To: Planning Commissioners
Cc: Wisterious Woman
Subject: micro-housing

May 17, 2013

Dear Planning Commission members,

I didn't read all the documents regarding micro-housing so I'm not sure what guidelines Planning Commission decided upon in the last year. Some of the things I'm concerned about you may have already included in the regulations. I think Robert Pantley's new residential suite development looks well planned. My concern is in regard to what will happen when other developers decide to make similar developments but want to cut corners to get the most out of their investment. There have been problems with these types of developments in other parts of the country especially in regards to zoning regulations. What happens when there is a new Planning Commission or City Council that wants greater density housing developments in Kirkland? If the city officials in the future want to force growth in certain neighborhoods, then they will bend to the will of a developer and allow all kinds of concessions. The regulations need to be clear about many things now while micro-housing is fairly new. As a city we don't have enough experience with extreme density to know the impact this type of housing will have on Kirkland.

Just in case you do revisit the residential suite guidelines I wanted to mention the things I think are important:

1. A window in each room should be one that can be opened and is large enough for someone my size to fit through. We see photos of house fires on the news all the time. I think a person should be able to escape out a window or call for help. Also, I remember how stinky my teenagers' small bedrooms were after the windows stayed shut for a couple of days. Fresh air and light are important elements for anyone's healthy living environment but this is especially true when a human being is confined to an extremely small living area. Often building codes state that you need two exits from a room, not necessarily a window that you can escape out of. I have been surprised when I have visited colleges and have seen that many rooms have very narrow windows that can't always be opened. Since the residential suite rooms are about the size of a small dorm room I worry that this might be an issue. In the Pacific Northwest natural light is extremely important for mental health and can also save on energy because artificial light doesn't always need to be used.
2. There should be a clear requirement on how much communal space is provided. It seems inhumane to limit a person's total living area to a dinky bedroom. There should always be some sort of formula for making sure that there is a certain amount of shared living space per person. I don't know what that formula should be but if 8 people are sharing what might otherwise be called an apartment then there needs to be no less than X amount of shared space. I visited one of Robert Pantley's developments in Redmond. I felt that the shared space that I saw was too small for the amount of people

living there. There was no counter or cupboards next to the sink and stove, no refrigerator, no couch, and no chairs. Most college dorms have a shared living space that is quite large—definitely bigger than the size of a bedroom especially if it is serving as kitchen, living room, and entertainment area. The idea that people will save money living in micro-apartments is in some ways fraudulent. Eating out all the time, buying coffee from Starbucks, and purchasing microwave meals is not a wise way for anyone to eat if they are trying to save money. If your refrigerator is half the size of a dishwasher, than you barely have any room for fresh fruits and vegetables.

3. It is important to include some type of parking regulation. Considering the fact that places of employment on the eastside are often not easily accessible by transit especially after rush hour and that many businesses have several campuses that require a worker to drive, I believe that a parking requirement should be no less than .5 spaces per individual tenant in a micro-housing complex. This has been one of the biggest neighborhood problems with this type of living unit in other parts of the country. Even if a person usually takes public transit they may also own a car that stays parked most of the time. Or if they don't own a car, they may likely have friends, family and business associates that visit regularly and need a place close by to park their car. When apartment owners give statistics on how few people in their complexes have cars I am very skeptical. It is a hard thing to survey and get honest answers. In the project I saw in Redmond, tenants had to park in front of another tenant in the garage in an extremely narrow space. This could potentially block them from leaving when they desperately needed to get somewhere. This situation may make it seem like less parking is needed because tenants are forced to park on the street to avoid the chance that they won't have access to their car. When thinking of citizens surviving in a car-free environment it has to be recognized that we really can't predict the future of public transit on the eastside. As budgets are slashed public transit funding dries up. You can't always get to where you need to go. For example, you can't catch a bus home from a business on Willows Road after 6 pm on a week day and never on a Sunday. There has to be parking for those that leave their car parked during the day, those that need their car for work related activities, and for those visiting the tenants of the apartments. In dense downtown living areas near transit centers much of the street parking will already be taken by commuters, current apartment owners and employees of local businesses. Often paid garages may be too expensive for those living in micro-housing.

4. As cities grapple with increasing density and preserving the livability of a neighborhood it is very clear that not enough forethought is going into 'boarding house' style development complexes. Kirkland needs to make sure this type of development is required to pass Design Review Board standards. It is one of the few ways that neighbors can be alerted to a project and be given a chance to influence the design before it turns out to be a huge ugly eyesore across from their living room window.

5. Developers often want concessions from the city when putting in projects that they think the city desperately needs. Micro-housing should not be given any lower set-back standards than other types of apartment living. There needs to be air space around a building such that windows get as much natural light as possible. Natural light cuts down on energy use and helps keep people sane.

I think it is easy to imagine this type of housing in its best form but perhaps we need to imagine it in its worse form and regulate accordingly. I am very supportive of micro-housing if it is well done and rents are actually half the cost of an apartment twice the size. There have been times where I benefitted by shared housing or very tiny living quarters and know other people that have as well. There are some areas of Kirkland that micro-housing is an appropriate solution to growth management targets. But it is one thing to put in 2 well planned attractive affordable micro-housing developments and quite another to allow 10 such developments of varying quality in a neighborhood due to lack of oversight and regulations. I realize you already had several opportunities for the community to contribute comments on high-density development but I'm afraid most people are totally unaware that this type of development may proliferate in Kirkland as part of a growth management plan.

Best Regards,
Margaret Bull
6225 108th Place NE
Kirkland WA 98033

Planning Commission
City of Kirkland
123 5th Ave
Kirkland, Wa. 98033

Re: Residential Suites

Dear Commissioners:

“Extraordinary project. Well conceived, unfortunately exceptionally rare. Great project. Beautiful. Sensitively detailed above and beyond the norm. These are approval comments from the City’s Design Review Board for Kirkland’s first Residential Suite Community.

The human stories from Tudor Manor and Vision 5 are great and endless on how residential suites makes peoples lives better and here some real facts from Vision 5 with 81 of the 96 suites leased:

- 60% make less than 36,900 per year
- >50% are OVER 30 years of age
- 80% are artists 5% ADA most of the balance walk or bike to work and don’t own a car.
- >95% work (or are retired) in the City
- 72% do not have a car

Tudor Manor in Redmond and Emerald 10 on Capital Hill equally provide choice and preference for many great people. The greater risk is not doing. Because the Planning Commission, City staff and City Council moved Residential Suites forward, Kirkland will be, from our perspective, a richer, more diverse community of all income types and needs that had previously been zoned and priced out. We believe, from our perspective, the City of Kirkland has shown a very progressive attitude in providing for quality, affordable and sustainable housing in its downtown and Totem Lake.

As we see the review of these codes being discussed, we believe there is wisdom in giving the residential suites the opportunity complete a cycle or two. Currently, there are no other applications coming forward even though multiple properties are in development review who could have done so. If it is deemed wise to make a recommendation for a change, may we propose the following:

- In lieu of a 5 year sunset of any restrictions, we propose a review between 2 and 3 years of the code. For those that are concerned about the affects of residential suites, this will provide more timely action. For those who see all of the good for residential suites, it allows a more timely action to proceed to provide more affordable choices in our City for more people, building to a minimum of LEED Gold.
- Be careful of common area requirements. Housing for hospital stay family members by Evergreen may not need much common area nor would they want to pay for the added costs. When designing to LiveWorkArt and LiveWorkTech, more common area will simply occur.

- Avoid a number of property limit because some applicants might be willing to try “a few” in a larger complex which would then prevent another community that the City wants. It would seem wiser to simply put a total number maximum of residential suites allowed in the downtown, which has been put forth by staff.
- Realistically, except for City Council action, it would appear there are very few remaining properties that can provide the parking to provide for any significant number of Residential Suites. The greater risk is not having more residential suites created in our downtown and we encourage others to do so.
- Think about encouraging Totem Lake redevelopment where affordable housing will be a critical aspect when considering any requirements for both downtown and Totem Lake.

Thank you for your consideration.

Warm Regards,

Robert Pantley



Its Manager and CEO

~ Building Certified LEED Platinum

~ Governor's Smart Communities Award Winner

~ Hammer Award, Built Green Builder of the Year

robert@pantley.com

naturalandbuilt.com

USAsustain.com

mobile: 206-795-3545

office: 425-828-4663



From: [Janet Jonson](#)
To: [Jeremy McMahan](#)
Subject: FW: Residential Suite Zoning in the Moss Bay Neighborhood
Date: Thursday, August 08, 2013 11:45:42 AM

Janet Jonson

City Manager's Office

City of Kirkland

123 5th Avenue

Kirkland, WA 98033

425-587-3007

425-587-3019 fax

jjonson@kirklandwa.gov

From: Moss Bay Neighborhood [mailto:donw@mossbay.org]
Sent: Wednesday, August 07, 2013 1:02 PM
To: donw@mossbay.org
Subject: Residential Suite Zoning in the Moss Bay Neighborhood

To our Moss Bay Neighbors:

Summary: The City Council will be considering a recommendation to allow up to 720 Residential Suite units in downtown Kirkland. Since this directly impacts our neighborhood, we encourage you to read the information below, consider the pros and cons, and provide input to the City Council between now and 9/3/13. Residential Suites, also known as "Apodments" or "SROs" are very compact units (120 to 350 sq ft) where residents share common area kitchens, etc. and which have significantly less required parking.

The City Council is considering a zoning change that affects our neighborhood and their decision could occur at their next meeting on Tuesday September 3 at 7:30PM. The Board of the Moss Bay Neighborhood Association encourages you to read this e-mail and to provide input - pro or con - to the City Council.

The issue relates to Residential Suites and what limits should apply to these developments in our downtown. Also known as "Apodments" or "SROs," people live in very compact units (120 to 350 sq ft) and share common area amenities (such as kitchens) with several of their neighbors. For example, one of these developments has been approved at the Crab Cracker site, with approximately 226 Residential Suite units. Robert Pantley and his team made presentations about this project at two of our meetings.

The City recently rezoned all of the Central Business District (CBD) to allow these developments. The zoning also provides for reduced parking requirements, requires Design Review and also requires minimum LEED (environmental, energy efficient, etc.) standards.

When the Council did the re-zoning, it was done without limit in the CBD. Some Councilmembers thought the City should consider a limit and so the question was referred back to the Planning Commission. The staff recommendation, approved by a 4 to 2 vote of the Planning Commission, is to cap the number of units in the CBD at 720 units. It is now up to the City Council to decide.

What do you think? Should the City Council:

- Leave the zoning as it is, have no limit on Residential Suites in the downtown core?
- Approve the recommendation of the Staff and the Planning Commission at 720 units?

- Have a lower limit than 720 (how many? 400? 500? Something else?)
 - Limit it to just the one approved project and see how things work out from there?
- So that you have some additional information to help you consider this, here's some useful links:

- The Planning Commission packet
<http://www.kirklandwa.gov/Assets/Planning/Planning+PDFs/Planning+Commission/Re>
 from their most recent meeting which discusses the proposal to allow 720 units. It also includes some information about common area requirements and also limits within individual CBD zones (as many as 240 would be allowed in any one zone)

- Some information about the development <http://liveworkart.com/gallery/arete/> approved at the Crab Cracker site (known as "Arete")

- Some general information from USA Today <http://www.usatoday.com/story/news/nation/2013/07/30/tiny-apartments-apodments-catch-on-us-cities/2580179/> and from Seattle Magazine <http://www.seattlemag.com/article/are-apodments-ruining-seattle-neighborhoods> about Residential Suites including some varying opinions about these developments

Some pros and cons that have been voiced so far about the proposal for a limit of 720 (note, we don't necessarily agree or disagree with these, these are just comments that have been made and we share them to assist you in your consideration):

Pros:

- At 720 units, the proposed zoning would permit approximately 3 developments of the scale of the current proposal (including the one at Crab Cracker site) and that is a good quantity.

- These developments help reduce dependency on vehicles; many residents do not have a car because of proximity to transit, pedestrian access to goods and services, and use of bicycles. Also there is reduced parking and requirements to prohibit on-street parking which further decreases traffic.

- Our standards require Design Review for developments in the CBD which protects us.

- The City requires a high level of environmental and energy efficiency (LEED) for these developments which protects us.

- The market will control how many of these developments will be built so that will ultimately determine how many units will be developed i.e. it will be self-limiting.

- Residential suites provide a housing alternative that is affordable for many people who work in the CBD and/or who would use the transit center to get to work.

- More residents in the downtown will mean more people buying goods and services in the core.

- Many of the "cons" come from fear that these developments will cause problems however other developments (in Redmond, as an example) demonstrate that these fears are unfounded.

Cons:

- At 720 units, this would mean that about 25% of the residences in the CBD would be Residential Suites. Is that the right balance and is it consistent with the vision for the downtown? (With the current number of units in our CBD and counting projects in the pipeline, there will be about 2000 units in the CBD, so adding 720 would take it to about 25%).

- The City should wait and see how these work out before having too many of these units. We can raise the limit later but it will be more difficult to go the other direction (i.e. to lower the limit later.)

- There is skepticism about the reduced parking requirements and the impact on on-street parking and traffic. Will residents actually have fewer

cars? And where will their guests park?

- Will the residents actually dine, shop and use services in the core? And as a related matter, will this be a plus or a minus for businesses who might locate in the downtown (or renew their existing leases)?

- Are there public safety issues that we should be concerned about, with many people living in close quarters, especially if there are that many units downtown?

- Many of the "pros" speak to the positive attributes of Residential Suites instead of to why a lower limit would still be appropriate. For example, citizens in Seattle have raised many concerns over these developments.

What do you think?

We encourage you to weigh in with your thoughts. Please do one or more of the following:

- Send an e-mail to the City Council (and we recommend e-mailing them individually, they will see your message more quickly than sending it to the group address) We also recommend that you try to get your message sent prior to the Labor Day weekend so you can be sure they have time to read and consider your comments.

- o Mayor Joan McBride
jmcbride@kirklandwa.gov<mailto:jmcbride@kirklandwa.gov>

- o Deputy Mayor Doreen Marchione
dmarchio@kirklandwa.gov<mailto:dmarchio@kirklandwa.gov>

- o Councilmember Dave Asher
dasher@kirklandwa.gov<mailto:dasher@kirklandwa.gov>

- o Councilmember Toby Nixon
tnixon@kirklandwa.gov<mailto:tnixon@kirklandwa.gov>

- o Councilmember Shelley Kloba
skloba@kirklandwa.gov<mailto:skloba@kirklandwa.gov>

- o Councilmember Penny Sweet
psweet@kirklandwa.gov<mailto:psweet@kirklandwa.gov>

- o Councilmember Amy Walen
awalen@kirklandwa.gov<mailto:awalen@kirklandwa.gov>

- Attend the City Council meeting and speak pro or con on this subject. The meeting is Tuesday September 3, 2013 at 7:30PM at City Hall. Comments from the audience are allowed up to 3 minutes per speaker, with a limit of 3 speakers for a position and a limit of 3 speakers against a position.

The Moss Bay Neighborhood Association Board thanks you for your involvement in your neighborhood and in your City!

Don Winters -- Co-chair
Mark Eliassen -- Co-chair
Leslie Keller -- Treasurer
Bea Nahon -- KAN Representative

www.mossbay.org

--

Don Winters
Moss Bay Neighborhood Association
www.mossbay.org
425-827-2650

From: [Janet Jonson](#) on behalf of [Joan McBride](#)
To: [Jeremy McMahan](#)
Subject: FW: 720 new units
Date: Friday, August 09, 2013 8:18:54 AM

Janet Jonson

City Manager's Office

City of Kirkland

123 5th Avenue

Kirkland, WA 98033

425-587-3007

425-587-3019 fax

jjonson@kirklandwa.gov

From: sandra fredric [mailto:gem.gen@frontier.com]
Sent: Thursday, August 08, 2013 3:37 PM
To: Joan McBride
Cc: donw@mossbay.org
Subject: 720 new units

Dear Mayor Joan,

As a downtown Kirkland condo owner since 1989 I am totally against these new units. I moved her in 1986 and rented until I bought. The noise pollution level, dust, and traffic have increased beyond livable comfort for at least a dozen years. I can no longer leave windows open on warm nights as sleeping is impossible. And even during day time it is hard to sit and visit with windows open. I'm really tired of hearing about how it will increase spending in our downtown core. That benefit is to a small number of businesses and not the only source of city revenue. If the city insists on catering to a few business owners (some of them council members) then how about addressing the overgrown trees on Lake St. and Central that have diminished my view and devalued by property greatly, as well as many others. My HOA has sent more than one letter to city council over the years asking that a few of the taller trees simply be trimmed a bit.

I invite you to come into my home to see what I'm talking about.

Sincerely,

Sandy Fredric
125 3rd Ave. #6
Kirkland, WA
98033

From: [Jeremy McMahan](#)
To: [Jeremy McMahan](#)
Subject: FW: Apodments
Date: Friday, August 09, 2013 4:54:49 PM

Janet Jonson

City Manager's Office
City of Kirkland
123 5th Avenue
Kirkland, WA 98033
425-587-3007
425-587-3019 fax
jjonson@kirklandwa.gov

From: Curtis Thompson [<mailto:ct@it4hire.com>]
Sent: Wednesday, August 07, 2013 10:18 PM
To: Joan McBride
Subject: RE: Apodments

Please put on the breaks!

The potential for huge unintended consequences from the 'Apodments' requires that someone put on the breaks until a clear and known plan and impact are fully understood and controlled. The huge impact to downtown Kirkland of the unprecedented influx of very low income residents with extremely limited capacity and resources must not happen without very careful and time tested observations of the intended and unintended consequences of a change of such magnitude at a relative speed that would be experienced as nearly instantaneous. By instantaneous, I mean the impact that would express itself some years after the initial development and after the initial realization of revenue to Kirkland. An unchecked and unrestricted redevelopment of the downtown properties

has the potential to produce huge returns for developers while, in the long term, leaving a community saturated with people with little or no means and properties that might well rapidly deteriorate into an unsustainable state for lack of income and eventually creating a whole new version of ghetto or ghost town. The retail tax and property basis foundations of Kirkland would crumble if a disproportionate sector of the population had little if any disposable income and was exempt or substantially relieved of property tax obligations as might well be expected to represent a substantial portion of the target population.

Curtis Thompson
127 - 3rd Avenue Ste.302
Kirkland, WA 98033
(206) 919-8700 Mobile
(425) 822-2000 Home Office
(425) 822-2100 Secure Fax

From: [Janet Jonson](#) on behalf of [Joan McBride](#)
To: [Jeremy McMahan](#)
Subject: FW: RESIDENTIAL SUITES
Date: Thursday, August 08, 2013 11:47:04 AM

FYI

Janet Jonson

City Manager's Office

City of Kirkland

123 5th Avenue

Kirkland, WA 98033

425-587-3007

425-587-3019 fax

jjonson@kirklandwa.gov

From: Laura Loomis [<mailto:laura@charlesloomis.com>]
Sent: Wednesday, August 07, 2013 5:35 PM
To: Joan McBride
Subject: RESIDENTIAL SUITES

Hi Joan,

I am all for creating Residential Suite type dwellings for young people, the working poor, artists, self sufficient elderly people, and physically impaired people, etc. I do have concerns about how they are managed, whether they have rules in place to control drugs (selling, manufacturing or using), noise levels, smoking, rules of conduct, etc. (Can the city set regulations for these types of developments to prevent crimes and to ensure the buildings are maintained? Who will maintain the common living areas(kitchens, bathrooms, etc.)? Since these will essentially be large dorms, they should be managed by someone that has authority to evict tenants.

Since these developments are allowed to include less parking, they should only be located near bus terminals, shopping centers that include grocery stores, and parks. Tenants should have to either pay an extra monthly fee for a car or should not be allowed to have a car if the parking stalls are all rented.

I am also concerned about whether families can live in these developments. Many of the people working for low paying jobs in our community have families. Do these developments include rooms and amenities for families?

Finally, they should have residential height limits if they are allowed in neighborhoods and should not be taller than the zoning for their location - downtown or otherwise. They shouldn't stick out like a sore thumb. They should definitely be required to go through a design review process.

These developments can be a really positive thing, with residents making long lasting friendships. However, without rules and regulations, they can become low income slums. We owe it to the potential tenants, their surrounding neighborhoods, and the city to create Residential Suites that are a long term asset - not a long term liability.

Thanks for considering these suggestions - I appreciate you!

LAURA L. LOOMIS
CHARLES LOOMIS, INC.
11828 N.E. 112th
Kirkland, WA 98033

P: 800.755.0471/425.823.4560
Email: lauraloomis@charlesloomis.com
www.charlesloomis.com

ORDINANCE O-4417

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AND AMENDING THE KIRKLAND ZONING ORDINANCE 3719, AS AMENDED, TO ESTABLISH LIMITS ON THE NUMBER OF RESIDENTIAL SUITES UNITS ALLOWED IN THE CENTRAL BUSINESS DISTRICT AND ESTABLISHING MINIMUM REQUIRED COMMON LIVING AREA, FILE NO. CAM13-00178.

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission to amend certain sections of the text of the Kirkland Zoning Code, Ordinance 3719, as amended, as set forth in the report and recommendation of the Planning Commission dated August 13, 2013, and bearing Kirkland Department of Planning and Community Development File No.; CAM13-00178 and

WHEREAS, prior to making the recommendation, the Kirkland Planning Commission, following notice as required by RCW 35A.63.070, on July 25, 2013, held a public hearing on the amendment proposals and considered the comments received at the hearing; and

WHEREAS, on August 9, 2013, draft regulations were forwarded to the Washington State Department of Commerce for review, as required by RCW 36.70A.106; and

WHEREAS, pursuant to the State Environmental Policy Act (SEPA), there has accompanied the legislative proposal and recommendation through the entire consideration process, a SEPA Addendum to Existing Environmental Documents issued by the responsible official pursuant to WAC 197-11-600 and WAC 197-11-625; and

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

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

Section 1. Zoning text amended: The following specified sections of the text of Ordinance No. 3719, as amended, the Kirkland Zoning Ordinance, are amended as set forth in Attachment A attached to this Ordinance and incorporated by reference.

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

Section 3. Except as provided in Section 2, this ordinance shall be in full force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2013.

Signed in authentication thereof this _____ day of _____, 2013.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

KZC Amendments**KZC 50.68 Residential Suites Adjacency Restrictions within CBD Zones**

Within each of the Central Business District (CBD) zones where Residential Suites are an allowed use, no more than 240 Residential Suite living units are allowed. Within all CBD zones where the use is allowed, not more than a total of 720 Residential Suite living units are allowed. For purposes of administering these restrictions, the following rules are established for City acceptance of applications for projects containing Residential Suites living units:

1. The City will accept complete building permit applications and/or complete Design Response Conference applications for projects until the limit has been reached. At such time as the limit is reached, no additional projects containing Residential Suites living units are allowed and the City will not accept or process any additional applications that would exceed the limit.
2. For projects requiring Design Response Conference review, the applicant shall submit a complete application for a building permit for the approved D.B.R. development within 180 days of the final D.B.R. decision. After 180 days, any application pursuant to subsection 1 shall replace the subject Design Response Conference application.

This section shall terminate as of September 1, 2018.

Add the following Special Regulations**CBD Zones**

Developments containing this use shall provide common living area available to all residential suite residents. Common living area shall consist of areas such as shared kitchens, dining areas, and community rooms. Areas such as bathrooms, laundries, utility rooms, storage, stairwells, mailrooms, and hallways shall not be counted as common living area. The minimum amount of common living area for each project shall be 250 feet plus an additional 20 square feet per living unit.

50.12.085; new Special Regulation 5

50.17.095; new Special Regulation 7

50.27.075; new Special Regulation 7

50.32.085; new Special Regulation 7

50.47.125; new Special Regulation 6

50.52.115; new Special Regulation 8

TL Zones

Developments containing residential suites use shall provide common living area available to all residential suite residents. Common living area shall consist of areas such as shared kitchens, dining areas, and community rooms. Areas such as bathrooms, laundries, utility rooms, storage, stairwells, mailrooms, and hallways shall not be counted as common living area. The minimum amount of common living area for each project shall be 250 feet plus an additional 20 square feet per living unit.

55.09.040; new Special Regulation 8

55.15.020; new Special Regulation 9

55.21.060; new Special Regulation 5



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 Lead
Pam Bissonnette, Interim Public Works Director

Date: August 22, 2013

Subject: KING COUNTY TRANSFER STATION PLAN REVIEW POSITION STATEMENTS

RECOMMENDATION

Staff recommends that the City Council receives a briefing on the status of the King County Solid Waste Division's (KCSWD) review of the Solid Waste Transfer and Waste Export System Plan ("Transfer Plan") and provide comments on the draft resolution stating the Council's position that the Houghton Transfer Station (HTS) should be completely closed to commercial and self-haul traffic upon the completed construction of the new Factoria Transfer Station or the new Northeast King County Transfer Station.

IMPORTANT NOTES

- 1) If the City Council wishes to pass a resolution taking a position on the closure on the Houghton Transfer Station, it should take action on or before its September 17 meeting so as to inform and influence the KCSWD's plan review alternatives before the final Transfer Plan Review Workshop on September 27.
- 2) All documents associated with the Transfer Plan Review can be found at King County's Transfer and Waste Management Plan Review [website](#). Hyperlinks to specific documents are provided throughout the memorandum.

BACKGROUND

The KCSWD-owned and operated HTS in Kirkland has a long history and King County has been contemplating the closure of the facility for the past two decades.

The HTS property was first an open dump site between the 1940's and 1960's. In 1965, King County closed the dump and opened the HTS. In 1992, the Comprehensive Solid Waste Management Plan ("Comp Plan"), proposed replacing the station with a new station at a different location. In 1995, the rate proposal submitted by the KCSWD was rejected and the KCSWD was directed to continue to operate the existing network of transfer stations which included the HTS remaining at its current location.

2005 Memorandum of Understanding

In 2004, the King County Council (KCC) directed the KCSWD via a budget proviso to negotiate a Memorandum of Understanding (MOU) with the City of Kirkland to mitigate the impacts of the station on the surrounding neighborhood. The proviso prohibited the KCSWD from initiating its capital improvement project to replace the roof until an MOU was duly executed between the two parties that required the KCSWD to expend at least \$150,000 on neighborhood mitigation projects.

In August 2004, the City formed a Solid Waste Subcommittee Task Force comprised of members of the Kirkland City Council, City staff, and Neighborhood Association leaders to negotiate the MOU with the KCSWD. In November 2004, the Kirkland City Council adopted the Revised Houghton Transfer Station Position Statement which stated Kirkland's goal of closing HTS. The statement also listed several mitigation measures that the City expected the KCSWD to implement while the station remained open.

In October of 2005, an MOU between the City and the KCSWD was approved by the Kirkland City Council with the passage of Resolution R-4527. The non-legally binding MOU provided that the KCSWD would proceed with several mitigation projects and measures at the station to include:

1. Replacement of the transfer building roof
2. Installation of a gravity sewer line
3. Construction of a sound wall
4. Changes to traffic controls
5. Construction of an asphalt pathway on the north side of NE 60th St
6. Landscaping improvements
7. Reducing the solid waste at the station to a maximum annual tonnage of 135,000 tons/year over a ten year period (not met)
8. Prohibiting the overnight parking of full or partially full trailers

The MOU also stated the KCSWD's commitment to close the HTS:

MOU Proviso 1

"King County Solid Waste Division agrees to abide by the [Solid Waste Transfer] Waste Export System Plan adopted by the King County Council approved by the King County Executive and codified in King County Code." **The 2006 Transfer Plan explicitly recommends Alternative 1 which calls for the closure of HTS after the KCSWD's transfer station capital improvement project is completed.**

MOU Proviso 7

"King County shall honor the Comprehensive Solid Waste Management Plan policy RTS-3, which states, 'The county should focus capital investment in part to expand, relocate, or replace, or any combination thereof, transfer stations when safety, efficiency, capacity, or customer services needs cannot be met by existing transfer facilities'". **In the level-of-service criteria examination of the HTS, the station failed to meet**

established safety goals, efficiency and capacity needs, and some key customer service standards. Accordingly, the Transfer Plan recommends the closure of the facility upon complete of the KCSWD's transfer station capital improvement project.

2006 Solid Waste Transfer and Waste Export Plan

Concurrent with the MOU negotiations, the Metropolitan Solid Waste Advisory Committee (MSWAC) worked with the KCSWD on the development of the aforementioned [Solid Waste Transfer and Waste Export System Plan](#). MSWAC is an advisory committee composed of representatives from cities with Solid Waste Interlocal Agreements with King County. In February 2006, the KCSWD published its [Transfer and Waste Export Facility Plan 4th Milestone Report](#) as a precursor to the final Transfer Plan. In the milestone report, several Transfer System Packages for an updated transfer system were presented for consideration. Some of the alternatives called for keeping the HTS open as a self-haul-only facility. Ultimately, however, MSWAC and King County jointly selected Package 1 which is the final recommendation made in the Transfer Plan transmitted to the KCC in September 2006 and shown below in *Table 1*. The recommendation calls for new stations to be constructed on-site at Bow Lake and Factoria and new facilities to be sited and constructed in South King County (to replace a closed Algona station) and in Northeast King County (to replace a closed HTS). This option also includes the closure of the Renton Transfer Station upon the completion of the Transfer Plan.

Table 1: Status of 2006 Transfer Plan Implementation		
Facility	Plan Recommendation	Status
Shoreline Transfer Station	Build New Station On-Site	Opened 2009
Bow Lake Transfer Station	Build New Station On-Site	To Open October 2013
Factoria Transfer Station	Build New Station On-Site	Design – Begin Construction 2014
South King County	Site & Build New/Close Algona	In Siting Process
Northeast King County	Site & Build New/Close Houghton	Begin Siting Process in 2014
Vashon Transfer Station	Retain	Newer Facility – No Change
Enumclaw Transfer Station	Retain	Newer Facility – No Change
Cedar Falls	Retain	Drop Box Facility
Skykomish	Retain	Drop Box Facility
Algona Transfer Station	Close	Open Until South King County Built
Houghton Transfer Station	Close	Open Until Northeast County Built
Renton Transfer Station	Close	Open Until Plan Complete

2007 Third Party Review of the Transfer Plan

MSWAC conditionally approved the Transfer Plan pending the outcome of the [Independent, Third Party Review of the Solid Waste Transfer and Waste Export System Plan](#) which was completed by consultant Gershman, Brickner, and Bratton (GBB) in September 2007. In general, the GBB review supported the Transfer Plan and supported the modernization of the transfer station system.

2011 King County Performance Audit

In 2011, the KCSWD underwent a performance audit by the King County Auditor which focused upon the KCSWD's rate model/financial plan and its transfer system capital projects. The [King County Performance Audit of Solid Waste Transfer Station Capital Projects](#) audit concluded that the Transfer Plan was developed through a collaborative and iterative regional process and that some collective decisions, such as electing to construct new transfer stations in lieu of renovating existing stations, have resulted in increased systems costs. The audit also recommended that the KCSWD should update its 2006 Transfer Plan by including analyses of cost impacts of the number and capacities of the transfer stations; functionalities of the transfer stations; and an assessment of project financing and delivery methods.

EVOLUTION OF THE TRANSFER PLAN REVIEW

2010-2012 Solid Waste Interlocal Agreement Background

Over the course of 2010-2012, King County and MSWMAC worked together to negotiate an extension of the *Solid Waste Interlocal Agreement of 1988* (original ILA), which every City in King County, excluding Seattle and Milton, had signed. In 2010, the City of Kirkland played a significant role in initiating the ILA renegotiation process as a means to ensure that the County's capital improvement program would be fully funded and implemented and, consequently, the HTS would be replaced with a more appropriately-sized and modern transfer facility somewhere in northeast King County.

After intensive negotiations, a team of City and County representatives reached an agreement on the terms of a new ILA. This agreement extended the original ILA by 12.5 years, from June 2028 through December 2040, which will keep disposal rates lower by allowing for longer-term bonding for capital improvement projects. In March 2013, King County converted \$75m in Bond Anticipation Notes (BANs) to long-term General Obligation Bonds backed by the rate revenues from City's with ILA's through 2040 to pay for the Bow Lake Transfer Station construction. **During the ILA City adoption process, the KCSWD assured MSWAC that any city that decided not to sign the extended ILA would pay a rate differential of between \$5 to \$7/ton in order to pay off its share of the bonded debt by 2028 instead of 2040.**

In February 2013, the Kirkland City Council voted to authorize the City Manager to sign the extended ILA through 2040. The aforementioned potential for a rate differential was presented to the Council and played a significant role in most cities' decisions to sign the extended ILA. To date, 32 of the 37 King County cities have signed the new ILA. The cities of Bellevue, Medina, Clyde Hill, Hunts Point, and Yarrow Point have elected not to sign and their agreements with the KCSWD will expire in 2028.

The Factoria Transfer Station Project

The Factoria Transfer Station in Bellevue currently serves the cities of Bellevue, Issaquah, Mercer Island, and the "point cities". Under the current Transfer Plan, construction of the new station is scheduled to begin in early 2014 on a property adjacent to the existing station. The construction cost of the project is estimated to be about \$66 million. The City of Bellevue, along

with the four other cities not extending their ILA's, account for about 10% of the system-wide tonnage but about 50% of the tonnage is sent to Factoria each year. The new Factoria facility was designed with that assumption that Bellevue would extend its ILA and remain in the system through 2040. Given that Bellevue has opted to leave the system in 2028, the new Factoria facility, if constructed as currently designed, will be an under-utilized and over-built station in 2028.

When the City of Bellevue did not extend its ILA with King County, a number of cities and stakeholders began to call on the KCSWD to conduct a full review of the remaining Transfer Plan projects due to the anticipated 50% reduction in tonnage directed to Factoria after 2028 and in light of one of the key findings of the 2011 Performance Audit that concluded "...by the time the [new] stations reach the end of their expected useful lives, collectively they will be utilizing about 42 percent of their total capacity."

The KCSWD took issue with this conclusion and countered that the King County Auditor wrongly calculated system capacity by assuming that two garbage compactors would be running 362 days per year at each new station, besides Shoreline, processing 100 tons per hour. The KCSWD also contended that the report's conclusion did not factor in vehicle capacity, emergency storage, or services such as recycling or household hazardous waste collection. The KCSWD countered that it expected Factoria to be operating at 82% capacity, South King County at 91%, and the Northeast King County at 97% at the end of their useful lives. **However, this KCSWD operating capacity assessment assumes that Bellevue's tonnage would remain in the system after 2028.** Given that 50% of the tonnage processed at Factoria is from Bellevue, Factoria if built as currently designed, would be operating at a fraction (~40%-50%) of its maximum capacity at the end of its useful life, potentially costing ratepayers millions of dollars in unnecessary construction.

In March 2013, the Sound Cities Association (SCA) adopted a policy position requesting that the KCSWD and MSWAC review and recommend appropriate updates to the Transfer Plan. Subsequent to this request, the King County Council (KCC) took preventative action and adopted [Ordinance 17619](#) which compelled the KCSWD to conduct a full review of the Transfer Plan before allocating any more than \$750,000 in funding toward the Factoria construction project. Per the ordinance, the draft report must be delivered to stakeholders no later than October 9 with the final report delivered to the KCC by November 27.

At a minimum, the Transfer Plan review must include a review of:

- Garbage tonnage projections
- Revenue projections
- Overall costs of the region-wide transfer system upgrades
- Functionality and service alternatives at each transfer station (self-haul, recycling, compaction, etc.)
- Level of service criteria in the 2006 Transfer Plan
- Retention and repair of existing stations
- Systematic analysis of incremental cost impacts of the number, capacities, and functionality of the transfer stations

TRANSFER PLAN REVIEW WORKSHOPS

In response to the KCC action, the KCSWD scheduled three Transfer Plan Review Workshops. The first workshop was held on July 26 with the remaining two workshops to be held on August 22 and September 27. Kirkland was among seventeen cities in attendance at the first workshop. The KCSWD provided transfer system background similar to what is included in this memorandum and asked for input on station functionality and service alternatives to be considered when modeling the alternatives in the Transfer Plan review.

Transfer Plan Alternatives

The KCSWD is currently modeling four alternatives to the Base Plan as shown in *Attachment 1, Transfer Plan Review Alternatives*. In all of the alternatives, HTS is proposed to be closed to all commercial traffic. Under Alternative A, HTS would remain open only to self-haul garbage and recycling customers. Kirkland staff has reviewed the alternatives and believes that the KCSWD should consider an additional, hybrid alternative which includes:

- 1) Redesigning the functionality of the Factoria Transfer Station so that it is capable of handling the garbage tonnage from the Northeast King County cities (Kirkland, Bothell, Redmond, and Woodinville) as well as from Bellevue, Issaquah, Mercer Island and the "Point Cities" through 2028 when Bellevue is expected to leave the system.
- 2) Once the new Factoria Station is built, the HTS would be permanently closed to all traffic.
- 3) In the event Bellevue elects to extend its ILA before 2028, a new Northeast King County Transfer Station would be designed and built to process the Northeast King County cities' tonnage.

General consensus was achieved among cities and the KCSWD on the following elements that should be built into each alternative model:

- 1) **Compactors should be used at new stations to increase efficiency.** Compactors are expensive (>\$1.5 million each) but they increase the payload of each trailer, reduce the number of trips to the landfill, and the efficiencies gained make a compactor pay for itself within three to five years.
- 2) **Self-haul should continue to be provided but consideration should be given to limiting the hours, days of service, and transfer stations available to self-haulers.**

The efficient management of self-haul has historically been challenging for the KCSWD. Self-haulers are residents without curbside garbage service; residents with curbside service who make occasional trips to a transfer station to dispose of their excess waste; and businesses such as landscapers, small contractors, and independent haulers for hire, schools, and government agencies. Self-haulers currently account for about 84% of the system-wide transactions but only 23% of the garbage tonnage processed.

Within the current transfer system, providing self-haul at all stations costs the KCSWD about \$1.3 million annually in staff, credit cards fees, and NSF checks. With new stations, the capital investment made to accommodate self-haul is disproportionate to the revenues received and the design concessions needed to accommodate the traffic such as having to construct separate entry points, building a larger tipping floor, and queuing space. For new facilities, the construction cost for self-haul ranges between \$6 to \$7 million per site. Self-haul customers need additional space, take more time than commercial haulers such as Waste Management to dump their loads and can cause queuing delays at the weigh station for commercial traffic.

Curbside garbage service is mandatory in 13 King County cities, including Kirkland. However, Kirkland abuts two relatively large communities (Bellevue and Redmond) that do not have mandatory service and whose residents and businesses regularly use both Factoria and Houghton to dispose of their garbage. Cities with mandatory service like Kirkland subsidize self-haul service with their rates paid to the KCSWD via their hauler. Similarly, Alternative 1 in which Houghton would remain open to self-haul only exacerbates the subsidy and imbalance as the likely primary users would be self-haulers from Bellevue and Redmond.

3) Recycling service should continue to be provided.

The 2001 and Draft 2013 Comprehensive Solid Waste Management Plans require that the KCSWD provide recycling services at transfer stations. The 2013 Comp Plan expands upon recycling by requiring the KCSWD to maximize recycling services at new stations and focus upon the diversion of priority materials such as organics, clean wood, scrap metal, and cardboard. In general self-haulers do not recycle as much as residents with curbside recycling service, so providing recycling opportunities at existing and new stations is an important service to help meet the recycling diversion goal in the 2013 Draft Comp Plan.

After the recycling services were expanded after the opening of Shoreline, 17% of the material brought to the facility was recycled. For existing facilities such as HTS with limited recycling service, the recycling rate is less than 1%. Additionally, when the KCSWD removed all recycling services from its transfer stations in 2011, public demand and outcry caused the KCSWD to reverse its decision and restore recycling service in 2012.

4) The Transfer Plan's drive time standard of 90% of the residents being within 30 minutes of a transfer station is not important.

An analysis by KCSWD revealed that the drive time standard would be substantially met even if some stations were removed from the system. In the event that HTS was closed and construction of the Northeast Transfer Station was delayed or stopped, then Kirkland's contracted hauler Waste Management would be directed to haul our waste to Factoria. The solid waste rate increase implication for this change is minimal and contemplated in our contract where "...Contractor is required to haul Garbage to an alternative County disposal location in excess of ten (10) miles from the intersection of

NE 112th St and 108th Avenue NE, the Contractor shall be allowed additional compensation at the WUTC rate per mile per truck trip above the ten (10) mile limit.” The distance from the geographical center of the City to the Factoria is 10.76 miles.

STAFF POSITION STATEMENT RECOMMENDATIONS

Based upon the previous discussion, staff recommends that the City Council considers the following position statements and the attached resolution.

1. **Houghton Transfer Station Position Statement:** Upon completed construction and opening of the new Factoria Transfer Station or new Northeast King County Transfer Station, the Houghton Transfer Station should be closed permanently to self-haul and commercial traffic.
2. **Self-Haul Position Statement:** The KCSWD’s Transfer Plan review should consider alternatives for limiting self-haul at existing transfer stations and in the design of new transfer stations.
3. **Rate Differential Position Statement:** Different customer classes should be established by King County to ensure system users do not pay a disproportionate share of the cost of improvements to system assets as a result of a decision not to sign an Amended and Restated Interlocal Agreement through 2040. The rate differential should be established to account for the full pay-off costs incurred for development of KCSWD system assets prior to the end of the mid-2028 Solid Waste Interlocal Agreement (SWIA) term. These rate differentials should reflect actual costs necessary for paying off construction bonds issued on behalf of the KCSWD, with costs apportioned to the solid waste tonnage originating in those cities that elected to end their SWIA in mid-2028. The KCSWD should put verification measures in place that ensure any rate differential applies only to solid waste originating in cities that elected to end their ILA’s in mid-2028, regardless if solid waste is self-hauled or delivered by a commercial carrier. The costs of any verification measures should be included in the overall rate differential applied to those cities that elect to end their SWIA in mid-2028 [*policy draft as written by the cities of Kirkland and Federal Way and submitted to the MSWAC Financial Policies Subcommittee for further consideration*].

NEXT STEPS

August 22: The KCSWD held its second Transfer Plan Review Workshop. The major elements of the Transfer Plan review discussed at the workshop included:

- The transfer system’s relationship to waste-to-energy
- Capacity issues (commercial versus self-haul speed, compactors, need for stalls, trailer storage, etc.)
- Construction cost drivers
- Review of the transfer system alternatives with preliminary cost information

Other upcoming milestones include:

September 27: Final Transfer Plan Review Workshop

October 9: King County to deliver draft Transfer Plan review to stakeholders. Start comment period.

TBD: End of Stakeholder Comment Period

November 27: Final Transfer Plan review to be delivered to King County Council

Council Action Needed

After review and discussion by the Council, staff recommends that the resolution be brought back to the Council for approval at the September 17 Council meeting. Kirkland's resolution would then be provided as input at the September 27 Workshop as well as subsequent King County Council deliberations.

	Base (Current Plan)	Alternative A (no Northeast)	Alternative B (no Factoria)	Alternative C (no South County and no Factoria)	Alternative D (no South County and no Northeast)
Open Facilities	Shoreline Bow Lake Factoria Northeast South County	Shoreline Bow Lake Factoria South County	Shoreline Bow Lake Northeast South County	Shoreline Bow Lake Northeast	Shoreline Bow Lake Factoria
Closed (or never opened) Facilities	Algona Renton Houghton	Algona Renton Houghton* Northeast	Algona Renton Houghton Factoria	Algona Renton Houghton Factoria South County	Algona Renton Houghton Northeast South County

* Under Alternative A, Houghton would be analyzed as being closed completely, as well as being closed except to self-haul recycle and/or solid waste customers. Houghton would be closed to commercial traffic in all cases.

RESOLUTION R-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A POSITION STATEMENT ON THE CLOSURE OF THE HOUGHTON TRANSFER STATION, THE CONSIDERATION OF LIMITING SELF HAULING AT TRANSFER STATIONS AND THE ESTABLISHMENT OF DIFFERENT CUSTOMER CLASSES TO AVOID DISPROPORTIONATE FINANCIAL IMPACTS ON THOSE WHO SIGNED THE AMENDED AND RESTATED INTERLOCAL AGREEMENT THROUGH 2040.

WHEREAS, King County Solid Waste Division (KCSWD) has owned and operated the Houghton Transfer Station in the City of Kirkland for many years; and

WHEREAS, it has been the goal of the City to close this facility for many years; and

WHEREAS, with the assistance of the Metropolitan Solid Waste Advisory Committee (MSWAC), KCWSD has been formulating a Solid Waste Transfer and Waste Export Plan for getting to that point as well as considering alternative plans for handling solid waste in King County; and

WHEREAS, concurrently with this effort, the County was negotiating with a number of cities the Amended and Restated Interlocal Agreement (Amended ILA) that would extend the time during which the Cities using KCSWD facilities would continue to do so; and

WHEREAS, failure of some of the cities to agree to the Amended ILA will have disproportionate financial impacts on the cities that did sign; and

WHEREAS, the Council wishes to present a Position Statement to KCSWD as to its preferences in these matters,

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

Section 1. The City Council adopts the attached Position Statement, which is incorporated by reference, recommending 1) the Houghton Transfer Station be closed; 2) that King County Solid Waste Division's Transfer Plan review should consider alternatives for limiting self-haul at existing and new transfer stations; and 3) different customer classes should be established by King County to ensure system users do not pay a disproportionate share of the cost of improvements to system assets as a result of other Cities decisions not to sign an Amended and Restated Interlocal Agreement through 2040.

Section 2. The City Council authorizes the City Manager or designee to present the attached Position Statement to KCSWD at its

DRAFT

Final Transfer Plan Review Workshop on September 27, 2013, as well as for subsequent King County Council deliberations.

Passed by majority vote of the Kirkland City Council in open meeting this ___ day of _____, 2013.

Signed in authentication thereof this ____ day of _____, 2013.

MAYOR

Attest:

City Clerk

CITY OF KIRKLAND

KING COUNTY SOLID WASTE TRANSFER AND WASTE EXPORT PLAN POSITION STATEMENT

Regarding Houghton Transfer Station, Self-Hauling and Financial Impacts

September 3, 2013

1. Houghton Transfer Station Position Statement: Upon completed construction and opening of the new Factoria Transfer Station or new Northeast King County Transfer Station, the Houghton Transfer Station should be closed permanently to self-haul and commercial traffic.
2. Self-Haul Position Statement: The KCSWD's Transfer Plan review should consider alternatives for limiting self-haul at existing transfer stations and in the design of new transfer stations.
3. Rate Differential Position Statement: Different customer classes should be established by King County to ensure system users do not pay a disproportionate share of the cost of improvements to system assets as a result of a decision not to sign an Amended and Restated Interlocal Agreement through 2040. The rate differential should be established to account for the full pay-off costs incurred for development of KCSWD system assets prior to the end of the mid-2028 Solid Waste Interlocal Agreement (SWIA) term. These rate differentials should reflect actual costs necessary for paying off construction bonds issued on behalf of the KCSWD, with costs apportioned to the solid waste tonnage originating in those cities that elected to end their SWIA in mid-2028. The KCSWD should put verification measures in place that ensure any rate differential applies only to solid waste originating in cities that elected to end their ILA's in mid-2028, regardless if solid waste is self-hauled or delivered by a commercial carrier. The costs of any verification measures should be included in the overall rate differential applied to those cities that elect to end their SWIA in mid-2028 [policy draft as written by the cities of Kirkland and Federal Way and submitted to the MSWAC Financial Policies Subcommittee for further consideration].



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathi Anderson, City Clerk
Tracey Dunlap, Director, Finance and Administration

Date: August 27, 2013

Subject: Cultural Arts Commission Appointment

RECOMMENDATION:

If Council approves Resolution R-4995 at their September 3, 2013 regular meeting, which creates a new seat on the Cultural Arts Commission at Position No. 13, it is recommended that Council then appoint Dawn Laurant to that seat on the Commission.

BACKGROUND DISCUSSION:

At its August 6, 2013 special meeting, the Council conducted interviews for one existing vacant seat on the Cultural Arts Commission. In conducting the interviews, the Council found that it had more highly capable and qualified applicants willing to serve than the opportunity afforded by the one available seat. The Council expressed interest in adding a position to the Commission providing for one additional member to serve on the Cultural Arts Commission.

If appointed, Ms. Laurant's term will begin immediately and will be for a four year term ending March 31, 2017.